LINCOLN MINERALS LIMITED
ABN 50 050 117 023

Lincoln Minerals

Interim Financial Statements

for the half-year ended 31 December 2015

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2015

The Directors present their report together with the consolidated interim financial statements of Lincoln Minerals Limited (the Company) and its controlled entities (the Group) for the half year ended 31 December 2015 together with the Auditor's review report thereon.

DIRECTORS

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

Name	Period of directorship
Non-executive	
Yu B Jin	Appointed 18 September 2013 and Chairman from that date
Eddie LY Pang	Appointed 1 December 2013
Alex Hooi-Kiang Lim	Appointed 6 March 2014 and resigned 1 July 2015
James Tenghui Zhang	Appointed 17 February 2016
Executive	
Dr A John Parker	Appointed 16 October 2006 as Managing Director from that date

RESULTS

The Group made a loss after tax for the six months ended 31 December 2015 of $207,921 (2014: $10,831,045). In the six months to 31 December 2015, the Group capitalised $283,139 (2014: $430,668) of net exploration and evaluation expenditure and expensed $102,928 (2014: $231,234) of such expenditure. The most significant impact on the results for the period was the gain on sale of Gum Flat land resulting in a gain on sale of $337,470. Interest income was $4,790 (2014: $35,108). Cash at the end of December 2015 was $970,270 (2014: $1,670,875).

REVIEW OF OPERATIONS

During the reporting period the Company continued exploration and pre-development on its licences in South Australia, where the majority of its effort was directed to the Kookaburra Gully Graphite Project 35 km north of Port Lincoln on southern Eyre Peninsula.

Of crucial importance for this project was the receipt of a decision from the Commonwealth Government Department of the Environment that Lincoln's proposal to develop, operate and decommission its open-cut Kookaburra Gully graphite mine, 35 kilometres north of Port Lincoln, **is not a controlled action** if undertaken in a particular manner (EPBC 2015/7470).

Kookaburra Gully

Kookaburra Gully is one of **Australia's premier graphite deposits** with intercepts up to 39.7% Total Graphitic Carbon (TGC) and is a **global Top 10** graphite deposit based on its in-situ graphitic carbon content.

Kookaburra Gully has a combined Inferred and Indicated Mineral Resource of 2.2 million tonnes at an average 15.1% 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.

During the 6 months to 31 December 2015, project work has been focused on various aspects of its Mining Lease Proposal for Kookaburra Gully:

- Resolving issues in the Wardens Court regarding exempt land claims;
- Ongoing metallurgical testing;
- Ongoing discussions with community organisations on southern Eyre Peninsula; and
- Preparation of a Response Document to public and Government submissions in response to release of the Mining Lease Proposal in September-October 2015 for public comment.

Two Mineral Claims (MC 4372 and MC 4373) totalling approximately 300 hectares were pegged and registered in late 2014 under the company name of Australian Graphite Limited (AGL), which is a fully owned subsidiary of Lincoln Minerals, for the Company's flagship Kookaburra Gully graphite project (Figure 1).

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

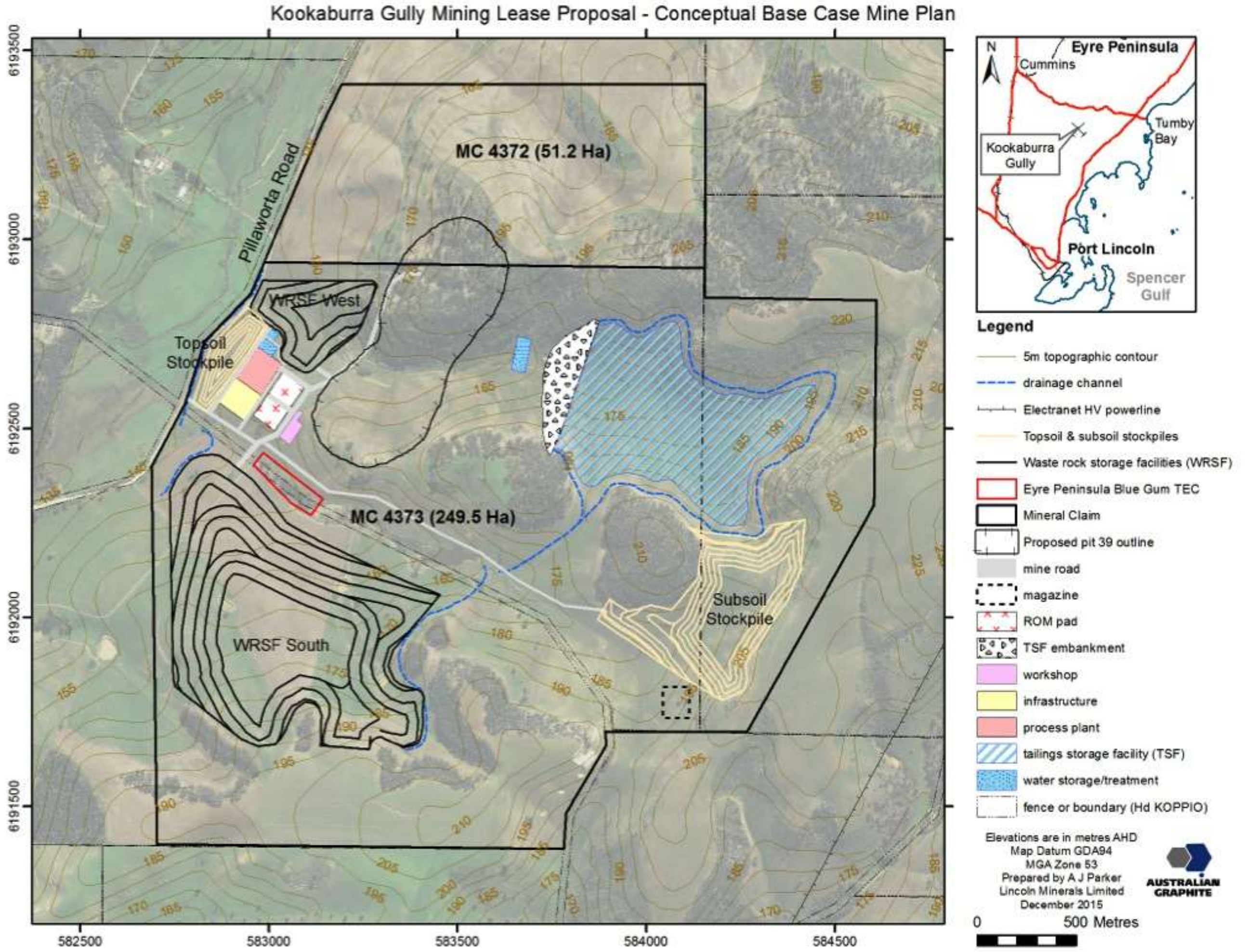

Figure 1: Location of Kookaburra Gully MC 4372 and MC 4373 and proposed mine plan

In February 2015, a Mining Lease Proposal (MLP) was completed and lodged with the SA Department of State Development (DSD) as part of the formal Mining Lease Application (MLA) process. The mining lease proposal (MLP) was for a conventional open pit mining operation with associated processing plant to upgrade graphite ore into high grade graphite concentrate at a rate of ~25,000-55,000 tonnes per annum.

Although the SA Government claims that it can process a Mining Lease Application within 6 months, DSD held up the MLA awaiting the outcome of a Commonwealth Government EPBC decision. This thwarted the Company's objective of securing a Mining Lease and all Government approvals for the proposed Kookaburra Gully mine in calendar 2015.

In early-2015, the Company was drawn into a long-running series of submissions to the Wardens Court over claims that there were "ephemeral springs" adjacent to the proposed pit. In August 2015, those issues were resolved and the Warden reached a decision that denied the landowners' claims that springs existed within and near the proposed open pit. In the same proceedings, the Warden found in the landowners' favour that a small area within and near the proposed pit comprised cultivated land exempt from mining operations without the benefit of a waiver of that exemption from the landowners.

Following the Warden's Court ruling, a Conciliation Conference was scheduled late in October 2015 by the Warden to facilitate an access and compensation agreement(s) between the parties and to negotiate a waiver of the benefit of any exempt land status. An agreement was negotiated and agreed to by all parties and is currently being completed ready for signing.

Following release of AGL's MLP for public review and comment in September 2015, twenty five (25) public submissions were received from DSD in mid-November 2015 along with submissions from other State Government departments. Lincoln/AGL, with the support of various third party consultants, responded to matters raised in these submissions that either required clarification and/or additional information (Response Document). This included an additional flora and fauna survey along Kookaburra Gully's proposed transport and pipeline routes and further groundwater modelling.

In late December 2015, the Commonwealth Government Department of the Environment ruled that AGL's Kookaburra Gully graphite mine proposal **is not a controlled action** if undertaken in a particular manner (EPBC 2015/7470). Under the EPBC ruling, AGL must now ensure that:

- No clearance of Eyre Peninsula Blue Gum (Eucalyptus petiolaris) Woodland occurs as a result of the proposed action;
- A fence and signage is to be erected around the Eyre Peninsula Blue Gum Woodland at a distance of at least 5 metres from the identified Threatened Ecological Community (TEC as illustrated on the attached map) prior to construction;
- There is a minimum 20 metre buffer between construction and Eyre Peninsula Blue Gum Woodland; and
- Clearance on the proposed mine site is consistent with the attached map.

These matters are consistent with Lincoln's approach to developing Kookaburra Gully and will not impinge on AGL's proposed development. The protection of the Eyre Peninsula Blue Gum and other endangered or threatened species in the region and along transport routes has been and remains a priority for the Company.

Following that EPBC decision, the Response Document was finalised in December 2015 and lodged with DSD on 4 January 2016.

Minor amendments to the Response Document were completed in early February 2015 and DSD is now undertaking a comprehensive assessment of the Kookaburra Gully Mining Lease Proposal, Response Document and all submissions prior to final consideration by the South Australian Government. Subject to the Government assessment process, it is anticipated that a mining lease could be offered during the current quarter (March 2016).

In anticipation of a Mineral Lease being offered for the Kookaburra Gully graphite project, the Company has commenced planning and preparation to obtain the final set of Government approvals. The main final approvals document is a Program for Environmental Protection and Rehabilitation (PEPR) which would be based on the MLP but with more detailed management plans for the various environmental and rehabilitation components of the mine plan. It is anticipated that this will take most of 2016 to prepare and be approved by DSD.

For further information regarding the Mining Lease Proposal, please consult the September 2015 Community Information Update No. 4 which is available on the Company website www.lincolnminerals.com.au.

The Company and AGL aim to take the Kookaburra Gully project to critical development and commercialisation milestones over the next 12 months.

Other Projects

No significant exploration was undertaken on the Group's other South Australian tenements during the 6 months to the end of December 2015.

During the reporting period, Lincoln sold its Barns Estate property located near Coomunga, 20 kilometres west of Port Lincoln. The sale was completed in December 2015 and proceeds banked. This significant cash injection will ensure that Lincoln is adequately funded over the next 6 months while the Company pursues a mining lease for its flagship Kookaburra Gully Graphite Project.

The Company acquired the land in late 2010 as part of a deceased estate for future development of its iron ore Mineral Resources. Lincoln utilised the property as its field base for storage of field equipment and drill samples. As part of the contract of sale, Lincoln will continue to lease the sheds and storage areas for the next 12 months. The sale of the land does not in any way prevent Lincoln from accessing the area for ongoing exploration or future development of its iron ore Mineral Resources should iron ore prices improve.

EVENTS SUBSEQUENT TO REPORTING DATE

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

AUDITOR'S INDEPENDENCE DECLARATION

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

Dated at Adelaide, South Australia this 15th day of March 2016 and signed in accordance with a resolution of the Directors.

Jin Yu Bo, Chairman

Information in this report that relates to exploration activity and results was compiled by Dr A J 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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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 review of Lincoln Minerals Limited for the half-year ended 31 December 2015, 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 review; and

b No contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 15 March 2016

CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2015

	Note	31 December 2015	31 December 2014
		$	$
Other income		8,000	8,400
Exploration and evaluation expenditure expensed	7	(102,928)	(231,234)
Impairment expense	7	-	(10,119,155)
Corporate and administrative expenses	5	(447,949)	(518,265)
Depreciation and amortisation		(3,137)	(5,899)
Gain on Sale of Asset		337,470	-
RESULTS FROM OPERATING ACTIVITIES		(208,544)	(10,866,153)
Finance income		4,790	35,108
Unrealised Foreign Exchange Loss		(4,167)	-
NET FINANCE INCOME		623	35,108
LOSS BEFORE INCOME TAX		(207,921)	(10,831,045)
Income tax expense		-	-
NET LOSS FOR THE PERIOD		(207,921)	(10,831,045)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		(207,921)	(10,831,045)
Basic and diluted loss per share (cents)		(0.08)	(4.04)

The accompanying notes form part of these consolidated interim financial statements

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2015

	Contributed Equity	Accumulated losses	Share based payments reserve	Total equity
	$	$	$	$
Balance at 1 July 2014	27,987,352	(9,864,557)	96,285	18,219,080
Total comprehensive loss for the period				
Loss for the half year	-	(10,831,045)	-	(10,831,045)
Total comprehensive loss for the period	-	(10,831,045)	-	(10,831,045)
Transactions with owners of the Company, recognised directly in equity				
Total transactions with owners	-	-	-	-
Balance at 31 December 2014	**27,987,352**	**(20,695,602)**	**96,285**	**7,388,035**
Balance at 1 July 2015	27,987,352	(24,377,223)	96,285	3,706,414
Total comprehensive loss for the period				
Loss for the half year	-	(207,921)	-	(207,921)
Total comprehensive loss for the period	-	(207,921)	-	(207,921)
Transactions with owners of the Company, recognised directly in equity				
Total transactions with owners	-	-	-	-
Balance at 31 December 2015	**27,987,352**	**(24,585,144)**	**96,285**	**3,498,493**

The accompanying notes form part of these consolidated interim financial statements

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Note	31 December 2015 $	30 June 2015 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		970,270	443,863
Trade and other receivables		26,342	443,449
TOTAL CURRENT ASSETS		996,612	887,312
NON CURRENT ASSETS			
Property, plant and equipment	6	73,116	639,427
Exploration and evaluation assets	7	2,499,113	2,215,975
Intangibles		2,960	3,948
Equity-accounted investee		316,176	320,343
TOTAL NON CURRENT ASSETS		2,891,365	3,179,693
TOTAL ASSETS		3,887,977	4,067,005
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		169,298	161,577
Employment entitlements – annual and long service leave		215,935	193,695
TOTAL CURRENT LIABILITIES		385,233	355,272
NON CURRENT LIABILITES			
Employment entitlements – long service leave		4,251	5,319
TOTAL NON CURRENT LIABILITIES		4,251	5,319
TOTAL LIABILITIES		389,484	360,591
NET ASSETS		3,498,493	3,706,414
EQUITY			
Contributed equity		27,987,352	27,987,352
Reserves		96,285	96,285
Accumulated losses		(24,585,144)	(24,377,223)
TOTAL EQUITY		3,498,493	3,706,414

The accompanying notes form part of these consolidated interim financial statements

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months ended 31 December 2015

	31 December 2015	31 December 2014
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(313,571)	(495,125)
Income tax R&D grant received	366,690	95,970
Other income	4,000	4,000
Net cash inflow / (outflow) from operating activities	57,119	(395,155)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration expenditure	(429,628)	(644,353)
Payments for acquisition of property, plant and equipment	-	(9,797)
Interest received	5,621	21,168
Proceeds on Sale of Asset	893,295	-
Net cash inflow / (outflow) from investing activities	469,288	(632,982)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issue expenses	-	(190,568)
Net cash outflow from financing activities	-	(190,568)
Net increase in cash and cash equivalents	526,407	(1,218,705)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	443,863	2,889,580
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	970,270	1,670,875

The accompanying notes form part of these consolidated interim financial statements

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. REPORTING ENTITY

Lincoln Minerals Limited (the Company) is a company domiciled in Adelaide Australia, whose shares are publicly traded on ASX Limited.

The consolidated interim financial statements of the Company as at, and for the six months ended 31 December 2015 comprises the Company and its wholly owned subsidiaries Lincoln Asia-Pacific Pty Ltd, Australian Graphite Pty Ltd and Australian Graphite Production Pty Ltd (together referred to as the Group).

The Group is primarily involved in the exploration of Graphite and Iron Ore on the Eyre Peninsula in South Australia.

2. BASIS OF PREPARATION

The consolidated interim financial statements are general purpose financial statements which have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 30 June 2015. The consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 30 June 2015. The 2015 annual financial report is available from the Company's registered office at Level 7, 350 Collins Street, Melbourne VIC 3000 or at www.lincolnminerals.com.au.

The consolidated interim financial statements were approved by the Board of Directors on 15 March 2016.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 30 June 2015 and can be found on the Company's website at www.lincolnminerals.com.au.

None of the Australian Accounting Standards or Interpretations available for early adoption has been early adopted by the Company as none is considered to have a significant impact on the Group.

Preparing interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these consolidated interim financial statements, the significant judgments made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those applied in the consolidated financial statements as at and for the year ended 30 June 2015.

New and amended standards adopted by the Group
The Group has not applied any new standards and amendments for the first time in its annual reporting period commencing 1 July 2015.

4. GOING CONCERN

The interim consolidated financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. As at 31 December 2015, the Group had accumulated losses of $24,585,144 and for the half year ended 31 December 2015 incurred a loss before tax of $207,921 and had operating and investing cash outflows of $366,888 (excluding the proceeds from sale of property). The Directors have prepared forecasts for the period to March 2017 and on this basis, believe that the Group's cash reserves of $970,270 are sufficient to pay its forecast debts as and when they fall due. The directors have based these forecasts on maintaining minimal operations via the curtailing of certain operating and exploration expenses. The directors are of the view that this curtailment is achievable. On this basis the directors consider the going concern basis of preparation of this financial report is appropriate.

It is the ultimate strategy of the Directors to continue to explore the Group's areas of interest for which rights of tenure are current. The minimum expenditure commitments to execute this strategy on exploring these tenements total $669,451 for the next 12 months. In order to do so the directors consider that the Group will fund its projects through a combination of use of existing cash, partnership arrangements and access to equity markets. There is uncertainty over the timing and amount of benefit to the Group resulting from any of these proposed courses of action. The directors are committed to taking the appropriate action to achieve this ultimate strategy, to ensure these funds are available and add value to the entity.

The directors have reviewed the operating outlook for the Group and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will achieve the matters set out above. In the event that the Group is unable to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the normal course of business and at amounts that differ to those stated in this interim financial report.

The interim consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

5. CORPORATE AND ADMINISTRATIVE EXPENSES

	Six months ended 31 December 2015	Six months ended 31 December 2014
	$	$
Employee benefit expenses	88,834	116,972
Other corporate and administrative expenses	359,115	401,293
	447,949	518,265

6. PROPERTY, PLANT AND EQUIPMENT

	Land	Office plant and equipment	Exploration plant and equipment	Motor vehicles	Total
31 December 2015	$	$	$	$	$
At cost	-	29,520	301,736	139,809	471,066
Accumulated depreciation	-	(21,593)	(268,562)	(107,794)	(397,950)
Closing net book amount	-	7,927	33,174	32,015	73,116
Opening net book amount	555,825	10,076	38,188	35,338	639,427
Additions	-	-	-	-	-
Disposals	(555,825)	-	-	-	(555,825)
Transfers		-	-	-	-
Depreciation charge to P&L	-	(2,149)	-	-	(2,149)
Depreciation charged to exploration	-	-	(5,014)	(3,323)	(8,337)
Closing net book amount	-	7,927	33,174	32,015	73,116
30 June 2015	$	$	$	$	$
At cost	555,825	29,520	301,736	139,809	1,026,890
Accumulated depreciation	-	(19,444)	(263,548)	(104,471)	(387,463)
Closing net book amount	555,825	10,076	38,188	35,338	639,427
Opening net book amount	555,825	16,174	43,327	43,465	658,791
Additions	-	3,160	7,216	-	10,376
Disposals	-	(295)	-	-	(295)
Transfers		(1,173)	1,173	-	-
Depreciation charge to P&L	-	(7,790)	-	-	(7,790)
Depreciation charged to exploration	-	-	(13,528)	(8,127)	(21,655)
Closing net book amount	555,825	10,076	38,188	35,338	639,427

7. EXPLORATION AND EVALUATION ASSETS

	31 December 2015 $	30 June 2015 $
Balance at 1 July	2,215,975	15,114,950
Expenditure for the half year	377,729	1,063,279
Depreciation charged to exploration	8,337	21,654
Less, exploration and evaluation expensed	(102,928)	(119,279)
Less, Impairment of Gum Flat	-	(11,973,033)
Less, Impairment of Eurilla Dam	-	(1,193,959)
Less, Impairment of Cockabindie	-	(509,897)
Less, expensed amounts previously capitalised	-	(187,740)
Balance at 31 December	2,499,113	2,215,975
Gross exploration assets capitalised	16,232,661	16,080,604
Provision for impairment	(13,733,548)	(13,864,629)
Net exploration assets	2,499,113	2,215,975

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

The carrying value of assets was assessed at 31 December 2015 and a total of $102,928 (2014: $10,350,389) was incurred and expensed during the period. For the comparative period, $128,395 was incurred and expensed for the 6 months to 31 December 2014 and $10,221,994 related to the impairment write-off of assets carried from prior periods. The impairment write down was due to an assessment of the carrying value based on prospectivity of tenements held by the Group.

The write downs in the current period relate primarily to exploration expenditure on non-graphite exploration. The most significant write downs in the comparative period relate to the Gum Flat project ($11,973,003) and the Eurilla Dam project ($1,193,959) which have been written down due to falling iron ore prices and increased uncertainty around the timing and extent of any price recovery. The recoverable amounts of the assets, as assessed by the Board, have been assessed on a fair value less cost to sell basis using a net present value calculation of the potential development of the Gum Flat and Eurilla projects and have been written down to $nil.

These impairments have been recognised in “impairment expense” in the consolidated statement of profit or loss and other comprehensive income.

8. EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company or Group, the results of those operations or the state of affairs of the Company and Group in subsequent financial years.

9. SEGMENT INFORMATION

The main operation of the Group is the exploration of graphite and iron ore mineral resources. As the Group operates entirely within Australia, the Group currently has two business segments. This is consistent with the information provided for internal reporting purposes to the chief operating decision maker (the Board).

2015	Iron Ore and other minerals	Graphite	Unallocated	Total
	$	$	$	$
Income				
Financial Income	-	-	4,790	4,790
Other Income	-	-	8,000	8,000
Expenses				
Exploration and evaluation expensed	(102,443)	(485)	-	(102,928)
Depreciation	-	-	(2,149)	(2,149)
Amortisation	(988)	-	-	(988)
Other expenses	-	(62,195)	(52,451)	(114,646)
Net loss for the period	(103,431)	(62,680)	(41,810)	(207,921)
Assets				
Exploration and evaluation	-	2,499,113	-	2,499,113
All other assets	17,298	47,891	1,323,675	1,388,864
Total assets	17,298	2,547,004	1,323,675	3,887,977
Total liabilities	(2,873)	(43,619)	(342,992)	(389,494)
Net assets	14,425	2,503,385	980,683	3,498,493

2014	Iron Ore and other minerals	Graphite	Unallocated	Total
	$	$	$	$
31 December 2014				
Income				
Financial Income	-	-	35,108	35,108
Other Income	-	-	8,401	8,401
Expenses				
Exploration and evaluation expensed	(10,198,339)	(152,050)	-	(10,350,389)
Depreciation	-	-	(3,924)	(3,924)
Amortisation	(1,975)	-	-	(1,975)
Other expenses	-	(44,313)	(473,953)	(518,266)
Net loss for the period	(10,200,314)	(196,363)	(434,368)	(10,831,045)
30 June 2015				
Assets				
Exploration and evaluation	-	2,215,975	-	2,215,975
All other assets	355,504	349,261	1,146,265	1,851,030
Total assets	355,504	2,565,236	1,146,265	4,067,005
Total liabilities	(649)	(94,909)	(265,033)	(360,591)
Net assets	354,855	2,470,327	881,232	3,706,414

DIRECTORS' DECLARATION

In the opinion of the directors of Lincoln Minerals Limited (the Company):

1. The consolidated interim financial statements and notes are in accordance with the Corporations Act 2001 including:

   (i) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the six months ended on that date;

   (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors

On behalf of the Board

Yubo Jin
Chairman

Dated this 15th day of March 2016
Melbourne, Victoria

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF LINCOLN MINERALS LIMITED

We have reviewed the accompanying half-year financial report of Lincoln Minerals Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of Lincoln Minerals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Lincoln Minerals Limited consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Lincoln Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lincoln Minerals Limited is not in accordance with the Corporations Act 2001, including:

a giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 15 March 2016