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The Manager  
ASX Announcements

## **SA Government grants landmark Mineral Lease for new Kookaburra Gully graphite mine on SA's Eyre Peninsula**

Lincoln Minerals Limited (ASX:LML) is pleased to advise that the South Australian Government has formally granted a Mineral Lease (ML) for the Company's wholly-owned Kookaburra Gully graphite project on South Australia's Eyre Peninsula.

The Honourable Tom Koutsantonis MP, South Australia's Treasurer, Finance Minister, Minister for State Development and Minister for Mineral Resources and Energy, has confirmed the grant of ML 6460, of 300 hectares, over MCs 4372 and 4373, to Lincoln's wholly-owned subsidiary, Australian Graphite Pty Limited, for a period of 21 years commencing on 3 June 2016.

### **Lincoln Chairman, Mr Yubo Jin:**

"Our Company is exceptionally pleased to have achieved this landmark step in the permitting process for the Kookaburra Gully graphite project. Kookaburra Gully is Australia's highest grade flake graphite deposit and in the world's Top 10 deposits based on grade.

"The grant of ML 6460 is the key pivot point and milestone to ensure delivery of Lincoln's transformation now from project explorer and developer to an emerging graphite producer, in an industry at the forefront of the growing global green energy market. It is also the de-risking step-change awaited by our potential project financiers and off-take customers to now elevate mine construction financing and operating negotiations to a level where commercial transaction outcomes can be achieved.

"Now that the Mineral Lease has been granted, Kookaburra Gully's Program for Environment Protection and Rehabilitation (PEPR) can be finalised. A geotechnical and resource diamond drilling program, soil engineering test pits and establishment of a groundwater and surface water monitoring network were completed at the proposed mine site early in May this year and further engineering studies are in progress. Once the PEPR is approved, Lincoln will be in a position to commit to and commence project development at Kookaburra Gully."

### **High grade mining potential**

The shallow but high grade resource for the Kookaburra Gully flake graphite deposit, located 35 kilometres northwest of Port Lincoln, extends to at least 125m depth, remains open at depth and along strike, and hosts total Indicated and Inferred Mineral Resources of 2.20 million tonnes grading 15.1% Total Graphitic Carbon (TGC). It also abuts the Lincoln-owned and historic Koppio graphite mine which as a second potential source for the Kookaburra Gully mine, adds an Inferred Mineral Resource of 1.85 million tonnes at a grade of 9.8% TGC into the overall project's mining potential (see *Lincoln Minerals Limited 2015 Annual Report, 26 October 2015, Resources Statement*).

Lincoln is targeting an output of up to 40,000 tonnes per annum of high grade graphite concentrate from Kookaburra Gully for an initial mine life of at least 7 years (see *Lincoln Minerals Limited 2015 Annual Report, 26 October 2015*).

### **Lincoln Managing Director, Dr John Parker:**

"We acknowledge and emphasize the support and rigorous attention to detail given to the mineral lease application by the SA Department of State Development (DSD), which, while strongly supportive of South Australia's mining industry, has taken into consideration the growing interest of other community stakeholders.

"There has been constructive engagement with the community and other stakeholders with interests in the Kookaburra Gully region, in the process that led to the grant of this lease.



“Lincoln will now work closely with the DSD, the District Council of Tumby Bay, the southern Eyre Peninsula community and other stakeholders throughout the PEPR preparation and approval process to facilitate its early completion, clearing the way for mine construction and production targeted to commence in 2017.”

Lincoln is looking forward to becoming a major supplier of graphite to the growing global green energy market including solar thermal power stations. Graphite is a critical component of the Solastor proposal to build a solar thermal power station at Port Augusta in South Australia (*The Adelaide Advertiser*, 4 June 2016). In the proposed Solastor system ([www.solastor.com.au](http://www.solastor.com.au)), a tower mounted, 10 tonne graphite solar thermal receiver is heated to 800°C and used to convert water to steam which is then used to generate electricity in a steam turbine generator. For the Port Augusta proposal, at least 1700 graphite blocks or more than 17,000 tonnes of graphite would be required.

Dr A John Parker  
Managing Director

*Information extracted from previously published reports identified in this report is available to view on the Company's website [www.lincolnminerals.com.au](http://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 and Production Targets, 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.*

