

Quarterly Activities Report

Period Ending 31 December 2022



25 January 2023

ASX: LML and LMLND

Advanced graphite explorer, **Lincoln Minerals Limited** ("Lincoln" or "Company") (ASX:LML) is pleased to provide its quarterly activities report for the period ending **31 December 2022**.

Highlights

- **Lincoln Minerals made substantial progress in corporate activities over the quarter, culminating in the reinstatement of LML shares being traded on the ASX on Friday, 20 January 2022**
- **Held 2021 AGM and 2022 AGM with all resolutions put to shareholders being approved**
- **Lodgement of Original Targets Statement and Supplementary Targets Statement in response to the Quantum Graphite Limited off-market scrip takeover offer for LML shares**
- **Successful capital raise via Rights Issue of \$4.6M before costs and repayment of loan secures cornerstone investor with Evolution Capital Pty Ltd acting as underwriter**
- **Quotation of Rights Issue shares under LMLND due to the Quantum Graphite Limited off-market script takeover offer for LML shares**
- **Independent Geological Consultancy engaged to evaluate the Modifying Factors and update key economic parameters to identify opportunities to update the Feasibility Study**

Commenting on the activities during the quarter, **Managing Director Mr. Sam Barden** said:

"The December 2022 quarter has culminated into a transformational period for Lincoln, and I would like to take this opportunity to formally welcome our new investors to the registry and thank our longstanding shareholders for their continued support. I would also like to take this opportunity to thank the Lincoln management team and Board for their continued commitment and excellence as we now enjoy the success of relisting LML on the ASX after a period of hiatus since September 2020."

"Graphite is now on the list of critical minerals for western governments to secure supplies given its importance to the energy transition and high supply risk."

"I strongly believe we now have the foundations set in place to add significant value for our shareholders. We have reduced our debt, and now have the capital to proceed with an aggressive, fully funded 2023 drilling program to progress Kookaburra Gully to an advance mining feasibility study and expand exploration across all our leases on the Eyre Peninsula in South Australia."

December 2022 Quarterly Activities Update

During the quarter, Lincoln made substantial progress in undertaking activities which culminated in the Company's shares being reinstated to trading status on the ASX on Friday, 9 January 2023.

The Company received shareholder approval at its 31 October 2022 AGM to proceed with a non-renounceable rights issue prospectus offer (Offer). The fully underwritten rights issue was launched in November 2022 and following the lodgement of a replacement prospectus in December 2022, the Offer was completed in January 2023 raising \$4.6M before costs. Use of funds raised will include repayment of a \$1.6M



loan to the Company's largest shareholder Australian Poly Minerals Investments Pty Ltd, recommencing graphite exploration and progressing Lincolns' flagship Kookaburra Gully graphite project.

The Company's path to completing its equity raise under the Offer was hampered by the on-going off-market scrip takeover offer received from Quantum Graphite Limited (QGL) to acquire all the shares in Lincoln. Multiple applications were made by QGL to the Takeovers Panel which were ultimately unsuccessful clearing the way to complete the Offer.

On completion of the Offer, Lincoln Minerals Limited shares were reinstated to trading status on the ASX on January 20, 2023.

The Board and Management has a clear strategy for success. As the world focuses on environmental responsibility and the transition to a decarbonised economy, the global trend towards electrification continues and the growth in demand for batteries and their component minerals is also expected to continue. Graphite is a key component in the manufacture of batteries. Lincoln's cornerstone Kookaburra Gully Graphite project, located on the Eyre Peninsula in South Australia, has the potential to contribute to this graphite demand. With the Company now funded to progress its 2023 exploration program, Lincoln will continue to define and increase geological confidence in its Mineral Resource base

The current Board of three directors (following resignation of three directors in October 2022), supported by an experienced management team, have the skills to execute this strategy to monetise the Kookaburra Gully asset and maximise shareholder value. Payments to related parties during the quarter were for Directors fees totalling \$85k.

Rights Issue Offer

On 24 November 2022, Lincoln Minerals Limited (Lincoln) lodged its non-renounceable Rights Issue Prospectus Offer. The Offer was conducted on the basis of an entitlement of 67 new shares for every 50 shares held at an issue price of \$0.006 per share. Evolution Capital Pty Ltd acted as underwriter of the Offer and post completion is anticipated to become a strategic and substantial investor in Lincoln Minerals. Funds raised provide capital for the company's exploration and development program with primary focus on the Kookaburra Gully Graphite Project and to repay a working capital loan advanced by Australian Poly Minerals Investments Pty Ltd. The recapitalisation program was a prerequisite to ASX lifting the suspension in trading of the Company's shares.

On 20 December 2022, a Replacement Rights Issue Offer was lodged addressing certain deficiencies that were identified as a result of Takeovers Panel applications made by Quantum Graphite Limited (QGL).

On 12 January 2023, Lincoln reported that the Offer had closed successfully raising \$4.6M before costs; and on 18 January 2023, 770,478,122 new ordinary shares were issued under ASX Code LMLND.

Target's Statement

On 5 October 2022, Lincoln Minerals Limited (Lincoln) lodged its Original Target's Statement in response to Quantum Graphite Limited's (QGL) off-market scrip takeover offer for all the ordinary shares in Lincoln (Bid). Following the receipt of shareholder approval to proceed with the Rights Issue Offer at the AGM held on 31 October 2022, Lincoln lodged a Supplementary Target's Statement on 1 November 2022. Lincoln lodged a Second Supplementary Target's Statement on 29 November 2022 to address issues raised by QGL in their

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applications to the Takeovers Panel. The QGL Bid was extended multiple times during the quarter since being lodged and is due to close on 31 January 2023, unless extended.

Lincoln's board of directors unanimously recommend that Lincoln shareholders join in **REJECTING** the QGL Bid. The Company received the support of its 4 largest shareholders who hold a combined 52.28% shareholding in the Company (as at the date of the Second Supplementary Target's Statement) in rejecting the QGL Bid. A key condition of the Bid is for QGL to secure at least 51% of the shares in Lincoln Minerals Limited to progress the Bid which under the terms at date of this report will not be possible.

Kookaburra Gully Graphite project

The Company's flagship asset, the Kookaburra Gully Graphite project, is located approximately 35km north of Port Lincoln on the Eyre Peninsula in South Australia. Kookaburra Gully's 2017 Feasibility Study defined a Probable Ore Reserve for Kookaburra Gully of 1.34Mt at 14.6% Total Graphitic Carbon (TGC) at a cut-off grade of 8.5% TGC (*refer to 2022 Annual Report, released to the ASX on 17 October 2022*).

In preparation for the Prospectus to accompany the Rights Issue Offer, Lincoln engaged an Independent Geological Consultancy to evaluate the Modifying Factors and update key economic parameters to identify opportunities to update the Feasibility Study. Findings of this report will be made available in the coming weeks.

Eurilla Gold Anomaly

Lincoln completed the evaluation of geochemical data from near surface geological sampling conducted in 2022 to investigate gold anomalism in Lincoln's Eurilla tenement, located approximately 40kms north of Kimba on the Eyre Peninsula in South Australia (Figure 1).

Indications of the presence of gold in calcrete from prior studies have not been repeated in the recent calcrete sampling program and hence Lincoln is downgrading its assessment of this tenement for gold prospectivity.

Tenements

Lincoln holds exploration rights to South Australian licence holdings totalling 1,151 km², all located on Eyre Peninsula, with 999 km² 100% owned.

The status of all Exploration Licences (EL) as of 31 December 2022 for which Lincoln is the Licensee is shown under Schedule A – Tenement Schedule and map. All EL's are current with EL's 6421 Uno, 5942 Eurilla, 5922 Wanilla, 5971 Tumby Bay and 6024 Mount Hill applications for renewal lodged with Government. Exploration Licences 6441 Dutton River and 6448 Wanilla were renewed during the December quarter.

ASX Listing Rule 5.23 Statement

The references in this announcement which relate to Ore Reserves, Mineral Resources and Exploration Results of the Company are detailed in the Company's 2022 Annual Report (*released to the ASX on 17 October 2022*). The Company is not aware of any new information or data that materially affects the information in

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the original market announcement and all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed.

This quarterly report has been approved for release by the Board of Lincoln Minerals Limited. For further information please contact:

Sam Barden, Managing Director / CEO Lincoln Minerals Limited E: Sam.Barden@lincolnminerals.com.au	Andrew Metcalfe, Company Secretary Lincoln Minerals Limited E: Andrew@accosec.com
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About Lincoln Minerals Limited

Lincoln Minerals Limited (ASX: LML) is a mining exploration company, focused on graphite, gold, copper and iron ore in South Australia. The Company's cornerstone graphite project is based at the Kookaburra Gully Graphite project on southern Eyre Peninsula.

SCHEDULE A - Tenement Schedule

Tenement	Renewal Date	Area (km ²)	Location	Target Commodity
LINCOLN MINERALS 100% OWNERSHIP OF ALL MINERAL RIGHTS				
EL 5942*	28-Jan-22	52	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-24	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-24	79	Wanilla (Bald Hill)	Graphite, Iron
ML 6460	2-June-37	300.8 ha	Kookaburra Gully	Graphite
Subtotal		999		
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		1,151		

* Exploration Licence renewals in progress



Figure 1: 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 19 January 2023

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

Disclaimers

Competent Person Statement

Information in this report that relates to Exploration Results and Mineral Resources 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.

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.

Forward looking statements - This document may include forward looking statements. Forward looking statements include, are not necessarily limited to, statements concerning Lincoln Minerals Limited's planned operation program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Although Lincoln Minerals Limited believes its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements. The entity confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning this announcement continue to apply and have not materially changed.