

## Quarterly Activities Report – December 2013

### SUMMARY

#### Kookaburra Gully Graphite (SA)

- Total Indicated and Inferred Mineral Resources for Kookaburra Gully deposit revised to **2.20 million tonnes grading 15.1% TGC** with 332,000 tonnes of contained graphite
  - Kookaburra Gully deposit is 500m long at the northeast end of a 4.5km long electromagnetic (EM) anomaly confirming potential for a large exploration target
  - Koppio-Kookaburra Gully **EM Exploration Targets upgraded**
  - More than **90% of EM targets yet to be drilled** with drilling approvals in place
  - Kookaburra Gully is one of **Australia's premier graphite deposits** with intercepts up to 39.7% TGC
- and*
- Kookaburra Gully and Koppio are **global Top 10** graphite deposits based on grade, are 10km from water supplies, adjacent high voltage electricity lines and **within 35 km of a major port**
  - **Mining Lease Application in preparation** and spring-time environmental and cultural surveys undertaken
  - Groundwater study completed on local high salinity groundwater in fractured bedrock
  - Metallurgical tests on bulk aircore drill samples from Kookaburra Gully have achieved 91-98% recovery of graphite at concentrate grades of 93-97% TGC
  - Metallurgical tests on shallow trench samples from Kookaburra Gully have achieved concentrates containing up to 25% medium to coarse flake graphite at grades of 95-98% TGC
  - **Graphene** produced from flake graphite samples from Lincoln's historic Koppio Graphite Mine
  - **Premium flake graphite prices have risen by about 15% per annum** over last 10 years and recent global developments, particularly in China, indicate that these price rises and opportunities for Lincoln Minerals are likely to continue

#### Gum Flat Iron Ore (SA)

- Revised application for groundwater extraction license has been rejected by the Department for Environment Water and Natural Resources so Lincoln Minerals has lodged a new appeal to the Environment Resources and Development Court

#### Corporate

- The Company welcomes the appointment of Mr Eddie Pang and Mr Alex Lim as Non-Executive Directors to the Board following the retirements of Mr Eng Hoe Lim, Mr K H Hung and Ms Sze Wan Chan following the Company's AGM. We thank Mr Lim, Mr Hung and Ms Chan for their work during their tenure as Directors.

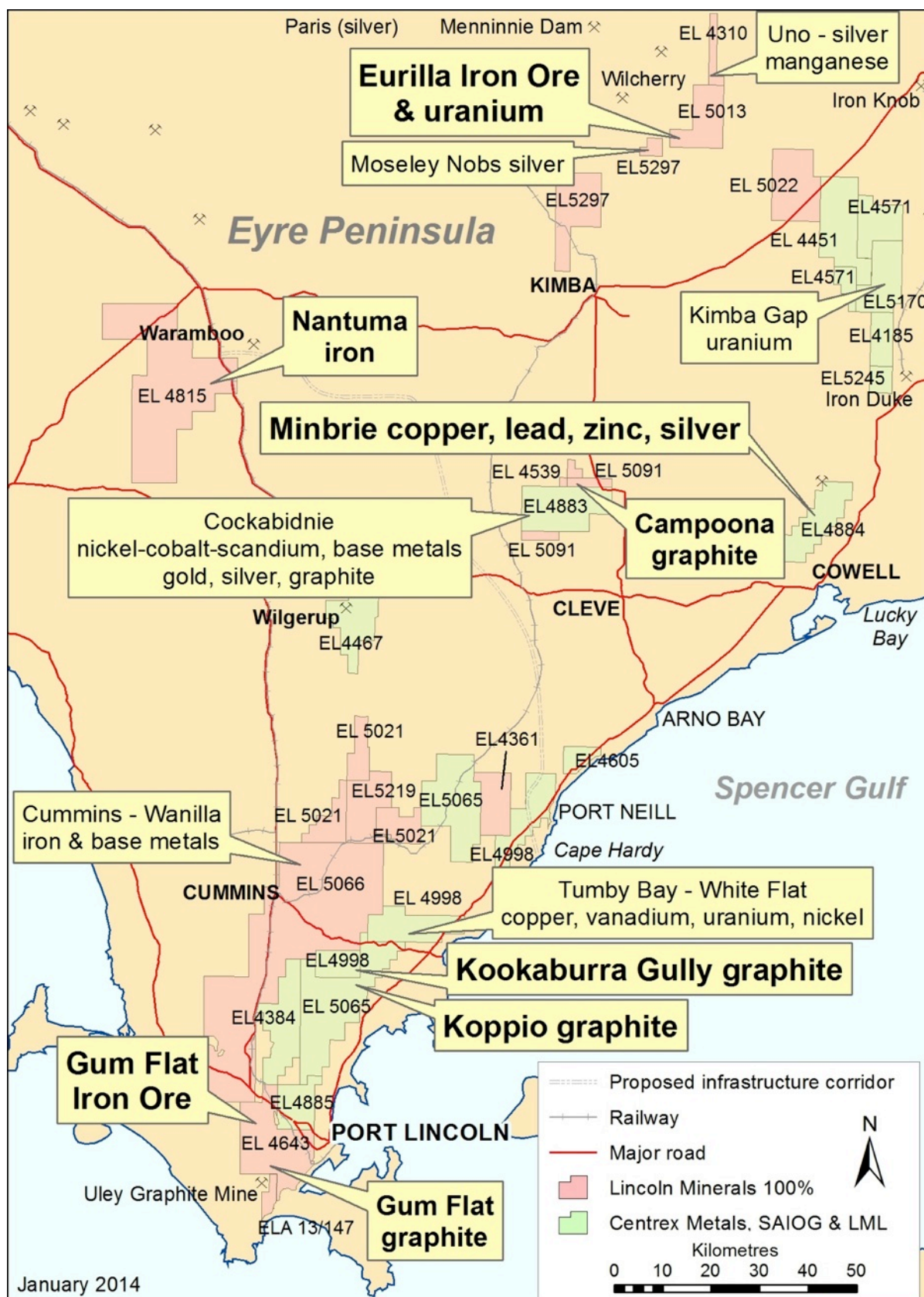


Figure 1: Location of Lincoln Minerals' Eyre Peninsula (SA) tenements.

Note, on all Centrex/SAIOG tenements, LML and its wholly owned subsidiary, Australian Graphite Limited, have the rights to all minerals except iron

## 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.



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 including one sample of flake graphite ore from Lincoln Minerals' historic Koppio Graphite Mine. 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. The Uley Graphite Mine (currently being recommissioned) is 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 – originally identified and investigated by Pancontinental Mining during the 1980's but shown by Lincoln Minerals' drilling in early 2013 to contain a shallow high grade flake graphite Mineral Resource of at least 2.2 million tonnes averaging 15.1% total graphitic carbon (TGC), extending to at least 125m below ground level and open both at depth and along strike (*Lincoln Minerals Limited, ASX Announcement 19 December 2013*)
- Koppio Graphite Mine – intermittently mined from the early 1900's to 1944 (*South Australian Department of Mines (now DMITRE) Report Book 21/87, 1945*) and containing high grade lenses of coarse flake graphite up to 32% TGC
- Pernella Prospect – historic occurrence containing 9-12% coarse flake graphite.

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.

With drilling intercepts up to 39.7% TGC (KK024: 22-23m) and several significant intervals averaging >20% TGC (*Lincoln Minerals Limited, ASX Release 19 February 2013*), Kookaburra Gully is one of Australia's and the world's premier graphite deposits. 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.

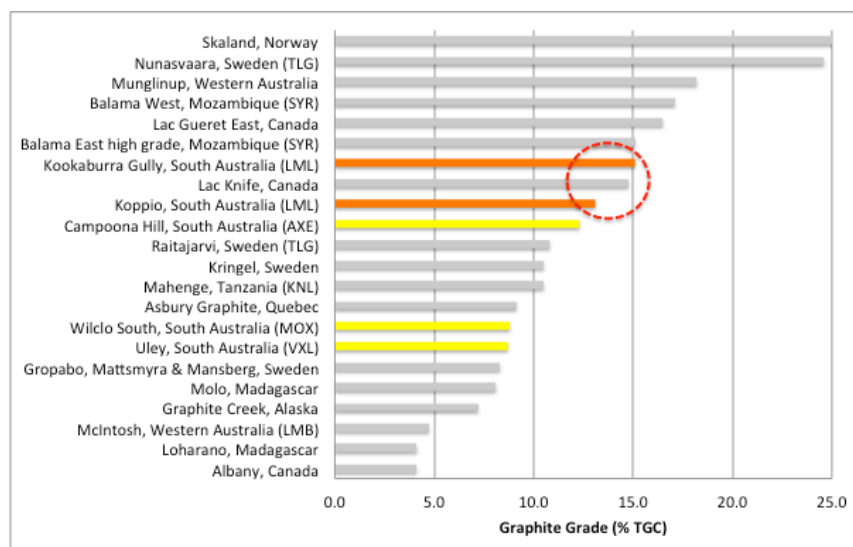


Figure 2: Graphitic carbon (TGC) grades for global flake graphite deposits (excluding Chinese deposits and the small but high grade Sri Lankan vein deposits)

## Changing Graphite Markets

China has dominated graphite production for the last 20 years producing about 70% of the world's graphite (65% global flake graphite and 89% global amorphous graphite). However, in mid December 2013 it was announced that operations at Pingdu, Shandong Province, have been ordered closed by local government authorities on environmental grounds. These operations represent about 20% of China's flake graphite production.

Then on 20 December 2013, Focus Graphite Limited announced a strategic off-take agreement for up to 40,000 tonnes per year of graphite concentrate and value-added products with an industrial conglomerate located in Dalian City, Liaoning Province, China. This was followed in January 2014 by Lamboo Resources Limited announcing that it has entered into a memorandum of understanding (MOU) with China Sciences Hengda Graphite Co. Ltd, the only miner and supplier of flake graphite in Central China. The intent of the MOU is to conduct commercial production trials on Lamboo's Australian flake graphite deposit as a lead up to establishing an off-take agreement.

The combined effect of these announcements implies that there is and will continue to be an ongoing change in global graphite markets. Since 2007, graphite exports from China have significantly reduced, maybe by as much as 50%, opening up opportunities for new producers in the western world. Over the last 10 years and ignoring the highs in 2010-2012, the price of premium flake graphite has continued to rise by about 15% per annum so the latest developments indicate that these price rises and opportunities for Lincoln Minerals are likely to continue into the future.

## Kookaburra Gully Graphite

The Kookaburra Gully graphite deposit is located approximately 35km north of Port Lincoln.

Updated Kookaburra Gully resource modelling was undertaken during the period by OreWin Pty Ltd (OreWin), an independent mining and resource consultancy, based on information compiled by Lincoln Minerals' geologists and primary resource modelling undertaken by AMC Consultants Pty Ltd (*Lincoln Minerals Limited, ASX Announcement 26 March 2013*).

The updated Mineral Resources in accordance with JORC Code 2012 at Kookaburra Gully are set out in Tables 1 and 2 (*Lincoln Minerals Limited, ASX Announcement 19 December 2013*). These tables show two

alternative calculations (and production strategies) that Lincoln Minerals is currently developing. At a nominal 5% cut-off, the revised Indicated and Inferred Mineral Resources total 2.20Mt at 15.1% TGC. This a slight decrease in size from the original estimation but grade has improved slightly. Total contained graphite for the revised Mineral Resource is 332,000 tonnes.

At a nominal 2% cut-off, the Indicated and Inferred Mineral Resources increased from 3.16Mt to 3.23Mt, albeit with a slightly lower grade of 11.2% TGC. Total contained graphite for this resource is 361,000 tonnes.

*Table 1. Kookaburra Gully Mineral Resource at a nominal 5% TGC lower cut-off grade*

Mineral Resource Classification	Tonnage (Mt)	Average Grade (% TGC)	Contained Graphite (tonnes)	Density (g/cc)
Indicated	1.47	13.9	204,352	2.57
Inferred	0.73	17.3	127,425	2.52
<b>TOTAL (&gt;5% TGC)</b>	<b>2.20</b>	<b>15.1</b>	<b>331,778</b>	<b>2.55</b>

*Mt = million tonnes TGC = Total Graphitic Carbon*

*Table 2. Kookaburra Gully Mineral Resource at a nominal 2% TGC lower cut-off grade*

Mineral Resource Classification	Tonnage (Mt)	Average Grade (% TGC)	Contained Graphite (tonnes)	Density (g/cc)
Indicated	2.10	10.6	223,349	2.56
Inferred	1.13	12.2	137,370	2.52
<b>TOTAL (&gt;2% TGC)</b>	<b>3.23</b>	<b>11.2</b>	<b>360,719</b>	<b>2.54</b>

*Mt = million tonnes TGC = Total Graphitic Carbon*

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

The JORC (*JORC Code 2012*) 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 continued detailed laboratory bench-scale metallurgical analysis of bulk samples collected from aircore drilling and shallow trenches (*Lincoln Minerals Limited, ASX Announcement 6 January 2014*).

Three 70-100kg bulk samples have been collated representing, respectively, the upper 50m (Sample A) and 50-100m (Sample B) drill intervals, and outcrops (Sample C) of the Kookaburra Gully graphite deposit. Samples were processed, using a laboratory-scale flotation system, by ALS Metallurgy Laboratories in Adelaide using a bulk water sample collected from the Tod Reservoir near Port Lincoln.

Metallurgical flotation tests on the upper 50m (28-38m true depth) bulk sample from Kookaburra Gully, Sample A, yielded a 91.2% recovery of contained graphite into a concentrate grading 94.0% C (93.7% TGC). The sample was first crushed to minus 2mm then a 2kg subsample was stage ground to P100 = 600 µm followed by 4 stages of flotation, cleaning and regrinding. A second sample, Sample B, representing

mineralisation below 40m true depth, yielded 98% recovery of contained graphite into a concentrate grading 95.0% C (94.3% TGC).

Because these drill samples had been ground down during the drilling process, they started off much finer grained than outcrop, drill core, trench or mine samples. Therefore, a third 75kg sample was collected from 1m to 2m depth in Trench 4 and processed by a similar 5 stage flotation technique (Samples C-1 and C-2). Note that the emphasis of the metallurgical test work on drill samples was on grade and recovery rather than flake size whereas for trench samples, particularly Sample C-2, greater emphasis was placed on coarse flake size recovery.

Screening of the final concentrates produced the following products:

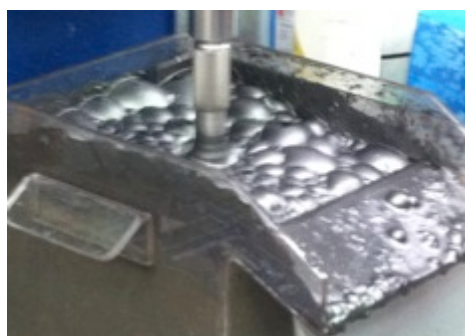
*Table 3: Kookaburra Gully metallurgical test results for bulk aircore drill samples A and B, and trench sample C (drill intervals converted to true depth below ground level)*

	Aircore Drill Sample A		Aircore Drill Sample B		Trench Sample C-1		Trench Sample C-2	
Depth Below Ground Level	28-38m		43-67m		1-2m		1-2m	
Graphite Recovery	91.2%		98.1%		75.5%		63.8%	
Total Concentrate Grade	93.7% TGC		94.3% TGC		97.3% C		97.0% C	
Screened Concentrate	Assay TGC%	Distribution %	Assay TGC%	Distribution %	Assay TGC%	Distribution %	Assay TGC%	Distribution %
+150 µm	95.3	2.9	96.5	2.3	97.8	8.9	94.8	24.3
+106 µm, -150 µm	95.3	7.3	96.5	6.3	97.5	14.1	97.0	16.2
+75 µm, -106 µm	94.4	11.1	96.5	10	97.1	23.1	97.5	23.8
+20 µm, -75 µm	94.3	61.2	95.8	50.8	96.7	47.3	97.6	34.0
-20 µm	90.4	17.5	90.7	30.7	94.5	6.6	93.4	1.7

*C = Total Carbon TGC = Total Graphitic Carbon*

*Standard Sieve/Mesh Sizes are: 100# = 150 µm; 200# = 75 µm*

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 to undertake trenching at Kookaburra Gully in order to collect a 50-200 tonne bulk sample for this work which is scheduled for early 2014 subject to available funding.



*Figure 3: Laboratory-scale flotation tests on a Kookaburra Gully bulk trench sample and resultant graphite flake concentrates grading from medium-coarse flake (left) to fine flake (right)*

### **Mineral Resource → Metallurgy → Processing Graphite and Mining Lease Application**

The results of the above resource estimates, 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 a low capital cost processing plant established on site.

The delineation of a world-class flake graphite resource at Kookaburra Gully underpins a mining operation processing a minimum 200,000 tonnes of ore per year for up to 10 years based on current resources but with great long term potential based on exploration targets (see below).

In November 2013, Parsons Brinckerhoff was appointed to prepare a Mining Lease Application for the Kookaburra Gully flake graphite project. Lincoln has a target date of 2015 for full-scale production from Kookaburra Gully.

Parsons Brinckerhoff's scope of services includes:

- Preparation of the mining lease proposal (MLP) report in support of the Mining Lease Application;
- Delivery of the required technical study components, either directly or through sub-consultants appointed by Lincoln Minerals;
- Preparation and implementation of a Stakeholder Consultation Plan; and
- Meetings as necessary with DMITRE and other regulatory bodies.

The mining lease proposal will provide sufficient detail on the proposed open pit, tailings storage facility, processing plant, transport routes, water supply, power and other infrastructure to enable an assessment of the potential environmental and community impacts and mitigation/management measures associated with the project. AMC Consultants Pty Ltd is preparing a conceptual mine plan, EBS Ecology has undertaken flora, fauna and cultural heritage surveys and Aldam Geoscience has undertaken a desktop groundwater study to support the MLP.

Although the scale of the proposed graphite mining operation is quite small compared to iron ore projects proposed on Eyre Peninsula, a key component of the Kookaburra Gully project will be the Stakeholder Consultation Plan. This will address impacts and benefits to surrounding landholders, stakeholders and the wider Eyre Peninsula community including impacts from general mining operations and traffic/truck movements on existing users, groundwater, ephemeral creeks, community services such as school buses, and agricultural operations.

Parsons Brinckerhoff has extensive knowledge and experience in stakeholder engagement, coordinating studies that support mining lease applications and preparing the necessary documentation to facilitate the requirements of the statutory approvals process for mining developments in South Australia. The appointment is a key step forward to making the eventual transition from an explorer with a world class graphite deposit to a mining operation at Kookaburra Gully.

### ***Koppio-Kookaburra Gully Exploration Targets and drilling program***

Lincoln Minerals has announced plans for an aircore drilling program over its Exploration Targets at the Company's world-class Kookaburra Gully graphite project near Port Lincoln in South Australia's Eyre Peninsula (*Lincoln Minerals Limited, ASX Announcement 30 January 2014*).

Lincoln has reprocessed and re-interpreted airborne electromagnetic (EM) data and maps over the Koppio-Kookaburra Gully area to identify an extensive suite of drilling Exploration Targets that total 33 million to 94 million tonnes (Mt) of graphite mineralisation at 7-15% TGC (Table 4) (*Lincoln Minerals Limited, ASX Announcement 30 January 2014*). Except for the Kookaburra Gully Mineral Resource and one historic diamond cored drillhole along with mining at the Koppio Graphite Mine, no drilling, trenching or sampling has been undertaken by Lincoln Minerals on any of the Exploration Targets. *Therefore, it is emphasized that Exploration Target tonnage and grade 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.*

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. Imagery from the Koppio-Kookaburra Gully EM survey (*Figure 4*) shows that the Kookaburra Gully deposit is located on the northeastern end of a 4.5 kilometre long series of EM anomalies (Kookaburra Gully Extended).

Because there is no new drilling or sampling information, the widths, depths, dips, grades and density of the estimated Exploration Targets were based on the Mineral Resource at Kookaburra Gully and are shown in Table 4.

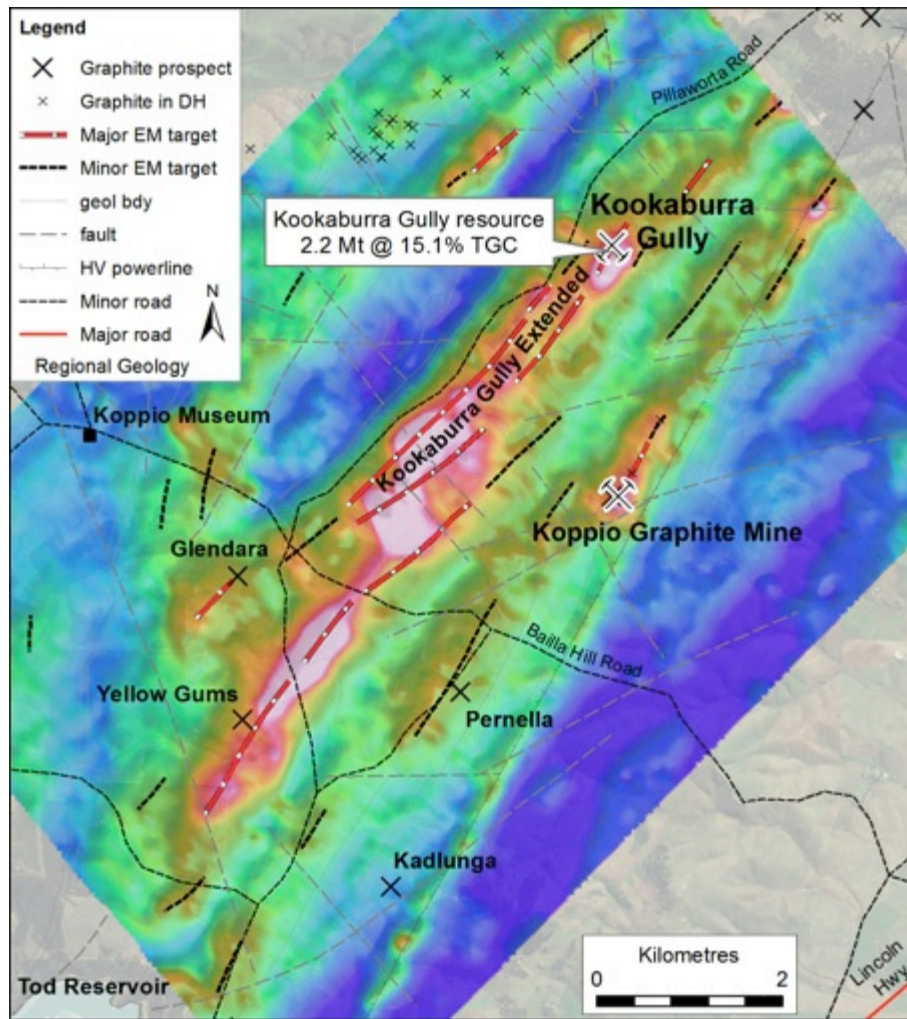


Figure 4: Reprocessed Koppio-Kookaburra Gully airborne EM conductivity map and location of Kookaburra Gully Mineral Resource and Exploration Targets. Red to pinkish-white anomalies are associated with strongly conductive rocks such as graphite schist. EM image = TConZ image

Table 4: Revised Kookaburra Gully and Koppio region Exploration Targets (SG = 2.5)

Target	Thickness	Strike Length	Depth Extent	Dip	Exploration Target <sup>1</sup>	Grade (TGC)	Contained Graphite
Kookaburra Gully (incl. Mineral Resource)	16-20m	650-800m	125-150m	60-80 <sup>0</sup>	3.3-6.9 Mt	11-15%	0.4-1.0 Mt
Kookaburra Gully Extended – NW targets	15-20m	3100-3900m	100m	60-90 <sup>0</sup>	11.6-22.5 Mt	10-15%	1.2-3.4 Mt
Kookaburra Gully Extended – SE targets	15-20m	2900-3700m	100m	60-90 <sup>0</sup>	10.9-21.4 Mt	10-15%	1.1-3.2 Mt
Koppio Graphite Mine	10-15m	900-1200m	50-100m	70-90 <sup>0</sup>	1.1-4.8 Mt	11-15%	0.1-0.7 Mt
Yellow Gums	10-15m	2500-4000m	50-100m	70-90 <sup>0</sup>	3.1-16.0 Mt	7-15%	0.3-4.0 Mt
Glendara	10-15m	600-800m	50-100m	60-90 <sup>0</sup>	0.8-3.5 Mt	7-15%	0.1-0.5 Mt
Pernella	7-15m	1000-1200m	50-100m	80-90 <sup>0</sup>	0.9-6.5 Mt	7-15%	0.1-1.0 Mt
Others – Koppio EM area	7-15m	1100-3300m	50-100m	80-90 <sup>0</sup>	1.0-12.6 Mt	7-15%	0.1-1.9 Mt
<b>TOTAL</b>					<b>32.6-94.1 Mt</b>	<b>7-15%</b>	<b>3.1-14.1 Mt</b>

Mt = million tonnes TGC = Total Graphitic Carbon

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

With a potential 3.1 Mt to 14.1 Mt of contained graphite (Table 4), this is potentially a large graphite resource not just on grade but also with respect to size.

Lincoln Minerals has been granted Exploration Work Approvals by DMITRE to undertake further resource-definition drilling and trenching at Kookaburra Gully and to undertake an extended drilling program at Kookaburra Gully Extended and Koppio Graphite Mine. Drilling is scheduled during the next 6 months and will commence with a reconnaissance aircore program over the central Kookaburra Gully Extended targets. This will be followed by infill resource definition drilling with the aim of increasing the total Kookaburra Gully resource. The extent and completion of the drilling program is subject to progressive results and financing.

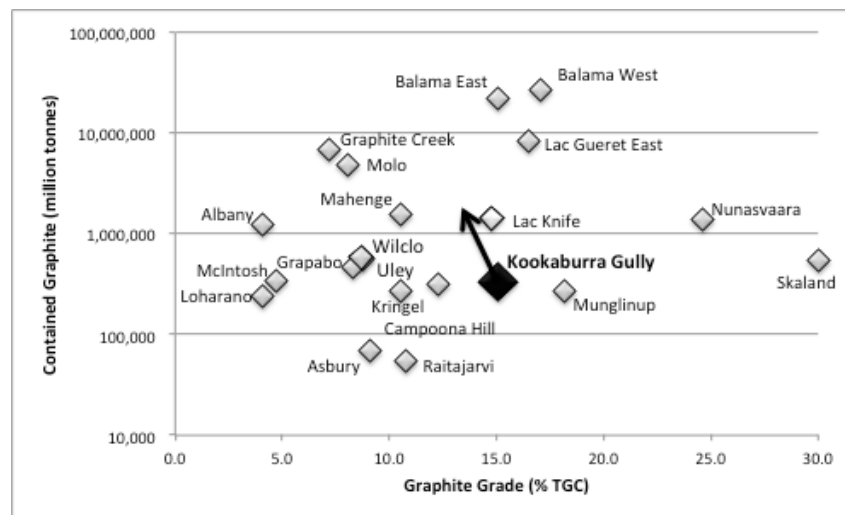


Figure 5: Global graphite deposits

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

More than 109 million tonnes of iron mineralisation have been identified in the Barns-Rifle Range area (Table 5), most of it magnetite but with some hematite-goethite potentially suitable for direct shipping. The magnetite requires processing into a high grade concentrate before it can be exported.

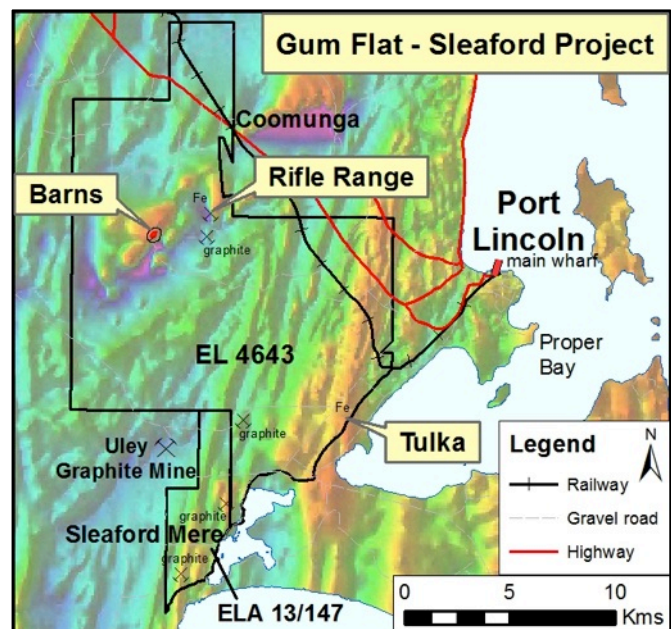


Figure 6: Location of Gum Flat Barns deposit and Sleaford Mere graphite ELA

Table 5: Gum Flat Mineral Resources<sup>1</sup> (refer Lincoln Minerals 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 (ca. 67% Fe) concentrate for export.

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.

## 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 proposed mining activities will not have detrimental or unsustainable effects on the main aquifer but despite that, the Company's initial application for a groundwater license was refused.

Following discussions between Lincoln Minerals and hydrogeologists from the Department of Environment Water and Natural Resources (DEWNR), a revised mine schedule was developed that facilitates progressive dewatering of the Basement Aquifer over a 4 to 5-year timeframe (*Figure 6*). The revised mine schedule is based on lowering the water level by up to 10% of the saturated aquifer thickness per year as per the Water Allocation Plan (WAP) Principle 15.

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.

<sup>1</sup> Gum Flat Mineral Resources were defined under JORC Code 2004 (refer Lincoln Minerals ASX release, 7 June 2012, which 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 announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement 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 announcement.



## CORPORATE

At 31 December 2013, the Company had approximately \$0.82 million cash.

Exploration and evaluation expenditure by the Company during the December 2013 quarter was \$125,000.

### Board Composition

On 20 November 2013, the Board of Lincoln Minerals Limited advised that, as foreshadowed in the Notice of Annual General Meeting, Non Executive Directors Eng Hoe Lim and Kwang Hou Hung did not seek re-election or election respectively at the Annual General Meeting and consequently retired from the Board effective on that date, 20 November 2013.

Then on 1 December 2013, the Company also advised that Ms Sze Wan Chan retires as a Director and Mr Eddie Lung Yiu Pang and Mr Alex Hooi-Kiang Lim have been appointed as Non-executive Directors of the Company as of 1 December 2013.

Both Mr Lim and Mr Hung are major shareholders of the Company and have been strong supporters of the Company both financially and technically. Both they and Ms Chan have made valuable contributions to the management and progress of the Company as it has progressed 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.

The Board thanks them for their contributions and looks forward to their ongoing support of the Company.

The Company welcomes the appointment of Messers Pang and Lim as Non-Executive Directors to the Board of Lincoln Minerals.

Mr Pang has a first-class Bachelor of Science with Honours degree in Chemistry. He operates a trading business based in Shanghai supplying the Chinese market with Australian wool and wine, Chilean iron ore, cathode copper and timber along with marketing and export of Chinese products to Vietnam, the United Arab Emirates and Canada. Mr Pang has a number of private business interests in Australia, including vineyards and timber plantations and is currently the Non-executive Chairman of ASX-listed mineral exploration and development company, Genesis Resources Limited.

Mr Pang's extensive network of business associates in China (both national and private) and the Middle East will be an invaluable asset for Lincoln in its future capital raising and product marketing.

Mr Alex Hooi-Kiang Lim was a former independent director of Berjaya Bhd listed on the Bursa Malaysia, and has a number of business interests in the palm oil plantation and insurance sectors. Mr Lim is also currently a Non-executive Director of Genesis Resources Limited.

Both Mr Pang and Mr Lim will provide crucial support to Lincoln Minerals at a time when funding and potential marketing will be vital for development of the Company's graphite and iron ore mining opportunities.

### Tenements

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 renewal of Gum Flat exploration license EL 4643 in full and for renewal of Nantuma EL 4815 with a 27% reduction in area. As required by its Northern Eyre Amalgamated Expenditure Agreement with the Department for Manufacturing, Innovation, Trade Resources and Energy (DMITRE), Lake Gilles EL 5022 was reduced by 109 square kilometres (44%).

## Board and Management

<b>Jin Yubo</b>	Chairman (Non-Executive)
<b>Kwang Hou Hung</b>	Deputy Chairman (Non-Executive) to 20 November 2013
<b>Dr A John Parker</b>	Managing Director
<b>Eng Hoe Lim</b>	Director (Non-Executive) to 20 November 2013
<b>Ms Sze Wan Chan</b>	Director (Non-Executive) to 1 December 2013
<b>Kee Guan Saw</b>	Director (Non-Executive)
<b>Eddie Lung Yiu Pang</b>	Director (Non-Executive) from 1 December 2013
<b>Mr Alex Hooi-Kiang Lim</b>	Director (Non-Executive) from 1 December 2013
<b>Jarek Kopias</b>	Company Secretary
<b>Dwayne Povey</b>	Chief Geologist

## Securities on Issue

<b>Shares at 31 December 2013</b>	<b>201,290,212</b>
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## Tenements at 31 December 2013

<b>Tenements</b>	<b>Exclusive Rights</b>	<b>Area (sq km)</b>
12	All minerals	2,393
14	All minerals except iron ore	1,822
	<b>TOTAL</b>	<b>4,215</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, 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](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, 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.*

*It is emphasized that Exploration Target tonnage and grade 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.*

*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.*

## Tenement List

Tenement	Expiry	Area (km2)	Locality	Licensee (or Applicant)	LML Share **
LINCOLN MINERALS HAS OWNERSHIP OF ALL MINERAL RIGHTS					
EL 5013	28-Jan-15	98	Eurilla (Lake Gilles)	LML	100%
EL 5066	12-Feb-14	861	Wanilla	LML	100%
EL 5021	11-Feb-14	162	Cummins	LML	100%
EL 5022	11-Feb-14	139	Lake Gilles (Stony Hill West)	LML	100%
EL 5091	5-Aug-14	31	Campoona	LML	100%
EL 5219	24-Feb-15	111	Tarlinga	LML	100%
EL 5297	2-Mar-15	147	Moseley Nobs	LML	100%
EL 4310	28-Sep-14	26	Uno	LML	100%
EL 4361	3-Nov-14	82	Dutton River	LML	100%
EL 4643	6-Jan-14	208	Gum Flat	LML	100%
EL 4815	20-Dec-13	510	Nantuma	LML	100%
ELA 13/147	NA	18	Sleaford Mere	LML	100%
Subtotal		2,393			
LINCOLN MINERALS HAS OWNERSHIP OF ALL MINERAL RIGHTS EXCLUDING IRON ORE **					
EL 4883	13-Aug-15	154	Cockabidnie	CXM	100%
EL 4884	13-Aug-15	117	Minbrie	CXM	100%
EL 4885	13-Aug-15	76	Greenpatch	CXM	100%
EL 4998	11-Apr-14	272	Tumby Bay (Carrow)	SAIOG	100%
EL 5065	05-Aug-14	465	Mount Hill (Tod River)	SAIOG	100%
EL 5170	04-Nov-14	106	Kimba Gap	SAIOG	100%
EL 5245	11-Dec-14	26	Pondooma	SAIOG	100%
EL 5335	17-Sep-15	52	Ironstone Hill	SAIOG	100%
EL 4384	15-Nov-14	138	Wanilla	CXM	100%
EL 4451	14-Mar-15	155	Stony Hill	SAIOG	100%
EL 4467	18-Apr-15	104	Tooligie Hill (Wilgerup)	CXM	100%
EL 4539	23-Aug-12	11	Cockabidnie North	LML	100%
EL 4571	04-Oct-14	115	Gilles Downs	CXM	100%
EL 4605	16-Nov-14	31	Dutton Bay	CXM	100%
Subtotal		1,822			
	Grand total	4,215			

**\*\* On all CXM/SAIOG tenements, LML and its wholly owned subsidiary, Australian Graphite Limited, have 100% of the rights to all minerals except iron.**

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