

Quarterly Activities Report

March 2015

28 April 2015

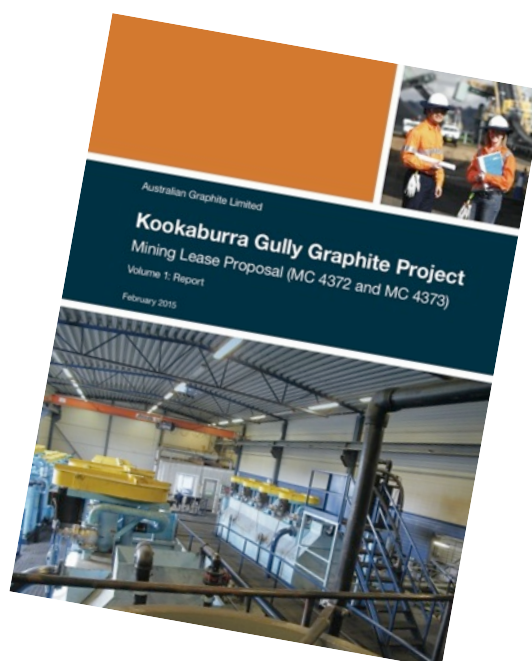
Key Points

Advanced Kookaburra Gully Graphite Project on South Australia's Eyre Peninsula

- **Mining Lease Proposal completed** and milestone **Mining Lease Application lodged in February 2015** with the SA Department of State Development
- Targeting graphite production of >25,000 tpa and sales of high purity (>93% TGC) concentrate in CY2016
- A SA Government **PACE Grant has been offered to Lincoln Minerals** to undertake drilling on its subsidiary's Kookaburra Gully Extended exploration target

Corporate

- Lincoln Minerals formally becomes a 25% foundation shareholder of an international graphite trading exchange based in Qingdao, China
- With cash at bank of \$1.19m at quarter end, the company has adequate funding in place to meet known overheads and commitments for at least the next 9 months
- Partnership formed in March for an international graphene research program with Melbourne's Monash University, Guangdong University of Technology in China, and one of the largest electronic components producer in China
- Registered office relocated from Adelaide to Melbourne. Small technical office retained in Adelaide



Timetable to mining

The lodgement of the MLA, a milestone for any explorer, now precipitates a multi-layered timetable of development. Subject to normal statutory approvals and project funding outcomes, the MLA positions Lincoln for the first time in the Company's history, with a firm and near-term horizon to achieve the transition from explorer to miner. Importantly, the MLA coincides with positive Australian and global equity market interest in graphite and its acclaimed graphene derivative. This sentiment will assist financing negotiations that will accelerate on government approval of the MLA. Lincoln's anticipated scheduling provides for the progress of the MLA approvals process, pilot plant processing, finalisation of mine and processing plant design and approval by Government of the Company's rehabilitation plans for the

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Kookaburra Gully mine, all potentially by end of year. This should allow a commencement to mine construction early in calendar 2016 with potentially first mining before the end of June 2016.

Kookaburra Gully is one of Australia's premier graphite deposits with total Indicated and Inferred Mineral Resources of 2.20 million tonnes grading on average 15.1% TGC (Total Graphitic Carbon).

Both Kookaburra Gully and the nearby historic Koppio Graphite Mine are global Top 10 graphite deposits based on grade, are 10km from water supplies, adjacent high voltage electricity lines and within 35km of a major export port.

Lincoln Minerals Limited (LML) and its 100% owned subsidiary, Australian Graphite Pty Ltd (AGL), aim to take the Kookaburra Gully project to critical development and commercialisation milestones over the next 12 months.

EXPLORATION & DEVELOPMENT PROGRESS DURING THE QUARTER

Proposed Kookaburra Gully Graphite Mine (SA's Eyre Peninsula)

(LML and its 100%-owned subsidiary, Australian Graphite Pty Ltd (AGL), have exclusive rights to graphite on all tenements)

On 26 February 2015, Lincoln Minerals, through its wholly-owned subsidiary, Australian Graphite Pty Ltd (AGL), formally lodged a Mining Lease Application (MLA) to develop a graphite mine at AGL's wholly-owned Kookaburra Gully project on South Australia's Eyre Peninsula.

The lodgement of the MLA follows completion of an extensive review process by SA's Department of State Development (DSD) of Lincoln's draft Mining Lease Proposal (MLP) – the main supporting documentation behind the MLA.

Lodgement of the MLA is a milestone for Kookaburra Gully and Lincoln Minerals in every sense. It means the backbone of work needed to elevate this project from exploration and assessment through to where we believe it can now be a viable new mining operation in Australia's graphite sector, has been realised. It is the benchmark from which we can now springboard real-time project financing, development and off-take negotiations and agreements.

Kookaburra Gully has a combined Inferred and Indicated Mineral Resource of 2.2 million tonnes at an average 15.1% TGC (1.47 Mt @ 13.9% TGC Indicated + 0.73 Mt @ 17.3% TGC Inferred at a nominal cutoff >5% TGC) (Lincoln Minerals Limited, ASX release 19 December 2013). Metallurgical tests have shown that the deposit can produce a range of flake graphite products from very fine (<75 microns) to large (>176 microns) flake at grades in excess of 93% TGC.

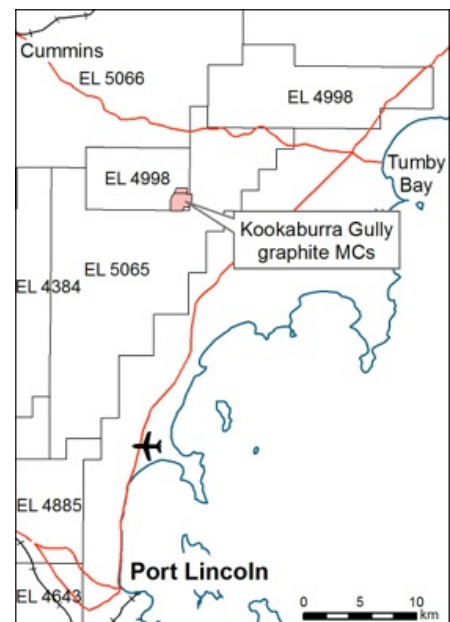


Figure 1: location of AGL's Kookaburra Gully Graphite Project

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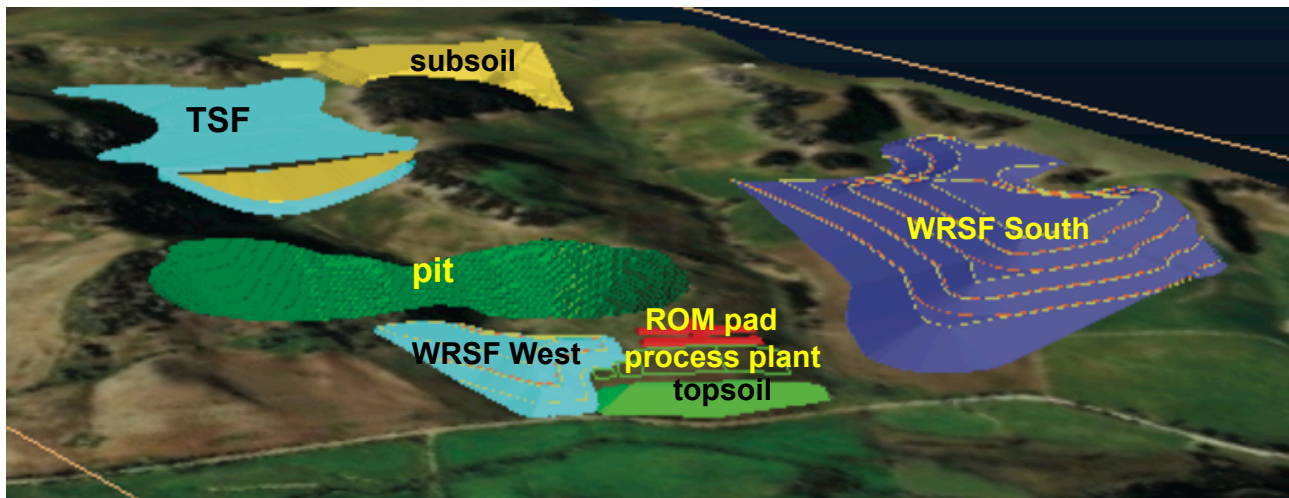


Figure 2: Conceptual mine plan looking to the southeast

Two Mineral Claims (MC 4372 and MC 4373) totalling approximately 300 hectares were applied for and registered for AGL's Kookaburra Gully graphite project during the previous quarter (Figure 3).

AGL owns the graphite mineral rights over a number of LML and Centrex Metals-SA Iron Ore Group (CXM-SAIOG) ELs (see the Tenement schedule at the end of this report).

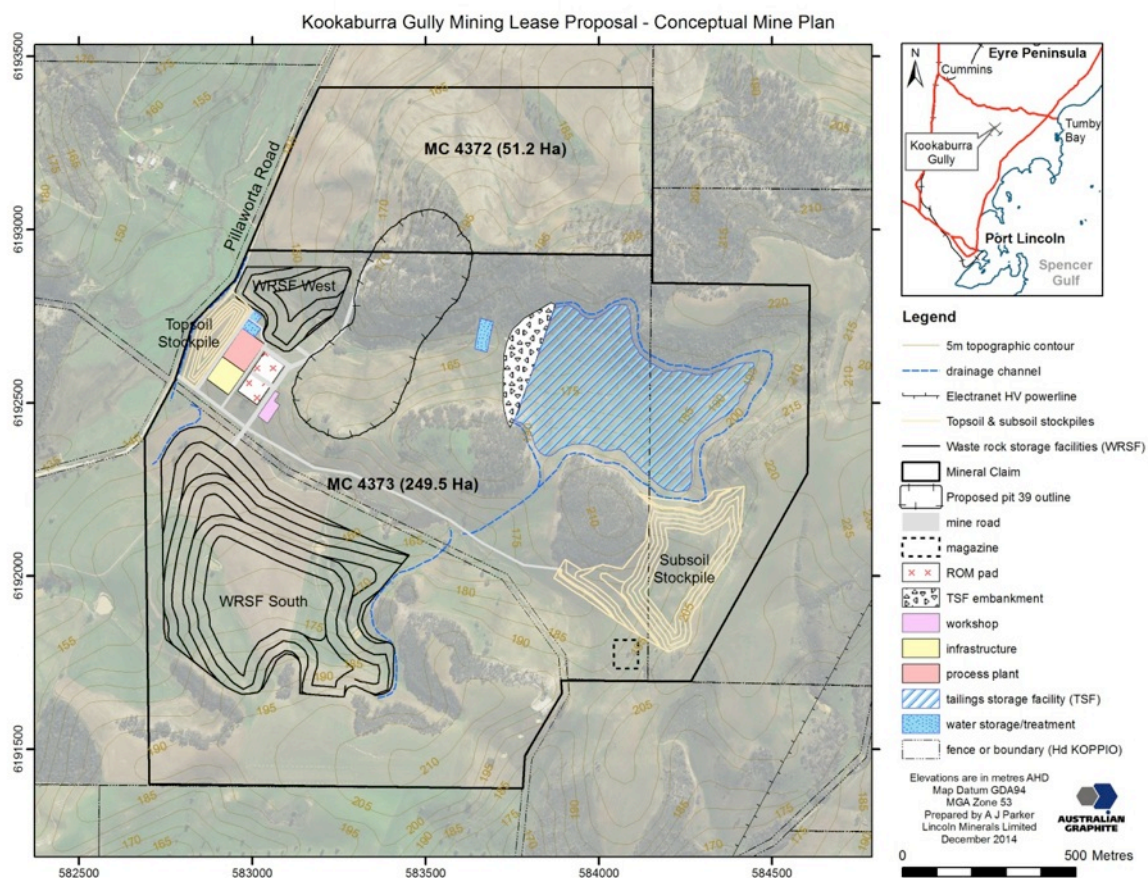


Figure 3: Location of Kookaburra Gully MC 4372 and MC 4373 and proposed mine plan

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The draft Mining Lease Proposal (MLP) was completed and provided to the SA Department of State Development (DSD) early in October 2014, at its request, for review prior to Lincoln lodging it as part of the formal Mining Lease Application process.

On the basis of that review, which included input from other State Government departments, DSD provided a "Guidance Report" to Lincoln outlining areas in the MLP that could be improved to streamline the formal ML application and assessment process.

During January and February this year, Lincoln Minerals and consultant Parsons Brinkerhoff revised the MLP which is a large, complex document that summarises the existing environment, outlines the conceptual mine plan, outlines risks and potential impacts, measures to mitigate those risks and impacts, and conceptual mine closure/rehabilitation plans. It is supported by a number of appendices including flora/fauna studies, heritage surveys, groundwater studies, air quality models and conceptual mine plans.

The lodgement of the Mining Lease Application and a smooth approvals process should position Lincoln in calendar 2015 achieve its objective of securing a Mining Lease and all Government approvals for a Kookaburra Gully mine.

A key component of the Kookaburra Gully project has been the Stakeholder Consultation Plan. This is ongoing and is addressing impacts and benefits to surrounding landholders, wider stakeholders and the Eyre Peninsula community. As part of that process, a further information brochure, Community Information Update No. 3, was produced in February 2015 to coincide with lodgement of the MLA.

For further information regarding the Mining Lease Proposal, please consult the February 2015 Community Information Update No. 3 which is available on the Company website www.lincolnminerals.com.au.

EPBC Referral for Kookaburra Gully

As part of its environmental studies, AGL has identified any flora and fauna of National Environmental Significance under the Environment Protection and Biodiversity Conservation Act 1999 (**EPBC Act**) that might be impacted by its proposed mining and associated activities. Since lodgement of the Kookaburra Gully MLA, Parsons Brinkerhoff completed a detailed EPBC Referral outlining environmental features in the area and, specifically, potential flora and fauna impacts. This was lodged on 24 April 2015.

The Koppio Hills area is largely defined by Sugar Gum (*Eucalyptus cladocalyx*) and Eyre Peninsula Blue Gum (*Eucalyptus petiolaris*) woodlands. The largest area within the proposed mine site, however, is now cleared farmland (Figure 3). Of the remaining native vegetation, the dominant vegetation association within the proposed mining area is *Eucalyptus cladocalyx* woodland.

Table 1 below, indicates the threatened species and ecological communities recorded in the project area.

Table 1: Threatened species recorded in baseline surveys

Species	Common Name	AUS	SA
<i>Eucalyptus petiolaris</i> woodland	Eyre Peninsula Blue Gum	Endangered	
<i>Pultenaea trichophylla</i>	Tufted Bush Pea	Endangered	Rare
<i>Olearia pannosa</i>	Silver Daisy Bush	Vulnerable	Vulnerable
<i>Acacia imbricata</i>	Feathery Wattle		Rare
<i>Daviesia pectinata</i>	Zig-zag Bitter Pea		Rare
<i>Eremophila gibbifolia</i>	Coccid Emu Bush		Rare
<i>Eucalyptus calycogona</i> ssp. <i>spaffordii</i>	Spafford's Square-fruit Mallee		Rare

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No fauna of national significance have been observed in the project area. The Diamond Firetail (*Stagonopleura guttata*), which is rated state vulnerable, and three state rare bird species were found in the project area; White-winged Chough (*Corcorax melanorhamphos*), Western Gerygone (*Gerygone fusca*) and the Shy Heathwren (*Calamanthus cautus*).

Site activities during construction and operation will be undertaken to ensure there is minimal adverse impact on the vegetation. The waste rock storage facilities have been designed to avoid areas of native vegetation but the TSF, WRSF West and pit will unavoidably overlap some areas of native vegetation (about 15 ha in total).

Various management measures will be implemented to protect flora and fauna, and the establishment of a Significant Environmental Benefit (SEB) either as a direct off-set or payment to the Native Vegetation Fund will provide an overall ecological benefit.

PACE Grant for Kookaburra Gully Exploration Targets

Lincoln Minerals will receive a share of the South Australian Government's exploration drilling grants under its Plan for Accelerating Exploration (PACE). Grants were announced early in April 2015 for 27 projects across the State and Lincoln Minerals has been offered one such grant to undertake drilling at its Kookaburra Gully Extended exploration target. This exploration target is about 2-4 km southwest along strike from Kookaburra Gully and is defined by a large airborne electromagnetic (EM) target. No drilling has ever been undertaken there. The grant will fund approximately 50% of the actual drilling costs.

Lincoln Minerals has a long-term vision for graphite in the Koppio Hills and this grant will help the Company accelerate exploration of potential graphite deposits in the region. Lincoln Minerals has an existing Exploration Work Approval (EWA) from the Government for drilling at Kookaburra Gully Extended and so can commence drilling when weather and farming conditions allow.

Other Projects

Due to the focus on preparing the Kookaburra Gully MLP and MLA, no significant exploration or development work was undertaken on Lincoln's other South Australian tenements during the Quarter.

Information in this report that relates to exploration activity and results, Mineral Resources and Exploration Targets was compiled by Dr A John Parker who is a Member of the Australasian Institute of Geoscientists. Dr Parker is Managing Director 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. Dr Parker 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.

This report contains forward looking statements that involve estimates based on specific assumptions and statements by third parties. Actual events and results may differ materially from those described in these statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on LML's beliefs, opinions and estimates as of the date the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

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CORPORATE

At 31 March 2015, the Company had approximately A\$1.19 million in cash at bank. Based on overhead levels and known expenditure commitments, the company has adequate funding in place for at least the next 9 months.

Exploration and evaluation expenditure by the Company during the March 2015 quarter was \$298,000.

Kee Guan Saw resigned as Director on 31 March 2015. He made a valuable contribution to the management and progress of the Company and the Board thanks him for his support.

Lincoln Minerals registered office has been relocated from Adelaide to Melbourne. A small technical office has been retained in Adelaide.

International Graphite Exchange

As previously advised, Lincoln Minerals has signed a cooperation agreement with a group of Chinese local governments and private enterprises to launch a platform for spot trading of graphite in China.

During the quarter, the **Qingdao International Graphite Exchange Center Co., Ltd** was formally enacted in China as a Foreign-invested Shareholding Enterprise with the issue of 12 million shares. With 3 million shares, Lincoln Minerals is a 25% foundation shareholder. Other shareholders are Qingdao Hainaer Nanometer Technology Co., Ltd. (PRC; 48%), Pleasant King Limited (HK; 25%) and FU Lei (PRC; 2%). The company will be based initially in the High-tech Industrial Development Zone, Qingdao.



The agreement of the Qingdao International Graphite Exchange project provides for the parties to work together to launch a graphite spot trading platform including settlement, storage, investing and financing activities. It is a major project in the Qingdao High-tech Development Zone looking at energy saving and new materials.

It is proposed that Lincoln will promote its graphite and related products through the Qingdao International Graphite Exchange Center to the rest of the world.

Qingdao is one of the most active graphite trading cities in the world and a very important port for international trade, located in the southeast part of Shandong Province, a short distance to Korea and Japan, and very close (less than 100 km) to Pingdu one of China's major industrial graphite producing regions.

Graphene Research Agreement

In addition to the graphite exchange, Lincoln Minerals has also has signed an international Project Cooperation Agreement with Monash University (Australia), Guangdong University of Technology (P.R. China) and the largest electronic components producer in China for the advancement of Sino-Australian cooperation in the development and application of graphene materials.

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The agreement is part of the 2015 Guangdong Province of China collaborative innovation and environment project and will involve research, development and commercialisation of graphene-based electronic applications. The Monash University team is led by Professor Dan Li.

Lincoln Minerals will assist with international promotion and application of graphene materials produced by the project and will share in the intellectual property.

Board and Management

Yubo Jin	Chairman (Non-Executive)
Dr A John Parker	Managing Director
Eddie Lung Yiu Pang	Director (Non-Executive)
Alex Hooi-Kiang Lim	Director (Non-Executive)
Jarek Kopias	Company Secretary / CFO
Dwayne Povey	Chief Geologist

Securities on Issue

Shares at 31 March 2015

268,386,949

Tenements

The Company is maintaining an ongoing brief for corporate opportunities in the way of potential off-take agreements for its proposed future iron ore and/or graphite production, direct investment agreements to fund mine and/or project development, joint venture agreements for iron ore, graphite and/or copper and base metals, and additional exploration or development projects.

Renewals have been received in full for Eurilla (EL 5013 to 28 January 2017), Tarlinga (EL 5219 to 24 February 2018) and Moseley Nobs (EL 5297 to 2 March 2018).

The status of all ELs including SAIOG and Centrex (CXM) ELs is shown in the following table and map.

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Tenement List

Tenement	Expiry	Area (km ²)	Locality	Licensee	Graphite Rights	Iron Ore Rights	Other Mineral Rights
LINCOLN MINERALS (AND AGL) HAS OWNERSHIP OF ALL MINERAL RIGHTS							
EL 5013	28-Jan-17	98	Eurilla (Lake Gilles)	LML	LML 100%	LML 100%	LML 100%
EL 5066	12-Feb-16	861	Wanilla	LML	AGL 100%	LML 100%	LML 100%
EL 5021	11-Feb-16	162	Cummins	LML	AGL 100%	LML 100%	LML 100%
EL 5022	11-Feb-16	139	Lake Gilles (Stony Hill West)	LML	LML 100%	LML 100%	LML 100%
EL 5091	5-Aug-16	17	Campoona	LML	AGL 100%	LML 100%	LML 100%
EL 5219	24-Feb-18	111	Tarlinga	LML	AGL 100%	LML 100%	LML 100%
EL 5297	2-Mar-18	147	Moseley Nobs	LML	LML 100%	LML 100%	LML 100%
EL 5523	28-Sep-16	26	Uno	LML	LML 100%	LML 100%	LML 100%
EL 5556	3-Nov-16	82	Dutton River	LML	AGL 100%	LML 100%	LML 100%
EL 4643	6-Jan-16	208	Gum Flat	LML	AGL 100%	LML 100%	LML 100%
EL 4815	20-Dec-15	372	Nantuma	LML	LML 100%	LML 100%	LML 100%
EL 5427	18-Jun-16	18	Sleaford Mere	LML	LML 100%	LML 100%	LML 100%
MC 4372	6-Nov-16	51 Ha	Kookaburra Gully	AGL	AGL 100%	LML 100%	LML 100%
MC4373	6-Nov-16	249 Ha	Kookaburra Gully	AGL	AGL 100%	LML 100%	LML 100%
Subtotal		2,244					
LML AND AGL HAVE OWNERSHIP OF ALL MINERAL RIGHTS EXCLUDING IRON ORE **							
EL 4883	13-Aug-15	154	Cockabidnie	CXM	AGL 100%	0%	LML 100%
EL 4884	13-Aug-15	117	Minbrie	CXM	LML 100%	0%	LML 100%
EL 4885	13-Aug-15	76	Greenpatch	CXM	AGL 100%	0%	LML 100%
EL 4998	11-Apr-16	272	Tumby Bay (Carrow)	SAIOG	AGL 100%	0%	LML 100%
EL 5065	05-Aug-17	465	Mount Hill (Tod River)	SAIOG	AGL 100%	0%	LML 100%
EL 5170	04-Nov-17	106	Kimba Gap	SAIOG	LML 100%	0%	LML 100%
EL 5245	11-Dec-17	26	Pondooma	SAIOG	LML 100%	0%	LML 100%
EL 5335	17-Sep-15	52	Ironstone Hill	SAIOG	LML 100%	0%	LML 100%
EL 4384	15-Nov-16	138	Wanilla (Bald Hill)	CXM	AGL 100%	0%	LML 100%
EL 4451	14-Mar-15	155	Stony Hill	SAIOG	LML 100%	0%	LML 100%
EL 4467	18-Apr-15	104	Tooligie Hill (Wilgerup)	CXM	LML 100%	0%	LML 100%
EL 4539	22-Aug-15	11	Cockabidnie North	LML	LML 100%	0%	LML 100%
EL 4571	04-Oct-15	115	Gilles Downs	CXM	LML 100%	0%	LML 100%
EL 4605	16-Nov-15	31	Dutton Bay	CXM	AGL 100%	0%	LML 100%
MC 4372	6-Nov-2015	51.2 ha	Kookaburra Gully	AGL	AGL 100%	0%	LML 100%
MC 4373	6-Nov-2015	249.5 ha	Kookaburra Gully	AGL	AGL 100%	0%	LML 100%
Subtotal		1,822					
Grand total		4,066					

**** On all CXM/SAIOG tenements + EL 4539 + MCs 4372 & 4373, LML and its wholly owned subsidiary, Australian Graphite Limited (AGL), have 100% of the rights to all minerals except iron.**

CXM = Centrex Metals Limited SAIOG = South Australian Iron Ore Group Pty Ltd, a wholly owned subsidiary of Centrex Metals

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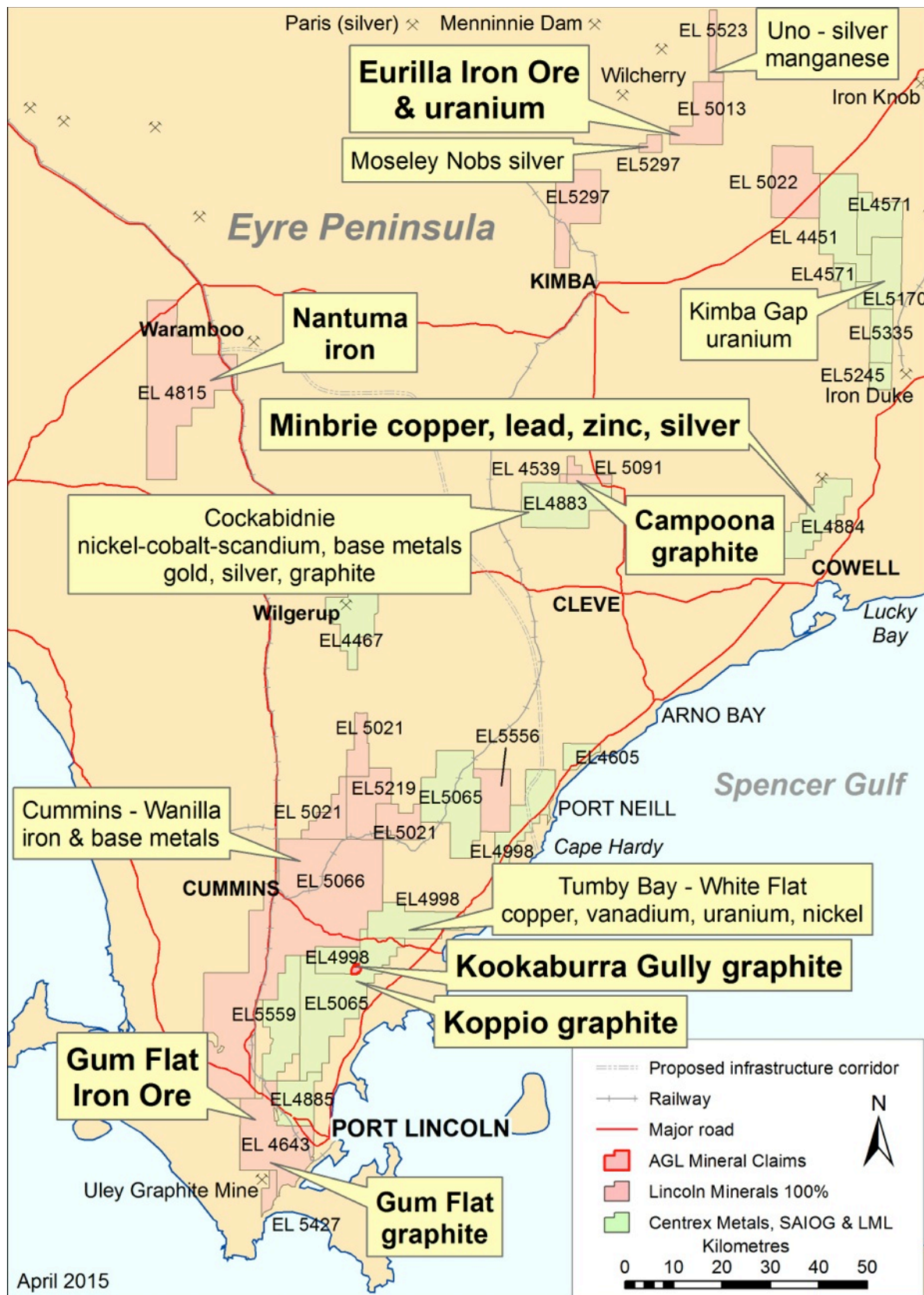


Figure 4: Location of Lincoln Minerals' Eyre Peninsula (SA) tenements.

Exploration Licence data based on the Department of State Development, the Government of South Australia, Geoscientific Data, Sourced on 27 April 2015, http://www.minerals.statedevelopment.sa.gov.au/geological_survey_of_sa/data