

Quarterly Activities Report – March 2014

SUMMARY

Kookaburra Gully Graphite (SA)

- Kookaburra Gully is one of **Australia's premier graphite deposits** with intercepts up to 39.7% TGC (Total Graphitic Carbon) and total Indicated and Inferred Mineral Resources of **2.20 million tonnes grading 15.1% TGC**
- Both Kookaburra Gully and the nearby historic Koppio Graphite Mine 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**
- A **Mining Lease Application is nearing completion** for Kookaburra Gully including community and stakeholder consultation meetings, preparation of conceptual mine plans and completion of various environmental reports
- Conceptual mine plan completed for Kookaburra Gully
- Geotechnical/hydrogeological drilling undertaken at Kookaburra Gully
- Exploration drilling undertaken at the historic Koppio Graphite Mine – **graphite mineralisation intersected over 525m along strike from mine workings**
- **Lincoln Minerals aims to take the Kookaburra Gully project to critical development and commercialisation milestones over the next 12 months**

Gum Flat Iron Ore (SA)

- Appeal to the SA Environment Resources and Development Court in regard to Lincoln's application for a groundwater extraction license is set for a Hearing

Corporate

- A \$250,000 short-term loan was secured to support drilling at Kookaburra Gully and Koppio Graphite Mine
- Lincoln Minerals' ELs 4643, 4815, 5021, 5022 and 5066 have been renewed for 2 years



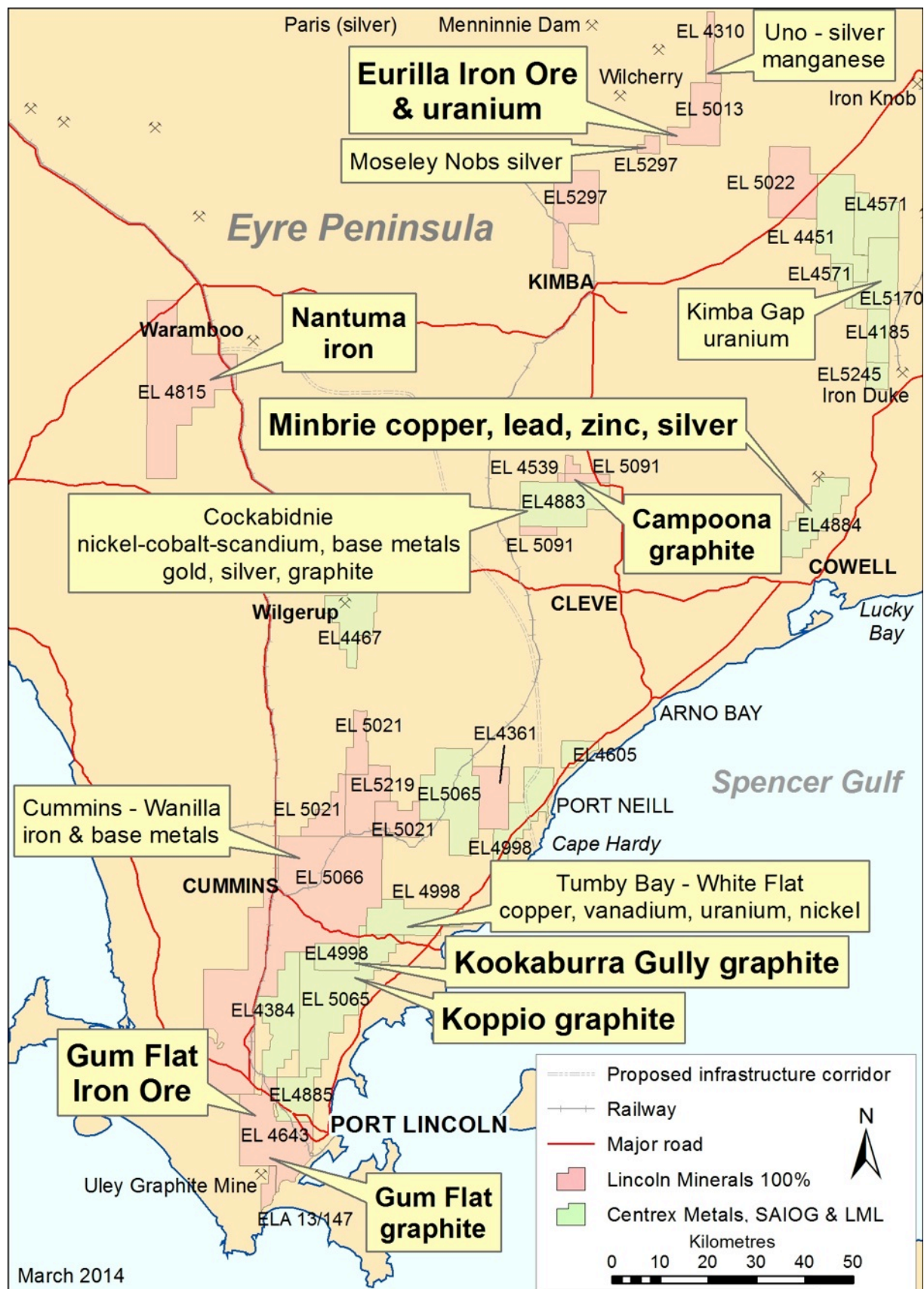


Figure 1: Location of Lincoln Minerals' Eyre Peninsula (SA) tenements.

Note, on all Centrex/SAIOG tenements shown on this map + EL 4539, LML and its wholly owned subsidiary, Australian Graphite Limited (AGL), have the rights to all minerals except iron

SOUTH AUSTRALIA

EXPLORATION & DEVELOPMENT PROGRESS DURING THE QUARTER



Graphite – various ELs (SA’s Eyre Peninsula)

(LML and its 100% owned subsidiary, AGL, have 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** located approximately 35km north of Port Lincoln – 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% 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, Glendara and Yellow Gums prospects – historic occurrences containing 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.

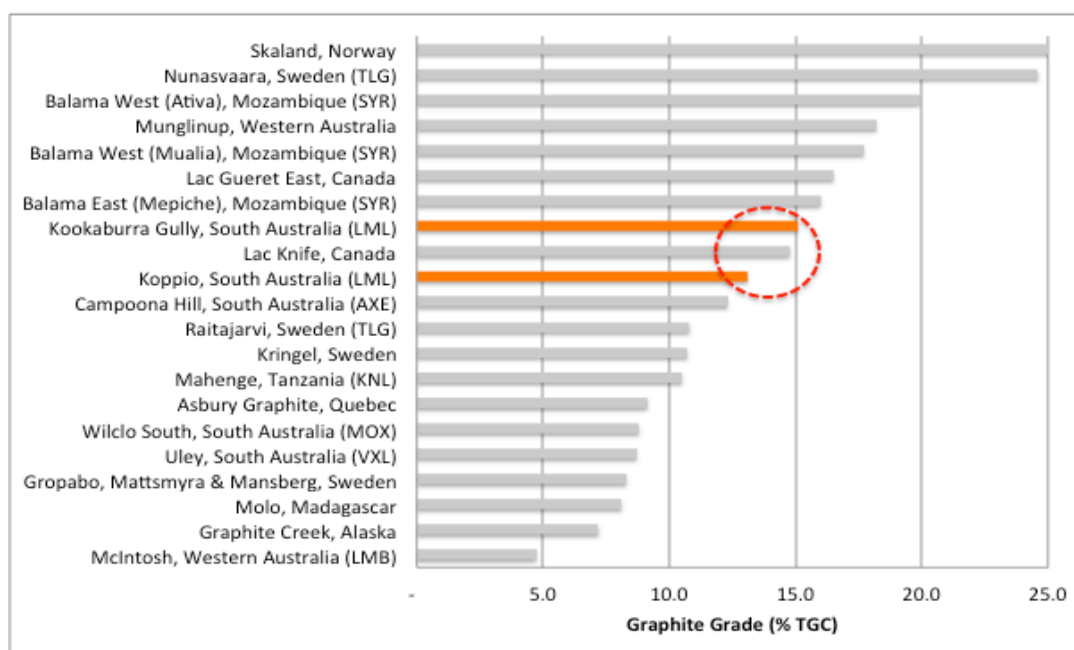


Figure 2: Graphitic carbon (TGC) grades for global flake graphite deposits (excluding Chinese deposits and the small but high grade Sri Lankan vein deposits)

Kookaburra Gully Graphite

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*). At a nominal 5% cut-off, the Indicated and Inferred Mineral Resources total 2.20Mt at 15.1% TGC for a total of 332,000 tonnes contained graphite.

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
TOTAL (>5% TGC)	2.20	15.1	331,778	2.55

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
TOTAL (>2% TGC)	3.23	11.2	360,719	2.54

Mt = million tonnes TGC = Total Graphitic Carbon

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

The JORC 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.

Mineral Resource → Metallurgy → Processing Graphite and Mining Lease Application

The results of the Mineral Resource estimates, metallurgical studies (*Lincoln Minerals Limited, ASX Announcement 6 January 2014*) 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.

A Conceptual Mine Plan was completed during the Quarter by AMC Consultants Pty Ltd based on the above studies. It indicates that the flake graphite resource at Kookaburra Gully underpins a successful mining operation processing 250,000 tonnes of ore per year. The proposed open pit will be approximately 700m in length, 280m wide and up to 100m in depth with a footprint less than 20Ha. The total mine site including tailings and waste rock facilities, stockpiles and concentrator or processing plant would be less than 175 Ha.

Graphite ore will be mined at 15% TGC by excavators and/or conventional drill and blast, load and haul mining, then crushed and concentrated on site by a simple 4 stage conventional flotation process to produce a >94% TGC graphite concentrate in a range of different flake sizes. The graphite concentrates will be bagged onsite in either 25 kg bags or bulka bags then transported via semi trailer to port. The proposed Kookaburra Gully processing plant and operation would be very similar in size and operation to the plant at Uley Graphite Mine south of Port Lincoln (Figure 1).

Lincoln Minerals is exploring various water options for use onsite. One of these options is to use water from the nearby idle Tod Reservoir. Other alternatives include harvesting rainwater runoff from buildings, groundwater recovered during mining operations and recycling/reusing process water from the Tailings Facility.

The mining operation would operate on day shift only but the concentrator would operate 24/7 from run-of-mine (ROM) stockpiles. The conceptual production rate will produce a nominal 30,500-35,500 tonnes per annum of concentrate at >94% TGC.

This, combined with the large Exploration Targets identified by Lincoln Minerals (33 million to 94 million tonnes (Mt) of graphite mineralisation at 7-15% TGC (*Lincoln Minerals Limited, ASX Announcement 30 January 2014*)), supports a long-term graphite mining operation in the Koppio-Kookaburra Gully area. *It is emphasised 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.*



Figure 3: Location of Kookaburra Gully

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

A considerable amount of time and effort has been devoted by Lincoln Minerals during the Quarter on preparation of the draft MLA, community and stakeholder consultation, and preparation of the requisite environmental, planning and infrastructure reports. Completed reports received during the Quarter include road infrastructure, flora and fauna surveys, dust and noise.

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 has been the Stakeholder Consultation Plan. This is addressing impacts and benefits to surrounding landholders, stakeholders and the wider Eyre Peninsula community. Along with private one-on-one meetings with landowners, community meetings open to the general public were held at Tumby Bay and Yallunda Flat during the Quarter.

The proposed Kookaburra Gully mine and concentrator are located on the SE side of Pillaworta Road between Bratten Way and Bailla Hill Road. The preferred transport route is NE to Bratten Way which is a sealed road suitable for trucks up to double road trains. Some upgrading of Pillaworta Road (only semi-trailer configurations are permitted) and the intersection with Bratten Way would be necessary.

The MLA will provide details on the proposed open pit, mining operations, tailings storage and waste rock facilities, concentrator, dust, noise, 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.

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.

Lincoln Minerals aims to take the Kookaburra Gully project to critical development and commercialisation milestones over the next 12 months:

- Undertake environmental studies and community/stakeholder engagement in preparation for lodging a Mining Lease Application during the first half of 2014
- Conduct ongoing metallurgy and marketing for commitment from end-user customers
- Obtain a Mining Lease and all Government approvals
- Undertake Pilot Plant Tests as required and prepare a detailed engineering design to the level of a definitive feasibility study (DFS).

It is proposed to commence mining and processing in the second half of 2015 subject to government approvals and securing project finance.

Koppio-Kookaburra Gully drilling program

Lincoln Minerals in January announced plans for an aircore drilling program over its Exploration Targets at Kookaburra Gully (*Lincoln Minerals Limited, ASX Announcement 30 January 2014*).

The first stage of that program was geotechnical drilling at Kookaburra Gully to test fractures and stratigraphic horizons in the basement for groundwater and possible extensions to known mineralisation. 15 aircore and slimhole reverse circulation (RC) drillholes were completed 26-29 March (total 1,349m).

This was followed by reconnaissance and resource definition drilling at and along strike from the historic Koppio Graphite Mine. Historic mine records and a single drillhole from 1945 previously outlined high grade mineralisation up to 33.2% graphitic carbon within and immediately below the mine workings over a strike length of 55m and to a depth of 50m below ground level (*Lincoln Minerals Limited, ASX Announcement 26 March 2014*).

Drilling late in March and early in April 2014 in the Koppio mine area has extended the extent of visual graphite mineralisation over a strike length of 525m and depth extent of at least 100m below ground level at the site of the historic workings. The aggregate true thickness of graphite layers at the mine site and 160m SW is about 14-15m but to the NE of the mine, the units thin to an aggregate true thickness of 6-7m. The interpreted dip of the graphite units is about 60-75° to the ESE. Twenty aircore and RC drillholes were completed for a total 1679m. Further details regarding the drilling program are included in Sections 1 and 2 of JORC Code 2012 Table at the end of this report.

No laboratory assays are yet available.

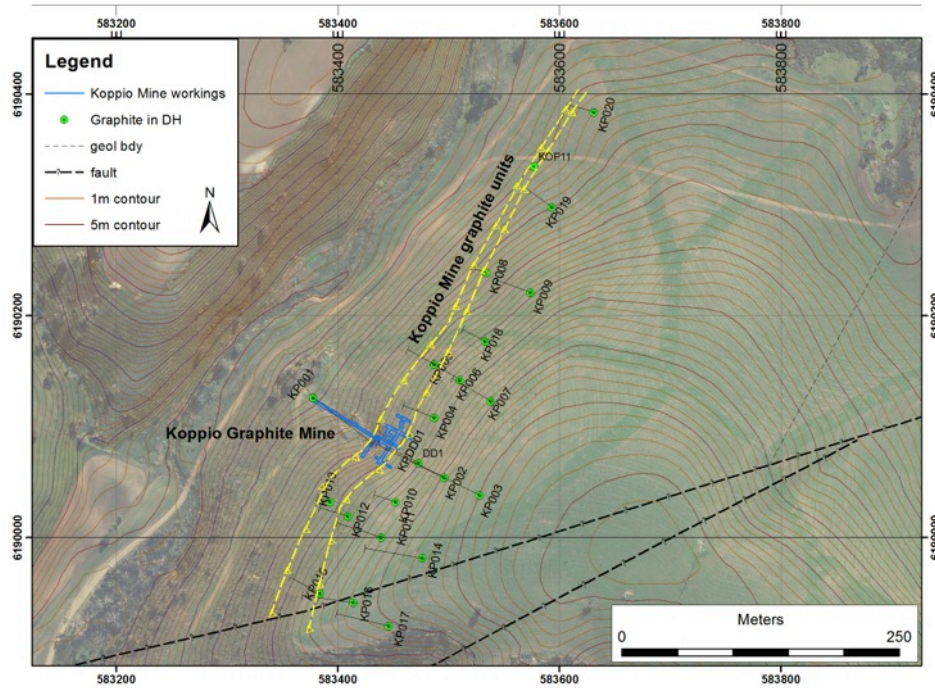


Figure 4: Drillhole plan showing surface distribution of graphite units from visual interpretation of drilling at Koppio Graphite Mine

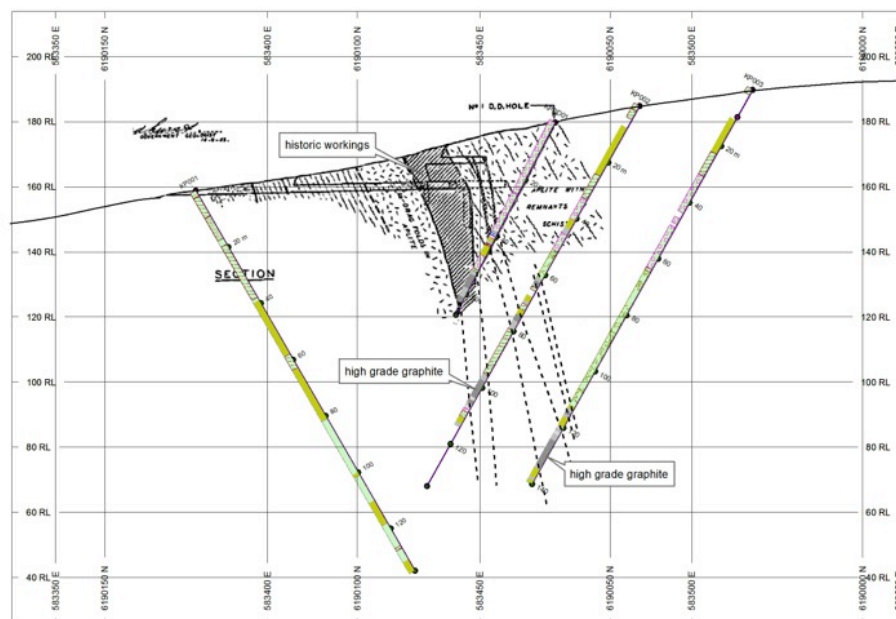


Figure 5: NW-SE geological section through historic mine workings and drillholes at Koppio Graphite Mine

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.

The Company is proposing to mine hematite mineralisation at the Barns deposit and export up to 250,000 tonnes per annum direct shipping ore (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. A Mining Lease Application (MLA) has been prepared for this proposed operation but has been stalled by the Company's inability to secure a critical groundwater extraction licence from the Government.

Groundwater is a primary concern for the Barns mine plan since the proposed mine site is within the Southern Basins Prescribed Wells Area (SBPWA).

Lincoln Minerals has devoted considerable time and resources to ensure that proposed mining activities will not have detrimental or unsustainable affects on the main aquifer but despite that, the Company's applications for a groundwater license have to date, been refused by the SA Minister for Sustainability, Environment and Conservation.

Consequently, Lincoln Minerals has lodged an appeal with the Environment, Resources and Development Court of South Australia. A Court Hearing is scheduled for early May 2014.

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.

Other Projects

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

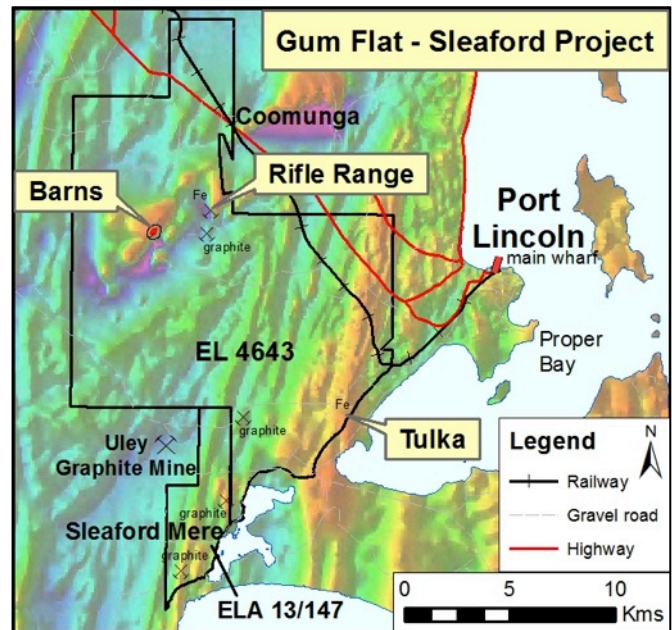


Figure 6: Location of Gum Flat Barns deposit and Sleaford Mere graphite ELA

CORPORATE

At 31 March 2014, the Company had approximately \$0.63 million cash.

Exploration and evaluation expenditure by the Company during the March 2014 quarter was \$206,000.

Finance

Funding for the Koppio-Kookaburra Gully drilling program was arranged through an Unsecured Loan for a total of up to \$250,000 at a nominal interest rate of 15% per annum. Lincoln Minerals must repay the Principal Amount and accrued Interest under this agreement on or before 25 July 2014.

The Principal Amount is payable by Lincoln Minerals on the Repayment Date only to the extent that the Company has sufficient funds in excess of its working capital requirements, as determined by the Board of Directors in its discretion, acting reasonably and in good faith.

In the event that the Company does not have sufficient funds in excess of its working capital requirements to repay the Principal Amount on or before the Repayment Date, the parties may negotiate an appropriate extension to the Repayment Date, or the parties may mutually agree that payment of the Principal Amount be satisfied by way of Conversion into Shares, to be issued to the Lender and/or its nominees at a fixed price \$0.05 per share.

The Company is currently finalising details to secure funding for the next 12 months.

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, Exploration Licences were renewed for Gum Flat EL 4643 (in full), Nantuma EL 4815 (27% reduction in area), Cummins EL 5021 (in full), Lake Gilles EL 5022 (44% reduction) and Wanilla EL 5066 (in full), all for an additional 2 years.

An Exploration Licence has been offered to Lincoln Minerals for the Sleaford Mere area ELA 2013/00147.

Board and Management

Yubo Jin	Chairman (Non-Executive)
Dr A John Parker	Managing Director
Kee Guan Saw	Director (Non-Executive)
Eddie Lung Yiu Pang	Director (Non-Executive)
Alex Hooi-Kiang Lim	Director (Non-Executive)
Jarek Kopias	Company Secretary
Dwayne Povey	Chief Geologist

Securities on Issue

Shares at 31 March 2014

201,290,212

Tenements at 31 March 2014

Tenements	Exclusive Rights	Area (sq km)
12	All minerals	2,255
14	All minerals except iron ore	1,822
	TOTAL	4,077

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. 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 emphasised 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-16	861	Wanilla	LML	100%
EL 5021	11-Feb-16	162	Cummins	LML	100%
EL 5022	11-Feb-16	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-16	208	Gum Flat	LML	100%
EL 4815	20-Dec-15	372	Nantuma	LML	100%
ELA 2013/147	NA	18	Sleaford Mere	LML	100%
Subtotal		2,255			
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	4,077			

**** On all CXM/SAIOG tenements + EL 4539, 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

JORC Code, 2012 Edition

Section 1 Sampling Techniques and Data

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> Drillholes were drilled by slimline aircore (AC) and / or reverse circulation (RC) techniques totalling 35 holes for 3,028 m (2064m AC and 964m RC (32% RC)). Majority of holes drilled at 60° towards WNW on WNW-ESE sections. Drillhole spacing 20–40m along lines on 80–160m spaced drill lines. Mineralisation was graphitic schist. 849 assay samples were collected of which 740 were drill samples and remaining 109 QA/QC: a rate of approximately 13% or 1 in 7 samples. Up to six certified total graphitic carbon standards, blanks, and field duplicates were used in a single sample batch. All samples were predominantly collected at 1m intervals with lesser mineralised areas composited to 2 and 4 m (38 two metre composites and 4 four metre composites). Sub samples of bulk composite samples were passed through an air-operated, three-tier riffle splitter to produce a 3–5 kg analytical sample. Of 740 drill samples for riffle splitting 6 percent or 44 samples contained moisture and were scoop speared to ensure sample quality and representivity. Moist samples were double bagged (calico and plastic) to prevent contamination. Analytical samples were dried, and will be crushed (if necessary), pulverised, then analysed for carbon and total graphitic carbon (TGC) by TC001 and Grav4D methods respectively at Bureau Veritas' Adelaide laboratory. The 849 samples are in final analysis at time of reporting.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> 35 drillholes for 3,028m with 2,064m AC drilled and 964m RC drilled. AC drill bits are face sampling 85 mm diameter bits, RC face sampling drill bit is 115 mm in diameter. Drill rods are 3 m in length.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> AC and RC recovery is considered to be good. After each one metre interval the driller would pause to ensure the sample stream was cleared, and after each rod (3 m) the hole was cleared before sample collection recommenced.
<i>Logging</i>	<ul style="list-style-type: none"> All AC and RC cuttings / chips were logged at 1 m intervals and representative keepsake chip trays made. All chip trays have been photographed. Observed down-hole drillhole graphite intercepts were recorded at the time of drilling.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> All analytical samples were three-tier riffle split. Six percent (44 samples) contained moisture and these samples were scoop speared to maximise representivity and sample quality. The riffle splitter was air vibrated and air cleaned after each sample passed. A field duplicate was taken at a rate of approximately 1 in 20 samples, exactly mirroring the original sample collection. Unique sample identification numbers were given to all samples to ensure laboratory integrity and random placement of QA/QC samples throughout the batch. Samples are dried, crushed to 3 mm (if required), and then pulverised to 75 micron. Grind checks are undertaken at a rate of 1 in 20.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> Total combustion using a carbon–sulphur analyser, determines carbon. A portion of the sample is dissolved in weak acid to liberate carbonate carbon. The residue is then dried at 420°C driving off organic carbon and then analysed by a sulphur–carbon analyser to give total graphitic or elemental carbon (TGC). Standards, duplicates and blanks were inserted randomly throughout each batch.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> No twinned holes have been drilled at this stage of project. No independent verification of sampling or assaying has been undertaken. Data validation and documentation are recorded in Datamine macros to

Criteria	Commentary
	satisfy audit trails.
<i>Location of data points</i>	<ul style="list-style-type: none"> All drillhole and trench survey information were surveyed with differential GPS. All survey information is in DATUM GDA 94 Map Projection UTM Zone 53 South. A LIDAR survey has been completed over the project areas producing an accuracy of ± 25 cm contour surface.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> Refer to attached plans. Drillholes were drilled on WNW-ESE traverses initially spaced 160 m and partially infilled to 80 m. Spacing of drillholes along traverses was from 20 m to 40 m. Zones of low graphite content were composited to 2 m and 4 m samples for assaying. All visual graphite samples were assayed at 1 m intervals.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> Orientation of drillholes is appropriate for the orientation of the mineralised lodes. Holes were drilled at approximately 60-70° toward 280–317° based on trench, mine and outcrop mapping and electromagnetic (EM) data interpretation. No material sampling orientation bias is expected.
<i>Sample security</i>	<ul style="list-style-type: none"> The sampling programme was managed by LML staff. No contractors were associated with sampling. Sample ledgers were recorded onsite and poly-weaves containing samples zip tied and delivered to the preparation laboratory at Whyalla and then transported to the analytical laboratory in Adelaide. At the laboratory, samples were received, receipted, secured before commencing preparation and analysis.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> No audits or reviews have been undertaken at this time.

Section 2 Reporting of Exploration Results

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> Exploration Licenses EL 4998 and EL5065. Licensee is South Australian Iron Ore Group Pty Ltd (a subsidiary of Centrex Metals Limited which holds the iron ore rights jointly with Wuhan Iron and Steel Limited in a JV company, Eyre Iron Pty Ltd). Lincoln Minerals Limited and its wholly-owned subsidiary Australian Graphite Limited own the rights for all other minerals. The tenements are in good standing and currently expire on 11/04/2014 (renewal in process) and 05/08/2014 respectively. The project is located on freehold land.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Pancontinental Mining discovered graphite mineralisation in the 1980's at Kookaburra Gully through a series of trenches and surface mapping. However, no drilling was undertaken. The former South Australian Department of Mines (now DMITRE) undertook exploration at Koppio Graphite Mine in 1945 (Department of Mines Report Book 21/87 and Mining Review 82).
<i>Geology</i>	<ul style="list-style-type: none"> The Kookaburra Gully and Koppio graphite occurs within Palaeoproterozoic Hutchison Group metasediments. High grade metamorphism to Upper Amphibolite and locally Lower Granulite facies has produced coarse grained flake graphite within graphitic schist units. At Koppio Graphite Mine, graphite mineralisation is closely associated with the contact of an aplitic pegmatite. There are local pods of magnesite. Graphite schist strikes 030° and, at the adit level, dips 60° east although in drill core it is locally subvertical. The graphite units have been multiply folded and/or sheared during at least 3 phases of deformation.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> Refer to drillhole table below and associated maps (including Figure 4). A total of 3,028 m of drilling was completed, 1,349m at Kookaburra Gully and 1,679m at Koppio Graphite Mine.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> Drillhole intercepts were based upon one metre assay samples so some

Criteria	Commentary
	averaging of drillhole intervals was undertaken.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> Mineralisation widths and geological logs are shown as down hole lengths. The orientation of drillholes was planned to intersect mineralisation as close as possible to perpendicular to interpreted strike, and within the level of variability of dip of the mineralised lodes. True widths are estimated from interpretation of cross sections.
<i>Diagrams</i>	<ul style="list-style-type: none"> All maps and sections in this report have been prepared by LML using ArcView GIS software and Geosoft Target for ArcView software. Refer to LML 26 March 2014 ASX announcement for additional maps and sections for Koppio Graphite Mine and to LML 19 December 2013 ASX announcement for additional maps and sections for Kookaburra Gully.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> Historical data and maps for the Koppio Graphite Mine have been reproduced directly from Broadhurst and Armstrong, 1945 (Department of Mines Report Book 21/87). Exploration Targets were reported in Lincoln Minerals ASX announcement, 30 January 2014 Continuous disclosure of Exploration Results are found in Quarterly reports and other announcements to the ASX.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Continuous disclosure of Exploration Results are found in Quarterly reports and other announcements to the ASX.
<i>Further work</i>	<ul style="list-style-type: none"> Assaying of selected intervals is being undertaken and will be compiled for resource estimation as required.

Drillhole Table

BHID	EASTING	NORTHING	RL	LENGTH	DIP	AZIMUTH
KK038	583291	6192647	162	120	-60	317
KK039	582928	6192607	167	59	-60	320
KK040	582969	6192587	169	82	-60	329
KK041	582991	6192560	170	67	-60	321
KK042	583235	6192508	190	70	-60	320
KK043	583255	6192486	192	120	-60	324
KK044	583113	6192354	164	99	-60	307
KK045	583151	6192329	166	90	-60	308
KK046	583186	6192316	165	99	-60	314
KK047	583297	6192864	189	114	-60	95
KK048	583365	6192533	173	120	-60	322
KK049	583645	6192640	183	90	-60	323
KK050	583659	6192608	182	39	-60	328
KK051	583291	6192647	162	45	-60	317
KK052	583283	6192461	183	135	-60	324
KP001	583378	6190126	159	135	-60	129
KP002	583496	6190054	185	135	-60	303
KP003	583528	6190038	190	140	-60	300
KP004	583487	6190108	178	60	-60	308
KP005	583487	6190156	173	81	-70	311

KP006	583510	6190142	178	87	-70	314
KP007	583538	6190123	184	117	-70	315
KP008	583534	6190239	167	33	-65	296
KP009	583574	6190221	174	77	-65	301
KP010	583452	6190032	181	48	-65	282
KP011	583439	6190000	183	99	-65	301
KP012	583409	6190019	177	63	-65	304
KP013	583393	6190032	174	29	-65	301
KP014	583476	6189981	187.5	105	-60	304
KP015	583384	6189949	180	72	-65	298
KP016	583414	6189941	183.5	111	-65	296
KP017	583446	6189920	184	115	-65	293
KP018	583533	6190177	176	67	-70	306
KP019	583593	6190298	165	60	-60	302
KP020	583631	6190384	162	45	-60	294

