

## Quarterly Activities Report – September 2013

### SUMMARY

#### Kookaburra Gully Graphite (SA)

- Total Indicated and Inferred Mineral Resources for Kookaburra Gully project of **2.25 million tonnes grading 15.0% TGC** with 338,000 tonnes of contained graphite
- Kookaburra Gully deposit is at the northeast end of a 4.5km long electromagnetic (EM) anomaly confirming potential for a large exploration target
- More than **90% of EM targets yet to be drilled**
- Drilling program for extensions of the Kookaburra Gully mineralisation approved – scheduled for summer 2013-2014 post harvest
- Lincoln's Kookaburra Gully and Koppio graphite prospects rank in **world Top 10** based on grade
- Metallurgical tests on bulk drill samples from Kookaburra Gully have achieved 91-98% recovery of graphite at concentrate grades of 93-96% TGC – testwork is continuing
- Recoveries of this magnitude support an operating cost less than \$360 per tonne of concentrate for beneficiation of Kookaburra Graphite
- Graphene has been produced from southern Eyre Peninsula flake graphite

#### Gum Flat Iron Ore (SA)

- Revised application for groundwater extraction license completed and lodged with Department for Environment Water and Natural Resources
- Application for Mining Lease for proposed Stage 1 DSO mine awaiting groundwater licensing

#### Nantuma Iron (SA)

- Lincoln Minerals welcomes the granting of Major Development status by the South Australian Government to a proposed 150km infrastructure corridor connecting Nantuma to a proposed deep water port at Cape Hardy

#### Corporate

- Rights Issue successfully raised approximately A\$1.44 million (before expenses of the issue)
- Founding Chairman, Mr Richard Ryan AO, and Director, Mr Robert Althoff, retired from the Board
- The Company welcomes the appointment of Mr Jin Yubo as Non-Executive Chairman and Mr Kee Guan Saw as Non-Executive Director to the Board

*"Kookaburra Gully is a world-class flake graphite deposit capable of delivering near-term production at low cost; and there is significant further potential as we continue to explore major EM anomalies immediately to the south of this maiden graphite resource and on Lincoln's other graphite projects"*

*(Lincoln's Managing Director, Dr John Parker)*

*Mt = million tonnes DSO = Direct Shipping Ore TGC = total graphitic carbon*



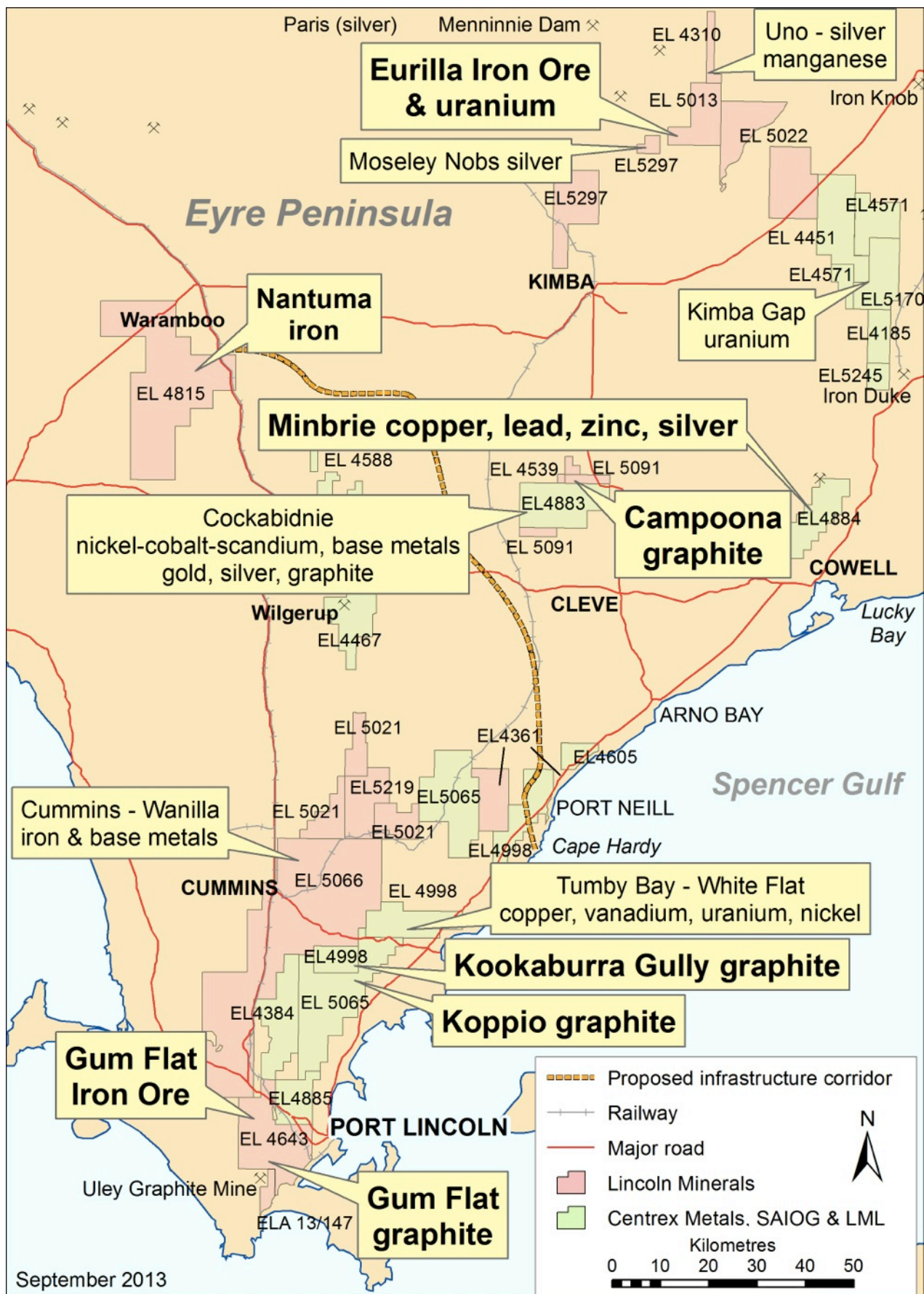


Figure 1: Location of Lincoln Minerals' Eyre Peninsula (SA) tenements, September 2013

## SOUTH AUSTRALIA

### EXPLORATION & DEVELOPMENT PROGRESS DURING THE QUARTER

#### Graphite – various ELs (SA's Eyre Peninsula)

(LML has exclusive rights to graphite on all tenements)

Graphite is a form of carbon, an excellent conductor of heat and electricity with the highest natural strength and stiffness of any material to extremely high temperatures. It is best known as the “lead” in pencils and as a dry lubricant. It is also commonly used in steelmaking for lining blast furnaces, “brushes” in electrical motors etc and, in particular, as the anodes in lithium-ion and many other batteries which is a growing market – there is 10-20 times more graphite than lithium in such batteries. Electric cars, quad bikes, motor cycles and bicycles comprise one such opportunity.



Electric cars in Paris

Another opportunity is the development of high-tech materials from graphene. Graphene is comprised of a single layer of carbon atoms, that is, a single layer of graphite. Researchers in the School of Chemical Engineering, University of Adelaide, have recently produced graphene and graphene products derived from flake graphite from southern Eyre Peninsula. While this is still at an early stage of research, it demonstrates that flake graphite from Eyre Peninsula is suitable for graphene production.

Extensive graphite resources occur on Eyre Peninsula in South Australia, a world class graphite province and the “Pilbara” of graphite in Australia. The largest existing resource and mine (currently on care and maintenance) is the Uley Graphite Mine located less than 2km from Lincoln's Gum Flat EL 4643 and Sleaford Mere ELA 2013/00147 (*Figure 1*). There are also numerous occurrences and historic mines within 5km of the historic town of Koppio, approximately 35km north of Port Lincoln including:

- Kookaburra Gully Prospect – identified and investigated by Pancontinental Mining during the 1980's and shown by Lincoln Minerals' drilling in early 2013 to contain a shallow high grade flake graphite Mineral Resource of at least 2.25 million tonnes averaging 15% total graphitic carbon (TGC), extending to at least 125m below ground level (see details below) and open both at depth and along strike
- Koppio Graphite Mine – intermittently mined from the early 1900's to 1946 with a small resource averaging 13.1% TGC but containing high grade lenses of coarse flake graphite up to 32% TGC
- Pernella Prospect – historic occurrence containing 9-12% coarse flake graphite that produced concentrates at 80-86% C (carbon).

Other prospects on Lincoln's tenements within SA's Eyre Peninsula include:

- Campoona Syncline (Cockabidnie) – immediately adjacent to Archer Exploration Limited's (AXE) Campoona Hill and Sugarloaf Hill graphite prospects
- Gum Flat and Sleaford Mere areas immediately adjacent to the Uley Graphite Mine – including the historic Plumbago and Yarranyacka prospects. The Plumbago prospect contains 7-12% medium-coarse flake graphite concentrating to at least 80-83% C.

Outside of China and excluding the small but high purity Sri Lankan vein deposits, Kookaburra Gully and Koppio Graphite Mine are recognised as Top 10 graphite deposits in the World with respect to grade.

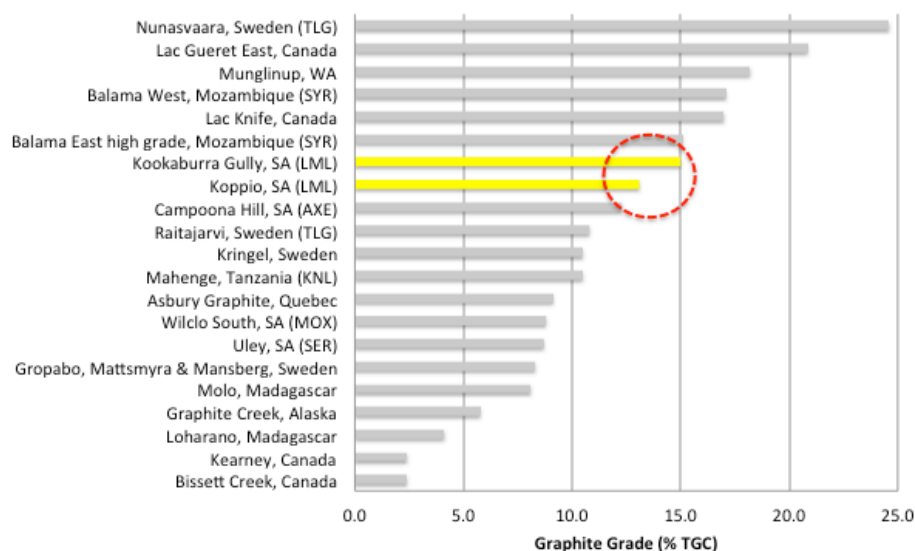


Figure 2: Graphitic carbon (TGC) grades for global graphite deposits (excluding Chinese deposits and the small but high grade Sri Lankan vein deposits)

During the July-September quarter, Lincoln Minerals examined potential graphite exploration opportunities in Sri Lanka based on Managing Director Dr John Parker's previous geological mapping and graphite experience in that country. However, although they contained potentially very high grade graphite veins and historic mines or diggings, the opportunities were considered too small for economic development at this point in time.

### Kookaburra Gully Graphite

The Kookaburra Gully graphite deposit is located approximately 35km north of Port Lincoln and contains an Inferred and Indicated Graphite Mineral Resource totalling 2.25 million tonnes at an average grade of 15.0% TGC or 3.16 million tonnes at 11.5% TGC (refer ASX release 26 March 2013).

Table 1. Kookaburra Gully Mineral Resource at 2% TGC lower cut-off grade

Mineral Resource Classification	Tonnage (Mt)	Average Grade (% TGC)	Contained Graphite (tonnes)	Density (g/cc)
Indicated	2.18	11.0	241,000	2.56
Inferred	0.98	12.5	122,000	2.55
TOTAL (>2% TGC)	3.16	11.5	363,000	2.56

Mt = million tonnes TGC = Total Graphitic Carbon

Table 2. Kookaburra Gully Mineral Resource at 5% TGC lower cut-off grade

Mineral Resource Classification	Tonnage (Mt)	Average Grade (% TGC)	Contained Graphite (tonnes)	Density (g/cc)
Indicated	1.56	14.3	223,000	2.56
Inferred	0.70	16.5	115,000	2.48
TOTAL (>5% TGC)	2.25	15.0	338,000	2.53

Mt = million tonnes TGC = Total Graphitic Carbon

NB tonnages may not add up exactly as shown due to rounding of significant figures



The maiden JORC (*JORC Code 2004*) Mineral Resources at Kookaburra Gully reinforce Lincoln's confidence in being able to quickly progress the Company's graphite resources on southern Eyre Peninsula into a high-quality, long-life graphite mining and processing operation.

### **Metallurgy**

During the Quarter, Lincoln Minerals undertook detailed laboratory bench-scale metallurgical analysis of bulk samples collected from drilling during January 2013. This follows on from preliminary metallurgical and petrological analysis undertaken on trench samples last year.

Two bulk samples were collated from drill cuttings representing, respectively, the upper 50m (Sample A) and 50-100m (Sample B) intervals of the Kookaburra Gully graphite deposit. These were processed using a laboratory-scale flotation system by ALS Laboratories in Adelaide using a bulk water sample collected from the Tod River Reservoir near Port Lincoln. That water is too saline (ca. 12,000 mg/l) for potable water supply but would be suitable for Lincoln Minerals' graphite processing. It is important to use the same water for laboratory-scale tests.

Metallurgical flotation tests on the upper 50m bulk sample from Kookaburra Gully yielded a 91.2% recovery of contained graphite into a concentrate averaging 94.0% C. The sample was first crushed to minus 2mm then stage ground to P100 = 600 µm followed by 4 stages of flotation and regrinding. A second sample representing the deeper mineralisation from 50-100m depth yielded 98% recovery of contained graphite into a concentrate averaging 95.0% C. Screening of the final concentrates gives the following products.

*Table 3: Kookaburra Gully metallurgical test results for bulk aircore drill samples*

	Sample A 0-50m		Sample B 50-100m	
Screened Concentrate	Assay TGC%	Distribution %	Assay TGC%	Distribution %
+150 µm	95.3	2.9	96.47	2.3
+106 µm, -150 µm	95.3	7.3	96.47	6.3
+75 µm, -106 µm	94.4	11.1	96.48	10.0
+20 µm, -75 µm	94.25	61.2	95.82	50.8
-20 µm	90.42	17.5	90.71	30.7

This compares with work undertaken by Pancontinental Mining in the 1980's on trench samples that yielded concentrates with up to 25% of +150 micron graphite.

*Table 4: Kookaburra Gully metallurgical test results for trench samples*

Sample ID	Sample Size (kg)	Fraction	%TGC	% of total graphite
Trench 4 test 2	230kg	-570 +150 micron	87.9%	24.9%
including	230kg	-570 +150 micron	96.1%	10.8%
Trenches 4 & 14 test 1	500kg	-1.4mm +150 micron	91.1%	23.8%

The difference between the various test results is due, firstly, to drill samples having been ground down during drilling so that the drill test sample starts off much finer grained than the outcrop or trench sample and, secondly, the emphasis on the more recent metallurgical test work has been on grade and recovery rather than flake size.

The next stage of metallurgical test work will need to be at a mini pilot plant scale on a much larger bulk sample. Lincoln Minerals has received an Exploration Work Approval (exploration PEPR) to undertake

trenching at Kookaburra Gully in order to collect a 50-100 tonne bulk sample for this work which is scheduled for later this year subject to available funding.



*Figure 3: Laboratory-scale flotation tests on Kookaburra Gully bulk drill sample and resultant products: graphite concentrate (top RHS) and waste tail (bottom RHS)*

### **From JORC Mineral Resource to Mining and Processing Graphite**

The results of the above metallurgical studies and a Scoping Study undertaken for the Kookaburra Gully deposit (*refer ASX Release 19 September 2012*) indicate that the Company will be able to produce high-quality flake graphite (greater than 90% TGC) and that the anticipated graphite mining and processing program will be globally competitive. The Company anticipates that the resource can be mined from a small open pit mine with low strip ratios.

Based on the Kookaburra Gully Mineral Resources, the operating cost estimates (Opex) for a full scale graphite processing plant were reviewed to take into account the effect of the potential increased feed grade from 12% TGC to 14.3% TGC as identified in the Indicated Mineral Resource. The revised Opex estimates are listed below in Table 3.

*Table 5: Revised operating cost estimates for Kookaburra Gully Prospect based on various conceptual mining and recovery scenarios*

	Base Case 200,000 tpa		400,000 tpa	
Process plant CAPEX	\$24.7M		\$34.0M	
Total CAPEX (incl. infrastructure)	\$37.9M		\$48.5M	
Recovery	Conc. tpa	\$/t Conc.	Conc. tpa	\$/t Conc.
80%	22,880	402	45,760	327
90%	25,740	360	51,480	293
94%	26,884	345	53,768	282

*(NB excludes mining and transport costs)*

The metallurgical studies on drill samples have shown that recoveries of 91% to 98% are achievable thus supporting operating costs less than \$360 per tonne of concentrate for beneficiation.

The delineation of a world-class flake graphite resource at Kookaburra Gully underpins a mining operation of a minimum 200,000 tonnes of ore per year, for at least 10 years. This means sustained revenues and returns for the Company.

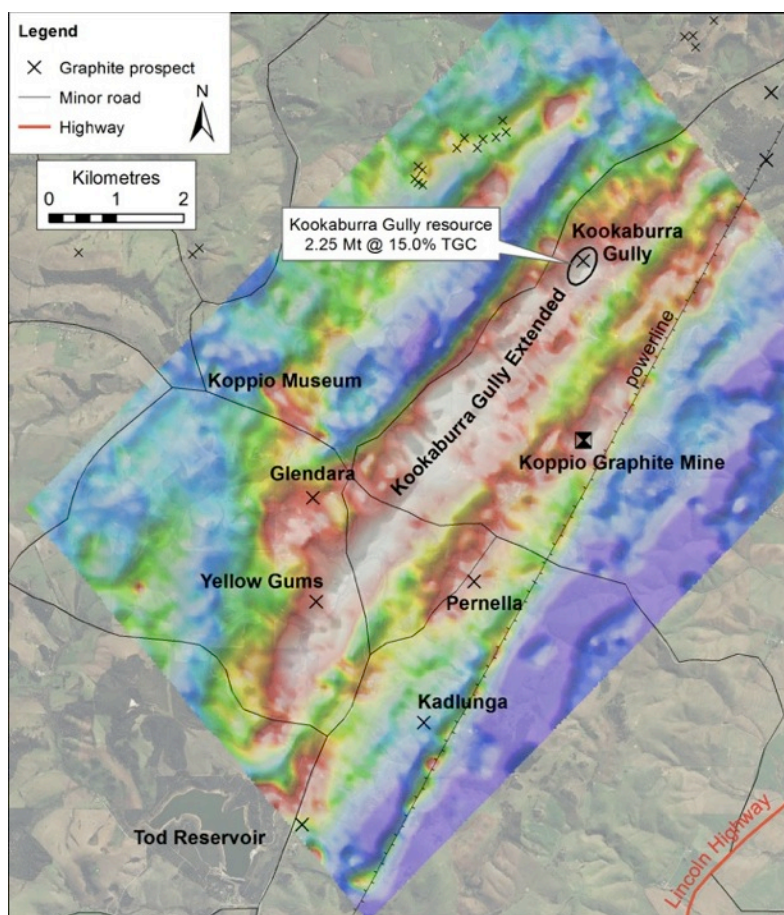
The high-grade resource places the Kookaburra Gully deposit within the top 10 graphite deposits in the western world, with respect to grade, and this will help to insulate the Kookaburra Gully Graphite Project against potential price changes. In addition, the deposit's location close to existing infrastructure in a politically stable regime is very important for development and operational continuity.

Further updates will be released by the Company as the program of drilling and test processing operations continues at the Kookaburra Gully Graphite Project.

### ***Koppio-Kookaburra Gully exploration targets and drilling program***

During 2012, Lincoln Minerals completed airborne electromagnetic (EM) surveys over the Koppio, Kookaburra Gully and Campoona Syncline (Cockabidnie) areas and processed data and maps from these surveys were reprocessed to generate depth slice maps and sections and drilling exploration targets.

Graphite has been widely identifiable from EM surveys in the past due to its high electrical conductivity. Graphitic rock units are very good conductors and therefore are easily detected by EM.



*Figure 4: Reprocessed Koppio-Kookaburra Gully airborne EM conductivity map and location of Kookaburra Gully Mineral Resource. Red to pinkish-white anomalies are associated with strongly conductive rocks such as graphite schist*

Based on imagery from the Koppio-Kookaburra Gully survey (Figure 4), the Kookaburra Gully prospect is located on the northeastern end of a 4.5 kilometre long EM anomaly (Kookaburra Gully Extended) which, based on the Mineral Resource at Kookaburra Gully defines an additional conceptual Exploration Target (\*\*) of about 8.2 Mt to 15.4 Mt of graphite mineralised rock averaging 10-15% TGC.

*Table 6: Kookaburra Gully Extended Exploration Target*

Target	Thickness	Strike Length	Depth Extent	Exploration Target (**)	Grade	Contained Graphite
Kookaburra Gully (Mineral Resource)	15-20m	535m	125m	2.25 Mt	15% TGC	338,000 t
Kookaburra Gully Extended	15-20m	2,500-3,500m	100m	8.2-15.4 Mt	10-15% TGC	0.8-2.3 Mt

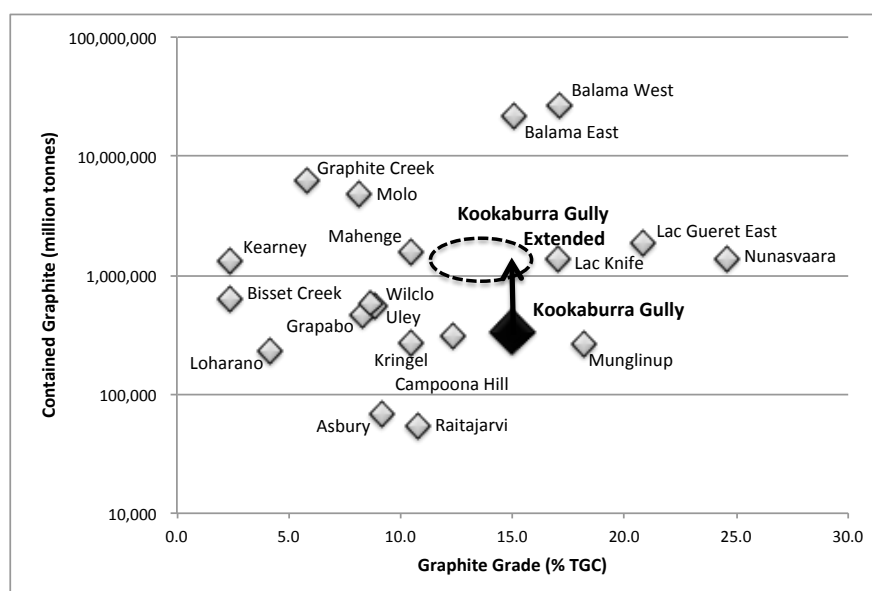
Total Exploration Targets in the Kookaburra Gully-Koppio EM survey area are 14.2 Mt to 42.6 Mt at an estimated grade of 7 to 15% TGC (refer June-September 2012 Quarterly Activities Report).

*\*\* It is emphasized that Exploration Target tonnage estimates are entirely conceptual in nature since there has been insufficient or no drilling in the immediate areas of these targets and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

### **Kookaburra Gully Extended Drilling Program**

Lincoln Minerals has prepared and been granted Exploration Work Approvals (exploration PEPRs) to undertake further resource-definition drilling at Kookaburra Gully and Koppio Graphite Mine and to undertake a large drilling program at Kookaburra Gully Extended.

The Exploration Target for this program is at least 8 Mt of graphite mineralised rock potentially containing at least 800,000 tonnes of graphite (as per Table 6 above) which, combined with the existing Kookaburra Gully Mineral Resource, would lift the Company's total contained graphite to above 1 Mt and place this deposit well within the top 10 global graphite resources not only on grade (Figures 2 & 5) but also with respect to size (Figure 5).



*Figure 5: Graphite grade versus contained graphite for Top 20 global graphite resources (excluding China and Sri Lanka) and the Kookaburra Gully Extended Exploration Target (\*\*)*

### **Environmental Assessment**

Ongoing vegetation assessment, species identification and mapping has been undertaken within and surrounding the Kookaburra Gully and Koppio Mine project areas in support of developing a Mining Lease Application. Soil sampling or “profiling” has also been undertaken in key areas at Kookaburra Gully and Kookaburra Gully Extended.



## Gum Flat Iron Ore Project

(LML has exclusive rights to all minerals)

Lincoln's Gum Flat Iron Ore Project is located on southern Eyre Peninsula which is a major world-class iron ore province extending from the Middleback Ranges to Port Lincoln.

Gum Flat EL 4643 contains a number of priority magnetic targets including Barns, Rifle Range and the Port Lincoln-Tulka suite (Figure 6). All are within 20km of Port Lincoln or about 120-150km by road from the proposed new deep water Cape-size ports at either Port Spencer or Cape Hardy, between Tumby Bay and Port Neill (Figure 1). The latter have recently received State Government development approval.

The Project offers significant potential employment and commercial opportunities for people and businesses in Port Lincoln and southern Eyre Peninsula.

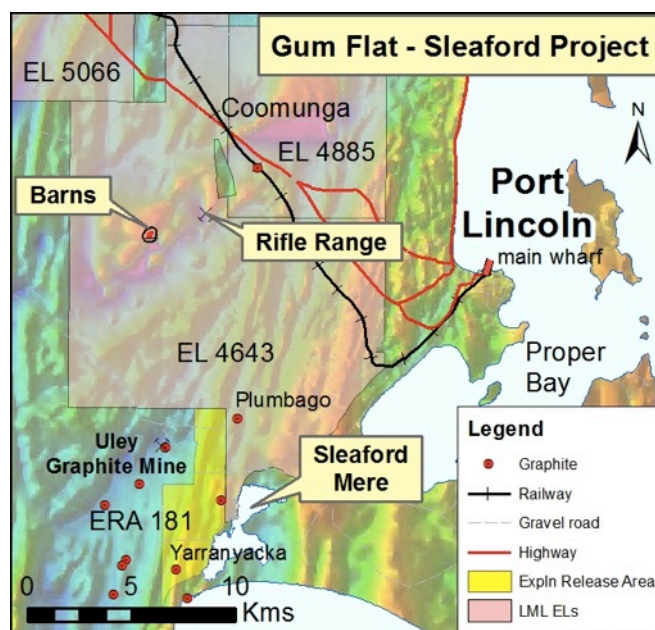


Figure 6: Location of Gum Flat Barns deposit and Sleaford Mere graphite ELA (ERA 181)

More than 100 million tonnes of iron mineralisation have been identified in the Barns-Rifle Range area (Table 7), most of it magnetite but with some hematite-goethite suitable for direct shipping. The magnetite requires processing into a high grade concentrate before it can be exported.

Table 7: Gum Flat Mineral Resources (refer ASX release 7 June 2012)

Prospect	JORC Status	Million Tonnes (Mt)	Head Grade (% Fe)	DTR (%)
Barns magnetite*	Indicated	12.3	26.6	22.1
Barns magnetite*	Inferred	88.9	23.5	17.1
Rifle Range magnetite <sup>#</sup>	Inferred	3.5	27.1	22.6
Barns hematite <sup>†</sup>	Indicated	1.4	49.8	
Barns hematite <sup>†</sup>	Inferred	0.7	46.0	
Rifle Range/Sheoak West hematite <sup>‡</sup>	Inferred	2.2	39.5	
Total		109.0		

\* Barns magnetite interpretation based on notional 10% Davis Tube Recovery (DTR) cut-off

<sup>#</sup> Rifle Range magnetite interpretation based on notional 15% DTR cut-off

<sup>†</sup> Barns hematite interpretation based on notional 40% head Fe cut-off

<sup>‡</sup> Rifle Range and Sheoak West hematite interpretation based on notional 35% head Fe cut-off

The Company is proposing a two-stage development option:

- Stage 1:** Mine and export up to 250,000 tonnes per annum DSO via Port Lincoln including upgrading ~1 Mtpa lower grade (40-55% Fe) hematite-goethite-magnetite to DSO grade over a 4-5 year mine life
- Stage 2:** Mine up to 10 Mtpa magnetite and process onsite to produce up to 2.5 Mtpa high grade concentrate for export via Port Lincoln or potentially Port Spencer, subject to defining additional resources and over a mine life in the order of 20 years.

Planning is currently underway for Stage 1 only.

Extending west from Port Lincoln with a railway line and major highway running through the area, EL 4643 is ideally located with respect to infrastructure and proximity to a major shipping port.

## Quarterly Activities Report

July-September 2013

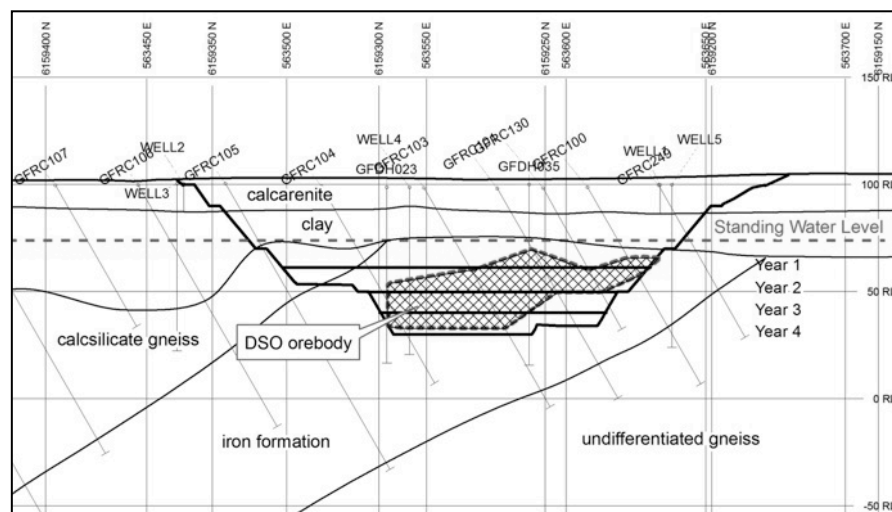
## Groundwater

Groundwater is a primary concern for the Barns mine plan since the proposed mine site is within the Southern Basins Prescribed Wells Area (SBPWA) used for groundwater extraction by the Eyre Peninsula community from the Quaternary Bridgewater Formation limestone or calcarenite aquifer. The Quaternary Bridgewater Formation at the proposed mine site is not water saturated, therefore mining operations will not directly affect it. However, Lincoln Minerals has encountered groundwater in the bedrock “Basement Aquifer” at depth below the Bridgewater Formation and below a clay aquitard.

Lincoln Minerals has devoted considerable time and resources to ensure that any proposed mining activities will not have a detrimental or unsustainable affect on the main aquifer but despite that, the Company’s initial application for a groundwater license was refused (*refer July-September 2012 Quarterly Report*).

Subsequently, the Company lodged an appeal against the decision with the South Australian Environment Resources and Development Court on the basis that in its dual applications for extraction and discharge, the net balance of water proposed to be extracted for the planned new iron mine less the quantity of water proposed to be re-injected back into the aquifer system, was only 330 megalitres per annum.

Following discussions between Lincoln Minerals and hydrogeologists from the Department of Environment Water and Natural Resources (DEWNR), a revised mine schedule has been developed that facilitates progressive dewatering of the Basement Aquifer over a 4 to 5-year timeframe (*Figure 7*). The revised mine schedule is based on lowering the water level by up to 10% of the saturated aquifer thickness per year which is within the Water Allocation Plan (WAP) guidelines.



*Figure 7: NW-SE section through the proposed Barns Stage 1 pit showing the proposed mine schedule to progressively lower the pit floor and water level by 10% of the saturated aquifer thickness per year*

The revised mine schedule and groundwater model take into consideration cross-cutting faults that form barriers to along-strike groundwater movement. Pump tests have shown conclusively that there is a barrier between LML wells on the northeast margin of the proposed pit and those within it. That barrier was not previously taken into consideration and coincides with a NW-SE trending fault, one of many interpreted from detailed aeromagnetic data.

Pre-stripping of the overburden down to 80m AHD (i.e. down to 20m below ground level or 6m above the water table) will not require dewatering. Pumping will commence when the pit reaches this depth and will be at a rate that lowers and maintains the water level below the floor of the pit until mining of DSO is complete.

The revised modelling and mine scheduling have significantly reduced the annual amount of water to be extracted such that it is now less than 435 ML/year.

Groundwater extracted during mining operations will be utilised on site for dust suppression, vegetation rehabilitation and general wash-down uses with excess water returned to the aquifer.

After 4 to 5 years, the pit floor would reach its target depth of 75m below ground level or 30m AHD. Modelling based on the revised fault model produces a cone of depression in the basement aquifer but that cone is largely confined within 500m of the pit and, in particular, the drawdown at 500m from the pit is maintained at less than 5% of the saturated aquifer thickness per year.

Furthermore, the independent modelling shows that, due to the presence of the clay barrier or aquitard, extraction of groundwater from the Basement Aquifer will not have any measurable effect on the Uley East lens within the overlying Bridgewater Formation aquifer.

Based on the revised model, Lincoln Minerals has prepared and lodged, with the Department for Environment Water and Natural Resources, a revised application for an extraction license based on these parameters.

LML recognises that the groundwater resource in the SBPWA is valuable and needs to be managed sustainably. The Company believes that the revised groundwater extraction scheme for its proposed mining operation is consistent with these principles and is committed to working within the WAP for the SBPWA.

### **Mining Lease Application**

LML's draft Mining Lease Application (MLA) for Stage 1 mining of the Barns DSO deposit at Gum Flat has been completed and was reviewed by the State Government Department for Manufacturing, Industry, Trade, Resources and Energy (DMITRE) in 2011 but is awaiting groundwater licensing before it can be submitted.

If the Company is successful in securing a groundwater extraction license, it will complete amendments to the Barns Stage 1 MLA and lodge it with DMITRE.

### **Nantuma (Iron) – EL 4815**

*(LML has exclusive rights to all minerals)*

In late 2011, Lincoln Minerals expanded its iron ore footprint on South Australia's Eyre Peninsula with the granting of a new exploration licence, EL 4815.

Nantuma is immediately adjacent Iron Road Limited's 3.7 billion tonne iron ore deposits and adds to Lincoln's strong portfolio of near mining and advanced iron ore deposits and tenements throughout the Peninsula. The aeromagnetic anomalies that define Iron Road's iron ore resources continue west onto EL 4815 and Lincoln Minerals has defined Exploration Targets(\*\*) for iron ore totalling 0.7 billion to 1.8 billion tonnes at 14-20% Fe within relatively coarse-grained magnetite gneiss of possible Archaean age. Nantuma straddles the existing rail line to Warramboo.

Importantly, LML welcomes the granting of Major Development status by the South Australian Minister of Planning, Deputy Premier John Rau, to the infrastructure component of Iron Road Limited's Central Eyre Iron Project. The proposed 150km infrastructure corridor (*Figure 1*) will include a standard gauge rail line and power supply connecting Warramboo to a proposed deep water port at Cape Hardy that will have 10 million tonne extra capacity available for third party users.

### **Other Projects**

No significant exploration was undertaken on Lincoln's other South Australian tenements during the quarter.

## CORPORATE

At 30 September 2013, the Company had approximately \$1.2 million cash.

In early September 2013, Lincoln Minerals successfully completed a fully-underwritten 1-for-6 non-renounceable Rights Issue to shareholders registered at 12 August 2013, of approximately 28.8 million fully paid ordinary shares in the capital of the Company, at an issue price of A\$0.05 per share, to raise approximately A\$1.44 million (before expenses of the issue).

Proceeds of the Issue will be directed mainly at:

- Providing funding in support of ongoing graphite exploration, metallurgy and market evaluation of Lincoln's wholly owned and advanced **Kookaburra Gully graphite project** on South Australia's Eyre Peninsula
- Providing funding to commence preparation of a **Mining Lease Application** for the Kookaburra Gully graphite project
- Providing funding for **obtaining groundwater licenses** and completing amendments to the Mining Lease Application for Stage 1 of the **Gum Flat iron ore project**, also on South Australia's Eyre Peninsula, and
- Providing funding for reconnaissance exploration on the Nantuma iron ore exploration license near Warrambo on central Eyre Peninsula.

*Lincoln Minerals' Managing Director Dr John Parker said that "the Rights Issue would enable Lincoln to take another step towards mainstream commercial production of its "world class" Eyre Peninsula flake graphite resources and, with more electric cars, such as BMW's new i3, coming onto the market, the future for graphite is very good."*

In September 2013, founding Company Chairman, Mr Richard Ryan AO and Non Executive Director, Mr Robert Althoff, retired from the Board. Both Mr Ryan and Mr Althoff had been with the Company since before its listing on the ASX in March 2007 and both made invaluable contributions to the progress of the Company from a junior exploration company with a number of potential exploration targets to a company that is now striving to develop two potential new mines over the next two years on SA's Eyre Peninsula.

At the same time, the Company welcomed the appointment of Mr Jin Yubo as Non-Executive Chairman and Mr Kee Guan Saw as Non-Executive Director, to the Board.

Mr Jin Yubo graduated with a Master of International Law in National Chi Nan University and has been a chairman or board member of several investment and real estate companies in China and Australia. He is a former committee member of a major Chinese city's People's Political Consultative Council. He is familiar with Chinese investment laws and regulations and has a wide range of political and business networks in mainland China, Hong Kong and other eastern and South East Asian countries.

Mr Kee Guan Saw is a Fellow Member of the Institute of Chartered Accountants in Australia, is a Director of ASX listed Iatia Limited, and is the current President of the Chinese Chamber of Commerce Victoria Inc. He also has an extensive business network in Australia as well as in mainland China, Malaysia and Singapore.

Both Mr Jin Yubo and Mr Kee Guan Saw will provide crucial support to Lincoln Minerals at a time when funding will be vital for development of the Company's graphite and iron ore mining opportunities.

The Company also thanks Mark Sindicic (Environmental Officer since 2011) for the contributions he has made to the Company and wishes him well in his future endeavours.

The Company is maintaining an ongoing lookout 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.



During the period, the Company applied for an exploration license of 18 square kilometres over the Sleaford Mere area south of Gum Flat and immediately adjacent to the Uley Graphite Mine. It contains historic graphite occurrences including the Yarranyacka prospects.

The Department for Manufacturing, Innovation, Trade Resources and Energy (DMITRE) has granted Amalgamated Expenditure Agreements over two groups of tenements that are in advanced stages of iron ore and silver/base metal/uranium exploration respectively. They are the Gum Flat, Cummins, Wanilla, and Tarlinga ELs and the Eurilla, Lake Gilles, Moseley Nobs and Uno ELs.

## Board and Management

<b>Richard V. Ryan AO</b>	Chairman (Non-Executive) to 18 September 2013
<b>Jin Yubo</b>	Chairman (Non-Executive) from 18 September 2013
<b>Kwang Hou Hung</b>	Deputy Chairman (Non-Executive)
<b>Dr A John Parker</b>	Managing Director
<b>Robert A. Althoff</b>	Director (Non-Executive) to 18 September 2013
<b>Eng Hoe Lim</b>	Director (Non-Executive)
<b>Ms Sze Wan Chan</b>	Director (Non-Executive)
<b>Kee Guan Saw</b>	Director (Non-Executive) from 18 September 2013
<b>Jarek Kopias</b>	Company Secretary
<b>Dwayne Povey</b>	Chief Geologist

## Securities on Issue

<b>Shares at 30 September 2013</b>	<b>201,290,212</b>
Performance Rights (subject to share price at 30 Sept 2013)	expired

## Tenements at 30 September 2013

Tenements	Exclusive Rights	Area (sq km)
12	All minerals	2,502
15	All minerals except iron ore	1,862
	<b>TOTAL</b>	<b>4,364</b>

*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, 2004. Dr Parker consents to the release of the information compiled in this report in the form and context in which it appears.*