



Lincoln Minerals Limited  
353 Burwood Highway  
Forest Hill, VIC 3131

**27 September 2022**

**ASX RELEASE: LML**

## **Recapitalisation to fund exploration and reinstatement to ASX**

Lincoln Minerals Limited (ASX:LML) (the 'Company' or 'LML') is pleased to provide the following update in respect of its proposed reinstatement to trading on ASX and its proposed strategy for recapitalisation to fund its existing assets.

### **Highlights**

- Lincoln Minerals intends to conduct a fully underwritten rights issue to raise approximately \$4.6M (before costs);
- The proposed Rights Issue to be conducted on the basis of an entitlement of 1.34 new shares for every 1 share held at an issue price of \$0.006 per share;
- Jigsaw Investments Pty Ltd (Jigsaw) will act as underwriter of the proposed Rights Issue and post completion is anticipated to become a strategic and substantial investor in Lincoln Minerals;
- Funds raised will be used to provide capital for the company's exploration programme with primary focus on the Kookaburra Gully Graphite Project and to repay the working capital loan advanced by Australian Poly Minerals Investments Pty Ltd (APMI); and
- The recapitalisation is anticipated to be achieved prior to the ASX lifting the suspension in trading in the Company's shares, which the Company is working to achieve at the earliest possible time.

### **Proposed Rights Issue**

The Board is committed to delivering value to shareholders by securing funding to explore and develop its existing South Australian assets, in particular its Kookaburra Gully Graphite Project.

As foreshadowed in its 23 August 2022 release, the Company is pleased to advise that it intends to conduct a fully underwritten rights issue to raise approximately \$4.6M (before costs) (Rights Issue).

The Rights Issue is proposed to be conducted on the basis of an entitlement of 1.34 new shares for every 1 share held at a record date to be determined at an issue price of \$0.006 per share.

The Company has obtained a waiver from the ASX to conduct the Rights Issue at a ratio of greater than 1 new share for every 1 share held. The waiver is conditional on shareholders of the Company approving the Rights Issue with the votes of substantial shareholders and proposed underwriters (Jigsaw Investments Pty Ltd) and sub-underwriters (Australian Poly Minerals Investments Pty Ltd) to be excluded.



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Shareholder approval of the Rights Issue will be sought at the Company's postponed 2021 Annual General Meeting (2021 AGM). The Company is finalising an addendum to the 2021 AGM (previously lodged with ASX on 21 January 2022) which it expects to release in the coming days.

The Rights Issue will be conducted under a prospectus which is proposed to be lodged prior to 31 October 2022. The Rights Issue prospectus will include an Independent Geologists Report from SRK Consulting in relation to the Company's existing assets and exploration programme.

The Company has entered into a term sheet with Jigsaw Investments Pty Ltd (Jigsaw) to act as underwriter of the proposed Rights Issue. A summary of the key provisions of the term sheet with Jigsaw is set out in Annexure A. The Company and Jigsaw are in the process of finalising an Underwriting Agreement to more fully and formally record Jigsaw's underwriting commitment, full details of which will be set out in the Rights Issue prospectus. Post the Rights Issue, it is anticipated that Jigsaw will become a strategic and substantial shareholder in the Company.

Funds raised through the Rights Issue are to be used to repay the working capital load advanced by Australian Poly Minerals Investments Pty Ltd (APMI) in anticipation of the issue of convertible notes which were the subject of Resolution 5 of the 2021 AGM notice. APMI has confirmed its support for the proposal set out above and has agreed it will not seek repayment of its loan advance ahead of the earlier of completion of the Rights Issue or 31 December 2022. Accordingly, LML no longer intends to issue the convertible notes to APMI and will withdraw Resolution 5 from the agenda for the 2021 AGM as part of the addendum referred to above.

The balance of funds raised through the Rights Issue (after costs) will fund the Company's working capital requirements and the Company's proposed exploration programme, with a primary focus on the Kookaburra Gully Graphite Project.

The indicative timetable for the Rights Issue is set out below:

<b>Matter</b>	<b>Indicative date</b>
Shareholder meeting date	28 October 2022
Lodge prospectus for the Entitlement Offer with ASIC and lodge Appendix 3B with ASX	31 October 2022
Ex-date (anticipated)	2 November 2022
Record date (anticipated)	3 November 2022
Entity sends the offer document and last day for offer to open	8 November 2022
Last day to extend offer closing date	14 November 2022
Entitlement Offer closes	17 November 2022
Unless otherwise determined by ASX, securities quoted on a deferred settlement basis for market open	18 November 2022



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Last day for entity to announce results of the Entitlement Offer, issue of New Shares and Shortfall Shares	24 November 2022
Reinstatement of shares to official quotation (indicative)	30 November 2022

### Kookaburra Gully Graphite project

The Company's flagship asset, the Kookaburra Gully Graphite project, is located approximately 35km north of Port Lincoln on the Eyre Peninsula in South Australia. Previous feasibility studies defined an estimated Probable Ore Reserve for Kookaburra Gully of 1.34Mt at 14.6% Total Graphitic Carbon (TGC) at a cut-off grade of 8.5% TGC within a total estimated Measured, Indicated and Inferred Mineral Resource of 2.03Mt at 15.2% TGC (cut-off grade 5% TGC) (refer to ASX announcement, 27 November 2017)<sup>1</sup>. LML will revisit metallurgical test work and update feasibility study work to validate key assumptions and progress permitting and approvals.

### Corporate Update

The Company is finalising its audited accounts for the half-year ended 31 December 2021 and the full year ended 30 June 2022 together with its 2022 Annual Report and will release the above in due course.

<sup>1</sup> The breakdown of estimated Measured, Indicated and Inferred Mineral Resources is set out in the table below:

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

DOMAIN 1 = Interpreted at 5% TGC nominal cut-off Domain 2 = >2% TGC halo

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



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### **About Jigsaw Investments Pty Ltd**

Jigsaw Investments Pty Ltd is an Australian based investment fund that brings a unique set of experience and insight into both private and public capital markets to help fund high growth businesses. Founded by Julian Babarczy, a finance industry professional with a career spanning 22 years, Jigsaw's investment criteria is industry agnostic, but aims to focus on truly unique investment propositions, ideally with a global outlook.

### **ASX Listing Rule 5.23 Statement**

The references in this announcement which relate to mineral resources of the Company were contained in the Company's ASX release on 27 November 2017 titled "Feasibility Study and Ore Reserve – Kookaburra Gully Graphite". The Company is not aware of any new information or data that materially affects the information in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed.

Sam Barden

CEO and Managing Director

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This announcement has been approved by the Board of Lincoln Minerals Limited. For further information please contact:

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## ANNEXURE A – SUMMARY OF UNDERWRITING TERM SHEET

Underwriter:	Jigsaw Investments Pty Ltd
Underwritten Amount:	The full amount of the Rights Issue (conducted on the basis of 1.34 new shares for every 1 share held), being approximately \$4.6M (before costs).
Issue Price:	\$0.006 per new share.
Application of Funds:	To be agreed, however it is agreed that funds raised will be used to repay advance owed to the Company's major shareholder and otherwise applied to an exploration programme which is to be reviewed by Jigsaw as part of its due diligence.
Conditions:	<p>The proposed underwriting is subject to certain conditions including:</p> <ul style="list-style-type: none"> <li>- Lodgement of the Company's outstanding audited accounts and a prospectus for the Rights Issue.</li> <li>- The execution of the formal underwriting agreement containing customary terms including representations and warranties from the Company.</li> <li>- Shareholders approving the Rights Issue.</li> <li>- Confirmation that, subject to certain conditions (including completion of the Rights Issue), the ASX will reinstate the Company's ordinary shares to trading on ASX.</li> <li>- The Company obtaining certain confirmations from the Company's major shareholder in respect of the outstanding loan owed to it and participation in the Rights Issue.</li> <li>- Completion by Jigsaw of due diligence including review of LML's proposed expenditure programmes.</li> <li>- The parties agreeing on other conditions typical to arrangement of a similar nature including default and termination provisions and rights of first refusal for future capital raisings.</li> </ul>
Fees:	The Company has agreed that the underwriter will receive a fee equal to 5% (plus GST) of the amount raised under the Rights Issue.