

ANNUAL REPORT

2021

ASX:LML





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CORPORATE DIRECTORY

Directors

Mr Johnson Zhang, Non-executive Director
Ms Ruiyu Zhang, Managing Director
Ms Tingting Gao, Non-executive Director

Company Secretary

Andrew Metcalfe

Senior Management

Dwayne Povey, Chief Geologist

Registered and Principal Office

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Forest Hill, Victoria 3131
Phone 03 9191 4007

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Share Registry

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Level 5, 115 Grenfell Street
Adelaide, SA 5000
Phone 1300 365 998

Auditor

Grant Thornton Audit Pty Ltd
Level 3, 170 Frome Road
Adelaide, SA 5000

Stock Exchanges

Quoted on the Australian Securities Exchange
ASX code: LML

ABN 50 050 117 023

1 DIRECTORS

The Board of Lincoln Minerals has considerable experience in Australian and Chinese investment and financial markets and an unwavering, long-term focus on owning, developing and profitably extracting the multi-commodity mineral wealth of South Australia's richly endowed Eyre Peninsula. Graphite, iron ore and base metals are the main strategic investment targets.

Mr Johnson Zhang, Non-Executive Chairman, holds a Bachelor of Business and has strong business experience in Australia in investments and property. Mr Zhang is a strategic and commercially focused professional with a proven track record for driving improvement and business growth.

Ms Ruiyu Zhang, Managing Director and Chief Financial Officer, is a qualified accountant and has an extensive business network in Australia as well as in mainland China. Ms Zhang has also taken on the role of Chief Financial Officer of Lincoln Minerals from Director Kee Saw.

Ms Tingting Gao, Non-Executive Director, graduated from Monash University with a Master of Accounting and qualified as a certified practice accountant. She has over 8 years of commercial real estate experience involved in the sales and marketing of commercial real estate and is active in the real estate market sharing her knowledge and experience to assist and educate clients.

1.1 Management Team

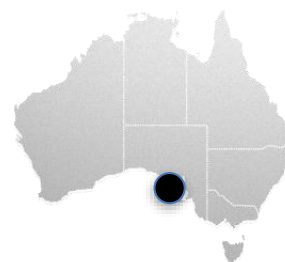
The senior management team of Lincoln Minerals comprises Mr Andrew Metcalfe, Company Secretary and Mr Dwayne Povey, Chief Geologist. Mr Jaroslaw (Jarek) Kopias, the former company secretary of Lincoln Minerals, resigned in June 2021.

Mr Andrew Metcalfe joined as Company Secretary in June 2021. He is a Certified Practicing Accountant and Chartered Secretary with more than 25 years' experience in a wide range of financial and secretarial roles in the mining and resources industry.

Mr Dwayne Povey is a geologist with more than 20 years' experience in the mining and mineral exploration industry including 7 years as mine geologist at Ernest Henry Copper-Gold Mine and 13 years with Lincoln Minerals. Based in Port Lincoln, he has been responsible for delineating the Kookaburra Gully and Koppio graphite Mineral Resources and previously delineated the Gum Flat iron ore deposits and leads all on ground activity for Lincoln.

2 PRINCIPAL ACTIVITIES

Lincoln Minerals Limited entered its fourteenth year of operating on the highly prospective Eyre Peninsula (South Australia) and holds key mineral exploration licences. Within these licences, Lincoln has defined Mineral Resources including graphite, magnetite and hematite resources, copper and gold prospects in a region with a long history of graphite, iron ore, copper and gold mining.



Lincoln Minerals aimed to position itself to develop a sustainable and profitable business structure to enable the development of its flagship graphite project Kookaburra Gully, however corporate restructuring and impacts of Covid-19 have severely impacted Lincoln's transformation and development plans.

The Lincoln Minerals Board and management team remain focused on sustainable mining development and developing opportunities and progressing divestment of non-core assets.

Kookaburra Gully Graphite Project

Kookaburra Gully Graphite Project remains on hold while the Company aligns corporate strategy with market conditions and divestment opportunities.

- Over the course of 2020/21, Lincoln continued its stakeholder engagement and environmental monitoring programs at Kookaburra Gully, with the project remaining at the forefront of Lincoln's aspirations.

The project metrics remain unchanged for Kookaburra Gully:

- The Feasibility Study showed the potential for a 10-year mine life with a pre-tax NPV of A\$81m and an Internal Rate of Return (IRR) of 33%.
- A Probable Ore Reserve of 1.34Mt at 14.6% Total Graphitic Carbon (TGC) at a cut-off grade of 8.5% TGC was defined for Kookaburra Gully. The Ore Reserve is inclusive of total Measured, Indicated and Inferred Mineral Resources of 2.03Mt at 15.2% TGC at a cut-off grade of 5% TGC (announced 27 November 2017).
- Based on mining rate of 250,000 tonnes per annum (tpa) graphite to produce up to 35,000 tonnes graphite concentrate per annum
- Capital expenditure A\$40-50 million including EPCM and 10% contingency
- Life-of-mine operating expenditure for mining and processing = A\$704 per tonne flake graphite concentrate based on 90% recovery
- Extend mine life with satellite deposits at **Historic Koppio Graphite Mine/Kookaburra Gully Extended**
- Koppio mineralisation grades up to 42.8% TGC with a 1.9Mt at 9.8% TGC (at 5% TGC cut-off) Inferred Mineral Resource (JORC 2012). Mineral Resource estimation for Kookaburra Gully Extended has not been undertaken.
- **Combined total Measured, Indicated and Inferred Mineral Resources** for Kookaburra Gully and adjoining Koppio graphite deposits total 3.9Mt at 12.6% TGC with **489,930t of contained graphite** (within the high-grade core based on a nominal cut-off grade of 5% TGC).

Eurilla Multi-Commodity Project – Northern Eyre Peninsula

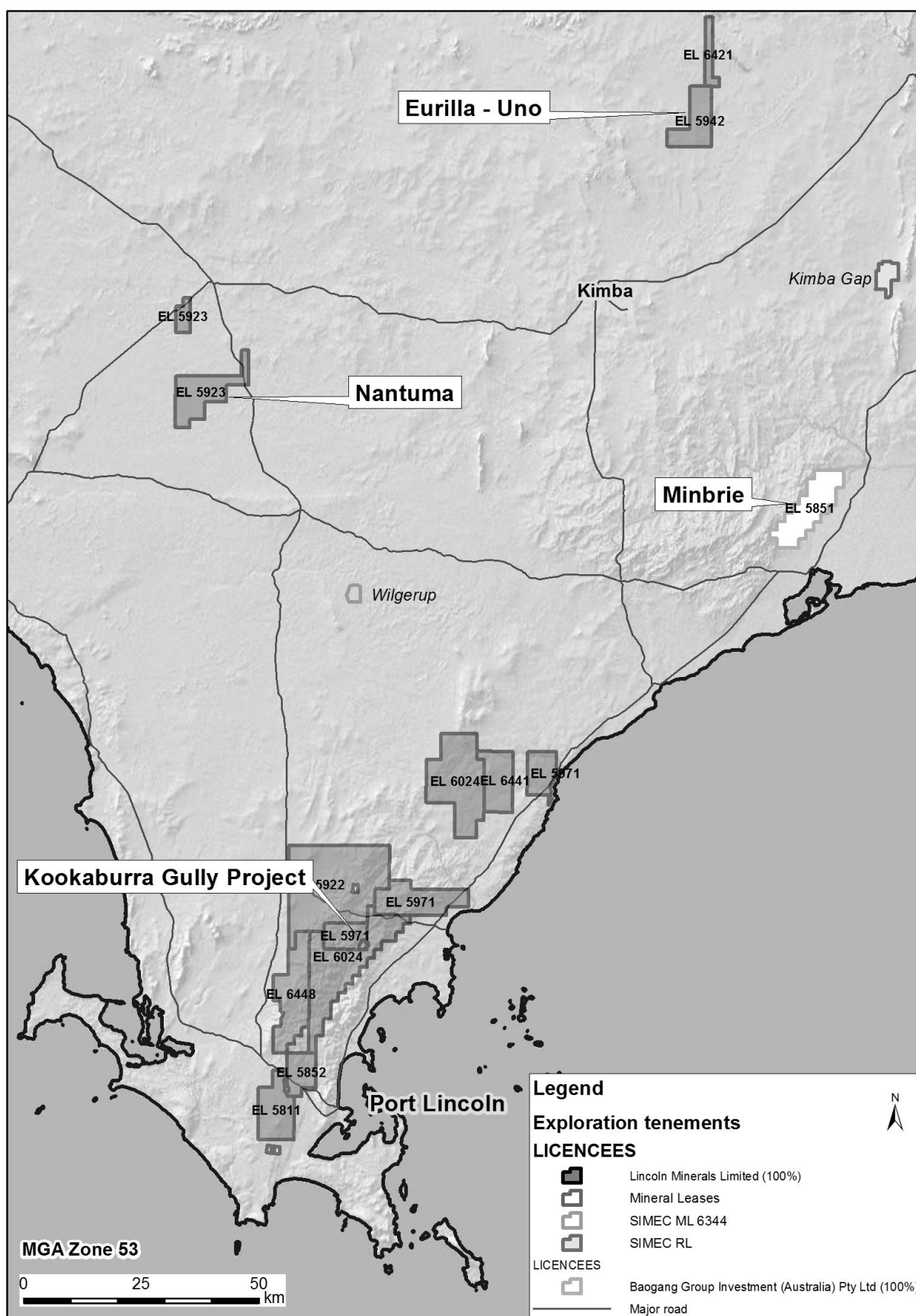
- Re-mapping and reinterpretation of State wide and company near surface sampling to identify gold anomalies was not progressed during the year; with other companies showing interest in Lincoln's holding.

Minbrie Copper Project – Central Eyre Peninsula

- Negotiations are continuing regarding the potential sale of Lincoln's mineral rights

Gum Flat Iron Ore Project – Southern Eyre Peninsula

- 109Mt Indicated and Inferred Mineral Resources at 24.8% Fe



3 REVIEW OF OPERATIONS

3.1 Strategy and Objectives

Lincoln Minerals' mission is to provide **capital growth** through exploration, discovery, development and sustainable mining of economic mineral deposits, in particular **graphite, gold, iron ore and copper**.

The Company's strategy is to focus on **metallogenic provinces close to established infrastructure within a stable political environment – two factors strongly evident across the Company's extensive Eyre Peninsula tenement holdings**.

Lincoln Minerals is exploring graphite, gold, copper, zinc-lead-silver, iron and manganese targets on the Eyre Peninsula.

The Eyre Peninsula is part of the highly endowed Gawler Craton mineral province that hosts iron ore mines of the Middleback Ranges but also the Olympic Dam, Prominent Hill, Carapateena mines and other notable copper deposits such as Oak Dam and Hillside.

Eyre Peninsula is Australia's foremost graphite province and home to one of the largest resources of this strategically important mineral in Australia. Graphite is a key component of lithium-ion batteries that power electric vehicles and renewable energy storage systems.

A key focus of all of Lincoln Minerals' and Australian Graphite's operations is sustainable environmental and workplace health and safety management. Lincoln Minerals continually seeks to improve business sustainability by valuing environmental, traditional owners, community, economic and ethical considerations across all of its operations and the Company is committed to achieving the highest performance in workplace health, safety and the environment.

In South Australia, the Company is focusing on areas close to existing export infrastructure that includes established highways suitable for transport, existing power and water services and established or proposed export facilities.

3.2 Coordination Agreements

Under an agreement signed in April 2017, Baogang Group Investments (Australia) Pty Ltd assumed Centrex Metals Limited (CXM) obligations in relation to the Bungalow-Minbrie exploration tenement EL 5851. The April 2017 agreement records Lincoln's consent to the transfer of CXM's interest in that tenement to Baogang and provides for Baogang to be the registered holder of EL 5851 following that transfer.

Lincoln Minerals has been taking inquiries from companies interested in acquiring Lincoln's mineral rights with negotiations continuing. The Minbrie copper discovery in early 2012 was the result of drilling by Centrex on EL 4884 (now EL 5851).

3.3 Australian Graphite Pty Limited

In mid-2013, Australian Graphite Pty Limited (AGL) was formed as a **wholly-owned subsidiary company of Lincoln Minerals Limited** to hold key graphite assets of the Company. AGL owns Mineral Lease 6460 (ML) and the graphite and graphite-associated mineral rights over a number of Lincoln Minerals' ELs (see the Tenement schedule below).

3.4 Project Portfolio

The Company holds rights to South Australian exploration lease holdings totalling 1,684km².

Lincoln Minerals and its fully-owned subsidiary, Australian Graphite Pty Limited, have exclusive rights to all minerals including iron ore on exploration licences totalling 1,532km². This includes Mineral Lease ML 6460 at Kookaburra Gully.

Lincoln Minerals are joint operators with Baogang Group Investments (Australia) Pty Ltd, on leases totalling 117km² with exclusive rights to all minerals excluding iron ore. Centrex and one of its subsidiaries sold its iron ore rights to Mineral Lease ML 6344 and Retention Lease RL 129 to SIMEC Mining, while Lincoln retains its mineral rights excluding iron on these tenements.

Lincoln Minerals Limited tenements as at 30 June 2021

Tenement	Expiry	Area (km²)	Locality	Licensee	Graphite Rights	Iron Ore Rights	Other Mineral Rights
LINCOLN MINERALS HAS OWNERSHIP OF ALL MINERAL RIGHTS							
EL 5942	28-Jan-22	78	Eurilla (Lake Gilles)	LML	LML 100%	LML 100%	LML 100%
EL 5922	12-Feb-22	347	Wanilla	LML	AGL 100%	LML 100%	LML 100%
EL 6421	28-Sep-21	26	Uno	LML	LML 100%	LML 100%	LML 100%
EL 6441	3-Nov-21	82	Dutton River	LML	AGL 100%	LML 100%	LML 100%
EL 5811	6-Jan-21	92	Gum Flat	LML	AGL 100%	LML 100%	LML 100%
EL 5923	20-Dec-21	98	Nantuma	LML	LML 100%	LML 100%	LML 100%
EL 5852	13-Aug-21	50	Greenpatch	LML	AGL 100%	LML 100%	LML 100%
EL 5971	11-Apr-22	215	Tumby Bay (Carrow)	LML	AGL 100%	LML 100%	LML 100%
EL 6024	05-Aug-22	403	Mount Hill (Tod River)	LML	AGL 100%	LML 100%	LML 100%
EL 6448	15-Nov-21	138	Wanilla (Bald Hill)	LML	AGL 100%	LML 100%	LML 100%
ML 6460	2-June-37	300.8 ha	Kookaburra Gully	AGL	AGL 100%	LML 100%	LML 100%
Subtotal		1,532					
LINCOLN HAS OWNERSHIP OF ALL MINERAL RIGHTS EXCLUDING IRON ORE*							
EL 5851	13-Aug-20	117	Minbrie	Baogang	LML 100%	0%	LML 100%
ML 6344**	11-Aug-29	916 ha	Wilgerup	OSM	LML 100%	0%	LML 100%
RL 129***	07-Nov-21	1970 ha	Kimba Gap	OSM	LML 100%	0%	LML 100%
Subtotal		152					
Grand total		1,684					

* On Baogang tenement EL5851, Lincoln has 100% of the rights to all minerals except iron

**On One Steel Manufacturing Pty Limited OSM ML 6344, Lincoln retains rights to all minerals except iron

*** On RL 129 (OSM = Kimba Gap Iron Project Pty Ltd), Lincoln's rights only extend to that part overlying former EL 5170

Baogang = Baogang Group Investments (Australia) Pty Ltd

OSM = One Steel Manufacturing Pty Limited

3.5 ASX Suspension

The Company's shares were suspended from trading on ASX on 21 September 2020 as ASX determined that the Company's operations were not adequate to warrant the continued quotation of its securities. Since that date, the Company continues to undertake a strategic review of its business operations to develop its business plans and reduce corporate costs with the intention to seek re quotation of the Company's securities in 2022.

4 EXPLORATION AND DEVELOPMENT

4.1 Kookaburra Gully Graphite Project

(Australian Graphite has exclusive rights to graphite and graphite-associated minerals)

Australian Graphite (AGL) owns the Kookaburra Gully Graphite Project, located approximately 35km north of Port Lincoln and 20km west of Tumbly Bay on Eyre Peninsula in South Australia.

A Mineral Lease ML 6460 was granted for a period of 21 years commencing on 3 June 2016. During 2021, AGL continued its environmental monitoring and stakeholder engagement programs on Kookaburra Gully with the Board of Lincoln working towards a strategy to fund the project and complete the Program for Environment Protection and Rehabilitation (PEPR). The PEPR is the second stage of government approvals required before mining can commence.

Graphite Mineral Resource estimates and Ore Reserve Estimate are reported in accordance with the JORC Code (2012 Edition). The Mineral Resource estimate uses a 5% TGC cut-off that has been determined by OreWin Pty Ltd (OreWin) as shown in the Table 1 as released by the Company on 17 May 2017. Based on Mineral Resources and Feasibility Study results for Kookaburra Gully, AMC Consultants and Lincoln estimated a Probable Ore Reserve displayed in Table 2 and as released by the Company 27 November 2017. There have been no material changes to the modifying factors during 2021.

Table 1 Mineral Resources at 5% TGC cut-off grade

Classification	Tonnes (Mt)	TGC (%)	Contained Graphite (t)
Kookaburra Gully			
Measured	0.39	14.9	58,110
Indicated	1.08	14.9	160,920
Inferred	0.56	16.0	89,600
Koppio			
Inferred	1.85	9.76	180,730
Total Resources	3.88	12.6	489,930

Mt = million tonnes TGC = Total Graphitic Carbon t = tonnes

Information in this report that relates to exploration activity and results, Mineral Resources and Exploration Targets was compiled by Dwayne Povey who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Povey is Chief Geologist for Lincoln Minerals Limited and has sufficient experience relevant to the styles of mineralisation and to the activities which are being reported to qualify as a Competent Person as defined by the JORC Code, 2012. Mr Povey consents to the release of the information compiled in this report in the form and context in which it appears.

Table 2 Ore Reserve estimate at 8.5% TGC cut-off grade

Classification	Tonnes (Mt)	TGC (%)	Contained Graphite (t)
Kookaburra Gully			
Probable	1.34	14.6	196,000

Mt = million tonnes TGC = Total Graphitic Carbon t = tonnes

Information in this report that relates to Ore Reserves was compiled by Dwayne Povey based on mine optimisation and schedules prepared by Mr Wilson Feltus who was a full-time employee of AMC Consultants Pty Ltd and are members of the Australasian Institute of Mining and Metallurgy. Mr Povey and Mr Feltus have sufficient experience relevant to the styles of mineralisation and to the activities which are being reported to qualify as Competent Persons as defined by the JORC Code, 2012 and consent to the release of the information compiled in this report in the form and context in which it appears.

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.

4.1.1 Program for Environment Protection and Rehabilitation (PEPR)

With a Mineral Lease (ML) granted for the Kookaburra Gully Graphite Project, the second approval pathway is to complete a Program for Environment Protection and Rehabilitation (PEPR). Lincoln submitted a draft PEPR to SA's Department of Energy and Mining (DEM) and they provided feedback and requested additional information in December 2017. Lincoln's PEPR resubmission is on hold so that the company can position itself to secure the project's required capital. The cost of completing the approvals work has been defined together with land purchases required for project execution to commence. Current economic conditions are challenging in securing funding which will result in a delay to an approved PEPR.

4.2 Eurilla Project

Over the course of 2021 Lincoln continued to assess its' compiled dataset of some 230,000 records on near surface samples to target gold and base metal anomalism. With pronounced exploration and developments in the gold sector Lincoln is maintaining a constant review of industry developments and opportunities. There is considerable potential for gold and/or base metal mineralisation associated with hydrothermal iron oxide and/or sericite alteration to occur on Lincoln's tenements.

5 DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The Directors present their report together with the consolidated financial report of Lincoln Minerals Limited (the Company) and its subsidiary companies (the Group) for the financial year ended 30 June 2021 together with the Auditor's report thereon.

5.1 DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are:

Name and qualifications

Experience and other directorships

Johnson Zhang

Non-Executive Chairman
Appointed 30 May 2018

Mr Johnson Zhang holds a Bachelor of Business and has strong business experience in Australia in investments and property. Mr Zhang is a strategic and commercially focused professional with a proven track record for driving improvement and business growth.

Ruiyu Zhang

Managing Director
Resigned 20 November 2020
Re-appointed 30 July 2021

Ms Zhang is a qualified accountant and has an extensive business network in Australia as well as in mainland China. Ms Zhang is also Chief Financial Officer of Lincoln.

Tingting Gao

Non-Executive Director
Appointed 22 December 2021

Ms Gao graduated from Monash University with a Master of Accounting and qualified as a certified practice accountant. She has over 8 years of commercial real estate experience involved in the sales and marketing of commercial real estate and is active in the real estate market sharing her knowledge and experience to assist and educate clients.

Tony Raunic

Non-Executive Director,
Independent
Appointed 12 January 2021
Resigned 22 December 2021

Mr Raunic is Managing Principal of Hunt & Hunt Lawyers and is one of Victoria's leading local government and public law legal advisors. Tony brings the benefit of his own experience as an elected councillor having served two terms on the Shire of Nillumbik. During this period, Tony served terms as Mayor, Deputy Mayor, Victorian Local Government Association and Municipal Association of Victoria delegate, chair of the Statutory Planning and Building Committee and numerous other council committees. Tony has extensive experience representing Victorian Government departments and authorities in acquisitions, due diligence investigations, sales, leases, licences and general property work.

James Tenghui Zhang

Chairman (Non-Executive)
Appointed 17 February 2016
Resigned 30 July 2021

Mr Zhang has spent more than 20 years in real estate development and business management in China and Australia and has developed extensive experience across a wide variety of areas, including funding of real estate, infrastructure, property development and enterprise management. His experience extends across Australia, mainland China and Hong Kong.

Kee Guan Saw

Director (Non-Executive)
Appointed 22 February 2018
Resigned 20 November 2020

Mr Kee Guan Saw is a Fellow Member of the Institute of Chartered Accountants in Australia and is the current President of the Chinese Chamber of Commerce Victoria Inc. He has an extensive business network in Australia as well as in mainland China, Malaysia and Singapore.

Grace Tsui

Director (Non-Executive)
Appointed September 2020
Resigned 12 January 2021

Ms Tsui holds a Master's degree in Business Studies and a Diploma in Financial Planning. Grace was formerly the Chief Executive Officer of Noah Holdings Australia for three years, a wholly-owned subsidiary of Noah Holdings Ltd a leading independent wealth management company to be listed on the New York Stock Exchange (NYSE: NOAH)

Zhuojia Liu

Director (Non-Executive)
Appointed 29 November 2019

Ms Liu holds a Master's degree in Business Studies from Monash University and is a highly experienced Banking & Finance professional

Resigned 7 July 2020

with a wealth of industry knowledge risk management and strategic leadership skills whilst working in the financial services industry.

No directors have held directorships of other listed entities within the last three years.

5.2 DIRECTORS' MEETINGS

The number of Directors' meetings held and numbers of meetings attended by each of the Directors of the Company during the financial year were:

	<i>Number of meetings held while in office</i>	<i>Number of meetings attended</i>
JT Zhang	2	2
J Zhang	2	2
R Zhang	1	1
KG Saw	1	1
T Raunic	1	1
Z Liu	0	0
G Tsui	1	1

There are no committees of the Board.

5.3 COMPANY SECRETARY

Mr Andrew Metcalfe was appointed Company Secretary in June 2021. Andrew is an experienced independent company secretary and business consultant. He was appointed on 15 June 2021 and is well qualified for the position having been a company secretary and governance advisor to ASX listed companies for over 20 years.

Mr Jarek Kopias resigned as Company Secretary in June 2021.

5.4 OPERATING AND FINANCIAL REVIEW

Financial

The Group made a loss after tax of \$744,638 (2020: \$861,875). In 2021 the Group capitalised \$37,170 (2020: \$15,367) of exploration and evaluation expenditure and expensed \$194,565 (2020: \$239,038) of such expenditure that was unable to be carried forward. Interest income was \$982 (2020: \$13,984).

Cash reserves held at the end of June 2021 was \$44,766 (2020: \$874,536).

Operations

The risks associated with the projects listed above are those common to exploration and development activities generally. Exploration Targets are conceptual in nature such that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

The main environmental and sustainability risks that Lincoln currently faces are through ground disturbance when undertaking sampling or drilling activities. The Company's approach to exploration through environmental, heritage and other clearances allows these risks to be managed and minimised.

The financial impact of the projects listed below is a requirement for further expenditure where successful exploration leads to follow-up activities. All exploration activities may be funded by the Company's own cash reserves or through joint venture arrangements.

During the year the Company continued to evaluate and maintain its exploration licences in South Australia.

5.5 DIVIDENDS

No dividends were paid and the directors have not recommended the payment of a dividend (2020: Nil).

5.6 ENVIRONMENTAL REGULATION

The Group is subject to environmental regulation in respect of the exploration and mining tenements granted to it and the mining legislation of the states in which the mining tenements are held. The Directors are satisfied that no breaches of the environmental conditions of these licences have occurred as they are continually monitoring the Group's operations. No notices of any such breaches have been received from any authority.

5.7 ENVIRONMENT AND SOCIAL POLICY

Environment

The Group is aware of its corporate responsibility to minimise its impact on the environment and, as necessary, to undertake exploration programs, mining operations and rehabilitate sites in line with detailed procedures and guidelines published by the South Australian Government.

The Group has a policy to monitor performance and improve operational procedures to comply with best environmental practice and minimise the impacts of exploration activities wherever possible.

Social

The Board and Management are committed to a working environment that provides equality to all and respects the rights, cultural beliefs and relevant concerns of all landholders and communities that have a legitimate interest in land upon which we propose to undertake exploration and development.

This includes ongoing communication with relevant local residents, farmers, pastoral property owners, Aboriginal groups and local authorities.

The Group has an employment strategy that aims to help improve access to employment for local Aboriginal people and where appropriate, will investigate and assist in the development and implementation of traineeships and/or training programs that will best meet the Group's and industry's future needs.

5.8 OPTIONS

There are no options outstanding as at the date of this report (2020: Nil).

5.9 SIGNIFICANT EVENTS AFTER REPORTING DATE

The Company disposed of the remaining 20% interest in Lincoln Finance Group Pty Ltd for \$63,000 to an entity controlled by Chairman James Zhang. The \$63,000 and \$72,000 outstanding as at 30 June 2021 were recovered in full subsequent to year end.

The Company entered into a Convertible Note Agreement with Australia Poly Minerals Investments Pty Ltd (a related party of James Tenghui Zhang, a shareholder of the Company) to receive \$1.6 million into the Company. As this funding is from a related party, it is subject to shareholder approval at the next shareholder meeting. As at the date of this report, \$260,000 had been drawn down to fund the Group's operations.

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group.

5.10 LIKELY DEVELOPMENTS AND EXPECTED RESULTS

In 2021/22, the Group will be principally engaged in assessing the development of a graphite mine and processing plant at Kookaburra Gully.

5.11 CORPORATE GOVERNANCE

The Board has adopted the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations – 4th Edition" (ASX Recommendations). The Board continually monitors and reviews its existing and required policies, charters and procedures with a view to ensuring its compliance with the ASX Recommendations to the extent deemed appropriate for the size of the Company and its development status.

A summary of the Company's ongoing corporate governance practices is set out annually in the Company's 2021 Corporate Governance Statement and can be found on the Company's website at:

<http://www.lincolnminerals.com.au/corpgovernance.php>.

5.12 REMUNERATION REPORT - AUDITED

Key management personnel (KMP) have authority and responsibility for planning, directing and controlling the activities of the Group. This report outlines the remuneration arrangements in place for KMP of Lincoln Minerals Limited during the reporting period.

Key Management Personnel comprise:

Directors

R Zhang	Director (executive) – resigned 20 November 2020 and re-appointed 30 July 2021
J Zhang	Director (non-executive)
T Raunic	Director (non-executive) – appointed 12 January 2021 and resigned 22 December 2021
JT Zhang	Director (non-executive) – resigned 30 July 2021
G Tsui	Managing Director – appointed 3 September 2020; resigned 13 January 2021
KG Saw	Director (non-executive) – resigned 20 November 2020
Z Liu	Director (non-executive) – resigned 7 July 2020

Executives

JK Kopias	Company Secretary - resigned 15 June 2021
A Metcalfe	Company Secretary - appointed 15 June 2021
DA Povey	Chief Geologist

Remuneration philosophy

The performance of the Group depends on the quality of its Directors and executives, who are KMP of the Company. Compensation levels for KMP are competitively set to attract and retain appropriately qualified and experienced Directors and KMP.

To this end, the Group embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value; and
- Establish appropriate, demanding performance hurdles in relation to variable executive remuneration.

Corporate Performance

The performance of the Company / Group for the past 5 years is:

<u>Year</u>	<u>Net (loss) for the year</u>	<u>(Loss) per share – cents (adjusted for rights issues)</u>	<u>Shareholders' Equity</u>	<u>Number of issued shares – end of year</u>	<u>Share price – end of the year – cents</u>
2017	(1,387,400)	(0.33)	7,382,065	460,483,686	3.6
2018	(1,241,309)	(0.23)	9,776,941	574,983,686	2.3
2019	(894,053)	(0.16)	8,882,888	574,983,686	0.5
2020	(861,875)	(0.15)	8,021,013	574,983,686	0.4
2021	(744,638)	(0.13)	7,276,375	574,983,686	0.8*

*Trading of the shares on ASX was suspended on 14 September 2020 and this is the share price on this date.

No dividends have been paid, nor have there been any capital reductions or share cancellations over the above periods.

Remuneration committee

Due to the relatively small size of the Group, the Board has decided not to form a separate Remuneration Committee, and instead the Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and KMP.

The Board of Directors assesses the appropriateness of the nature and amount of remuneration of Directors and KMP on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of an experienced and skilled Board and KMP. In the future, share options may form part of a remuneration package and the number and terms of such options will be determined in accordance with the above objectives. No remuneration consultants were used during the reporting period.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive Director and senior management remuneration is separate and distinct.

Non-executive Director remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain Directors of the highest calibre and with the experience and qualification appropriate to the development of the Company, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-executive Directors shall be determined from time to time by shareholders at a General Meeting. An amount not exceeding the determined aggregate is then divided between the Directors as agreed. The latest determination occurred at a General Meeting held in November 2016 when shareholders approved an aggregate remuneration of \$450,000 per year.

The Board considers fees paid to Non-executive Directors of comparable companies when undertaking the annual review process. All Non-executive Directors received directors' fees in cash.

Non-executive Directors' fees are not linked to the performance of the Group. However, Directors may be issued options and performance rights from time to time to provide the necessary incentive to grow long-term shareholder value. Issues of securities to Directors requires approval by shareholders in general meeting.

Executive Director and Key Management Personnel remuneration

Objective

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- Reward executives for Group and individual performance;
- Align the interests of executives with those of shareholders;
- Link reward with the strategic goals and performance of the group; and
- Ensure total remuneration is competitive by market standards.

Structure

It is Board policy that employment contracts are entered into with the Managing Director and other KMP.

Remuneration consists of the following key elements:

- Fixed Remuneration
- Variable Remuneration

The Company currently has no formal performance related remuneration policy which governs the payment of annual cash bonuses upon meeting predetermined performance targets. However, the Board may consider performance related remuneration in the form of cash or share options or performance rights when they consider these to be warranted. Following a review of the Group's performance, the Board decided not to reward any variable remuneration in the reporting period.

The proportion of fixed remuneration and variable remuneration (potential short term and long-term incentives) is established by the Board of Directors. There was no variable remuneration issued during the reporting period.

Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed in accordance with contract terms by the Board of Directors and the process consists of a review of companywide and individual performance, relevant comparative remuneration in the market and internal and, where appropriate, external advice on policies and practices.

Employment contracts

Employees are employed under terms which include annual reviews as to their personal performances and assessment as to general employment market conditions.

The Chief Geologist has been engaged with an annual remuneration of \$150,000 based upon full-time employment but changed to part time from February 2021. His employment may be terminated by the giving of 3 months' notice.

The Company Secretary has been engaged under a consultancy agreement with a variable rate and may be terminated by the giving of 1 months' notice.

No termination payments were made during the period to KMP other than statutory entitlements upon leaving the Company.

Compensation of Directors and Key Management Personnel (KMP)

Year ended 30 June 2021	<u>Short term</u>		<u>Post-employment</u>		<u>Total</u>
	<u>Salary and fees</u>	<u>Contract payments</u>	<u>Super-annuation</u>	<u>Long service leave</u>	
	\$	\$	\$	\$	\$
<u>Directors</u>					
JT Zhang	-	30,000	-	-	30,000
J Zhang	-	40,000	-	-	40,000
R Zhang ³	-	23,335	-	-	23,335
KG Saw ³	-	23,335	-	-	23,335
Z Liu ¹	-	937	-	-	937
G Tsui ²	96,039	-	8,741	-	104,780
T Raunic ⁴	-	22,608	-	-	22,608
<u>Executives</u>					
JK Kopias ⁵	-	42,637	-	-	42,637
A Metcalfe ⁵	-	1,066	-	-	1,066
DA Povey	118,750	-	11,281	3,028	133,059
Total directors and KMP - 2021	214,789	185,157	20,022	3,028	422,996

¹ Resigned as director on 7 July 2020

² Resigned as director on 13 January 2021

³ Resigned as director on 20 November 2020

⁴ Appointed as director on 12 January 2021

⁵ J Kopias resigned as Company Secretary / A Metcalfe appointed as Company Secretary on 15 June 2021

Year ended 30 June 2020	Short term		Post-employment		Total
	Salary and fees	Contract payments	Super- annuation	Long service leave	
	\$	\$	\$	\$	\$
<u>Directors</u>					
JT Zhang	-	60,000	-	-	60,000
J Zhang	-	80,000	-	-	80,000
R Zhang	-	15,000	-	-	15,000
KG Saw	-	60,000	-	-	60,000
Z Liu	-	35,589	-	-	35,589
S Matarazzo ¹	52,128	15,064	4,952	-	72,144
ELY Pang ²	-	23,967	-	-	23,967
H Zhu ³	-	20,544	-	-	20,544
<u>Executives</u>					
JK Kopias	-	35,775	-	-	35,775
DA Povey	150,000	-	14,250	4,233	168,483
Total directors and KMP - 2020	202,128	345,939	19,202	4,233	571,502

¹ Resigned as director on 18 March 2020

² Resigned as director on 22 November 2019

³ Resigned as director on 1 November 2019

No bonuses were earned by or paid to any KMP in either 2021 or 2020.
No shares were issued in either 2021 or 2020 as compensation.

Option holdings of Key Management Personnel

There were no options held by KMP during the year.

Shareholdings of Key Management Personnel - 2021

The movement during the reporting period in the number of ordinary shares in Lincoln Minerals Limited held directly, indirectly or beneficially by each KMP:

	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
<u>Directors</u> ¹			
JT Zhang	114,500,000	-	114,500,000
<u>Executives</u> – Nil			

¹ No other KMPs hold shares in the Company.

Related Party Transactions

A number of directors and KMP have their remuneration under contract payments. Contract payments are made to entities which the individuals control or has significant influence over the financial or operating policies of those entities. Amounts paid and payable are as disclosed above.

There were no other transactions with these entities and no balances owing to these entities at year-end other than the following:

Secretarial services from Kopias Consulting, an entity associated with JK Kopias, Amounts were billed and payable under normal commercial terms and conditions. Balances outstanding inclusive of GST as at the reporting date \$5,363 (2020: \$4,373).

Secretarial services from Accosec Pty Ltd Consulting, an entity associated with A Metcalfe. Amounts were billed and payable under normal commercial terms and conditions. Balance outstanding as accrued as at the reporting date relating to these transactions were \$1,066 (2020: \$nil).

The Group also received accounting and taxation services from KST Partners Pty Ltd, an entity associated with K Saw. Amounts paid and payable for these services during the year when K Saw was a director were \$14,500 (2020: \$46,630). Amounts are billed and payable under normal commercial terms and conditions. Balances outstanding as at the reporting date relating to these transactions were \$nil (2020: \$nil).

There were no bonuses or rights to bonuses earned or paid in either 2021 or 2020. There were no other material transactions with the related parties other than the foregoing.

On 31 May 2021, the Group disposed of 80% equity interest in its subsidiary Lincoln Finance Group Pty Ltd ("LFG") to an entity controlled by the now former Chairman James Zhang. The consideration for the disposal was at arm's length.

The consideration for the 80% shares was \$252,000. As at 30 June 2021, the Company held 20% of the shares in LFG. As at 30 June 2021, \$72,000 of the purchase price was recognised as a receivable, these funds were recovered subsequent to year end. The purchaser was granted an option to purchase the remaining 20% for \$63,000. The option was exercised subsequent to year end and the total consideration was received fully in cash subsequent to year end.

END OF REMUNERATION REPORT – AUDITED

5.13 AUDITOR'S INDEPENDENCE DECLARATION

We have obtained the independence declaration from our auditor Grant Thornton, a copy of which is attached to and forms part of this report.

During the year Grant Thornton, the Company's auditor, has not performed other services in addition to the audit and review of financial statements.

No other auditors were engaged by the Group.

5.14 PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001 (Cth)* for leave to bring proceedings on behalf of the Company, or intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

5.15 INDEMNIFICATION AND INSURANCE OF OFFICERS

During the financial year the Company entered into agreements to indemnify all current directors of the Company as at the date of this report against all liabilities (subject to certain limited exclusions) to persons (other than the Company or a related body corporate) which arise out of the performance of their normal duties as a director or executive officer unless the liability relates to conduct involving a lack of good faith. The Company has also

agreed to indemnify the directors and executive officers against all costs and expenses incurred in defending an action that falls within the scope of the indemnity and any resulting payments.

During the financial year the Company paid insurance premiums in respect of directors' liability insurance. Disclosure of the nature of the liability and the extent of the premium is prohibited by the confidentiality clause of the contract of insurance.

The directors' and officers' liability insurance provides cover against all costs and expenses involved in defending legal actions and any resulting payments arising from a liability to persons (other than Lincoln Minerals Limited) incurred in their position as director unless the conduct involves a wilful breach of duty or an improper use of inside information or position to gain advantage.

Dated at Melbourne, Victoria, this 28st day of January 2022 and signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to be 'Ruiyu Zhang', written in a cursive style.

Ruiyu Zhang, Managing Director

Auditor's Independence Declaration

To the Directors of Lincoln Minerals Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Lincoln Minerals Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



I S Kemp
Partner – Audit & Assurance

Adelaide, 28 January 2022

7 FINANCIAL STATEMENTS 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2021

	Note	<u>2021</u> \$	<u>2020</u> \$
CONTINUING OPERATIONS:			
Other income		55,010	39,425
Exploration and evaluation expense	12	(194,565)	(239,038)
Corporate and administrative expenses	4	(433,077)	(249,838)
Employee benefits expense		(360,335)	(423,472)
Depreciation and amortisation		(313)	(2,936)
Gain on sales of assets		22,760	-
RESULTS FROM CONTINUING OPERATIONS		(910,520)	(875,859)
Finance income – interest		982	13,984
		982	13,984
LOSS BEFORE TAX FROM CONTINUING OPERATIONS		(909,538)	(861,875)
Income tax benefit	5	-	-
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE PARENT		(909,538)	(861,875)
Gain on sale of discontinued operations, (net of tax-nil)	9	164,900	-
LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT		(744,638)	(861,875)
Other Comprehensive income attributable to owners of the parent		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT		(744,638)	(861,875)
Basic and diluted loss per share (cents) from continuing operations	18	(0.16)	(0.15)
Basic and diluted loss per share (cents) from discontinued operations	18	0.03	-
Basic and diluted loss per share (cents)	18	(0.13)	(0.15)

The accompanying notes form part of these Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2021

	Issued capital	Accumulated losses	Total
	\$	\$	\$
Balance at 1 July 2020	37,239,123	(29,218,110)	8,021,013
Total comprehensive loss for the year			
Loss for the year	-	(744,638)	(744,638)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(744,638)	(744,638)
Transactions with owners of the Company, recognised directly in equity			
Issue of ordinary shares	-	-	-
Total contributions by owners of the Company	-	-	-
Balance at 30 June 2021	37,239,123	(29,962,748)	7,276,375

	Issued capital	Accumulated losses	Total
	\$	\$	\$
Balance at 1 July 2019	37,239,123	(28,356,235)	8,882,888
Total comprehensive loss for the year			
Loss for the year	-	(861,875)	(861,875)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(861,875)	(861,875)
Transactions with owners of the Company, recognised directly in equity			
Issue of ordinary shares	-	-	-
Total contributions by owners of the Company	-	-	-
Balance at 30 June 2020	37,239,123	(29,218,110)	8,021,013

The accompanying notes form part of these Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

		<u>2021</u>	<u>2020</u>
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	44,766	874,536
Trade and other receivables	8	148,905	72,338
Investment in associate company held for sale	9	63,000	-
TOTAL CURRENT ASSETS		256,671	946,874
NON-CURRENT ASSETS			
Investments	10	30,000	-
Property plant and equipment	11	479,104	493,327
Exploration and evaluation assets	12	6,767,972	6,730,802
Intangible assets		26	46
TOTAL NON-CURRENT ASSETS		7,277,102	7,224,175
TOTAL ASSETS		7,533,773	8,171,049
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	168,052	67,801
Employee entitlements		89,346	82,235
TOTAL CURRENT LIABILITIES		257,398	150,036
TOTAL LIABILITIES		257,398	150,036
NET ASSETS		7,276,375	8,021,013
EQUITY			
Contributed equity	14	37,239,123	37,239,123
Accumulated losses		(29,962,748)	(29,218,110)
TOTAL EQUITY		7,276,375	8,021,013

The accompanying notes form part of these Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2021

		<u>2021</u>	<u>2020</u>
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(691,132)	(672,498)
Other Income		55,010	39,425
Net cash (outflow) from operating activities	7	(636,122)	(633,073)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration expenditure		(221,409)	(194,665)
Increase in non-cash term deposits		(30,000)	-
Interest Received		1,497	15,027
Net cash from sale of discontinued operations		29,900	-
Proceeds on sale of assets		26,364	-
Net cash (outflow) from investing activities		(193,648)	(179,638)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net (decrease) in cash and cash equivalents		(829,770)	(812,711)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		874,536	1,687,247
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	6	44,766	874,536

The accompanying notes form part of these Financial Statements

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

1. THE REPORTING ENTITY

The consolidated financial report of Lincoln Minerals Limited (“the Company”) for the year ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as the “Group”) was authorised for issue in accordance with a resolution of the directors on 21 January 2022.

The Group is a for-profit entity primarily involved in exploration and development of graphite and iron ore.

Lincoln Minerals Limited, incorporated in Australia, is a company limited by shares which are publicly traded on ASX Limited, having been listed on 9 March 2007.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The consolidated financial report is a general-purpose report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report of the Group complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

(b) Basis of measurement

The consolidated financial report has been prepared on an historical cost basis and is presented in Australian dollars, the Company’s functional currency.

(c) Basis of preparation

The financial report has been prepared on a going concern basis.

New accounting standards and interpretations adopted

In the current year, there are no new and/or revised Standards and Interpretations adopted in these Financial Statements affecting presentation or disclosure and the reported result or financial position.

(d) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the Company’s subsidiaries are included in the consolidated financial statements from the date control commenced. The Company retains control as at the date of this report of the following companies:

Lincoln Asia-Pacific Pty Ltd, registered during 2018/19 and have not traded.

Australian Graphite Pty Ltd, registered in 2012/13 and holds the Group’s graphite related assets.

Lincoln Copper Pty Ltd, registered during 2018/19 and have not traded.

Lincoln Lead Zinc Pty Ltd, registered during 2018/19 and have not traded

Lincoln Finance Group Pty Ltd (LFG), registered in 2017/18. It holds an Australian Financial Service Licence but have not traded. During the year the Group disposed of its controlling equity in this company and no longer control this entity at year end. Please refer to note 9 for details.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(e) Significant accounting judgments, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on judgments, estimates and assumptions of future events. The key judgments, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Recoverability of exploration and evaluation costs

The carrying amount of exploration and evaluation expenditure is dependent on the future successful outcome from exploration activity and or alternatively the sale of the respective areas of interest.

(f) Investments in associates and joint arrangements

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

Investments in associates and joint ventures are accounted for using the equity method. Interests in joint operations are accounted for by recognising the Group's assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Any goodwill or fair value adjustment attributable to the Group's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

(g) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Refer to impairment policy at note 2(j).

Depreciation is calculated on a diminishing value basis over the estimated useful life of the asset as being 5 to 15 years for the current and comparable period. Land is not depreciated.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statement of profit or loss and other comprehensive income in the period the item is de-recognised. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(h) Exploration and evaluation

Exploration for and evaluation of Mineral Resources is the search for Mineral Resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the Mineral Resource. Accordingly, exploration and evaluation expenditures are those expenditures incurred by the Group in connection with the exploration for and evaluation of Mineral Resources before the technical feasibility and commercial viability of extracting a Mineral Resource are demonstrable.

Accounting for exploration and evaluation expenditures is assessed separately for each 'area of interest'. An 'area of interest' is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit.

Expenditure incurred on activities that precede exploration and evaluation of Mineral Resources, including all expenditure incurred prior to securing legal rights to explore an area, is expensed as incurred.

Reimbursements by joint venture partners of expenditure in respect of areas of interest are deducted from the Company's total outlays on the areas prior to carrying forward such expenditure as an asset.

Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exist:

- The term of the exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of Mineral Resources in the specific area are not budgeted or planned;
- Exploration for and evaluation of Mineral Resources in the specific area have not led to the discovery of commercially viable quantities of Mineral Resources and the decision was made to discontinue such activities in the specified area; or
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision to abandon is made.

(i) Intangibles

Computer software intangible assets acquired by the Group are measured at cost less accumulated amortisation and impairment losses. Amortisation is recognised in profit or loss on a reducing balance basis over the estimated 3-year useful lives of intangible assets from the date that they are available for use for the current and comparable period.

(j) Impairment – non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(k) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank, cash on hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Consolidated Statement of Cashflows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(l) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

(m) Investment in associates held for sale

Investments in associates held for sale are recognised at fair value.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(o) Employee benefits

(i) Wages, salaries, annual and long service leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave accrued are recognised in respect of employees' services up to reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

Liability for long service leave is recognised and measured as the present value of the estimated future cash outflows to be made in respect of employees' services up to the reporting date. The obligation is calculated using expected future increases in wage and salary rates, experience of employee departures and periods of service. Expected future payments are discounted using the rates attached to high quality corporate bonds at the reporting date which have maturity dates approximating the terms of the Group's obligations. The obligations are presented as current liabilities in the consolidated statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when settlement is expected to occur.

(p) Leases

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the lease liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(r) Contributed equity

Ordinary share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of share proceeds received, net of any related tax benefit.

(s) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to a business combination, or items recognised in other comprehensive income or directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: initial recognition of goodwill, the initial recognition of assets or liabilities (in a transaction that is not a business combination) that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they are not expected to reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Any additional income taxes that may arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Research and development tax concessions are presented as a reduction of tax expense.

(t) Earnings per share (EPS)

The Group presents basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. EPS for the previous year are restated for any rights issues during the current financial year.

(u) Goods and Services Tax (GST)

Revenues, expenses and non-financial assets and liabilities are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(v) Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

The entities business model for managing the financial asset

The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Impairment of Financial assets

AASB 9's impairment requirements use more forward-looking information to recognize expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- a) financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- b) financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- c) 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.
- d) '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(w) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(x) Segment reporting

The Group determines and presents operating segments based on the information that internally is provided to the Managing Director (or the board in the absence of a Managing Director), who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3. GOING CONCERN BASIS OF ACCOUNTING

The financial report has been prepared on the basis of a going concern. During the year ended 30 June 2021 the Group recorded a net cash outflow from operating and investing activities of \$829,770 and a loss for the year of \$744,638. These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

The ability of the Group to continue to pay its debts as and when they fall due is dependent upon the entity to:

- Raise additional funding through debt or equity raise;
- Be re-admitted to the ASX;
- Ongoing support from shareholders;
- Obtaining shareholder approval for the \$1.6 million convertible note from the related party;
- In addition to the above convertible notes, raise sufficient funds to meet the minimum exploration expenditure to continue to develop its exploration and evaluation assets itself, or through joint ventures; and

- Retain and maintain its exploration and evaluation assets and the associate licences.

The Directors believe they will be successful in achieving the above and have prepared the financial statements on a going concern basis.

The Directors will not commit to expenditure unless sufficient funding has been sourced. The Company has secured funding via a convertible note from a related party to the value of \$1.6 million subsequent to year-end to allow the Company to meet expenditure commitments on its exploration tenements as well as general working capital (refer to note 17). As the convertible note is from a related party, it is subject to shareholder approval.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because they have obtained additional funding via the related party convertible note, and that shareholder approval will be forthcoming.

If additional capital is not obtained, or shareholder approval of the convertible note is not obtained, the going concern basis may not be appropriate, with the result that the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the interim financial report. No allowance for such circumstances has been made in the interim financial report.

4. CORPORATE AND ADMINISTRATIVE EXPENSES

	<u>2021</u>	<u>2020</u>
	\$	\$
ASX fees	20,942	17,168
Audit fees	42,100	40,800
Corporate administration	212,014	106,176
Insurances	48,551	47,593
Legal fees	84,333	12,847
Public relations	-	312
Share registry	23,920	20,742
Travel	1,217	4,200
	<u>433,077</u>	<u>249,838</u>

5. INCOME TAX BENEFIT

Numerical reconciliation between tax benefit and pre-tax net loss

	<u>2021</u>	<u>2020</u>
	\$	\$
Loss before tax from continuing and discontinued operations	(744,638)	(861,875)
Prima facie income tax benefit at 30%	<u>(223,391)</u>	<u>(258,563)</u>
Effect of permanent differences and tax losses not recognised	-	-
Effect of temporary differences and tax losses not recognised	223,391	258,563
Income tax benefit attributable to operating loss	<u>-</u>	<u>-</u>

A deferred tax asset with respect to accumulated tax losses has been recognised to the extent of the Company's deferred tax liability regarding temporary differences of approximately \$2,057,000 (2020: \$2,043,000), relating mainly to capitalised exploration assets. The unrecognised deferred tax asset mainly with respect to accumulated tax losses is \$10,008,552 tax effected at 30% (2020: \$10,063,636) and has not been recognised as an asset as it is not considered probable at this time that future taxable income will be available against which

to utilise the tax losses. Prior to utilising tax losses, the Company will need to satisfy the requirements of either the continuity of ownership test or same business test.

6. CASH AND CASH EQUIVALENTS

	<u>2021</u>	<u>2020</u>
	\$	\$
Cash at bank and in hand	44,766	313,761
Short term deposits	-	560,775
	<u>44,766</u>	<u>874,536</u>

Short term deposits are made for varying periods of between 30 and 90 days, depending on the immediate cash requirements of the Company, and earn interest at the respective short term deposit rates.

The Company has no available undrawn loan facilities.

7. RECONCILIATION OF LOSS AFTER TAX TO NET CASH FLOWS FROM OPERATIONS

	<u>2021</u>	<u>2020</u>
	\$	\$
Operating (loss) after income tax	(744,638)	(861,875)
Depreciation and amortisation	313	2,936
Exploration expenditure expense	194,565	239,038
Gain on disposal from discontinued operation	(164,900)	-
Profit on disposal of property, plant and equipment	(22,760)	-
Interest earned	(982)	(13,984)
Changes in Assets and Liabilities:		
(Increase) / Decrease in other current operating assets	(5,082)	(23,763)
Increase in operating creditors and accruals	100,251	7,736
Increase in leave provisions	7,111	16,839
Net cash used in operating activities	<u>(636,122)</u>	<u>(633,073)</u>

8. TRADE AND OTHER RECEIVABLES

	<u>2021</u>	<u>2020</u>
	\$	\$
Accrued interest receivable	-	515
Bonds and deposits	15,000	15,000
Prepaid expenses	49,504	51,852
PAYG and GST refundable	12,401	4,971
Other Receivables due from related parties	72,000	-
	<u>148,905</u>	<u>72,338</u>

No receivables are interest-bearing and all are receivable within 90 days, except bonds and deposits.

9. INVESTMENT IN ASSOCIATE HELD FOR SALE

On 31 May 2021, the Group disposed of 80% equity interest in its subsidiary Lincoln Finance Group Pty Ltd ("LFG") to an entity controlled by Chairman James Zhang. The consideration for the disposal was at arm's length valuation. The consideration for the 80% shares was \$252,000, of which \$72,000 had not been received at 30 June 2021 (refer to note 7). As at 30 June 2021, the Company held 20% of the shares in LFG. The purchaser was granted an option to purchase the remaining 20% for \$63,000. The option was exercised subsequent to year end and the total consideration was received fully in cash subsequent to year end. The remaining 20% holding was reclassified as Investment in associate held for sale, and was stated at fair value at \$63,000 at year-end. The remaining shares have been disposed of subsequent to year-end. The total profit from this transaction was recognised in the consolidated financial statements as profit on sale of discontinued operations.

LFG has not commenced trading thus no operating results.

Profit on disposal:

	<u>2021</u>
	\$
Total sale consideration for 80% of LFG	252,000
Carrying amount of net assets disposed (de-consolidated)	150,100
Profit on disposal before income tax	<u>101,900</u>
Profit on disposal after income tax	<u>101,900</u>

Amount recognised in profit or loss from discontinued operations:

Profit on sale of 80% of LFG	101,900
Gain on fair value of 20% remaining investment in LFG	63,000
Gain on sale of discontinued operation, net of tax (nil)	<u>164,900</u>

Amount recognised in the cash flow statement as proceeds on disposal of subsidiary:

Total sale consideration for 80% of LFG	252,000
Proceeds not received at year end (refer note 7)	(72,000)
Cash and cash equivalents disposed of	(150,100)
Net cash from sale of discontinued operations	<u>29,900</u>

At the date of the disposal the carrying amounts of LFG's net assets were as follows:

	\$
Cash and Cash Equivalents	150,100
Total net assets	<u>150,100</u>

10. INVESTMENTS

	<u>2021</u>	<u>2020</u>
	\$	\$
Term deposits	30,000	-

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Office plant and equipment	Exploration plant and equipment	Motor vehicles	Total
<u>2021</u>	\$	\$	\$	\$	\$
At cost	433,873	37,841	341,935	114,359	928,008
Accumulated depreciation	-	(37,433)	(326,283)	(85,188)	(448,904)
Closing net book amount	433,873	408	15,652	29,171	479,104
Opening net book amount	433,873	701	18,891	39,862	493,327
Additions	-	-	-	-	-
Disposals	-	-	-	(3,604)	(3,604)
Depreciation charge to P&L	-	(293)	-	-	(293)
Depreciation charged to exploration	-	-	(3,239)	(7,087)	(10,326)
Closing net book amount	433,873	408	15,652	29,171	479,104
<u>2020</u>	\$	\$	\$	\$	\$
At cost	433,873	29,149	341,935	175,207	980,164
Accumulated depreciation	-	(28,448)	(323,044)	(135,345)	(486,837)
Closing net book amount	433,873	701	18,891	39,862	493,327
Opening net book amount	433,873	3,439	31,712	61,167	530,191
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation charge to P&L	-	(2,738)	-	-	(2,738)
Depreciation charged to exploration	-	-	(12,821)	(21,305)	(34,126)
Closing net book amount	433,873	701	18,891	39,862	493,327

12. EXPLORATION AND EVALUATION

	<u>2021</u>	<u>2020</u>
	\$	\$
Opening net book amount	6,730,802	6,715,435
Exploration expenditure during the year	221,409	220,279
Depreciation charged to exploration	10,326	34,126
Less, exploration & evaluation expensed	(194,565)	(239,038)
Closing net book amount	6,767,972	6,730,802
Gross exploration assets capitalised	20,501,520	20,464,350
Provision for impairment	(13,733,548)	(13,733,548)
Net exploration assets	6,767,972	6,730,802

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The carrying value of assets was assessed at 30 June 2021 and a total of \$194,565 (2020: \$239,038) was incurred and expensed during the year in relation to maintaining the exploration assets in good standing.

13. TRADE AND OTHER PAYABLES

	<u>2021</u>	<u>2020</u>
	\$	\$
Trade payables – external parties	146,747	32,526
Trade payables – related parties	5,363	4,372
Accrued expenses	15,942	30,903
	<u>168,052</u>	<u>67,801</u>

Trade payables are non-interest bearing and normally settled on 30-day terms. Trade payables and accrued expenses are stated at cost. No adjustment is required for fair value.

14. CONTRIBUTED EQUITY

	<u>2021</u>	<u>2020</u>
	\$	\$
Share capital		
Fully paid ordinary shares	37,239,123	37,239,123
Opening balance	<u>37,239,123</u>	<u>37,239,123</u>
Closing balance	<u>37,239,123</u>	<u>37,239,123</u>
Movements in share capital:	<u>Number</u>	<u>Number</u>
Fully paid ordinary shares	574,983,686	574,983,686
Opening balance	<u>574,983,686</u>	<u>574,983,686</u>
Closing Balance	<u>574,983,686</u>	<u>574,983,686</u>

Holders of fully paid ordinary shares have the right, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held. Fully paid ordinary shares entitle their holders to vote, either in person or by proxy, at a meeting of the Company. On a poll each fully paid ordinary share is entitled to one vote. The Company does not have authorised capital or par value in respect of issued shares. No options were outstanding at 30 June 2021 and no options have been granted or exercised between the end of the year and the date of this report.

15. AUDITOR'S REMUNERATION

The Auditor of Lincoln Minerals Limited is Grant Thornton.

	<u>2021</u>	<u>2020</u>
	\$	\$
Audit or review of financial reports	42,100	40,800
Total remuneration	<u>42,100</u>	<u>40,800</u>

16. COMMITMENTS AND CONTINGENCIES

Exploration licences

The Group's exploration licence tenements are renewable on an annual basis at various renewal dates throughout the year and the amount of each expenditure covenant is set by the Minister for Mineral Resources Development at the time of each renewal grant.

	<u>2021</u>	<u>2020</u>
Expenditure required to maintain tenure of all of the exploration licences	\$	\$
Within one year	2,380,000	2,380,000
After one year but not more than five years	2,540,000	2,540,000
	<u>4,920,000</u>	<u>4,920,000</u>

Contingencies

As at 30 June 2021 and the date of this report there were no contingencies.

17. EVENTS SUBSEQUENT TO BALANCE DATE

The Company disposed of the remaining 20% interest in Lincoln Finance Group Pty Ltd for \$63,000 to an entity controlled by Chairman James Zhang. The \$63,000 and \$72,000 outstanding as at 30 June 2021 were recovered in full subsequent to year end.

The Company entered into a Convertible Note Agreement with Australia Poly Minerals Investment Pty Ltd (a related party of James Tenghui Zhang, a shareholder of the Company) to receive \$1.6 million into the Company. As this funding is from a related party, it is subject to shareholder approval at the next shareholder meeting. As at the date of this report, \$260,000 had been drawn down to fund the Group's operations.

There are no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Company in subsequent financial years.

18. EARNINGS PER SHARE

	<u>2021</u>	<u>2020</u>
Loss used to calculate basic and diluted loss per share (\$) from continuing operations	(909,538)	(861,875)
Basic and diluted loss per share (cents) from continuing operations	(0.16)	(0.15)
Profit used to calculate basic and diluted loss per share (\$) from discontinued operations	164,900	-
Basic and diluted profit per share (cents) from discontinued operations	0.03	-
Loss used to calculate basic and diluted loss per share (\$) attributable to members of the parent	(744,638)	(861,875)
Basic and diluted loss per share (cents) attributable to members of the parent	(0.13)	(0.15)
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share	574,983,686	574,983,686

The calculation of diluted earnings per share does not include weighted potential ordinary shares on issue as to do so would have the effect of reducing the amount of the loss per share.

19. FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise bank cash, short term deposits, trade receivables and trade payables. The main purpose of these financial instruments is to finance the Group's exploration operations. It is, and has been throughout the period under review, the Group's policy that trading in financial instruments shall not be undertaken. The main risk arising from the Group's financial instruments is cash flow interest rate risk. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(w) to the financial statements.

Cash flow interest rate risk

The Group's exposure to the risk of changes in market interest rates relate to its earnings on cash funds and debt securities held.

Commodity price risk

The Group has not commenced production as yet so in the reporting period there has been no commodity price risk.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash deposits, receivables and investments in debt securities.

Management has established a credit policy under which the counterparties are analysed for credit worthiness by reference to available information so as to manage the risk of exposure to default. The credit risk exposure is concentrated with banks (for cash) and the federal government (tax receivable).

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	<u>2021</u>	<u>2020</u>
	\$	\$
Cash and cash equivalents	44,766	874,536
Receivables and other assets	148,905	72,338
	<u>193,671</u>	<u>946,874</u>

Liquidity risk

The Group has liquidity risk arising from trade and other payables. Trade payables are normally settled within 30 days and the contracted cash flows of trade and other payables equals their carrying amounts.

Fair values

The fair values and carrying amounts for all of the financial assets and liabilities of the Group as at the 2021 and 2020 balance dates are the same.

Interest rate risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	<u>2021</u>	<u>2020</u>
	\$	\$
Carrying amounts		
Fixed rate instruments	30,000	560,775
Cash and cash equivalents	44,766	313,761
	<u>74,766</u>	<u>874,536</u>

The weighted average interest rate on deposits for 2021 was 0.55% (2020: 1.34%).

Cash flow sensitivity analysis

A change of 130 basis points in interest rates at the reporting date would have affected the loss for the year by an insignificant amount (2020: \$13,500). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. At present, all of the Group's capital is equity funded, and there are no intentions to incur debt financing in the near future. No dividends have been paid since the Company's inception and there are no intentions to pay dividends until at least such time as the Group has commenced revenue-generating activities.

There were no changes in the Group's approach to capital management during the year. The Group is not subject to any externally imposed capital requirements.

20. KEY MANAGEMENT PERSONNEL DISCLOSURES AND RELATED PARTY TRANSACTIONS

Key Management Personnel of the Company comprise:

Directors		Executives	
JT Zhang	Non-Executive Director	JK Kopias*	Company Secretary
J Zhang	Non-Executive Director	A Metcalfe	Company Secretary
R Zhang*	Director and Chief Financial Officer	DA Povey	Chief Geologist
T Raunic	Director		
G Tzui*	Managing Director		
G Liu*	Director		
KG Saw*	Director		

*Denotes retired directors and officers during the reporting period

Compensation

Refer to the Remuneration Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP)

Compensation of KMP by category:

	<u>2021</u>	<u>2020</u>
	\$	\$
Short term employee benefits	399,946	548,067
Post-employment benefits - superannuation	20,022	19,202
Post-employment benefits - long service leave	3,028	4,233
Total	422,996	571,502

Loans to Key Management Personnel

Nil.

Other transactions with Key Management Personnel

A number of KMP have their remuneration under contract payments. Contract payments are made to entities which the KMP control or significant influence over the financial or operating policies of those entities. Amounts paid and payable are as disclosed in the remuneration report.

There were no other transactions with these entities and no balances owing to these entities at year-end other than the following:

Secretarial services from Kopias Consulting, an entity associated with JK Kopias. Amounts were billed and payable under normal commercial terms and conditions. Balances outstanding inclusive of GST as at the reporting date \$5,363 (2020: \$4,373).

Secretarial services from Accosec Pty Ltd Consulting, an entity associated with A Metcalfe. Amounts were billed and payable under normal commercial terms and conditions. Balance outstanding as accrued as at the reporting date relating to these transactions were \$1,066 (2020: \$nil).

The company also received accounting and taxation services from KST Partners Pty Ltd, an entity associated with K Saw. Amounts paid and payable for these services during the time K Saw was a director were \$14,500 (2020: \$46,630). Amounts are billed and payable under normal commercial terms and conditions. Balances outstanding as at the reporting date relating to these transactions were \$nil (2020: \$nil).

There were no bonuses or rights to bonuses earned or paid in either 2021 or 2020. There were no other material transactions with the related parties other than the foregoing.

As disclosed in note 9 the 80% holding in the subsidiary, Lincoln Finance Group Pty Ltd was sold to an entity controlled by Chairman James Zhang at fair independent valuation. As at balance dated the balance outstanding

was \$72,000, which was received subsequent to year end. Subsequent to year-end, the remaining 20% holding was sold for \$63,000, which has been fully receipted.

Individual Directors and Executives disclosures

Information regarding individual Directors and Executives compensation and some equity instruments disclosures as required by Corporations Regulations 2M.3.03 is provided in the Remuneration Report in the Directors' Report. Apart from the details disclosed in this note, no Director has entered into a material contract with the Company since the end of the previous year and there were no material contracts involving Directors' interests in existence at year end or as at the date of this report.

21. SEGMENT INFORMATION

The Directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources have concluded that at this time there are no separately identifiable segments.

22. PARENT ENTITY DISCLOSURE

As at and throughout the financial year ending 30 June 2021 the parent company was Lincoln Minerals Limited.

		<u>2021</u>	<u>2020</u>
	Note	\$	\$
Result of the parent entity			
Loss for the year		(744,638)	(861,875)
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(744,638)</u>	<u>(861,875)</u>
Financial position of parent entity at year end			
Current assets		12,306,893	12,588,808
Non-current assets		40,315	204,177
Total assets		<u>12,347,208</u>	<u>12,792,985</u>
Current liabilities		5,070,833	4,771,972
Non-current liabilities		-	-
Total liabilities		<u>5,070,833</u>	<u>4,771,972</u>
Total equity of the parent entity comprising of:			
Contributed equity	14	37,239,123	37,239,123
Accumulated Losses		(29,962,748)	(29,218,110)
Total equity		<u>7,276,375</u>	<u>8,021,013</u>

Parent entity contingencies

At 30 June 2021 there were no contingencies.

Parent entity commitments

Parent entity commitments are the same as those for the Group which are disclosed in note 16.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Lincoln Minerals Limited (the Company):
 - (a) The consolidated financial statements and notes, and the remuneration report in the Directors' Report, are in accordance with the *Corporations Act 2001* (Cth), including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001* (Cth); and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* (Cth) from the chief executive officer and chief financial officer for the financial year ended 30 June 2021.
3. The Directors draw attention to note 2(a) to the consolidated financial statements which includes a statement of compliance with International Financial Reporting Standards

Signed in accordance with a resolution of the Directors



Ruiyu Zhang
Managing Director

Dated this 28th day of January 2022
Melbourne, Victoria

Independent Auditor's Report

To the Members of Lincoln Minerals Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Client Name (the Company), which comprises the statement of financial position. We have audited the financial report of Lincoln Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 3 in the financial statements, which indicates that the Group incurred a net loss of \$744,638 during the year ended 30 June 2021, and net cash outflows from operating and investing activities of \$829,770. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Exploration and evaluation assets - Notes 2(h) & 12	
<p>At 30 June 2021 the carrying value of exploration and evaluation assets was \$6,767,972.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.</p> <p>The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.</p> <p>This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> Conducted a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including: <ul style="list-style-type: none"> Traced projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed; Enquired of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure; Understood whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; and Understood and corroborate the changes in assumptions and inputs due to the impact of COVID-19; Evaluated the competence, capabilities and objectivity of management's expert in the evaluation of potential impairment triggers; and Reviewed the appropriateness of the related disclosures within the financial statements.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's/Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company/Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2021.

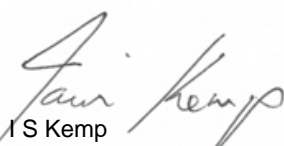
In our opinion, the Remuneration Report of Lincoln Minerals Limited, for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



I S Kemp
Partner – Audit & Assurance

Adelaide, 28 January 2022

9 ASX ADDITIONAL INFORMATION

9.1 Distribution as at 31 December 2021

Spread of Equity Security Holders

	Number of Holders	Fully paid shares	%
1 – 1,000	49	6,130	0.00
1,001 – 5,000	121	411,361	0.07
5,001 – 10,000	190	1,615,836	0.28
10,001 – 100,000	658	25,642,819	4.46
100,001 and over	263	547,307,540	95.19
Total holders	1,281		100.00
Quoted shares on issue		574,983,686	

There are 920 security holders holding less than a marketable parcel of ordinary shares (\$500 amounts to 71,429 shares at 0.7 cents (\$0.007) per share). There are no restricted securities or securities subject to voluntary escrow.

9.2 Voting rights

At a general meeting of shareholders, on a show of hands, each person who is a member or sole proxy has one vote. On a poll, each shareholder is entitled to one vote for each fully paid share.

9.3 Substantial shareholders

Poly Mineral Investment Limited	114,500,000 shares	19.91%
Poan Group Holdings Pty Ltd	75,418,955 shares	13.12%
Good Make Inc	58,695,560 shares	10.21%
Regal Fortress Inc	51,977,235 shares	9.04%
Mr Ying Kang Zhong	32,221,923 shares	5.60%

9.4 On-market buy-back

The Company does not currently have an on-market buy-back.

List of the 20 largest Shareholders – Fully Paid Ordinary Shares

	Shareholder	Number of Shares	%
1	Poly Mineral Investment Ltd	114,500,000	19.91
2	Poan Group Holdings Pty Ltd	75,418,955	13.12
3	Good Make Inc	58,695,560	10.21
4	Regal Fortress Inc	51,977,235	9.04
5	Mr Ying Kang Zhong	32,221,923	5.60
6	HSBC Custody Nominees (Australia) Limited	21,544,284	3.75
7	High Treasure International Ltd	15,000,000	2.61
8	Dr Merran Shuk Ling Pang	14,463,924	2.52
9	Ms Yin Ping Abby Ko	7,945,867	1.38
10	Citicorp Nominees Pty Limited	7,430,462	1.29
11	Mr Hock Guan Ng	6,099,107	1.06
12	Mr Kwang Hou Hung	6,000,000	1.04
13	Ms Lai Yoong Lim	4,100,000	0.71
14	Senheng Electric (KL) SDN BHD	4,000,000	0.70
15	Mr Kok Bin Wee	4,000,000	0.70
16	M & K Korkidas Pty Ltd <M&K Korkidas P/L S/Fund A/C>	3,433,474	0.60
17	Mr Desmond Kerr & Miss Debbie Kerr	3,249,219	0.57
18	Mr David Wang & Ms Jessica Yue Zhao	3,089,058	0.54
19	BNP Paribas Nominees Pty Ltd ACF Clearstream	3,052,841	0.53
20	Mr Christopher Geoffrey Sargent + Mrs Marieanne Therese Sargent (Swanlee Super Fund A/C)	3,000,000	0.52
	Total 20 largest shareholders	439,221,909	76.39
	Total shares on issue	135,761,777	100.00

10 RESOURCES AND RESERVES STATEMENT

10.1 Mineral Resources

Information in this report that relates to Exploration Results, Mineral Resources and Exploration Targets was compiled by Dwayne Povey who is a Member of the Australasian Institute of Mining and Metallurgy.

Mr Povey is Chief Geologist of Lincoln Minerals Limited and has sufficient experience relevant to the styles of mineralisation and to the activities which are being reported to qualify as a Competent Person as defined by the JORC Code, 2012. Mr Povey consents to the release of the information compiled in this report in the form and context in which it appears.

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.

Lincoln relies on drilling results from accredited laboratories in providing analytical results used to estimate Mineral Resources.

Graphite Mineral Resources

Mineral Resources in accordance with JORC Code 2012 at Kookaburra Gully are set out below (*Lincoln Minerals Limited, ASX Announcement 17 May 2017*). At a nominal 5% cut-off, the estimated Measured, Indicated and Inferred Mineral Resources as at 30 June 2021 total 2.03Mt at 15.2% total graphitic carbon (TGC) for a total of 308,560 tonnes of contained graphite.

Kookaburra Gully Mineral Resource (AGL 100%) as at 30 June 2021. These remain unchanged from 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 Resource		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 Resource		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 Resource		0.78	13.9	12.3	2.54

Total Mineral Resources >2% TGC Measured + Indicated + Inferred		2.94	12.8	11.4	2.53
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Total Mineral Resources >5% TGC Measured + Indicated + Inferred		2.03	16.9	15.2	2.53
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DOMAIN 1 = Interpreted at 5% TGC nominal cut-off DOMAIN 2 = Interpreted >2% TGC halo

CLASS 1 = Measured CLASS 2 = Indicated CLASS 3 = Inferred

NB tonnages may not add up exactly as shown due to rounding of significant figures

The Koppio Mineral Resource, reported in accordance with JORC Code, 2012 is set out in the table below (*Lincoln Minerals Limited, ASX Announcement 13 July 2015*). At a nominal 5% cut-off, the Inferred Mineral Resource is 1.85 Mt at 9.76% TGC. Total contained graphite for this Mineral Resource is 180,733 tonnes.

At a nominal 2% TGC cut-off, the total Koppio Inferred Mineral Resource is 3.06 Mt at 7.16% TGC. Total contained graphite for this resource is 219,293 tonnes.

Koppio Mineral Resource (AGL 100%) as at 30 June 2021. These remain unchanged from 30 June 2020.

Mineral Resource Classification	Lower Cut-off Grade (% TGC)	Tonnage (Mt)	Average Grade (% TGC)	Contained Graphite (tonnes)	Density (g/cc)
Inferred – Domain 1	5%	1.85	9.76	180,733	2.67
Inferred – Domain 2	2%	1.21	3.18	38,560	2.80
Total Mineral Resources >2% TGC Indicated + Inferred		3.06	7.16	219,293	2.72

Mt = million tonnes TGC = Total Graphitic Carbon

Graphite Ore Reserve

Based on Mineral Resources and Feasibility Study results for Kookaburra Gully, AMC Consultants and Lincoln estimated a Probable Ore Reserve displayed in the Table below and as released by the Company 27 November 2017.

Table 2 Ore Reserve estimate at 8.5% TGC cut-off grade

Classification	Tonnes (Mt)	TGC (%)	Contained Graphite (t)
Kookaburra Gully			
Probable	1.34	14.6	196,000

Mt = million tonnes TGC = Total Graphitic Carbon t = tonnes

Information in this report that relates to Ore Reserves was compiled by Dwayne Povey based on mine optimisation and schedules prepared by Mr Wilson Feltus who was a full-time employee of AMC Consultants Pty Ltd and are members of the Australasian Institute of Mining and Metallurgy. Mr Povey and Mr Feltus have sufficient experience relevant to the styles of mineralisation and to the activities which are being reported to qualify as Competent Persons as defined by the JORC Code, 2012 and consent to the release of the information compiled in this report in the form and context in which it appears.

Iron Ore Mineral Resources

This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. JORC 2004 Mineral Resource estimates for combined hematite-goethite and magnetite iron ore mineralisation at Gum Flat total 109 million tonnes (Lincoln Minerals Limited, ASX release 7 June 2012). This includes a 12.3 Mt Indicated Mineral Resource for magnetite and a 1.4 Mt Indicated Mineral Resource for hematite-goethite at the Gum Flat Barns deposit.

No new information or data has been acquired that materially affects the information included in the original market announcements and, in the case of the following estimates of Mineral Resources, all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed and have not been materially modified from the original market announcements.

Gum Flat Mineral Resources (JORC 2004) as at 30 June 2021. These remain unchanged from 30 June 2020.

Prospect	Mineral Resource Category (JORC 2004)	Million Tonnes (Mt)	Head Grade (% Fe)	DTR (%)
Barns magnetite*	Indicated	12.3	26.6	22.1
Barns magnetite*	Inferred	88.9	23.5	17.1
Rifle Range magnetite [#]	Inferred	3.5	27.1	22.6
Barns hematite [†]	Indicated	1.4	49.8	
Barns hematite [†]	Inferred	0.7	46.0	
Rifle Range/Sheoak West hematite [‡]	Inferred	2.2	39.5	
Total		109.0	24.8	

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

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

[†] Barns hematite interpretation based on notional 40% head Fe cut-off

[‡] Rifle Range and Sheoak West hematite interpretation based on notional 35% head Fe cut-off

This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The Inferred Mineral Resource for the Eurilla iron ore prospect within Lincoln's EL 5942 is 21.7 Mt @ 33.3% Fe (JORC 2004). This includes a small resource containing 17.5% Mn + 29.2% Fe as indicated below (Lincoln Minerals Limited, ASX release 5 January 2009).

*Eurilla Inferred Mineral Resource within EL 5942 (JORC 2004) as at 30 June 2021 (after Golder, 2008).
These remain unchanged from 30 June 2020*

Domain	Mineral Resource Category	Tonnage (Mt)	Fe (%)	Calcined Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	Mn (%)	S (%)	LOI (%)
1 Detrital	Inferred	2.2	41.2	44.4	21.7	7.4	0.1	0.3	0.1	7.0
2 Goethite-Hematite	Inferred	8.4	40.9	43.9	27.9	3.9	0.2	0.9	0.1	6.7
3 Goethite-Hematite-Manganese	Inferred	0.2	29.2	32.5	16.1	4.8	0.1	17.5	0.1	10.1
4 Magnetite	Inferred	11.0	26.0	26.4	49.4	1.9	0.2	0.4	0.1	2.6
Total	Inferred	21.7	33.3	35.0	38.1	3.6	0.2	0.7	0.1	4.7

Mt = million tonnes

NB tonnages may not add up exactly as shown due to rounding of significant figures

NB estimates based on 0.001% Fe cut-off grades for domains 1,2 and 4 and 0.001% Mn cut-off for domain 3

The Company ensures that all Mineral Resource estimates are subject to appropriate levels of governance and internal controls. Exploration results are collected and managed by an independent competent qualified geologist. All data collection activities are conducted to industry standards based on a framework of quality assurance and quality control protocols covering all aspects of sample collection, topographical and geophysical surveys, drilling, sample preparation, physical and chemical analysis and data and sample management. Mineral Resource estimates are prepared by qualified independent Competent Person. If there is a material change in the estimate of a Mineral Resource, the estimate and supporting documentation in question is reviewed by a suitable qualified independent Competent Persons. The Company reports its Mineral Resources on an annual basis in accordance with the JORC Code (2012).