



Quarterly Activities Report

March 2017

28 April 2017

Preparation of a Program for Environment Protection and Rehabilitation (PEPR) for the Kookaburra Gully graphite project in South Australia is well advanced. Lincoln aims to take the project to critical development and commercialisation milestones in 2017

Kookaburra Gully is one of Australia's and the world's premier graphite deposits



During the period under review, Lincoln Minerals continued to work towards development of its proposed 100%-owned Kookaburra Gully Graphite Mine on South Australia's Eyre Peninsula.

Highlights for January-March 2017 period included:

- Completion of a 7,448m aircore drilling program at Kookaburra Gully and Kookaburra Gully Extended
- Completion of 312m large diameter RC drilling to establish 3 groundwater monitoring wells
- Pump testing of the groundwater monitoring wells
- Completion of a number of conceptual design and option studies to feasibility study level for the PEPR:
 - Design and costing of a proposed process plant to process 250,000 tonnes per annum of ore;
 - Optimised mine design and mine scheduling;
 - Optimised design of the proposed tailings storage facility and waste rock facilities; and
 - Completion of power and water supply option studies.

The PEPR details and formulates management plans for mine construction, operations, rehabilitation and closure and is the **imminent step for Government approval to commence mine development at Kookaburra Gully.**



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EXPLORATION & DEVELOPMENT PROGRESS DURING THE QUARTER

Proposed Kookaburra Gully Graphite Mine (SA's Eyre Peninsula)

(LML and its 100%-owned subsidiary, Australian Graphite Pty Ltd (AGL), have exclusive rights to graphite on all tenements)

The Kookaburra Gully graphite project is located 35 kilometres north of Port Lincoln on South Australia's Eyre Peninsula.

The proposed mining operation is conventional open pit with associated processing plant to mine and process up to 250,000 tonnes per annum of graphite ore into a high grade graphite concentrate of ~30,000-40,000 tonnes per year. Kookaburra Gully is one of Australia's and the world's premier graphite deposits with total current Indicated and Inferred Mineral Resources of 2.20 million tonnes grading 15.1% TGC (Total Graphitic Carbon) (*Lincoln Minerals Limited, 2016 Annual Report 30 September 2016*).

Metallurgical tests have shown that the deposit can produce a range of flake graphite concentrates from very fine (<75 microns) to large flake (>176 microns) grading 93% to 98% TGC. Concentrates can also be easily upgraded to >99.5% TGC by conventional acid leaching.

A **Mineral Lease ML 6460** was granted by the Honourable Tom Koutsantonis MP, South Australia's Treasurer, Finance Minister, Minister for State Development and Minister for Mineral Resources and Energy, to Lincoln's wholly-owned subsidiary, Australian Graphite Pty Limited (AGL), for a period of 21 years commencing on 3 June 2016.

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

To assist with commercial product development and marketing, Lincoln Minerals has appointed a specialist international graphite marketing consultant who has over 20 years experience in global graphite marketing.

Program for Environment Protection and Rehabilitation (PEPR)

The key phase of the approvals process to commence mine development on ML 6460 is completion of a detailed PEPR. The PEPR is based on the ML proposal but incorporates management plans that meet environmental strategies and outcomes which are measurable and sustainable. The aim of the PEPR is to meet or exceed ML conditions imposed by the Government.

Lincoln is aiming to complete and lodge the PEPR mid 2017.

With the assistance of its environmental engineering consultant, Envirocom, Lincoln is well advanced in preparation of a PEPR for the Kookaburra Gully graphite project including a number of independent expert studies on mine design and optimisation, metallurgy, process plant design and costing, geochemical characterisation of ore and waste rock,

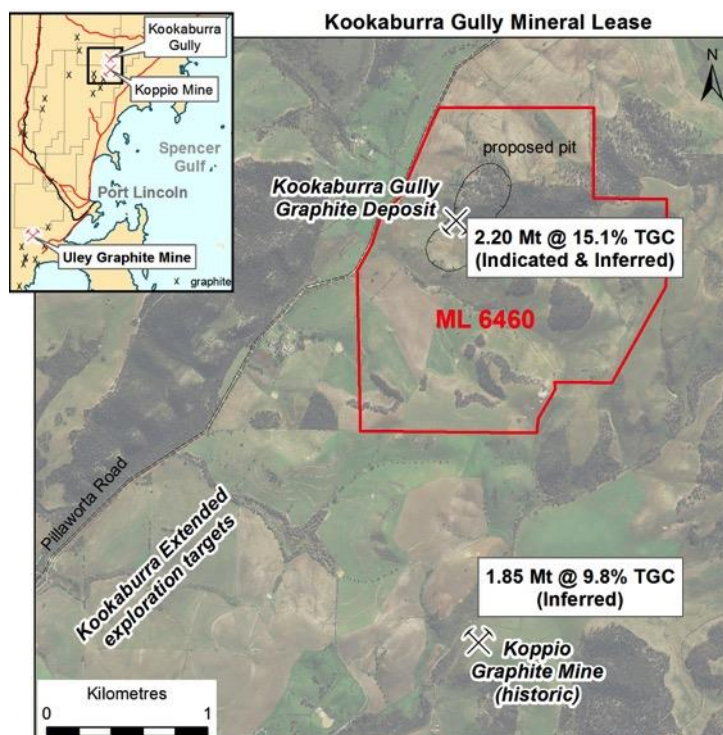


Figure 1: Location of AGL's Kookaburra Gully Graphite Project, Koppio graphite deposit and Kookaburra Extended exploration targets

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transport and logistics, tailings and waste rock storage facility design, groundwater and surface water modelling, flora and fauna, and power and water supply options.

An optimised mine plan has been produced by AMC Consultants to describe a staged approach to pit development, from starter pit followed by ongoing push backs through to final pit design.

AMC conducted pit optimisation based on economic criteria to define ore and assign it to the resource, estimated mining costs and other cost information to develop a conceptual mine schedule. Golder Associates has prepared the conceptual tailings storage facility design with input from Earth Systems and together they will prepare the closure and rehabilitation management plan.

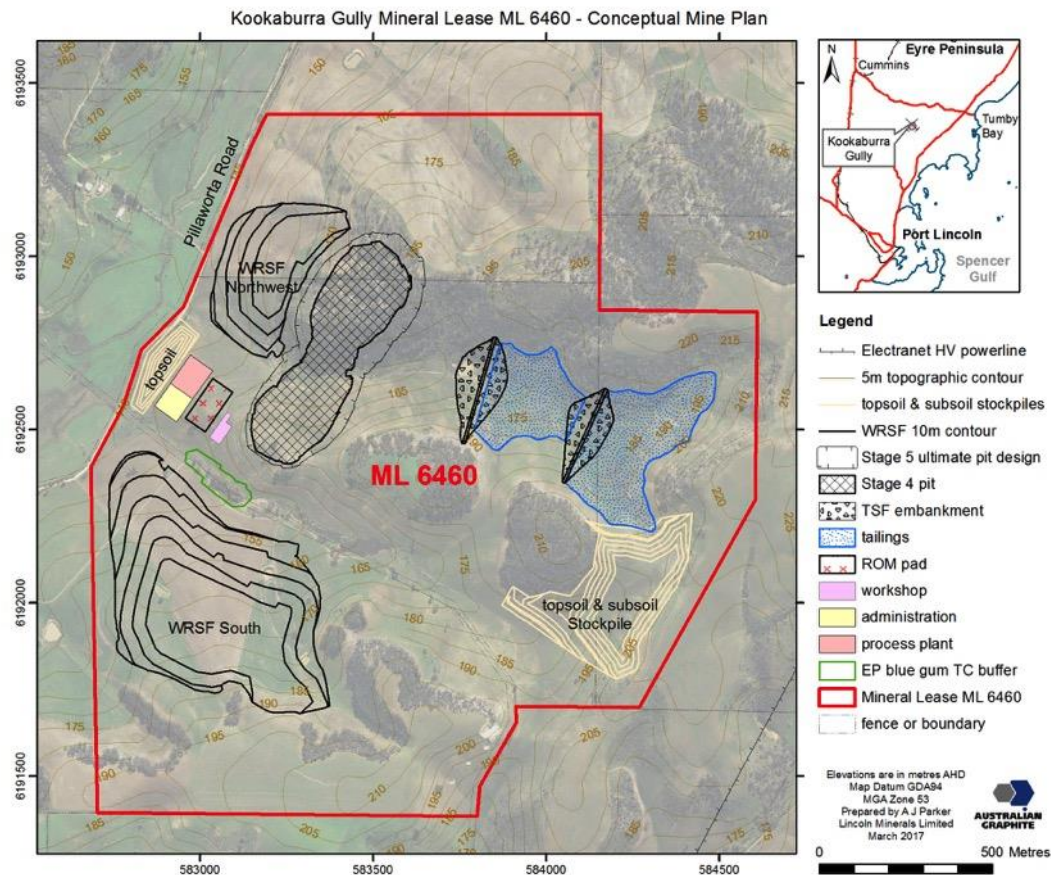


Figure 2: Proposed mine plan for Kookaburra Gully ML 6460

Kookaburra Gully and Kookaburra Gully Extended Drilling Program

A drilling program commenced at the Company's world-class Kookaburra Gully graphite deposit on 16 January 2017 and included maiden drilling of the large Kookaburra Gully Extended electromagnetic (EM) Exploration Target immediately southwest of Kookaburra Gully.

Drilling was completed on 2 March 2017 for a total of 7,448m aircore and 312m large diameter RC drilling.

All pending analytical results are undergoing quality control and assurance measures before release.

Kookaburra Gully ML 6460

Drilling on the Kookaburra Gully Mineral Lease is part of Lincoln's ongoing planning and development program to complete its PEPR prior to construction and commencement of mining operations.

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Drilling at Kookaburra Gully included 7 pilot groundwater wells (487m aircore), 15 resource definition drillholes (red dots on map below; 1,311m aircore) and construction of 3 larger diameter groundwater monitoring wells (dark blue dots on map below). 5 “sterilisation” drillholes (311m aircore) were drilled to the southwest under the proposed southern waste rock storage facility.

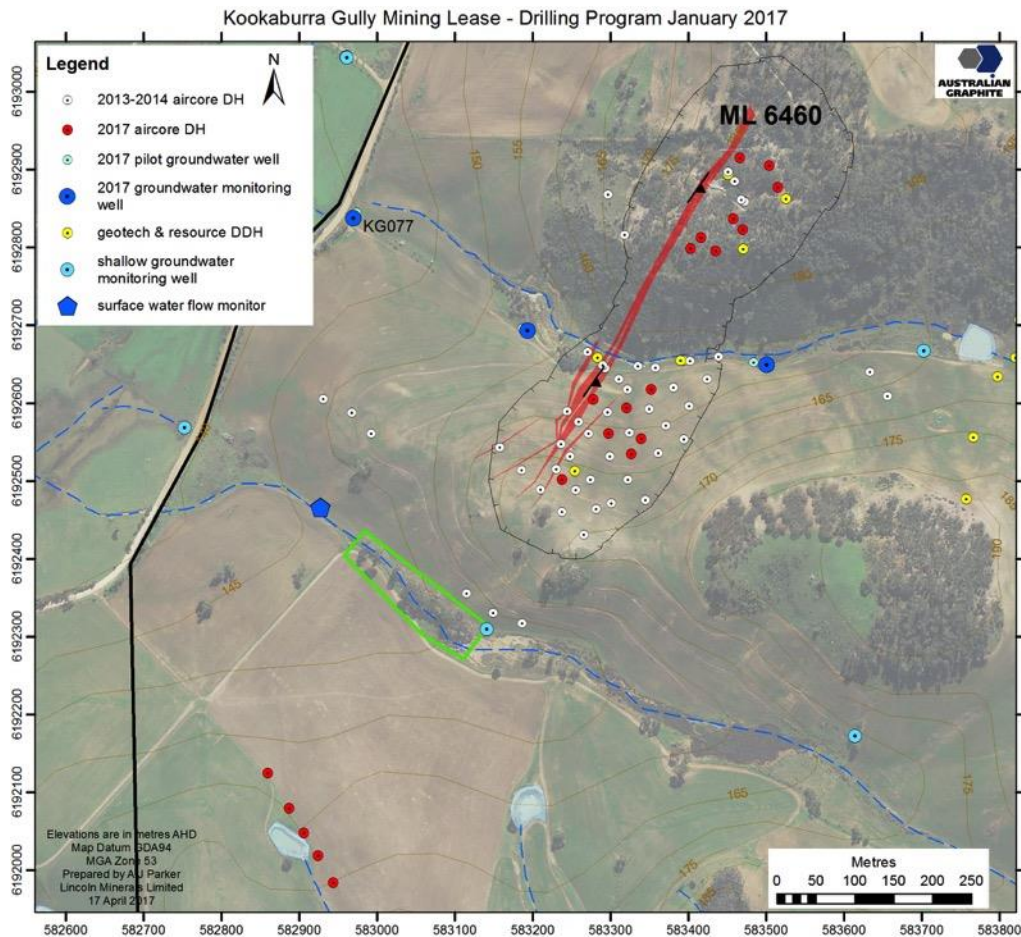


Figure 3: Location of Kookaburra Gully 2017 drilling program

Two of the three deeper groundwater monitoring wells at Kookaburra Gully were pump tested to determine aquifer properties.



Pump testing a deep groundwater monitoring well (blue casing) alongside a shallow monitoring well (yellow casing)

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Kookaburra Gully Extended

Imagery from the Koppio-Kookaburra Gully airborne EM survey 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). Based on interpretation of EM data and the size, amplitude and known Mineral Resources of the Kookaburra Gully and historic Koppio Graphite Mine EM anomalies, which both contain high-grade graphite deposits, the Kookaburra Gully Extended EM anomalies potentially define a large zone of graphite mineralisation.

During February-March 2017, Lincoln undertook a major exploration drilling program across a section of these EM anomalies. One hundred (100) aircore drillholes were drilled for a total of 5,339m. Graphite schist of varying graphite content and thickness was intersected in 75 of the 100 holes extending over a strike length (SW-NE) of about 1,100m. Further drilling is being planned for the future after next harvest. NB the total strike length of the EM anomalies southwest from the Kookaburra Gully deposit is about 8km but some of these anomalies are not accessible due to farm houses, roads, creeks and other obstacles.

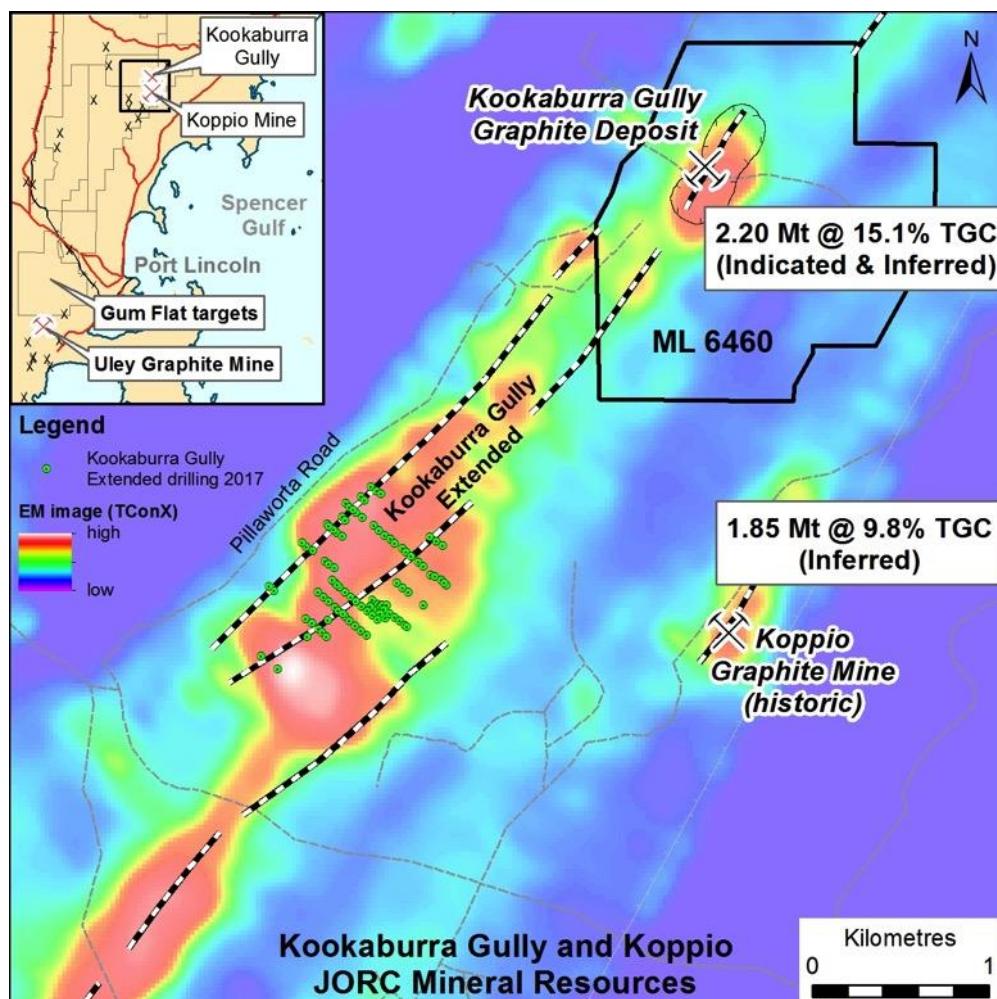


Figure 4: Location of Kookaburra Gully Extended EM anomaly and drilling program

Other SA Projects

Due to the Company's focus on drilling at the Kookaburra Gully graphite project, no significant exploration or development work was undertaken on Lincoln's other South Australian tenements during the Quarter.

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CORPORATE

At 31 March 2017, Lincoln had approximately A\$2.99 million in cash at bank. Exploration and evaluation expenditure by the Company during the March 2017 quarter was A\$946,000 due to drilling and PEPR preparation activities.

Board and Management

Yubo Jin	Chairman (Non-Executive)
James Tenghui Zhang	Vice-Chairman (Non-Executive)
Dr A John Parker	Managing Director
Eddie Lung Yiu Pang	Director (Non-Executive)
Jarek Kopias	Company Secretary / CFO
Dwayne Povey	Chief Geologist

Securities on Issue

Ordinary shares at 31 March 2017	460,483,686
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Tenements

The status of all ELs as at 31 March 2017 including SAIOG and CXM ELs, is shown in the following table and map. Subsequent ELs 5921, 5922, 5923 and 5942 have, respectively, replaced former ELs 5021, 5065, 4815 and 5013. All LML ELs are current to 2018-19.

Centrex (CXM and SAIOG) has applied for a subsequent EL with a reduced area for EL 4998 and has also applied to reduce the area of EL 5065 to satisfy ongoing requirements by the Government. These were reduced in area with the approval of LML.

Lincoln now holds exploration rights to South Australian lease holdings totalling 2,251 square kilometres, all on Eyre Peninsula.

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.

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.

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Tenement List

Tenement	Expiry	Area (km²)	Locality	Licensee	Graphite Rights	Iron Ore Rights	Other Mineral Rights	Comments
LINCOLN MINERALS (AND AGL) HAS OWNERSHIP OF ALL MINERAL RIGHTS								
EL 5942	28-Jan-19	98	Eurilla (Lake Gilles)	LML	LML 100%	LML 100%	LML 100%	Renewed for 2 years in full
EL 5922	12-Feb-19	441	Wanilla	LML	AGL 100%	LML 100%	LML 100%	Renewed for 2 years with 25% reduction
EL 5921	11-Feb-19	112	Cummins	LML	AGL 100%	LML 100%	LML 100%	Renewed for 2 years with 31% reduction
EL 5297	2-Mar-18	147	Moseley Nobs	LML	LML 100%	LML 100%	LML 100%	
EL 5523	28-Sep-19	26	Uno	LML	LML 100%	LML 100%	LML 100%	
EL 5556	3-Nov-19	82	Dutton River	LML	AGL 100%	LML 100%	LML 100%	
EL 5811	6-Jan-18	128	Gum Flat	LML	AGL 100%	LML 100%	LML 100%	
EL 5923	20-Dec-18	166	Nantuma	LML	LML 100%	LML 100%	LML 100%	Renewed for 2 years with 41% reduction
ML 6460	2-June-37	300.8 ha	Kookaburra Gully	AGL	AGL 100%	0%	LML 100%	
Subtotal		1,203						
LML AND AGL HAVE OWNERSHIP OF ALL MINERAL RIGHTS EXCLUDING IRON ORE **								
EL 5851	13-Aug-18	117	Minbrie	CXM	LML 100%	0%	LML 100%	
EL 5852	13-Aug-18	51	Greenpatch	CXM	AGL 100%	0%	LML 100%	
EL 4998	11-Apr-17	215 after reduction	Tumby Bay (Carrow)	SAIOG	AGL 100%	0%	LML 100%	CXM has applied for subsequent EL for 2 years with 57 km² reduction (21%)
EL 5065	05-Aug-17	403	Mount Hill (Tod River)	SAIOG	AGL 100%	0%	LML 100%	CXM has reduced area by 62 km² (13%)
EL 5559	15-Nov-16	138	Wanilla (Bald Hill)	CXM	AGL 100%	0%	LML 100%	
EL 5641 (including ML6344)	18-Apr-17	104	Tooligie Hill (Wilgerup)	CXM	LML 100%	0%	LML 100%	CXM has applied to relinquish EL5641 in full but retain ML6344
RL 129***	07-Nov-21	1970 ha	Kimba Gap	KGIP	LML 100%	0%	LML 100%	
Subtotal		1,048	(after reductions in progress)					
Grand total		2,251	(after reductions in progress)					

****** On all CXM/SAIOG tenements + ML 6460, LML and its wholly owned subsidiary, Australian Graphite Pty Ltd (AGL), have 100% of the rights to all minerals except iron.

******* On RL 129 (KGIP = Kimba Gap Iron Project Pty Ltd), LML's rights only extend to that part overlying former EL 5170

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

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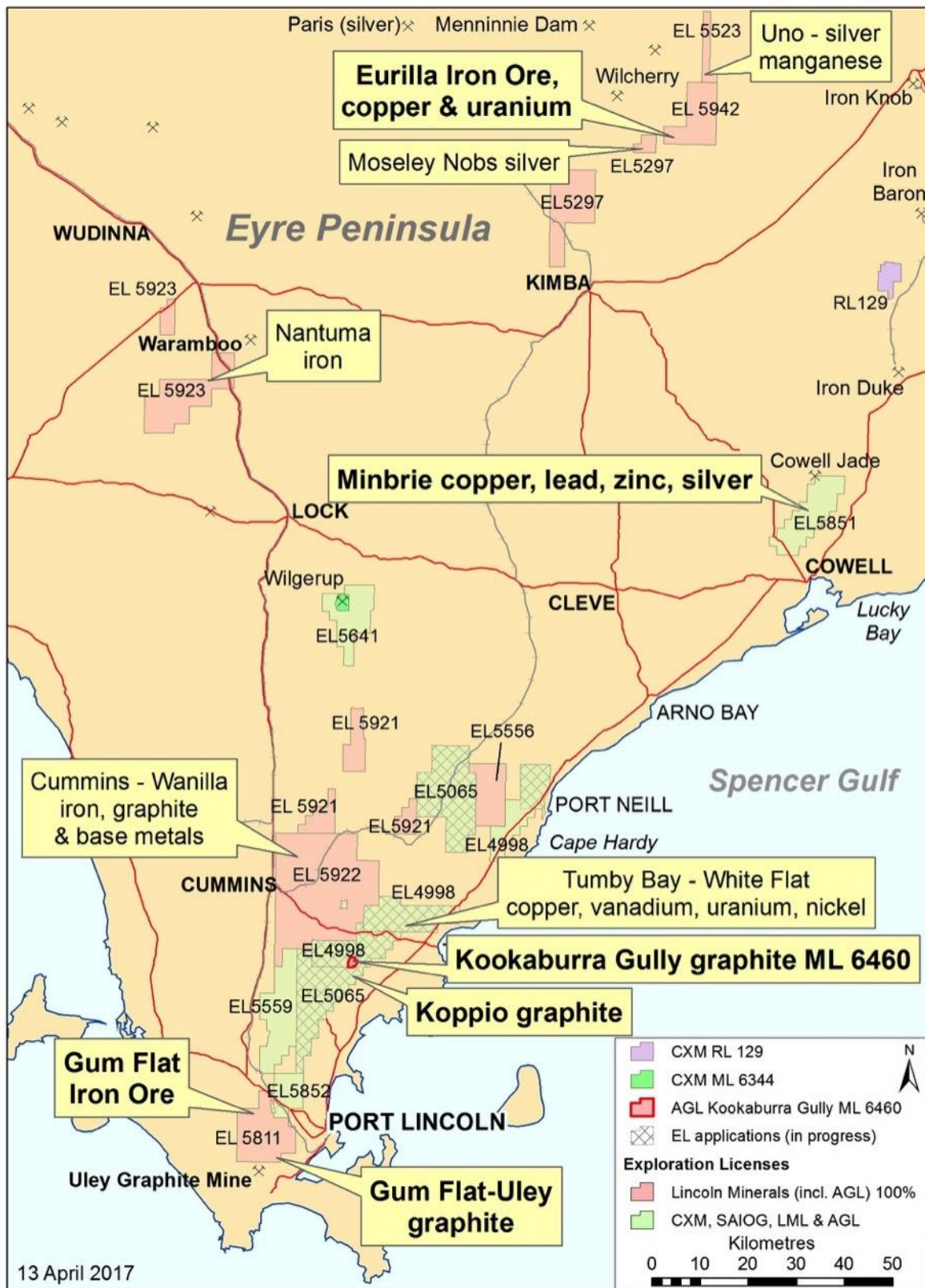


Figure 5: Location of Lincoln Minerals' Eyre Peninsula (SA) tenements.

Exploration Licence data based on the Department of State Development, the Government of South Australia, Geoscientific Data, sourced on 13 April 2017

http://www.minerals.statedevelopment.sa.gov.au/geological_survey_of_sa/data

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Lincoln Minerals Limited

ABN

50 050 117 023

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(946)	(1,879)
(b) development	-	-
(c) production	-	-
(d) staff costs (net of capitalised expenditure)	(162)	(356)
(e) administration and corporate costs	(230)	(591)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	30
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	103
1.8 Other (provide details if material)	-	3
1.9 Net cash from / (used in) operating activities	(1,328)	(2,690)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(4)	(5)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	6
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(4)	1

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	2,947
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(18)	(258)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(18)	2,689

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,339	2,989
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,328)	(2,690)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	1
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(18)	2,689
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,989	2,989

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	230	3,100
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details) – 30 to 90 days deposit funds	2,759	1,239
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,989	4,339

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

179

-

Directors' fees, superannuation and consulting fees paid to entities associated with Directors.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

Not applicable

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Not applicable

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	725
9.2 Development	-
9.3 Production	-
9.4 Staff costs	325
9.5 Administration and corporate costs	115
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,165

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL 4998 EL 5065	Exploration tenements (for all minerals other than iron)	Operator	Reduced in area by 16%
	EL 5921	Exploration tenement (subsequent EL for EL 5021)	100%	100% but reduced in area by 31%
	EL 5922	Exploration tenement (subsequent EL for EL 5066)	100%	100% but reduced in area by 25%
	EL 5923	Exploration tenement (subsequent EL for EL 4815)	100%	100% but reduced in area by 41%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	EL 5942	Exploration tenement (subsequent EL for EL 5013)	100%	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:
Company secretary

Date: 28 April 2017

Print name: Jaroslaw (Jarek) Kopias

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.