ANNUAL REPORT

2022

ASX:LML

LINCOLN MINERALS

CONTENTS

CORPORATE DIRECTORY

Directors

Ms Ruiyu Zhang, Executive Chair
Mr Michael D Wyles KC FAICD– Non-Executive Director, Independent
Mr Jason Foley - Non-Executive Director, Independent
Mr Shalain Singh – Non-Executive Director
Mr Ross Loturco – Non-Executive Director

Company Secretary

Andrew Metcalfe

Senior Management

Mr Sam Barden – Chief Executive Officer / Managing Director
Dwayne Povey, Chief Geologist

Registered and Principal Office

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Phone 03 9191 4007

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Share Registry

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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 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.

The current board is made up of Ms Ruiyu (Yoyo) Zhang (Chair), Mr Michael D Wyles KC FAICD (Deputy Chair), Mr Jason Foley, Mr Shalain Singh, Mr Ross Loturco as non-executive directors and Mr Sam Barden as Managing Director

1.1 Management Team

The senior management team of Lincoln Minerals comprises Mr Andrew Metcalfe, Company Secretary and Mr Dwayne Povey, Chief Geologist.

Mr Andrew Metcalfe joined the Company 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 fifteenth year of operating and exploring the highly prospective Eyre Peninsula (South Australia) and holds key mineral licences. Within these licences, Lincoln has defined Mineral Resources including graphite, magnetite and hematite resources, copper and gold exploration prospects in a region with a long history of graphite, iron ore, copper and gold mining.

Lincoln Minerals continued to position itself to develop a sustainable and profitable business structure that will enable the development of its flagship graphite project at its wholly owned Kookaburra Gully Graphite Project.

The Lincoln Minerals Board and management team remain focused on sustainable mining development and developing opportunities for organic and acquisition growth.

Kookaburra Gully Graphite Project

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

Over the course of 2021/22, Lincoln continued its environmental monitoring programs at Kookaburra Gully and is positioning itself to reinitiate innovative metallurgical test work aimed at improving graphite concentrate recovery. Project metrics for Kookaburra Gully include:

- 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 (ASX announcement 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
- Geophysical interpretation and modelling to identify graphite drill targets commenced to extend mine 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 and will form part of the 2023 exploration program.
- 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

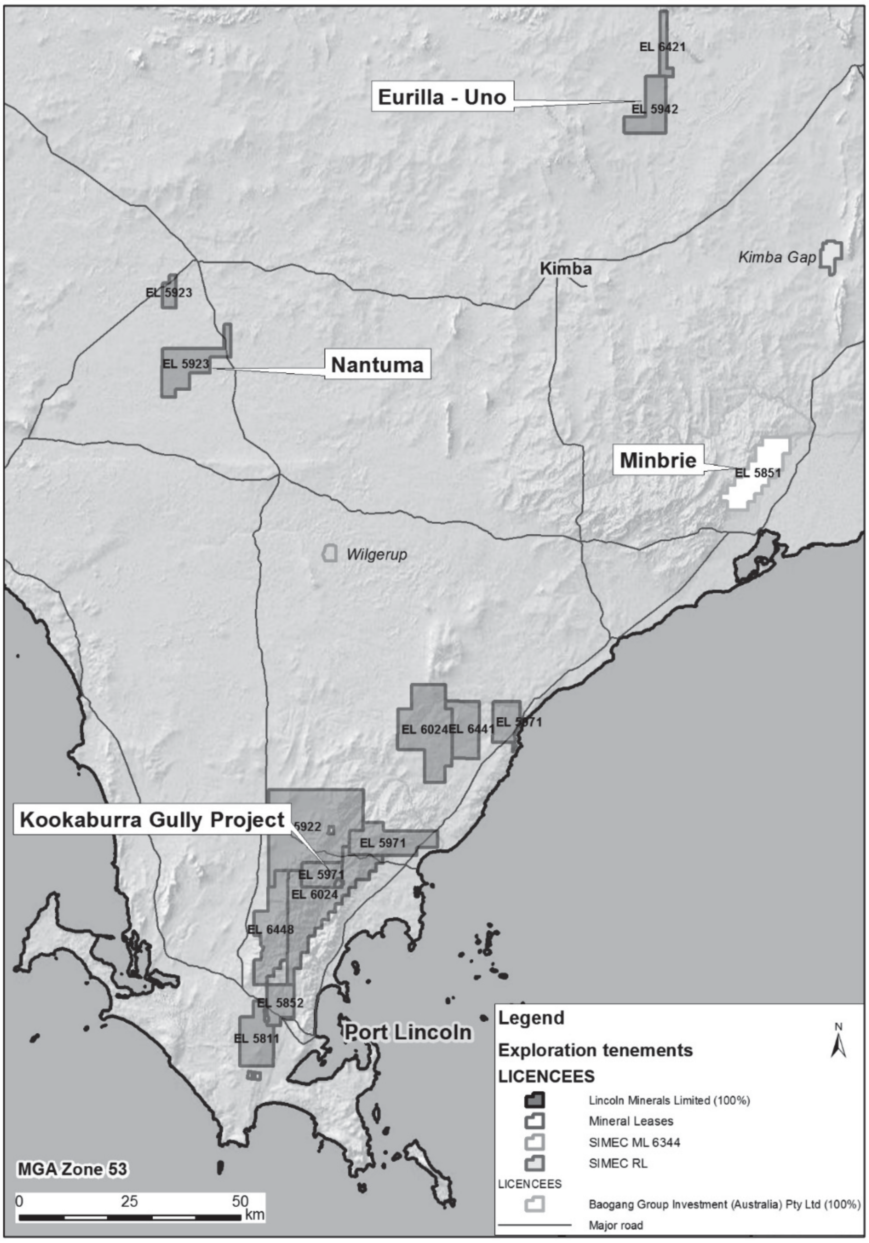
- Stakeholder and landowner engagement recommenced to start exploration sampling to identify gold anomalies defined through the establishment of a database containing over 230,000 samples;
- *In situ* hematite-magnetite Inferred Mineral Resource of 21.7Mt @ 33.3% Fe
- Manganese up to 66% MnO and epithermal-style silver, gold and base metal anomalies near Uno

Minbrie Copper Project – Central Eyre Peninsula

- Significant drilling intercept of Skarn base metal mineralisation at Minbrie with an intercept of 29.5m at 0.76% copper, 7.37% lead, 1.88% zinc, 9.0 g/t silver

Gum Flat Iron Ore Project – Southern Eyre Peninsula

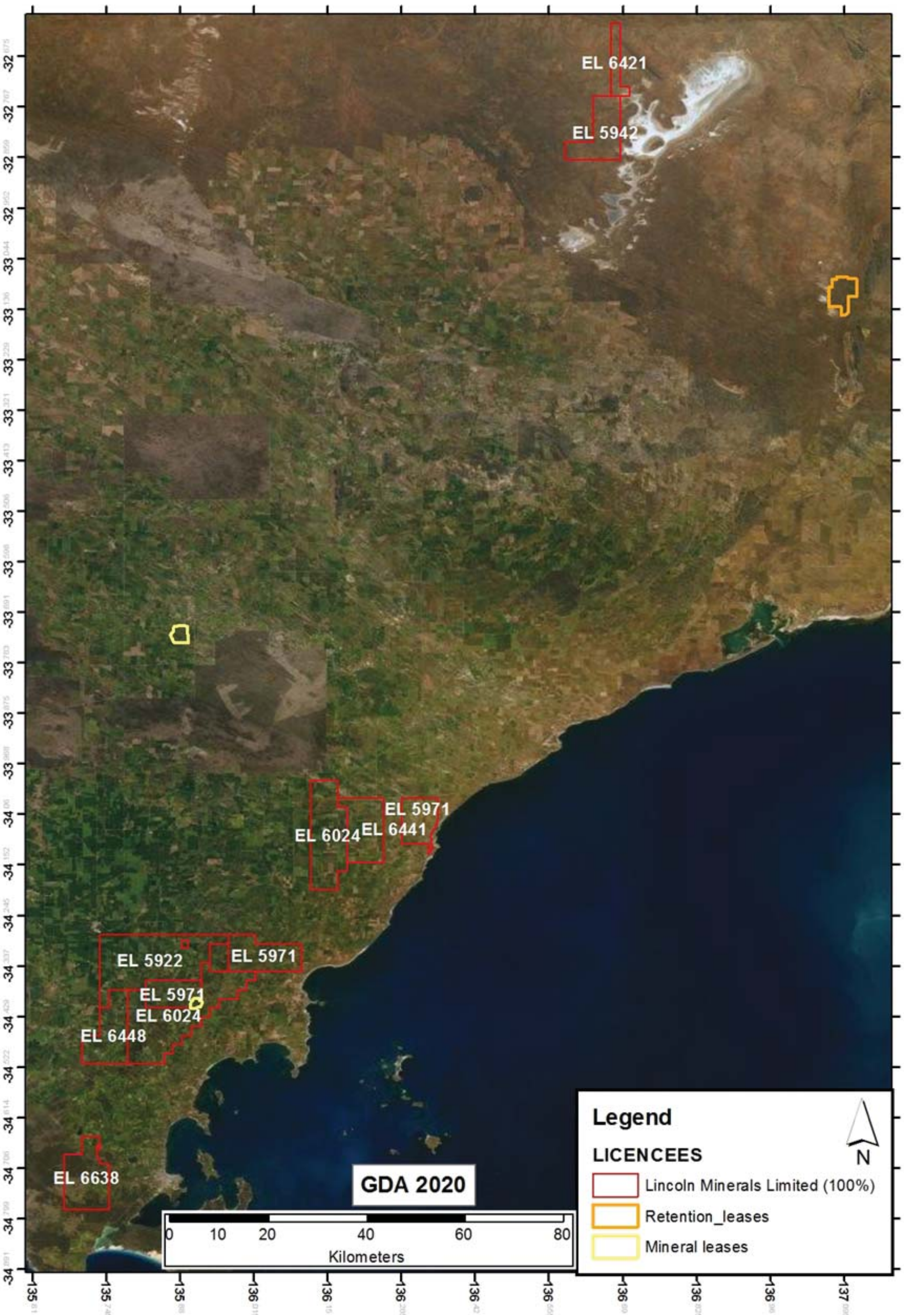
- 109Mt Indicated and Inferred Mineral Resources at 24.8% Fe



Map of Lincoln Minerals' Eyre Peninsula (SA) tenements.

Exploration Licence data based on the Department of Energy and Mining, the Government of South Australia, Exploration and Geoscientific Data, sourced on 7 July 2022

http://www.energymining.sa.gov.au/minerals/exploration/tenement_information


EL 6421
EL 5942
EL 5971
EL 6024
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EL 6024
EL 6448
EL 6638
GDA 2020
0 10 20 40 60 80
Kilometers
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LICENCEES
Lincoln Minerals Limited (100%)
Retention_leases
Mineral leases
N

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 not only hosts iron ore mines of the Middleback Ranges but also the Olympic Dam and Prominent Hill iron oxide copper gold uranium (IOCGU) mines, Carapateena and Hillside copper deposits and the historic copper mines of the Moonta-Wallaroo area.

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 large and rapidly growing market.

Lincoln Minerals' exploration methodology is based on application of both proven and innovative exploration techniques while ensuring a systematic approach to effective target delineation. The Company utilises modern sophisticated exploration techniques, in particular advanced geophysical, remote sensing and geochemical techniques including field based XRF element analysis and innovative vegetation and soil sampling to detect concealed mineralisation. These techniques are combined with computerised geographic information systems (GIS) and 3D modelling software to interpret data for exploration, target generation and resource definition. Results are followed up by systematic drilling along with state-of-the-art field and laboratory sample analysis to test targets and define Mineral Resources.

A key focus of all of Lincoln Minerals' operations is sustainable environmental and workplace health and safety management. Lincoln Minerals continually seeks to improve business sustainability by valuing environmental, social, 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 bulk haulage, existing power and water services and established or proposed bulk handling ports.

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, which this year was transferred and endorsed to Dragon Resource Investment Pty Ltd on the 10th January 2022. 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 is maintaining an active role in monitoring exploration programs by Dragon for other minerals including copper, graphite and vanadium. 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).

A Coordination Agreement between AGL and Lincoln Minerals establishes AGL's rights to graphite, Lincoln's rights to other minerals and sets out the framework for exploration and development of resources or co-development of coincident resources as the case may be.

If any party discovers any economic deposit(s) of minerals, that party must notify the other parties of such discovery and commence negotiations to enter into a formal agreement based on a set of co-ordination principles depending on whether it is:

- An economic deposit of graphite minerals without significant other minerals or with uneconomic other minerals.
- An economic deposit of other minerals without significant graphite mineralisation or with uneconomic graphite mineralisation; or
- An economic deposit of graphite minerals that co-exists with an economic deposit of other minerals.

If a party is granted a mineral lease, having complied with the provisions of the Coordination Agreement, that party will become the mine operator, but all other parties will have the right to reassess the economic value of their rights at any time provided it is at their own cost and without any unreasonable adverse effects to the mine operator's activities.

3.4 Project Portfolio

The Company holds rights to South Australian exploration lease holdings totalling 1,177km^2.

Lincoln Minerals and its wholly owned subsidiary, Australian Graphite Pty Limited, have exclusive rights to all minerals including iron ore on leases totalling 1,025km^2. This includes Mineral Lease ML 6460 at Kookaburra Gully.

Lincoln Minerals are joint operators with Baogang Group Investments (Australia) Pty Ltd, on leases totalling 117km^2 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 One Steel Manufacturing, while Lincoln retains its mineral rights excluding iron on these tenements.

Lincoln Minerals Limited tenements as of 30 June 2022

Tenement Schedule

Tenement	Expiry	Area (km^2)	Location	Target Commodity
LINCOLN MINERALS 100% OWNERSHIP OF ALL MINERAL RIGHTS				
EL 5942#	28-Jan-22	78	Eurilla	Gold, Base metals
EL 5922#	12-Feb-22	188	Wanilla	Graphite
EL 6421	28-Sep-22	26	Uno	Gold, Base metals
EL 6441	3-Nov-22	82	Dutton River	Graphite
EL 6638	6-Jan-26	92	Gum Flat	Graphite, Iron
EL 5971#	11-Apr-22	182	Tumby Bay	Graphite, base metals
EL 6024	5-Aug-22	295	Mount Hill	Graphite, base metals
EL 6448	15-Nov-22	79	Wanilla (Bald Hill)	Graphite, Iron
ML 6460	2-June-37	300.8 ha	Kookaburra Gully	Graphite
	Subtotal	**1,025**		
LML HAS 100% OWNERSHIP OF ALL MINERAL RIGHTS (EXCLUDING IRON ORE)				
EL 5851	13-Aug-27	117	Minbrie	Base metals
ML 6344	11-Aug-29	916 ha	Wilgerup	Base metals
RL 129	07-Nov-26	2,547 ha	Kimba Gap	Base metals
	Subtotal	**152**		
Grand total		**1,177**		

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 Tumby 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 2021/22, AGL continued its environmental monitoring and stakeholder engagement 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 2022.

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**	**489,360**

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 2021/22 Lincoln compiled a 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 focussed its initial efforts on gold pathfinder elements. The aim of the gold reinterpretation is to produce new refined imagery to identify gold anomalies. Lincoln's northern tenement holdings are located in the Kimban gold mineral system and the Kararan Gawler Range Volcanic mineral system due to the presence of both banded iron formations and overprinting skarn mineralisation identified on the tenements. There is considerable potential for gold and/or base metal mineralisation associated with hydrothermal iron oxide and/or sericite alteration.

Following discovery by CSIRO in 1987 that gold accumulates in calcrete, Lincoln has undertaken a major near surface sampling review and reinterpretation. A database of over 230,000 samples was constructed, validated and reprocessed. The dataset identified a pronounced gold anomaly on Lincoln's EL 5942 tenement. Follow up sampling is currently being planned to identify potential drill targets.

5 DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

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 2022 together with the Auditor's report for the financial year end 30 June 2022. A new Board was appointed in July 2022 and has actively engaged with stakeholders to deliver the post-balance day activities outlined in Section 18.

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*
Ruiyu Zhang Chair 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.
Sam Barden Managing Director Appointed 6 June 2022	Mr Barden is skilled in transforming systems and markets by creating products, building profiles and improving transparency. He draws on 20+ years of experience in sales, trading, risk assessment and regulation of financial and commodity products in the United Kingdom, Former Soviet Union and the Middle East. During that time, Mr Barden was duly qualified and registered with the Financial Conduct Authority (FCA) in the UK and the Financial Industry Regulatory Authority (FINRA) in the USA.
Michael D Wyles KC FAICD Deputy Chair Appointed 29 July 2022	In addition to being one of Australia's leading commercial silks, Mr Wyles is an experienced Chairman and company director having achieved substantial commercial experience both inside the boardroom and advising directors, CEO's and CFO's over many years.
Jason Foley Non-executive Director Appointed 29 July 2022	Mr Foley draws on 20+ years of deep expertise in mining and resources with top-200 ASX companies. He is a trusted advisor to CEOs and Boards across ASX-listed, Private Equity and SMEs in Australasia.
Shalain Singh Non-executive Director Appointed 29 July 2022	Mr Singh has extensive experience in transactions valuation and strategic advisory in the Healthcare and Retirement Living industry, and a broad understanding of the implications of industry, government and market conditions
Ross Loturco Non-executive Director Appointed 29 July 2022	Mr Loturco has extensive experience in Bank Relationships, Loan Implementations, Cashflows, AR/AP Management, Board Reporting, Monthly Management Reporting, Commercial/Retail Leasing, Financial Controls and especially Project Budgeting & Forecasting as core functions of his past responsibilities
Johnson Zhang Non-Executive Chairman Appointed 30 May 2018 Resigned 29 July 2022	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.
Ting Ting Gao Non-Executive Director Appointed 22 December 2021 Resigned 29 July 2022	Ms Tingting Gao holds a Master of Professional Accounting degree from Monash University. She is a Certified CPA who also has extensive experiences in real estate and property management industries.
James Tenghhui 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.
Anthony Raunic Non-Executive Director Appointed 12 January 2021 Resigned 2 December 2021	Mr Raunic is one of Victoria's leading public law advisors. Drawing on his own personal experience as an elected Councillor and Mayor for many years, Mr Raunic has provided advice on procurement, governance and transactional issues to a significant number of Victorian metropolitan, regional and rural local government entities.

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

5.1 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:

	Number of meetings held while in office	*Number of meetings attended*
JT Zhang [1]	0	0
J Zhang [2]	3	3
R Zhang 4	3	3
A Raunic [3]	3	3
T Gao [2 6]	0	0
S Barden [5]	0	0

[1] Resigned 30 July 2021

[2] Resigned 29 July 2022

[3] Resigned 2 December 2021

[4] Appointed 30 July 2021

[5] Appointed 6 June 2022

[6] Appointed 22 December 2021

There are no committees of Directors.

5.2 COMPANY SECRETARY

Mr Andrew Metcalfe was appointed Company Secretary in June 2021. He holds a Bachelor of Business Degree, is a Fellow of the Governance Institute of Australia, and is also Company Secretary of a number of ASX listed and unlisted companies.

5.3 OPERATING AND FINANCIAL REVIEW

Financial

The Group made a loss after tax of $2,026,538 (2021: $744,638). In 2022, the Group assessed the carrying value of its assets, impairing the exploration and evaluation assets to $5,561,127 and impairing property, plant and equipment to $280,969, recognising impairment expenses of $1,206,845 and $169,820 respectively in the statement of profit or loss. Additional exploration and evaluation expenses of $151,519 (2021: $194,565) was expensed in the year. Interest income was $75 (2021: $982).

Cash at the end of June 2022 was $42,124 (2021: $44,766).

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 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.

Mr Sam Barden was appointed CEO on 6 June 2022.

5.4 DIVIDENDS

No dividends were paid, and the directors have not recommended the payment of a dividend (2021: Nil).

5.5 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.

5.6 ENVIRONMENT AND SOCIAL POLICY

Environment

The Group is aware of its corporate responsibility to impact as little as possible on the environment and, as necessary, to undertake exploration programs, mining operations and/or 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 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 that 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 will involve 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.

5.7 OPTIONS

There are no options outstanding as at the date of this report (2021: Nil).

5.8 SIGNIFICANT EVENTS AFTER REPORTING DATE

The following events have occurred post 30 June 2022:

1. **Changes to the board**

   On 29 July 2022, the following changes to the board were made:

   Appointment of Messrs Michael D Wyles KC FAICD, Jason Foley, Shalain Singh, Ross Loturco as non-executive directors and appointment of Sam Barden as Managing Director; and resignation of Johnson Zhang and Tingting Gao as directors.

2. **Takeover offer**

On 10 August 2022 the company received a takeover offer by way of a Bidders Statement from Quantum Graphite Limited to acquire all shares in the company on the basis of 1 share offered in Quantum Graphite Limited for 9 shares held in Lincoln Minerals Limited.

On 12 August 2022, the Company issued a statement rejecting the offer received form Quantum Graphite Limited.

On 17 August 2022, the Board appointed Ms Ruiyu Zhang as Executive Chair.

On 23 August 2022, the Company issued an operational and strategic update.

On 6 September 2022, the Company received a Revised Bidder Statement from Quantum Graphite Limited to acquire all shares in the company on the basis of 1 share offered in Quantum Graphite Limited for 40 shares held in Lincoln Minerals Limited.

On 4 October 2022, the Board appointed Mr Michael D Wyles K.C. FAICD as Deputy Chair.

On 5 October 2022, the Company issued a Target's Statement in response to the Revised Bidder Statement received form Quantum Graphite Limited.

3. **Shareholder loan**

As announced on the ASX on 23 December 2021, Lincoln Minerals had entered into convertible note agreement with Australia Poly Minerals Investments Pty Ltd (the note holder or "APMI"), a company associated with Poly Minerals Investments Ltd (PMI"), the largest shareholder of Lincoln Minerals. The agreement provided option for APMI to acquire up to 1,600,000 convertible notes at the face value of $1 per note, with a coupon rate of 8% per annum.

On 12 September 2022, APMI agreed to terminate the convertible note agreement and the company agreed to treat the monies advanced by APMI as an advance under a Shareholder loan facility of $1.6m with interest payable by the company on the sum advanced at 8% per annum, repayable at the earlier of the Company completing an equity raise or debt financing of not less than $4 million or 31 December 2022.

As at the date of issuing this report $1,070,000 has been drawn down and $530,000 remains undrawn under the Shareholder loan facility.

4. **Fully underwritten rights issue**

On 27 September 2022, the Company announced the intention to conduct a fully underwritten rights issue to raise up to $4.6 million (1.33 shares for every share held at 0.006 (i.e., 6/10 of cent per share)). This rights issue will be fully written by Jigsaw Investment Pty Ltd and sub-underwritten by APMI. PMI intends to take up its full entitlement under the rights issue and in accordance with the sub-underwriting agreement, will upon its ordinary shares being issued in accordance with the rights issue cause APMI to forgive the Shareholder loan facility.

5. **Exploration and evaluation assets**

As disclosed in note 12, an impairment loss of $1.2 million was recorded against the Exploration and Evaluation assets. The Lincoln Board continues to assess business opportunities to develop its business plans such that Lincoln will be listed on ASX in future.

On 3 August 2022, the company received a letter from the Department of Energy and Mining of South Australia (the "Department") concerning EL5922, EL5971, EL6024, EL6441, EL6448 and EL6638 (formerly 5811) referred to as "Southern Eyre Peninsula Project (AEA019-001)" (the "SEP Project"). The SEP Project is in addition to ML6460 (Kookaburra Gully) which lease runs until 2 June 2037.

In its letter, the Department stated that it supported an extension of the SEP Project for another 2-year period subject to the following:

a. Successful relisting of Lincoln in the ASX.

b. Receipt of a valid expenditure return for the current AEA period no later than 60 days after the AEA period end date.

c. Future expenditure commitment will be carried forward and be added to the expenditure commitment for the new AEA, and

d. It will be a condition of the AEA that failure to meet the new combined expenditure may result in cancellation of the exploration licences.

As described in note 3, the Group is well progressed to achieve the relisting and raise sufficient funds to meet the requirements stipulated by the Department above. Discussions with the Department continue to be constructive and supportive.

Once the relisting and refinancing have completed, the Directors believe that will be a position to achieve the required exploration expenditure and will reassess the carrying value of the exploration assets to determine any reversal of the impairment at that time.

This reassessment will be supported by an independent geological report, prepared by global consultants to the mining industry, SRK Consulting.

Other than the above, there are no other 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.

5.9 LIKELY DEVELOPMENTS AND EXPECTED RESULTS

In the reporting period, the Group was principally engaged in assessing the development of a graphite mine and processing plant at Kookaburra Gully.

5.10 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 Corporate Governance Statement and can be found on the Company's website at:
http://www.lincolnminerals.com.au/corpgovernance.php.

5.11 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.

Key Management Personnel comprise:

Directors

JT Zhang	Chairman (non-executive) – resigned 30 July 2021
R Zhang	Director – appointed 30 July 2021
J Zhang	Director (non-executive) - resigned 29 July 2022
A Raunic	Director (non-executive) – resigned 2 December 2021
Ting Ting Gao	Director (non-executive) – appointed 22 December 2021, resigned 29 July 2022

Executives

S Barden	Managing Director – appointed 6 June 2022
A Metcalfe	Company Secretary
D Povey	Chief Geologist (consultant)

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:

Year	*Net (loss) for the year*	*(Loss) per share – cents*	*Shareholders' Equity*	*Number of issued shares – end of year*	*Share price – end of the year – cents*
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**
2022	*(2,026,538)*	*(0.35)*	*5,249,837*	*574,983,686*	*0.8**

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

* ASX trading in shares of Lincoln Minerals on on 21 September 2020. This was the last trading share price.

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 a high-quality 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.

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 current fee level is $60,000 per annum for each Non-executive Director and Chairman, all inclusive of statutory superannuation).

The Board considers fees paid to Non-executive Directors of comparable companies when undertaking the annual review process. All of the 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 options and rights 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 current year.

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 year.

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 Managing Director has been engaged with an annual remuneration of $240,000 per annum including superannuation. His employment may be terminated by the giving of 6 months' notice.

The Chief Geologist was engaged with an annual remuneration of $150,000. His employment may be terminated by the giving of 3 months' notice. During the last financial year, a cash out of long service leave led to a one-time payment that raised his total salary for the year to $156,585.

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 2022	Short term: Salary and fees	Short term: Contract payments	Post-employment: Super-annuation	Post-employment: Long service leave	Total
	$	$	$	$	$
Directors					
JT Zhang [1]	-	-	-	-	-
J Zhang [2]	-	15,000	-	-	15,000
R Zhang [4]	-	-	-	-	-
A Raunic [3]	-	-	-	-	-
T Gao [2 6]	-	-	-	-	-
Executives					
S Barden [5]	-	9,231	-	-	9,231
A Metcalfe	-	31,445	-	-	31,445
D Povey	141,214	-	14,121	1,250	156,585
Total directors and KMP - 2022	**141,214**	**55,676**	**14,121**	**1,250**	**212,261**

[1] Resigned 30 July 2021
[2] Resigned 29 July 2022
[3] Resigned 2 December 2021
[4] Appointed 30 July 2021
[5] Appointed 6 June 2022
[6] Appointed 22 December 2021

Year ended 30 June 2021	Short term: Salary and fees	Short term: Contract payments	Post-employment: Super-annuation	Post-employment: Long service leave	Total
	$	$	$	$	$
Directors					
JT Zhang	-	30,000	-	-	30,000
J Zhang	-	40,000	-	-	40,000
R Zhang	-	23,335	-	-	23,335
KG Saw [1]	-	23,335	-	-	23,335
Z Liu [3]	-	937	-	-	937
G Tsui [2]	96,039	-	8,741	-	104,780
A Raunic	-	22,608	-	-	22,608
Executives					
JK Kopias [4]	-	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**	**183,918**	**20,022**	**3,028**	**421,757**

[1] Resigned 20 November 2020
[2] Resigned 12 January 2021
[3] Resigned 7 July 2020
[4] Resigned June 2021
[5] Appointed June 2021

No bonuses were earned by or paid to any KMP in either 2022 or 2021.
No shares were issued in either 2022 or 2021 as compensation.

Option holdings of Key Management Personnel

There were no options held by any KMP during the reporting period.

Shareholdings of Key Management Personnel - 2022

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
Directors[1]			
JT Zhang	114,500,000	(114,500,000)	-
Executives – Nil			

[1] No other KMP holds shares in the Company.

Other related party transactions with Key Management Personnel

A number of KMP or their related parties hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. During the year, the Company received services of $15,000 from Emerald Hospitality Pty Ltd, an entity associated with Johnson Zhang. Amounts were billed and payable under normal commercial terms and conditions. Balances outstanding as at the reporting date relating to these transactions were $0 (2021: $0). There were no bonuses or rights to bonuses earned or paid in either 2022 or 2021.

During the year, the Company sold a vehicle to its Chief Geologist, Mr Dwanye Povey, at the market value of $37,577, the transaction was done by way of offsetting his accrued annual leave against the market value of the car.

END OF REMUNERATION REPORT – AUDITED

5.12 AUDITORS 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 any services other than the audit and review of financial statements (2021: $0).

No other auditors were engaged by the Group.

5.13 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.

5.14 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 14th day of October 2022 and signed in accordance with a resolution of the Directors.

Ruiyu Zhang, Executive Chairman

GrantThornton

Level 3, 170 Frome Street
Adelaide SA 5000

Correspondence to:
GPO Box 1270
Adelaide SA 5001

T +61 8 8372 6666

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 2022, 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Ian Kemp

I S Kemp
Partner – Audit & Assurance

Adelaide, 14 October 2022

7 FINANCIAL STATEMENTS 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2022

	Note	2022 $	2021 $
Other income		5,455	55,010
Exploration and evaluation expense	12(a)	(151,519)	(194,565)
Impairment of capitalised exploration and evaluation expenditure	12(b)	(1,206,845)	-
Corporate and administrative expenses	4	(435,552)	(433,077)
Impairment of property, plant and equipment - Impairment	11	(169,820)	-
Employee benefits expense		(75,666)	(360,335)
Depreciation and amortisation		(1,686)	(313)
Gain on sale of assets		9,821	22,760
RESULTS FROM OPERATING ACTIVITIES		(2,025,812)	(910,520)
Finance income – interest		75	982
Finance expense – interest		(801)	-
		(726)	982
LOSS BEFORE TAX		(2,026,538)	(909,538)
Income tax benefit	5	-	-
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE PARENT		(2,026,538)	(909,538)
Gain on sale of shares in a subsidiary company	9	-	164,900
LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT		(2,026,538)	(744,638)
Other Comprehensive income attributable to owners of the parent		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT		(2,026,538)	(744,638)
Basic and diluted loss per share (cents) from continuing operations	19	(0.35)	(0.16)
Basic and diluted loss per share (cents) from discontinued operations	19	-	0.03
Basic and diluted loss per share (cents)	19	(0.35)	(0.13)

The accompanying notes form part of these Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2022

	Issued capital	Accumulated losses	Total
	$	$	$
Balance at 1 July 2021	37,239,123	(29,962,748)	7,276,375
Total comprehensive loss for the year			
Loss for the year	-	(2,026,538)	(2,026,538)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(2,026,538)	(2,026,538)
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 2022	**37,239,123**	**(31,989,286)**	**(5,249,837)**

	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**

The accompanying notes form part of these Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2022

	Note	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	42,124	44,766
Trade and other receivables	8	72,907	148,905
Investment in associate company held for sale	9	-	63,000
TOTAL CURRENT ASSETS		115,031	256,671
NON-CURRENT ASSETS			
Other financial assets	10	30,000	30,000
Property plant and equipment	11	280,969	479,104
Exploration and evaluation	12	5,561,127	6,767,972
Intangible assets		13	26
TOTAL NON-CURRENT ASSETS		5,872,109	7,277,102
TOTAL ASSETS		5,987,140	7,533,773
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	205,586	168,052
Employee entitlements		21,717	89,346
Financial Liabilities	14	510,000	-
TOTAL CURRENT LIABILITIES		737,303	257,398
TOTAL LIABILITIES		737,303	257,398
NET ASSETS		5,249,837	7,276,375
EQUITY			
Contributed equity	15	37,239,123	37,239,123
Accumulated losses		(31,989,286)	(29,962,748)
TOTAL EQUITY		5,249,837	7,276,375

The accompanying notes form part of these Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2022

	Notes	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(499,737)	(691,132)
Other Income		5,455	55,010
Net cash (outflow) from operating activities	7	(494,282)	(636,122)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration expenditure		(149,641)	(221,409)
Increase in non-cash term deposits		-	(30,000)
Interest received		75	1,497
Interest paid		(801)	-
Acquisition of new Property, plant and equipment		(2,993)	-
Proceeds on sale of assets		-	26,364
Proceeds on sale of shares in a subsidiary		135,000	29,900
Net cash (outflow) from investing activities		(18,360)	(193,648)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowing		510,000	-
Net cash (outflow)/inflow from financing activities		510,000	-
Net (decrease)/increase in cash and cash equivalents		(2,642)	(829,770)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		44,766	874,536
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	6	42,124	44,766

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 2022

1. THE REPORTING ENTITY

The consolidated financial report of Lincoln Minerals Limited ("the Company") for the year ended 30 June 2022 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 14th day of October 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) 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. 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.

Impairment of Land and Exploration and Evaluation Assets

During the year, impairments were recognised on both the carrying value of Land and Exploration and Evaluation assets, in assessing impairment, management has estimated the fair value less disposal costs in determining the revised carrying value of each asset, estimations are inherently uncertain and actual results may be substantially different, refer to notes 11 and 12.

(f) Jointly controlled operations and assets

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 are stated at cost less accumulated depreciation and any impairment in value. Refer to impairment policy at note 2(i).

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.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

(m) Employee benefits

(i) Wages, salaries, annual and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual and accumulating sick leave expected to be settled wholly within 12 months of the reporting date 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.

(n) 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.

(o) 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.

(p) 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.

(q) 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.

(r) 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.

(s) 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

<u>Financial assets at amortised cost</u>
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.

<u>Financial assets at fair value through profit or loss (FVPL)</u>
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).<u>Impairment of Financial assets</u>

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses of its financial assets, 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 and trade and other payables.

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.

(t) 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.

(u) 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.

(v) Fair value measurements

Certain accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities.

The Group uses observable data as much as possible when measuring the fair value of an asset or liability. Fair values of assets or liabilities are categorised into different levels in the fair value hierarchy based on the lowest input used in the valuation techniques as follows:

- Level 1: quoted (unadjusted market prices in active markets for identical assets or liabilities).
- Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

As a result of the impairments recognised in the current financial year, further information about the assumptions made in measuring fair values is included in the following notes:

- Note 11: Property, Plant and Equipment; and
- Note 12: Exploration and Evaluation

The fair value of cash and short-term deposits, trade receivables, other current financial assets, trade payables and other current liabilities approximate their carrying values largely due to the short-term maturities of these instruments.

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 2022 the Group recorded a net cash outflow from operating and investing activities of $512,642 and an operating loss of $2,026,538. The Group is also in a net current liability position of $622,272. 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 Group:

- Raising additional funding through debt or equity raise;
- Being re-admitted to the ASX;
- Receiving ongoing support from shareholders;
- Raising sufficient funds to meet the minimum exploration expenditure to continue to develop its exploration and evaluation assets itself, or through joint ventures; and
- Retaining and maintaining its exploration and evaluation assets and associated licences.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because:

- Directors will not commit to expenditure unless sufficient funding has been sourced;
- Australia Poly Minerals Investments Pty Ltd, a shareholder related entity has provided a loan facility (refer note 14);
- At the date of issuing this report, there remains $530,000 of undrawn shareholder loan funding available.
- The relisting process is underway and the directors continue to engage with the ASX;
- On 27 September 2022, the Group announced the intention to conduct a fully underwritten rights issue to raise up to $4.6 million; and
- The South Australian Department of Energy & Mining has granted an extension on the Group's licenses and expenditure commitments, subject to being relisted.

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

If additional capital is not obtained or the above matters are not resolved in the Group's favour, 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

	2022	2021
	$	$
ASX fees	27,608	20,942
Audit fees	54,675	42,100
Consulting fees	164,000	155,457
Corporate administration	51,221	56,557
Insurances	42,335	48,551
Legal fees	72,853	84,333
Share registry	21,734	23,920
Travel	1,126	1,217
	435,552	433,077

5. INCOME TAX BENEFIT

Numerical reconciliation between tax benefit and pre-tax net loss

	2022	2021
	$	$
Loss before tax from continuing and discontinued operations	(2,026,538)	(744,638)
Prima facie income tax benefit at 25% (2021: 30%)	(506,635)	(223,391)
Effect of permanent differences and tax losses not recognised		
Effect of temporary differences and tax losses not recognised	506,635	223,391
Income tax benefit attributable to operating loss	-	-

A deferred tax asset with respect to accumulated tax losses 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. The Company currently has tax losses of $34,298,557 (2021: $33,585,307).

6. CASH AND CASH EQUIVALENTS

	2022	2021
	$	$
Cash at bank and in hand	42,124	44,766
	42,124	44,766

The Company has an undrawn shareholder loan facility of up to $1,090,000 as at 30 June 2022 for a total facility of $1,600,000 from Australia Poly Minerals Investments Pty Ltd (refer to note 14).

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

	2022	2021
	$	$
Operating (loss) after income tax	(2,026,538)	(744,638)
Depreciation and amortisation	1,686	313
Exploration expenditure expensed	151,519	194,565

Impairment of capitalised exploration and evaluation expenditure	1,206,845	-
Gain on disposal from discontinued operation	-	(164,900)
Profit on disposal of property, plant and equipment	(9,821)	(22,760)
Impairment of property, plant and equipment	169,820	
Interest earned	(75)	(982)
Interest paid	801	-
Changes in Assets and Liabilities:		
(Increase) / Decrease in other current operating assets	3,999	(5,082)
Increase in operating creditors and accruals	37,534	100,251
Increase (Decrease) in leave provisions	(30,052)	7,111
Net cash used in operating activities	(494,282)	(636,122)

8. TRADE AND OTHER RECEIVABLES

	2022	2021
	$	$
Accrued interest receivable	-	-
Bonds and deposits	15,000	15,000
Prepaid expenses	25,699	49,504
PAYG and GST refundable	31,932	12,401
Other Receivables	276	72,000
	72,907	148,905

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

9. INVESTMENT IN ASSOCIATE HELD FOR SALE

During the financial year ended 30 June 2021, the Group disposed of 80% equity interest in its subsidiary Lincoln Finance Group Pty Ltd ("LFG") to an entity controlled by the then Chairman James Zhang. The consideration for the disposal was at arm's length. The consideration for the 80% shares was $252,000, of which $72,000 had not been received at 30 June 2021 (refer to note 8).

As at 1 July 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 during the financial year ended 30 June 2022 and the total consideration was received in full. The profit of $164,900 from this transaction was recognised in the consolidated financial statements as profit on sale of discontinued operations in the financial year ended 2021, representing the profit on sale of 80% of the business and recording the remaining 20% as its recoverable amount; hence, there is no profit recognised in the financial year ended 30 June 2022.

Profit on disposal:

	2022	2021
	$	$
Total sale consideration for LFG (2022:20%, 2021:80%)	63,000	252,000
Carrying amount of net assets disposed (de-consolidated)	63,000	150,100
Profit on disposal before income tax	-	101,900
Profit on disposal after income tax	-	101,900

Amount recognised in profit or loss from discontinued operations:

	2022	2021
	$	$
Profit on sale on LFG (2021:80%)	-	101,900
Gain on fair value of 20% remaining investment in LFG	-	63,000
Gain on sale of discontinued operation, net of tax (nil)	-	164,900

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

	2022	2021
	$	$
Total sale consideration for LFG (2022:20%, 2021:80%)	63,000	252,000
Proceeds received in during the year	72,000	-
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	135,000	29,900

10. OTHER FINANCIAL ASSETS

	2022	2021
	$	$
Term deposit	30,000	30,000

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Office plant and equipment	Exploration plant and equipment	Motor vehicles	Total
2022	$	$	$	$	$
At cost	433,873	40,834	341,935	16,052	832,694
Accumulated depreciation	-	(37,680)	(328,964)	(15,261)	(381,905)
Accumulated impairment	(169,820)	-	-	-	(169,820)
Closing net book amount	264,053	3,154	12,971	791	280,969
Opening net book amount	433,873	408	15,652	29,171	479,104
Additions	-	2,994	-	-	2,994
Disposals	-	-	-	(27,756)	(27,756)
Depreciation charge to P&L	-	(248)	(1,336)	(91)	(1,675)
Depreciation charged to exploration	-	-	(1,345)	(533)	(1,878)
Impairment loss	(169,820)	-	-	-	(169,820)
Closing net book amount	264,053	3,154	12,971	791	280,969
2021	$	$	$	$	$
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

The Group's accounting policy is to carry property, plant and equipment at cost less accumulated amortisation and impairment, in accordance with AASB116. During the year, the Directors identified that the Group's current commitments and financial position represented impairment indicators under AASB136.

In assessing the recoverable amount of the land asset, a directors' valuation was performed to determine the fair value less disposal costs in accordance with AASB136 and AASB13. An impairment of $169,820 was recorded against the carrying value of land.

Fair value hierarchy

The fair value estimates for land are considered to be Level 3 estimates.

Significant Observable Inputs

1. Recent sales of land on Koppio/Tumby Bay area on the Eyre Peninsula and recent trends in the sale of land in other agricultural regions, adjusted for comparability considerations.
2. Land use deemed as pastural.

Significant Unobservable Inputs

1. Estimated price per hectare is determined by assessing the asset's:
    a. location including surrounding land use, amenities and local services;
    b. improvement including structural, fencing and water;
    c. occupancy including dwellings, structures and licenses/leases.
2. Economic overview including local, State and industry economic overview.

Sensitivity analysis

The fair value measurement of freehold land is sensitive to changes in the unobservable inputs which may result in a significantly higher or lower fair value measurement. The following tables demonstrate the sensitivity to a reasonably possible change in significant unobservable inputs, with all other variables held constant (change in profit and equity):

	2022	2021
Land	$	$
Increase in estimated market value per hectare by 5%	13,203	-
Decrease in estimated market per hectare by 5%	(13,203)	-

12. EXPLORATION AND EVALUATION

		2022	2021
		$	$
Opening net book amount		6,767,972	6,730,803
Exploration expenditure during the year		149,641	221,409
Depreciation charged to exploration		1,878	10,326
Less, exploration & evaluation expensed	(a)	(151,519)	(194,566)
Less, capitalised exploration impaired	(b)	(1,206,845)	-
Closing net book amount		5,561,127	6,767,972
Gross exploration assets capitalised		20,501,519	20,501,519
Provision for impairment		(14,940,392)	(13,733,547)
Net exploration assets		5,561,127	6,767,972

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 Group's accounting policy is to capitalise exploration costs in accordance with AASB6 and assess at each reporting date if any impairment indicators as defined in AASB6 paragraph 20. During the year, the Directors identified that the Group's current commitments and financial position represented impairment indicators under AASB6 and have performed an impairment analysis as required under AASB136.

In assessing the recoverable amount of the capitalised exploration and evaluation costs, a Directors' valuation was performed to determine the fair value less disposal costs in accordance with AASB136 and AASB13. An impairment of $1,206,845 was recorded against the capitalised exploration and evaluation costs.

Fair value hierarchy

The fair value estimates for capitalised exploration and evaluation costs are considered Level 2 estimates.

Significant Observable Inputs

The fair value less disposal costs was based on the takeover bid announced on the ASX on 9 August 2022, of one (1) Quantum Graphite Limited ("QGL") share for every forty (40) Lincoln Mineral shares. QGL's shares were trading at $0.40 (40 cents) per share at the close of trading on 9 August 2022.

Significant Unobservable Inputs

(a) Disposal costs to complete a sale transaction; and

(b) Condition of the underlying assets.

Sensitivity analysis

The fair value measurement of the capitalised exploration and evaluation costs is sensitive to changes in the unobservable inputs which may result in a significantly higher or lower fair value measurement. The following tables demonstrate the sensitivity to a reasonably possible change in significant unobservable inputs, with all other variables held constant (change in profit and equity):

	2022	2021
Capitalised exploration and evaluation costs	$	$
Increase in estimated market value of shares per the offer by 10%	556,113	-
Decrease in estimated market value of shares per the offer by 10%	(556,113)	-

13. TRADE AND OTHER PAYABLES

	2022	2021
	$	$
Trade payables – external parties	203,522	146,747
Trade payables – related parties	-	5,363
Accrued expenses	2,064	15,942
	205,586	168,052

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. FINANCIAL LIABILITIES

As announced on the ASX on 23 December 2021, Lincoln Minerals has entered into convertible note agreement with Australia Poly Minerals Investments Pty Ltd (the note holder or "APMI"), a company associated with Poly Minerals Investments Limited ("PMI"), the largest shareholder of Lincoln Minerals. The agreement provided option for the note holder to acquire up to 1,600,000 convertible notes at the face value of $1 per note, with a coupon rate of 8% per annum.

On 12 September 2022, APMI agreed to terminate the convertible note agreement and the company agreed to treat the monies advanced by APMI as an advance under a Shareholder loan facility of $1.6m with interest payable by the company on the sum advanced at 8% per annum, repayable at the earlier of the Company completing an equity raise or debt financing of not less than $4 million or 31 December 2022.

As at the date of issuing this report $1,070,000 has been drawn down and $530,000 remains undrawn under the Shareholder loan facility.

Advances received as at 30 June 2022 have been treated as a shareholder's loan below:

	2022	2021
	$	$
Shareholder's loan	510,000	-
Total Financial Liabilities	510,000	-

15. CONTRIBUTED EQUITY

	2022	2021
Share capital	$	$
Fully paid ordinary shares	37,239,123	37,239,123
Opening balance	37,239,123	37,239,123
Closing balance	37,239,123	37,239,123

Movements in share capital:	Number	Number
Fully paid ordinary shares	574,983,686	574,983,686
Opening balance	574,983,686	574,983,686
Closing Balance	574,983,686	574,983,686

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 2022 and no options have been granted or exercised between the end of the year and the date of this report.

16. AUDITOR'S REMUNERATION

The Auditor of Lincoln Minerals Limited is Grant Thornton Audit Pty Ltd.

	2022	2021
	$	$
Audit or review of financial reports	54,675	42,100
Total remuneration	54,675	42,100

17. 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.

Expenditure required to maintain tenure of all of the exploration licences	2022	2021
	$	$
Within one year	1,890,000	2,380,000
After one year but not more than five years	-	2,540,000
	1,890,000	4,920,000

Contingencies

As at 30 June 2022 and the date of this report there were no contingencies.

18. EVENTS SUBSEQUENT TO BALANCE DATE

The following events have occurred post 30 June 2022:

1. **Changes to the board**

   On 29 July 2022, the following changes to the board were made:

   Appointment of Messrs Michael D Wyles KC FAICD, Jason Foley, Shalain Singh, Ross Loturco as non-executive directors and appointment of Sam Barden as Managing Director; and resignation of Johnson Zhang and Tingting Gao as directors.

2. **Takeover offer**

   On 10 August 2022 the company received a takeover offer by way of a Bidders Statement from Quantum Graphite Limited to acquire all shares in the company on the basis of 1 share offered in Quantum Graphite Limited for 9 shares held in Lincoln Minerals Limited.

   On 12 August 2022, the Company issued a statement rejecting the offer received form Quantum Graphite Limited.

   On 17 August 2022, the Board appointed Ms Ruiyu Zhang as executive Chair

   On 23 August 2022, the Company issued an operational and strategic update.

   On 6 September 2022, the Company received a Revised Bidder Statement from Quantum Graphite Limited to acquire all shares in the company on the basis of 1 share offered in Quantum Graphite Limited for 40 shares held in Lincoln Minerals Limited

   On 4 October 2022, the Board appointed Mr Michael D Wyles K.C. FAICD as Deputy Chair.

   On 5 October 2022, the Company issued a Target's Statement in response to the Revised Bidder Statement received form Quantum Graphite Limited

3. **Shareholder loan**

   As announced on the ASX on 23 December 2021, Lincoln Minerals has entered into convertible note agreement with Australia Poly Minerals Investments Pty Ltd (the note holder or "APMI"), a company associated with Poly Minerals Investments Limited ("PMI"), the largest shareholder of Lincoln Minerals. The agreement provided option for the note holder to acquire up to 1,600,000 convertible notes at the face value of $1 per note, with a coupon rate of 8% per annum.

   On 12 September 2022, APMI agreed to terminate the convertible note agreement and the company agreed to treat the monies advanced by APMI as an advance under a Shareholder loan facility of $1.6m with interest payable by the company on the sum advanced at at 8% per annum, repayable at the earlier of the Company completing an equity raise or debt financing of not less than $4 million or 31 December 2022.

   As at the date of issuing this report $1,070,000 has been drawn down and $530,000 remains undrawn under the Shareholder loan facility.

4. **Fully underwritten rights issue**

   On 27 September 2022, the Company announced the intention to conduct a fully underwritten rights issue to raise up to $4.6 million (1.33 shares for every share held at 0.006 (i.e., 6/10 of cent per share)). This rights issue will be fully written by Jigsaw Investment Pty Ltd and sub-underwritten by APMI. PMI intends to take up its full entitlement under the rights issue and in accordance with the sub-underwriting agreement, will upon its ordinary shares being issued in accordance with the rights issue cause APMI to forgive the Shareholder loan facility.

5. **Exploration and evaluation assets**

   As disclosed in note 12, an impairment loss of $1.2 million was recorded against the Exploration and Evaluation assets. The Lincoln Board continues to assess business opportunities to develop its business plans such that Lincoln will be listed on ASX in future.

   On 3 August 2022, the company received a letter from the Department of Energy and Mining of South Australia (the "Department") concerning EL5922, EL5971, EL6024, EL6441, EL6448 and EL6638 (formerly 5811) referred to as "Southern Eyre Peninsula Project (AEA019-001)" (the "SEP Project"). The SEP Project is in addition to ML6460 (Kookaburra Gully) which lease runs until 2 June 2037.

In its letter, the Department stated that it supported an extension of the SEP Project for another 2-year period subject to the following:

a. Successful relisting of Lincoln in the ASX.

b. Receipt of a valid expenditure return for the current AEA period no later than 60 days after the AEA period end date.

c. Future expenditure commitment will be carried forward and be added to the expenditure commitment for the new AEA, and

d. It will be a condition of the AEA that failure to meet the new combined expenditure may result in cancellation of the exploration licences.

As described in note 3, the Group is well progressed to achieve the relisting and raise sufficient funds to meet the requirements stipulated by the Department above. Discussions with the Department continue to be constructive and supportive.

Once the relisting and refinancing have completed, the Directors believe that will be a position to achieve the required exploration expenditure and will reassess the carrying value of the exploration assets to determine any reversal of the impairment at that time.

This reassessment will be supported by an independent geological report, prepared by global consultants to the mining industry, SRK Consulting.

Other than the above, there are no other 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.

19. EARNINGS PER SHARE

	2022	2021
Loss used to calculate basic and diluted loss per share ($) from continuing operations	(2,026,538)	(909,538)
Basic and diluted loss per share (cents) from continuing operations	(0.35)	(0.16)
Profit used to calculate basic and diluted loss per share ($) 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	(2,026,538)	(744,638)
Basic and diluted loss per share (cents) attributable to members of the parent	(0.35)	(0.13)
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.

20. FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise bank cash, short term deposits, trade receivables, shareholder's loan and trade payables. The main purpose of these financial instruments is to finance the Group's exploration operations and administration including management and the Board's pursuit of best practice governance. 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(s) to the financial statements.

Categories of financial instruments

	2022	2021
	$	$
Financial assets:		
Cash and cash equivalents	42,124	74,766
Receivables and other assets	72,907	148,905
Investment in associate company held for sale	-	63,000
Financial liabilities:		
Trade and other payables	203,522	152,110
Shareholder's loan	510,000	-

The Group's activities expose it to several financial risks which impact on the measurement of, and potentially could affect the ultimate settlement amount of, its financial instruments including market risk, credit risk, and liquidity risk.

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:

	2022	2021
	$	$
Cash and cash equivalents	42,124	74,766
Receivables and other assets	72,907	148,905
	115,031	223,671

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.

The following table details the Company's and the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The table includes both interest and principal cash flows.

	Weighted average effective interest rate	0-3 months	3-12 months	1-5 years
2022	%	$	$	$
Non-interest bearing	-	203,522	-	-
Fixed Interest bearing	8%	-	530,400	-

2021	%	$	$	$
Non-interest bearing	-	152,110	-	-

At the date of issuing this report, $1,070,000 of the shareholder loan has been drawn down and $530,000 remains undrawn.

Fair values

The carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

Interest rate risk

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

	2022	2021
Carrying amounts:		
Financial assets:	$	$
Fixed rate instruments	30,000	30,000
Cash and cash equivalents	42,124	44,766
	72,124	74,766
Financial liabilities:		
Shareholder loan	510,000	510,000

The weighted average interest rate on deposits for 2021/22 was 0.10% (2021: 0.55%).

The shareholder loan is at a fixed interest rate of 8% per annum.

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. 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, almost all of the Group's capital is equity funded, except for the loan from shareholders of $510,000 at 30 June 2022 ($1,070,000 at 14 October 2022). No dividends have been paid since the Company's inception and the policy of the Company is to not pay dividends until such time as the Group has achieved profitability from the conduct of 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.

21. KEY MANAGEMENT PERSONNEL DISCLOSURES AND RELATED PARTY TRANSACTIONS

Key Management Personnel of the Company during the year comprise:

Directors

JT Zhang*	Chairman
J Zhang*	Managing Director
A Raunic*	Director
R Zhang	Chair
T Gao*	Director

Executives

S Barden **	Managing Director
A Metcalfe	Company Secretary
DA Povey	Chief Geologist (consultant)

*Denotes directors or executives who retired during or post year end.

** Denotes directors or executives appointed during the current financial year.

Compensation

Compensation of Key Management Personnel by category:

	2022	2021
	$	$
Short term employee benefits	196,890	398,707
Post-employment benefits - superannuation	14,121	20,022
Post-employment benefits - long service leave	1,250	3,028
Total	212,261	421,757

Loans to Key Management Personnel

Nil.

Other transactions with Key Management Personnel

A number of KMP or their related parties hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. During the year, the Company received services of $15,000 from Emerald Hospitality Pty Ltd, an entity associated with Johnson Zhang. Amounts were billed and payable under normal commercial terms and conditions. Balances outstanding as at the reporting date relating to these transactions were $0 (2021: $0). There were no bonuses or rights to bonuses earned or paid in either 2022 or 2021.During the year, the Company sold a vehicle to its Chief Geologist, Mr Dwayne Povey, at the market value of $37,577, the transaction was done by way of offsetting his accrued annual leave against the market value of the car.

Individual Directors and Executives disclosures

Information regarding individual Directors and Executives compensation and 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.

22. 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.

23. PARENT ENTITY DISCLOSURE

As at and throughout the financial year ending 30 June 2022 the parent company was Lincoln Minerals Limited.

	2022	2021
	$	$
Result of the parent entity		
Loss for the year	(2,026,538)	(744,638)
Other comprehensive income	-	-
Total comprehensive loss for the year	(2,026,538)	(744,638)
Financial position of parent entity at year end		
Current assets	145,031	12,306,893
Non-current assets	5,842,109	40,315
Total assets	5,987,140	12,347,208
Current liabilities	227,303	5,070,833
Non-current liabilities	510,000	-
Total liabilities	737,303	5,070,833

Total equity of the parent entity comprising of:	Note		
Contributed equity	15	37,239,123	37,239,123
Accumulated Losses		(31,989,286)	(29,962,748)
Total equity		5,249,837	7,276,375

Parent entity contingencies

At 30 June 2022 there were no contingencies.

Parent entity commitments

Parent entity commitments are the same as those for the Group which are disclosed in note 17.

24. CONTROLLED ENTITIES

		Ownership Interest	
Name of Entity	Country of Incorporation	2022 %	2021 %
Parent Entity:			
Lincoln Minerals Limited	Australia		
Subsidiaries:			
Australian Graphite Production Pty Ltd	Australia	100%	100%
Australian Graphite Pty Ltd	Australia	100%	100%
Lincoln Asia-Pacific Pty Ltd	Australia	100%	100%
Lincoln Copper Pty Ltd	Australia	100%	100%

25. FAIR VALUE OF NON-FINANCIAL ASSETS

Non-financial assets measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

The following table shows the levels within the hierarchy of non-financial assets measured at fair value on a recurring basis as at 30 June 2022:

	Level 1 $	Level 2 $	Level 3 $	Total $
Land (refer to note 11)	-	-	264,053	264,053
Exploration and Evaluation (refer to note 12)	-	5,561,127	-	5,561,127
	-	5,561,127	264,053	5,825,180

There were no non-financial assets carried at fair value in the prior year.

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 2022 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 2022.

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
Non-Executive Chairman

Dated this 14th day of October 2022
Melbourne, Victoria

Grant Thornton

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Adelaide SA 5000

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Adelaide SA 5001

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Independent Auditor's Report

To the Members of of Lincoln Minerals Limited

Report on the audit of the financial report

Opinion

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 2022, 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 2022 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 $2,026,538 during the year ended 30 June 2022 and a net cash outflow from operating and investing activities of $512,642. The Group is also in a net current liability position of $622,272. 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 – Note 2(h) and 12	
At 30 June 2022, the carrying value of exploration and evaluation assets was $5,561,127, net of an impairment expense recognised during the year of $1,206,846. In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group is required to assess at each reporting date if there are any triggers for impairment that may suggest the carrying value is in excess of the recoverable value. The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement. The determination of the quantum of any impairment recognised under the requirements of *AASB136 Impairment of Assets* requires an element of management judgement. This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.	Our procedures included, amongst others: • obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger; • reviewing management's area of interest considerations against AASB 6; • conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including; – tracing projects to statutory registers, exploration licenses and third-party confirmations to determine whether a right of tenure existed; – enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure; – understanding 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; • developing a point estimate to assess management's impairment assessment; • assessing the accuracy of impairment recorded for the year as it pertained to exploration interests; and • assessing the appropriateness of the related financial statement disclosures.

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 2022, 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 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 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: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf.This description forms part of our auditor's report.

Report on the audit of the financial report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Lincoln Minerals Limited, for the year ended 30 June 2022 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Iain Kemp

I S Kemp
Partner – Audit & Assurance

Adelaide, 14 October 2022

8 ASX ADDITIONAL INFORMATION

8.1 Distribution as at 14th day of October 2022

Spread of Equity Security Holders

	Number of Holders Fully paid shares	%
1 – 1,000	49	0.00
1,001 – 5,000	121	0.07
5,001 – 10,000	190	0.28
10,001 – 100,000	649	4.42
100,001 and over	263	95.23
Total holders	1,272	100.00
Quoted shares on issue	574,983,686	

There are 897 security holders holding less than a marketable parcel of ordinary shares ($500 amounts to 417,491 shares at 0.8 cents ($0.008) per share). There are no restricted securities or securities subject to voluntary escrow.

8.2 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.

8.3 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 Yingkang Zhong	32,221,923 shares	5.60%

8.4 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 Yingkang 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	7,441,462	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 Sargant & Mrs Marieanne Sargant <Sawnlee Super Fund A/C>	3,000,000	0.52
	Total 20 largest shareholders	439,232,909	76.39
	Total Remaining Holders Balance	135,750,777	23.61

9 RESOURCES AND RESERVES STATEMENT

9.1 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 2022 total 2.03Mt at 15.2% TGC for a total of 308,560 tonnes contained graphite.

Kookaburra Gully Mineral Resource (AGL 100%) as at 30 June 2022. These remain unchanged from 30 June 2021

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**
Total Mineral Resources >5% TGC Measured + Indicated + Inferred		**2.03**	**16.9**	**15.2**	**2.53**

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 2022. These remain unchanged from 30 June 2021.

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 [ɣ]	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
[ɣ] 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_2O_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 Persons. 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).