

LINCOLN MINERALS LIMITED
ABN 50 050 117 023

Lincoln Minerals

Interim Financial Statements

for the half-year ended 31 December 2022



Lincoln Minerals Limited
Suite 3215, Level 14, 333 Collins Street
Melbourne Vic 3000

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2022

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 2022 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:

<u>Name</u>	<u>Period of directorship</u>
<i>Non-executive</i>	
Catherine Norman	Appointed 03 February 2023, chair since 03 February 2023
Ruiyu Zhang	Appointed 30 July 2021, appointed chair on 30 July 2021, resigned as chair on 03 February 2023
Jason Foley	Appointed 29 July 2022
Michael Wyles KC	Appointed 29 July 2022, resigned 20 October 2022
Shalain Singh	Appointed 29 July 2022, resigned 26 October 2022
Ross Loturco	Appointed 29 July 2022, resigned 26 October 2022
Johnson Zhang	Appointed 30 May 2018, resigned 29 July 2022
Tingting Gao	Appointed 17 December 2021, resigned 29 July 2022
<i>Executive</i>	
Sam Barden	Appointed 6 June 2022, Managing Director

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Lincoln Minerals Limited is an ASX-listed and South Australian-focused mineral exploration and development company looking to deliver a graphite mining production following the achievement of development and commercialisation milestones for its primary graphite assets on Eyre Peninsula, a proven mining jurisdiction in South Australia. The Company also owns and is advancing a pool of second tier assets across gold and iron ore mineral commodities on Eyre Peninsula.

The Group made a loss after tax for the six months ended 31 December 2022 of \$1,127,026 (2021: \$1,592,378). Cash at the end of December 2022 was \$38,329 (June 2022: \$42,124). The loss was primarily due to costs associated with a number of corporate actions including the holding of two AGM's, preparation and lodgement of an underwritten rights issue prospectus offer, attending to matters lodged with the Takeovers Panel by third parties and defence of the QGL takeover offer by preparing and lodging a Targets Statement.

The following matters occurred during the reporting period:

1. Changes to the board

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

Appointment of Messrs Michael Wyles KC, 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.

On 20 October 2022, Michael Wyles KC resigned and on 26 October 2022, Shalain Singh and Ross Loturco resigned.

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 ("QGL") for 9 shares held in Lincoln Minerals Limited.

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

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.

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

On 31 October 2022, the Company issued a Supplementary Target Statement in response to the Revised Bidder Statement received from Quantum Graphite Limited and matters tabled at the Takeovers Panel resulting in the requirement to prepare a Supplementary Target Statement.

On 28 November 2022, the Company issued a Second Supplementary Target Statement in response to the Revised Bidder Statement received from Quantum Graphite Limited and additional matters tabled at the Takeovers Panel resulting in the requirement to prepare a Second Supplementary Target Statement.

3. Shareholder loan

As announced to ASX on 23 December 2021, Lincoln Minerals Limited entered into a convertible note agreement with Australia Poly Minerals Investments Pty Ltd (the note holder), a company associated with Mr James Tenghui Zhang, the largest shareholder of Lincoln Minerals.

Notwithstanding the requirement for shareholder approval to issue the convertible notes, Australia Poly Minerals Investments Pty Ltd advanced funding to the Group to ensure it could meet its financial obligations.

On 12 September 2022, Australia Poly Minerals Investments Pty Ltd and the Group agreed that the Convertible Notes would no longer be issued and replaced with an unsecured Shareholder loan facility of \$1.6 million bearing interest at 8% per annum, repayable at the earlier of the Group completing an equity raise or debt financing of not less than \$4 million or 31 December 2022.

On 21 November 2022, Australia Poly Minerals Investments Pty Ltd and the Group agreed to waive the interest on its unsecured shareholder's loan.

On 21 November 2022, Australia Poly Minerals Investments Pty Ltd agreed to become a sub-sub-underwriter to the underwritten rights issue prospectus and be repaid the full amount of the loan out of proceeds received under the rights offer that was to raise approximately \$4.6 million.

As at 31 December 2022, the fully drawn balance was \$1,590,000, this amount was fully repaid subsequent to 31 December 2022 on completion of the Company's fully underwritten rights issue (refer to note 4).

4. Fully underwritten rights issue

On 24 November 2022, the Company issued its fully underwritten rights issue offer to Eligible Shareholders of 67 new shares for every 50 shares held at an issue price of \$0.006 (0.6 cents) per New Share to raise approximately \$4.6 million before costs. The Rights Issue was fully underwritten by Evolution Capital Pty Ltd and partially sub-underwritten by Australia Poly Minerals Investments Pty Ltd. On 20 December 2022, the Company issued its replacement prospectus to provide for various additional disclosures. Proceeds from the rights issue allow the Group to undertake exploration on its Eyre Peninsular leases and repay the unsecured shareholder loan (refer to note 3).

5. Exploration and evaluation assets

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 to be carried forward and be added to the expenditure commitment for the new AEA, and that failure to meet the new combined expenditure may result in cancellation of the exploration licences.

SIGNIFICANT EVENTS AFTER REPORTING DATE

The following events have occurred post 31 December 2022:

1. Shareholder loan

On 17 January 2023, the Company repaid the shareholder loan in full from funds received under the fully underwritten non-renounceable rights issue.

2. Fully underwritten rights issue

On 9 January 2023, the Company successfully completed its rights offer raising \$4,622,869 before costs. On 18 January 2023, the Company issued 770,478,139 new ordinary shares in LML. Part of the proceeds from the rights issue was used to repay the unsecured shareholder loan (refer to note 1).

3. Shares issued to directors

On 29 November 2022, shareholders approved the issue of ordinary shares to 3 directors: Sam Barden, Ruiyu Zhang and Jason Foley, subject to successful completion of the rights issue and requotation of ordinary shares on ASX. Both events were met and 31 million shares were issued on 18 January 2023. A further 7 million shares were issued to Sam Barden on 1 February 2023, being the first of three tranches of 7 million shares approved to be issued. As a result of the inherent uncertainties around the relisting, no share-based payment transaction was recorded at 31 December 2022.

4. Requotation of ordinary shares on ASX

On 20 January 2023, the ASX readmitted Lincoln Minerals Limited to trading status on the ASX. Shares on issue prior to the rights issue were readmitted under the ASX code: LML. Shares issued under the prospectus offer and director shares issued (refer to note 3) were readmitted under ASX code: LMLND due to the Quantum Graphite Limited off market scrip bid for all shares in LML.

5. Quantum Graphite Limited extension of offer

On 24 January 2023, QGL extended the bid to close on 6 March 2023; and on 27 February 2023, QGL extended the bid to close on 7 April 2023, unless extended.

6. Appointment of Chair and issue of shares

On 3 February 2023, Catherine Norman was appointed a director and independent chair of LML. Ms Norman was issued 9 million shares in LML as a result of her appointment to the board.

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 (Cth) is included in this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the directors.



Catherine Norman, Chair
15 March 2023

Auditor's Independence Declaration



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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 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

A stylized, handwritten signature in grey ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A stylized, handwritten signature in grey ink that reads "I S Kemp".

I S Kemp
Partner – Audit & Assurance

Adelaide, 15 March 2023

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LINCOLN MINERALS LIMITED

CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2022

	Note	<u>31 December 2022</u>	<u>31 December 2021</u>
		\$	\$
Other income		-	9,821
Employee benefits		(65,091)	(25,643)
Corporate and administrative expenses	6	(1,010,300)	(126,535)
Exploration and evaluation expense		(50,682)	(73,250)
Impairment of capitalised exploration and evaluation expenditure	4	-	(1,206,845)
Impairment of property, plant and equipment		-	(169,820)
Depreciation and amortisation		(953)	(106)
RESULTS FROM OPERATING ACTIVITIES		<u>(1,127,026)</u>	<u>(1,592,378)</u>
Finance income		-	-
NET FINANCE INCOME		<u>-</u>	<u>-</u>
LOSS BEFORE INCOME TAX		<u>(1,127,026)</u>	<u>(1,592,378)</u>
Income tax expense		-	-
NET LOSS FOR THE PERIOD		<u>(1,127,026)</u>	<u>(1,592,378)</u>
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>(1,127,026)</u>	<u>(1,592,378)</u>
Basic and diluted loss per share (cents)		(0.20)	(0.28)

The accompanying notes form part of these consolidated interim financial statements

LINCOLN MINERALS LIMITED

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2022

	<u>Contributed Equity</u>	<u>Accumulated</u> <u>losses</u>	<u>Total equity</u>
	\$	\$	\$
Balance on 1 July 2021	<u>37,239,123</u>	<u>(29,962,748)</u>	<u>7,276,375</u>
Total comprehensive loss for the period			
Other comprehensive income	-	-	-
Loss for the half year	-	(1,592,378)	(1,592,378)
Total comprehensive loss for the period	-	(1,592,378)	(1,592,378)
Balance on 31 December 2021	<u>37,239,123</u>	<u>(31,555,126)</u>	<u>5,683,997</u>
Balance on 1 July 2022	<u>37,239,123</u>	<u>(31,989,286)</u>	<u>5,249,837</u>
Total comprehensive loss for the period			
Other comprehensive income	-	-	-
Loss for the half year	-	(1,127,026)	(1,127,026)
Total comprehensive loss for the period	-	(1,127,026)	(1,127,026)
Balance on 31 December 2022	<u>37,239,123</u>	<u>(33,116,312)</u>	<u>4,122,811</u>

The accompanying notes form part of these consolidated interim financial statements

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**As of 31 December 2022**

	<u>Note</u>	<u>31 December 2022</u> \$	<u>30 June 2022</u> \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		38,329	42,124
Trade and other receivables		101,172	72,907
TOTAL CURRENT ASSETS		139,501	115,031
NON-CURRENT ASSETS			
Other financial assets – Term deposit		30,000	30,000
Property, plant and equipment		279,558	280,969
Exploration and evaluation assets	4	5,561,127	5,561,127
Intangibles assets		10	13
TOTAL NON-CURRENT ASSETS		5,870,695	5,872,109
TOTAL ASSETS		6,010,196	5,987,140
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		274,874	205,586
Shareholder's loan	5	1,590,000	510,000
Employment entitlements		22,511	21,717
TOTAL CURRENT LIABILITIES		1,887,385	737,303
TOTAL LIABILITIES		1,887,385	737,303
NET ASSETS		4,122,811	5,249,837
EQUITY			
Contributed equity		37,239,123	37,239,123
Accumulated losses		(33,116,312)	(31,989,286)
TOTAL EQUITY		4,122,811	5,249,837

The accompanying notes form part of these consolidated interim financial statements

LINCOLN MINERALS LIMITED

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months ended 31 December 2022

	<u>31 December 2022</u>	<u>31 December 2021</u>
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(1,083,141)	(138,503)
Net cash inflow / (outflow) from operating activities	(1,083,141)	(138,503)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration expenditure	(654)	(69,228)
Proceeds on sale of assets	-	135,000
Net cash inflow / (outflow) from investing activities	(654)	65,772
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings from shareholder	1,080,000	60,000
Net cash inflow / (outflow) from financing activities	1,080,000	60,000
Net increase / (decrease) in cash and cash equivalents	(3,795)	(12,731)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	42,124	44,766
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	38,329	32,035

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 listed public company domiciled in 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 2022 comprise the Company and its wholly owned subsidiaries Australian Graphite Pty Ltd, Australian Graphite Production Pty Ltd, Lincoln Asia-Pacific Pty Ltd, Lincoln Finance Group Pty Ltd, Lincoln Copper Pty Ltd and Lincoln Lead Zinc 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* (Cth).

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 2022. 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 2022. The 2022 annual financial report is available from the Company's registered office at Suite 3215, Level 14, 333 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 2023

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 2022 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 2022.

New or amended Accounting Standards and interpretations adopted.

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

4. EXPLORATION AND EVALUATION ASSETS

	<u>31 December 2022</u>	<u>30 June 2022</u>
	\$	\$
Balance on 1 July	5,561,127	6,767,972
Expenditure for the period	63,941	149,641
Depreciation charged to exploration	1,115	1,878
Less, exploration and evaluation expensed	(65,056)	(151,519)
Less, previously capitalised exploration and evaluation impaired	-	(1,206,845)
Balance at end of period	<u>5,561,127</u>	<u>5,561,127</u>
 Gross exploration assets capitalised	 20,501,520	 20,501,520
Provision for impairment	<u>(14,940,393)</u>	<u>(14,940,393)</u>
Net exploration assets	<u>5,561,127</u>	<u>5,561,127</u>

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.

Fair value hierarchy

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

Significant Unobservable Inputs

- Disposal costs to complete a sale transaction; and
- 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):

	<u>2022</u>	<u>2022</u>
	\$	\$
Capitalised exploration and evaluation costs		
Increase in estimated market value of shares per the offer by 10%	<u>556,113</u>	<u>556,113</u>
Decrease in estimated market value of shares per the offer by 10%	<u>(556,113)</u>	<u>(556,113)</u>

5. FINANCIAL LIABILITIES - SHAREHOLDER LOAN

As announced on the ASX on 23 December 2021, Lincoln Minerals entered into convertible note agreement with Australia Poly Minerals Investments Pty Ltd (the note holder), a company associated with Mr James Tenghui Zhang, the largest shareholder of Lincoln Minerals.

Notwithstanding the requirement for shareholder approval to issue the convertible notes, Australia Poly Minerals Investments Pty Ltd advanced funding to the Group to ensure it could meet its financial obligations.

On 12 September 2022 Australia Poly Minerals Investments Pty Ltd and the Group agreed that the Convertible Notes would no longer be issued and was replaced with an unsecured Shareholder loan facility of \$1.6 million bearing interest at 8% per annum, repayable at the earlier of the Group completing an equity raise or debt financing of not less than \$4 million or 31 December 2022.

On 21 November 2022, Australia Poly Minerals Investments Pty Ltd and the Group agreed to waive the interest on its unsecured shareholder's loan.

On 21 November 2022, Australia Poly Minerals Investments Pty Ltd agreed to become a sub-sub-underwriter to the underwritten rights issue prospectus and be repaid the full amount of the loan out of proceeds received under the rights offer that was to raise approximately \$4.6 million.

During the reporting period the Group received \$1.59 million and a further \$10,000 was received subsequent to balance date.

As at the date of this report, the Company has repaid the shareholder loan in full out of funds received from the fully underwritten rights issue (refer to Note 8).

	<u>31 December 2022</u>	<u>30 June 2022</u>
	\$	\$
Shareholder's loan	1,590,000	510,000
Total Financial Liabilities	<u>1,590,000</u>	<u>510,000</u>

6. Corporate and administrative expenses

The company incurred significant corporate and administrative expenses of \$1,010,300 in the half year ended 31 December 2022. Included in this figure was the professional consultancy and legal fees incurred to assist the Group with the relisting process of \$208,752 and director's fees of \$132,136 with the appointment of new directors.

7. GOING CONCERN

The financial report has been prepared on the basis of a going concern. During the half year ended 31 December 2022 the Group recorded a net cash outflows from operating and investing activities of \$1,083,795 and an operating loss of \$1,127,026. The Group is also in a net current liability position of \$1,747,884. 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.
- 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 is in place;
- The company's shares have been requoted to trading status on ASX.
- On 9 January 2023, the company completed a fully underwritten rights issue raising \$4,622,869 before costs; 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.

8. EVENTS SUBSEQUENT TO REPORTING DATE

The following events have occurred post 31 December 2022 :

1. Shareholder loan

On 17 January 2023, the Company repaid the shareholder loan of \$1,590,000 in full, from funds received under the fully underwritten non-renounceable rights issue.

2. Fully underwritten rights issue

On 9 January 2023, the Company successfully completed its rights offer raising \$4,622,869 before costs. On 18 January 2023, the Company issued 770,478,139 new ordinary shares in LML. Part of the proceeds from the rights issue was used to repay the unsecured shareholder loan (refer to note 1).

3. Shares issued to directors

On 29 November 2022, shareholders approved the issue of ordinary shares to 3 directors: Sam Barden, Ruiyu Zhang and Jason Foley, subject to successful completion of the rights issue and requotation of ordinary shares on ASX. Both events were met and 31 million shares were issued on 18 January 2023. A further 7 million shares were issued to Sam Barden on 1 February 2023, being the first of three tranches of 7 million shares approved to be issued. As a result of the inherent uncertainties around the relisting, no share-based payment transaction was recorded at 31 December 2022.

4. Requotation of ordinary shares on ASX

On 20 January 2023, the ASX readmitted Lincoln Minerals Limited to trading status on the ASX. Shares on issue prior to the rights issue were readmitted under the ASX code: LML. Shares issued under the prospectus offer and director shares issued (refer to note 3) were readmitted under ASX code: LMLND due to the Quantum Graphite Limited off market scrip bid for all shares in LML.

5. Quantum Graphite Limited extension of offer

On 24 January 2023, QGL extended the bid to close on 6 March 2023; and on 27 February 2023, QGL extended the bid to close on 7 April 2023, unless extended.

6. Appointment of Chair and issue of shares

On 3 February 2023, Catherine Norman was appointed a director and independent chair of LML. Ms Norman was issued 9 million shares in LML as a result of her appointment to the board.

Other than the above, there are no other matters or circumstances that have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Group.

LINCOLN MINERALS LIMITED

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 (Cth) including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2022 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 (Cth); 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



Catherine Norman
Chair

Dated this 15 March 2023
Melbourne, Victoria



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Independent Auditor's Review Report

To the Members of Lincoln Minerals Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Lincoln Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, and 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 half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Material uncertainty related to going concern

We draw attention to Note 7 in the financial report, which indicates that the Group incurred a net loss of \$1,127,026 during the half year ended 31 December 2022 and, as of that date, the Group recorded a net cash outflow from operating and investing activities of \$1,083,795 and its current liabilities exceeded its current assets by \$1,747,884. As stated in Note 7, these events or conditions, along with other matters as set forth in Note 7, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The Directors of the Company 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 internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

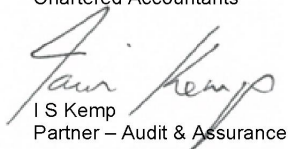
Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with 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 Group's financial position as at 31 December 2022 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*.

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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



I S Kemp
Partner – Audit & Assurance

Adelaide, 15 March 2023