



Kookaburra Gully Graphite Mine Development

South Australian Resources & Energy Investment Conference
23rd May 2017



Lincoln Minerals Limited



Focused Board and Management
Considerable experience in Chinese investment & markets

Non-Executive Chairman - Mr Jin Yubo
Managing Director - Dr Allan John Parker
Non-Executive Director - Mr Eddie Lung Yiu Pang
Non-Executive Director - Mr James Tenghui Zhang



- Unwavering, long-term focus on the multi-commodity mineral wealth of South Australia's richly endowed Eyre Peninsula with a long history of graphite, iron ore & copper mining
- Graphite is the main strategic investment
- Other assets include magnetite & hematite Mineral Resources and copper targets
- Australian Graphite Pty Ltd is wholly-owned subsidiary of LML

| | |
|------------------------------|-----------------|
| ASX Code | LML |
| Market Capitalisation | A\$19.8 million |
| Shares on issue | 460.5 million |
| 52 week range | \$0.03 – \$0.08 |
| Cash at 31 March 2017 | A\$2.99 million |
| Debt | NIL |



Kookaburra Gully Highlights



Mineral Lease granted – PEPR pending

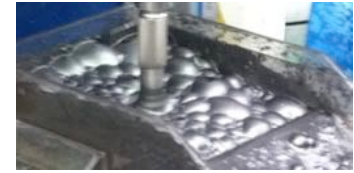
- Located in South Australia's **world-class graphite-rich metallogenic province** of Eyre Peninsula
35kms north of export gateway of Port Lincoln
- High grade flake graphite – **a global Top 10 graphite deposit**
- **Set to be Australia's premier and only producing graphite mine**
- Targeting up to 40,000 tonnes per annum high purity graphite concentrate (up to 98% TGC) from conventional flotation – easily upgraded to 99.9% TGC
- **Targeting development start-up late 2017 to 2018**
- Existing water, power, road/sea export infrastructure close-by
- Preparation of **Program for Environment Protection & Rehabilitation (PEPR)** is **well advanced** for lodging mid 2017 – final approval process
- Entering a multi-billion dollar “new era” expanding global graphite market



**Near-term “clean-and-green” production
with low sovereign risk**



Project Status & Key Issues

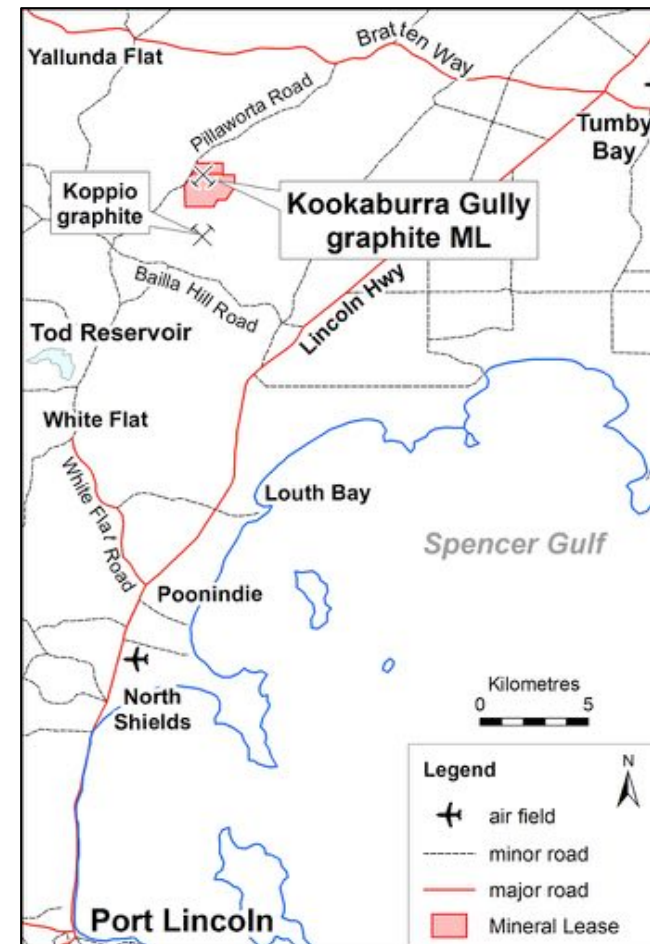


Kookaburra Gully

- ▶ Mineral Lease ML6460 granted 3 June 2016
- ▶ Design studies (feasibility study level) essentially complete
- ▶ Environmental assessments complete
- ▶ Program for Environment Protection and Rehabilitation (PEPR) – **target lodgement date June-July 2017**

Key Issues requiring further work:

- ▶ Ways to optimise CAPEX & OPEX
- ▶ Better define target graphite market segments & product development – **pilot plant tests**
- ▶ Consider optimal production rate to match market demand



Geology & Resource Model



- ▶ Early Proterozoic multiply-deformed granulite to upper amphibolite facies metamorphic graphite schist
- ▶ Upper 30m to 50m oxidised & upgraded by deep Tertiary weathering profile
- ▶ Kookaburra Gully **Measured, Indicated and Inferred Mineral Resource** is **2.03Mt at 15.2% TGC***
- ▶ January-March 2017 – in-fill drilling program completed to further define Mineral Resources and ultimately convert to Ore Reserves

Next Steps:

- ▶ Refine Resource Status
- ▶ Define Ore Reserves

*TGC = Total Graphitic Carbon
* at 5% TGC cutoff*

Under the microscope, Kookaburra Gully schist has an average graphite flake size of 350-500 microns



Mineral Resources



Kookaburra Gully Mineral Resource Inventory

| DOMAIN | CLASS | Tonnage (Mt) | C (%) | TGC (%) | Density |
|---|-------|--------------|-------------|-------------|-------------|
| 1 | 1 | 0.39 | 16.7 | 14.9 | 2.60 |
| 2 | 1 | 0.11 | 3.7 | 3.0 | 2.46 |
| Total Measured | | 0.50 | 13.8 | 12.3 | 2.57 |
| 1 | 2 | 1.08 | 16.4 | 14.9 | 2.52 |
| 2 | 2 | 0.58 | 3.5 | 3.1 | 2.50 |
| Total Indicated | | 1.65 | 11.9 | 10.8 | 2.51 |
| 1 | 3 | 0.56 | 17.9 | 16.0 | 2.51 |
| 2 | 3 | 0.22 | 3.7 | 3.0 | 2.62 |
| Total Inferred | | 0.78 | 13.9 | 12.3 | 2.54 |
| Overall Total >2% TGC Measured + Indicated + Inferred | | 2.94 | 12.8 | 11.4 | 2.53 |
| INCLUDES OVERALL TOTAL >5% TGC | | 2.03 | 16.9 | 15.2 | 2.53 |

CLASS 1 = Measured

CLASS 2 = Indicated

CLASS 3 = Inferred

DOMAIN 1 = Interpreted at 5% TGC

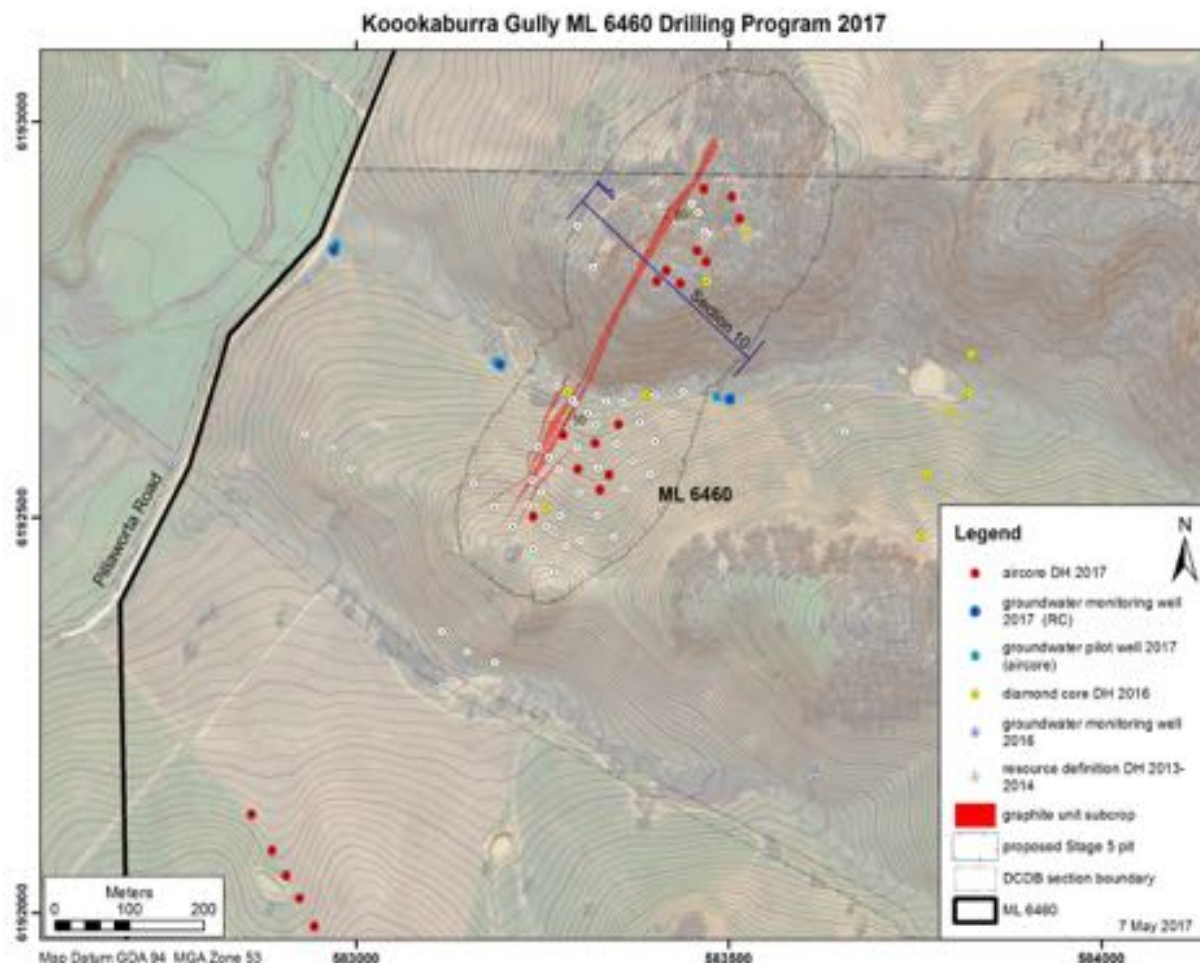
DOMAIN 2 = Interpreted >2% TGC halo

2017 Drilling Intercepts



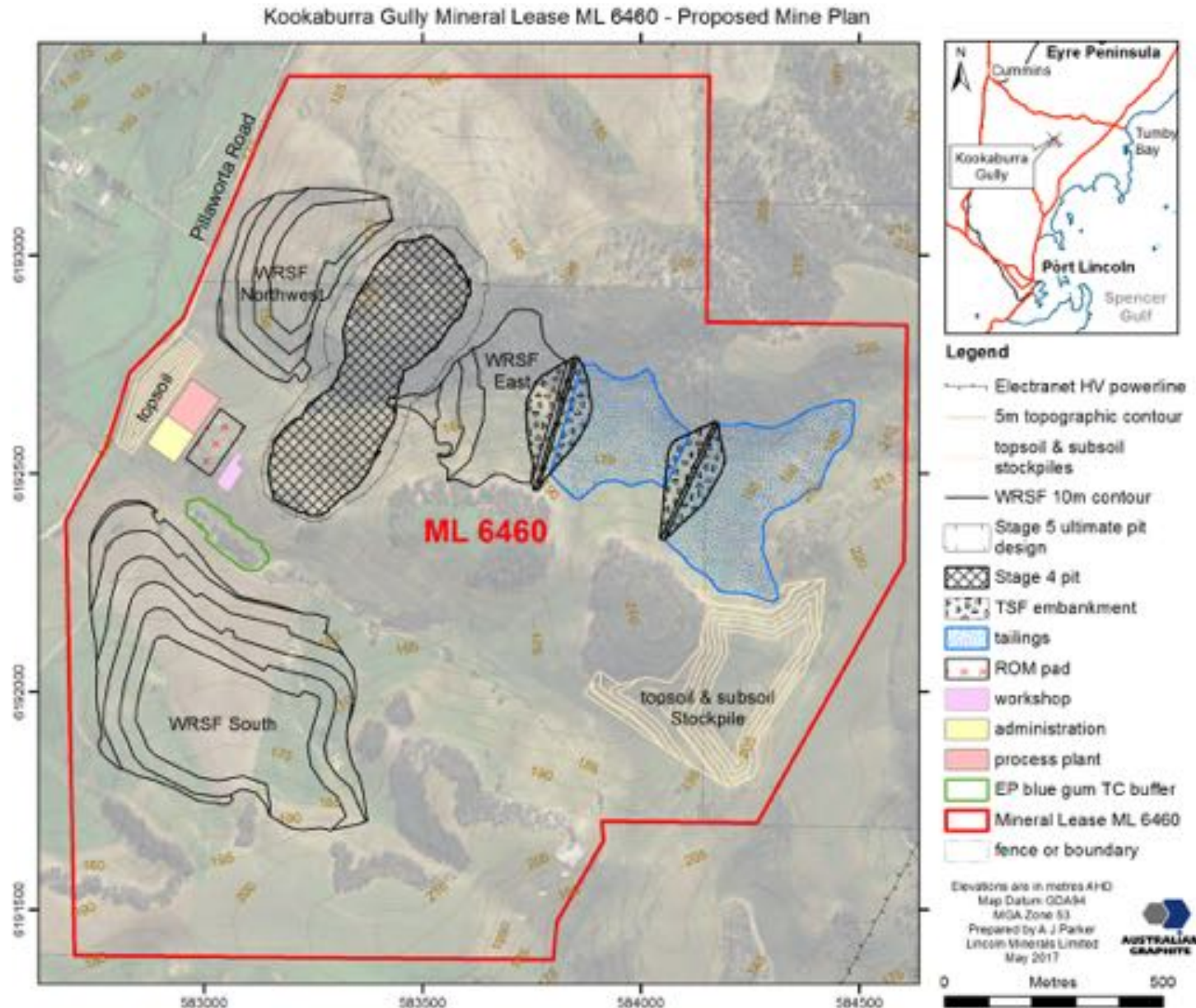
Additional high grade graphite intersections

- ❑ KK060
25m @ 21.5% TGC from 19m
- ❑ KK061
33m @ 13.4% TGC from 70m
inc 17m @ 21.7% TGC from 82m
- ❑ KK062
13m @ 24.7% TGC from 98m
- ❑ KK063
20m @ 15.4% TGC from 82m
inc 10m @ 23.7% TGC from 92m



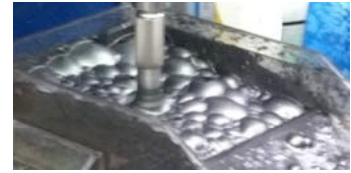
Refer ASX Announcement 22 May 2017
for full table drilling of results

Mine site layout



- 5 stage open pit
- Conventional waste rock storage facilities
- Integrated waste rock & tailings storage facility design
- Small process plant footprint with simple flowsheet

Mine design – pit stages



- Mine optimisation designed on 5 stage open pit
- Mine up to 250,000 tonnes ore per year
- Free dig top 30-40m
- Conventional load & haul operation



Metallurgical test-work & process plant design



- ▶ Comprehensive laboratory-scale test-work program undertaken
 - simple crush, grind, flotation, dry, screen & pack process
- ▶ Focus is on high purity, sub-100 micron products for high value specialty markets
- ▶ Lock-cycle tests confirm >90% recovery & total concentrate grades >95% TGC
- ▶ Process flow sheet & diagrams with OPEX/CAPEX complete

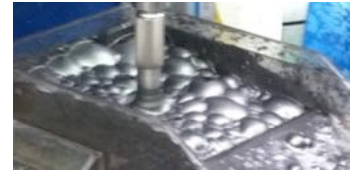
Next steps:

- ▶ Larger scale pilot plant test (37 tonne sample en route to China)



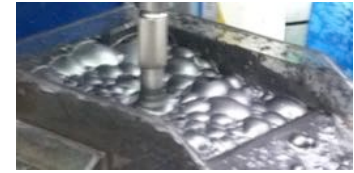
| | Master Composite (LMC11) | | | Oxide Surface Composite (LOX1) | | |
|-----------------------------|-----------------------------|---------------|-------------|--|---------------|-------------|
| Depth BGL* | 40-119 m | | | 1-5 m | | |
| Depth AHD (above sea level) | 81-133 m | | | Trench 2 & 4 190-183 m Trench 1 152-156 m | | |
| Screened concentrate | Assay TGC% | Assay LOI% | Dist'n % | Assay TGC% | Assay LOI% | Dist'n % |
| +300 µm | 93.2 | 96.0 | 0.1 | 97.8 | 97.1 | 0.4 |
| +177 µm, -300 µm | 93.2 | 96.0 | 3.5 | 97.8 | 97.1 | 5.2 |
| +150 µm, -177 µm | 95.8 | 97.2 | 3.9 | 96.4 | 97.7 | 4.7 |
| +106 µm, -150 µm | 96.6 | 97.5 | 11.4 | 97.0 | 97.3 | 14.8 |
| +75 µm, -106 µm | 96.7 | 97.4 | 11.4 | 97.1 | 97.2 | 12.7 |
| -75 µm | 96.8 | 96.8 | 69.7 | 93.8 | 94.5 | 62.2 |

Pilot plant test-work



Pilot plant test facilities in China

Transport logistics



- ▶ Export route is via Pillaworta Road & Bratten Way to Tumby Bay

Further investigations to confirm export port & transport logistics

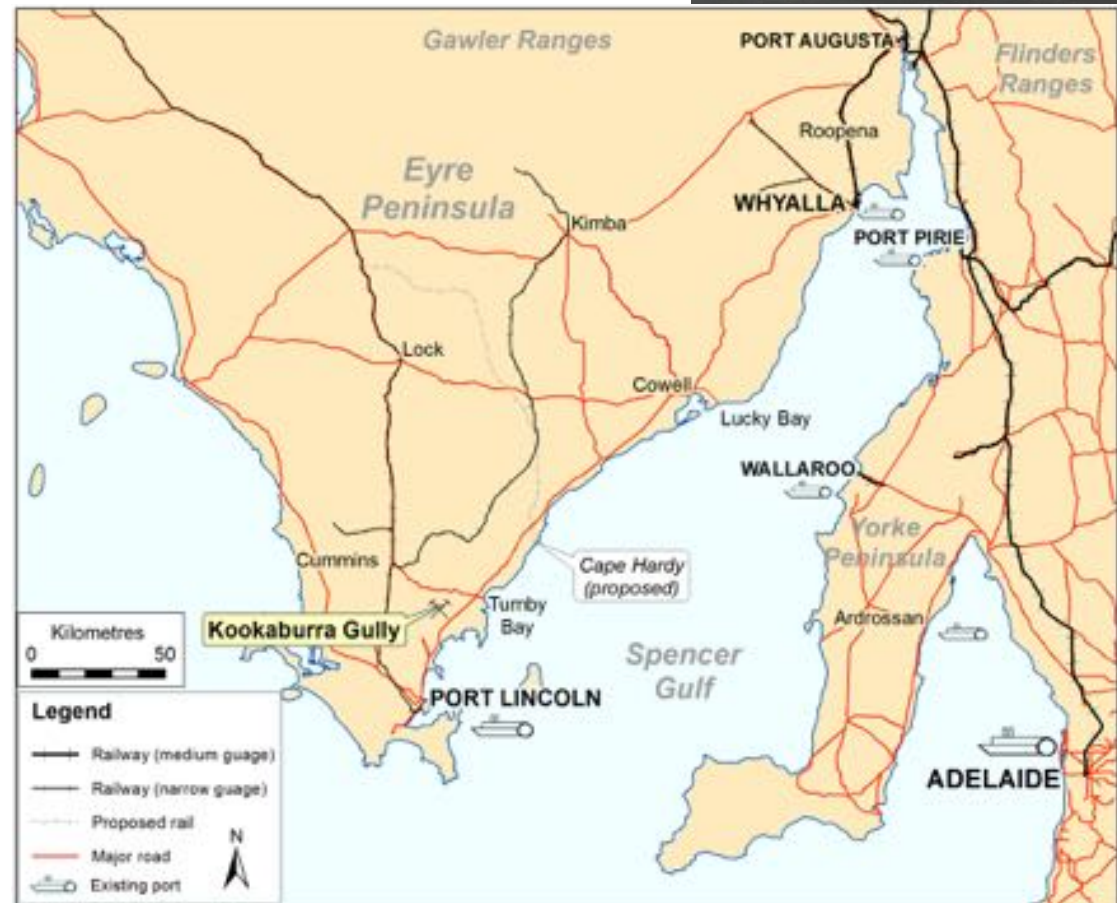
- ▶ Concentrate in containers to Port Adelaide by road or road/rail
- ▶ Freight depot in Tumby Bay
- ▶ Bulk sample to China for pilot plant test-work shipped in containers from Port Adelaide



Alternate ports:

Containers or bulka bags

- ▶ Port Lincoln (35 km)
- ▶ Whyalla
- ▶ Port Pirie
- ▶ (? Cape Hardy)

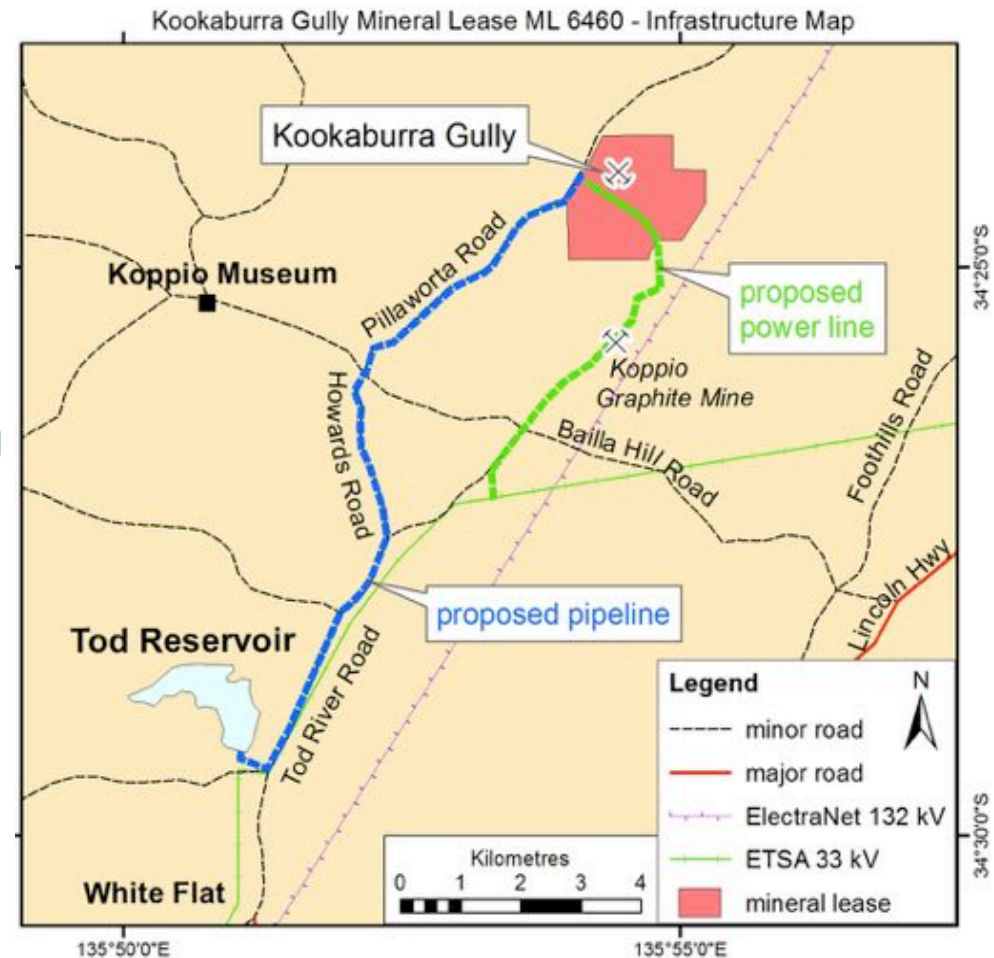


Water & power supply options



Recommendations:

- ▶ Raw water supply from Tod Reservoir - buried PVC pipeline along roadside
- ▶ Groundwater from on-site wells & pit dewatering for construction & to supplement supply during operations
- ▶ High quality water provided by desalination plant & rainwater harvesting
- ▶ standby potable connection from the SA Water network at Tod Reservoir
- ▶ HV grid connection via 33 kV distribution network followed by a 5-6km overhead power line to the mine supply point



Groundwater, surface water, fauna & flora



- ▶ Installed baseline groundwater & surface water monitoring program
- ▶ On-going monitoring of groundwater wells & gauging stations including pump tests
- ▶ Groundwater supply options assessed & groundwater model developed including surface & groundwater impact assessment
- ▶ Ecology & Heritage baseline survey work for the Mineral Lease & PEPR
 - baseline & orchid surveys undertaken for transport, power supply & water supply pipeline routes

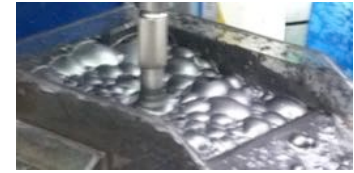
Next Steps

- ▶ Complete impact assessment studies for PEPR, site water management & infrastructure system design
- ▶ Update SEB offset calculation



*Pump tests at Kookaburra Gully
in March 2017*

Mine rehabilitation & closure plan



- ▶ All components of the Project consider the impact to receptors and ultimately closing the site, in a safe, environmentally and sustainable pathway.
- ▶ Developed an environmental layer for the mine block model with specific attention to potentially acid forming material (PAF) & acid and metalliferous drainage (AMD) to form basis of progressive rehabilitation & mine closure plan
- ▶ The closure plan incorporates care & maintenance and rehabilitation plans
- ▶ WRSFs and TSF will be restored to agricultural use
- ▶ Mine pit will become a lake with suitable bunding & pit wall rehabilitation

Next Steps

- ▶ Review, finalise and incorporate into the PEPR



Eyre Peninsula blue gums

Long term mine & resource potential



Historic Koppio Graphite Mine

- ▶ Drilling, sampling, analysis & resource definition completed in 2014
- ▶ **1.85 Mt Inferred Mineral Resource @ 9.76% TGC (> 5% TGC) JORC 2012**
- ▶ Next steps – undertake detailed metallurgy & establish process flow sheet

Kookaburra Gully Extended:

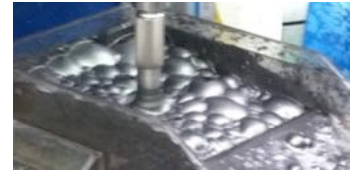
- ▶ 4-5km electromagnetic (EM) anomaly which extends southwest of Kookaburra Gully
- ▶ First stage reconnaissance drilling completed in March 2017
- ▶ **70 out of 100 drillholes intersected graphite**

Next steps

- ▶ Finalise interpretation, progress Mineral Resource estimation and undertake detailed metallurgical program



Kookaburra Gully Extended



KE15 34m @ 11.5% TGC from 33m



Long term mine & resource potential



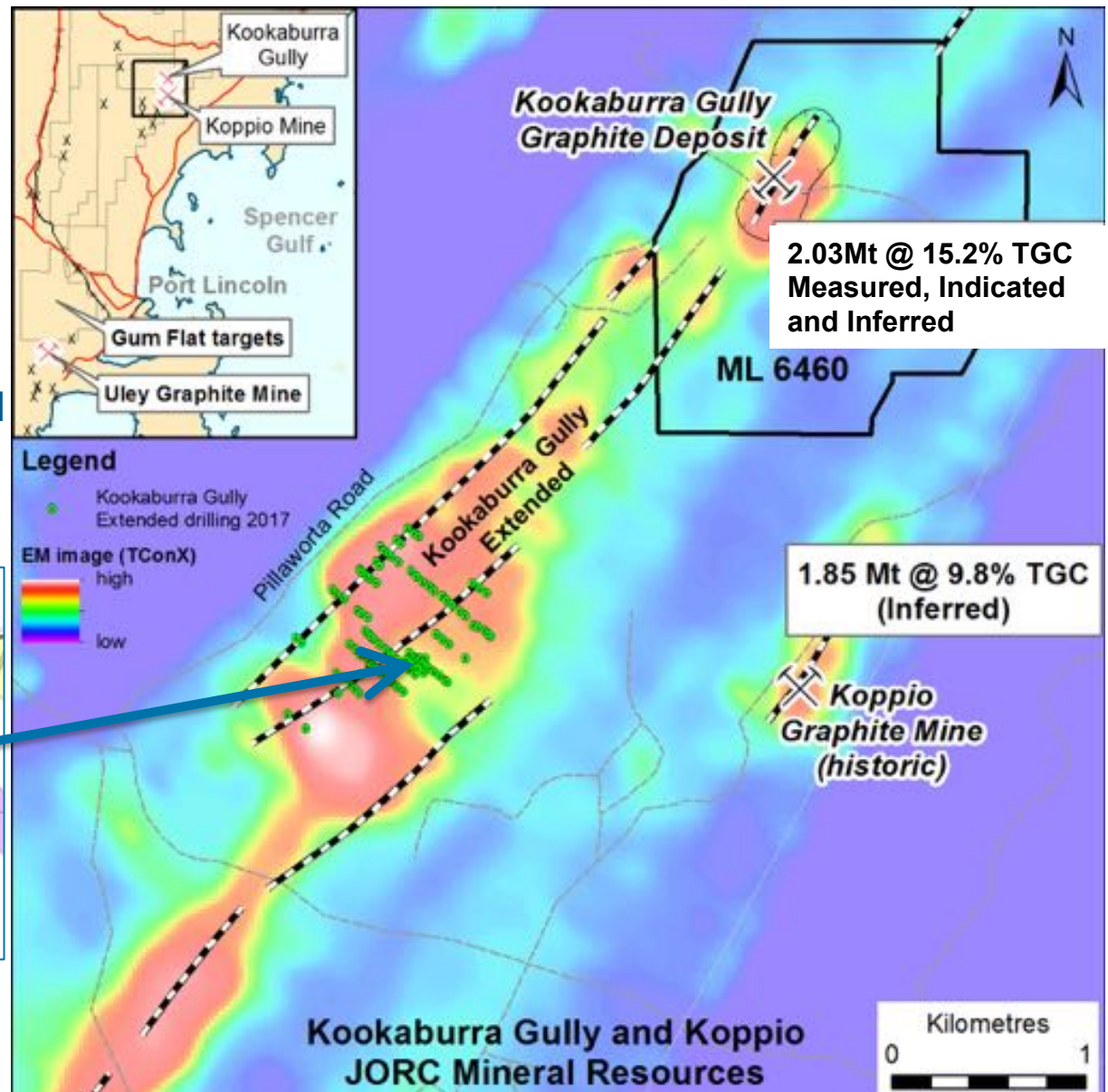
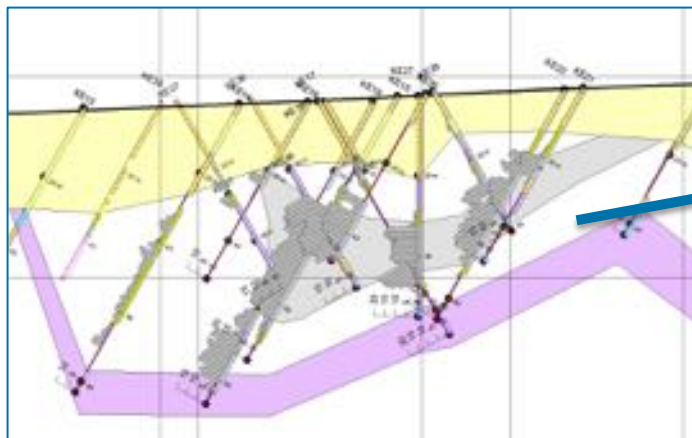
□ Kookaburra Gully

2Mt - 8 to 10 year mine life
subject to mining rate

□ Koppio

1.85Mt based on KG potential
to add 5-6 years

□ Kookaburra Gully Extended ???Mt



2017 in a nutshell....



With completion and approval of the PEPR in 2017

Kookaburra Gully to become....

**SA's newest mine in one of the hottest global commodities
and
the only producing graphite mine in Australia
in a soaring new era global market**

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Important Notice



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Forward-Looking Statements

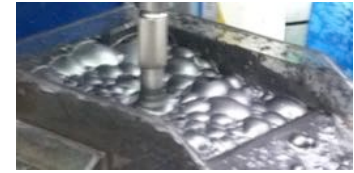
This presentation contains forward looking statements concerning the Kookaburra Gully Graphite Project. Statements concerning Mineral Resources, mine plans, mine schedules and project economics may be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact, and actual events and results may differ materially from those described in the statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on AGL’s and LML’s beliefs, opinions and estimates as of the date the 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. Data and amounts shown in this presentation relating to capital costs, operating costs, graphite prices and project timelines are based on consultant reports and internally generated estimates and are best estimates only. Accordingly, AGL and LML cannot guarantee the accuracy and/or completeness of the figures or data included in the presentation. All dollar amounts are in Australian dollars unless otherwise stated.

Competent Person’s Statement

Information in this presentation that relates to exploration activity, mineral resources and results was compiled by Dr A J Parker who is a Member of the Australasian Institute of Geoscientists and Mr Dwayne Povey who is a member of the Australasian Institute of Mining and Metallurgy and Chief Geologist for Lincoln Minerals. Dr. Parker is Managing Director of and has shares in Lincoln Minerals Limited. Dr Parker and Mr Povey have sufficient experience relevant to the styles of mineralisation and to the activities which are being presented to qualify as a Competent Person as defined by the JORC code, 2012. Dr. Parker and Mr Povey consent to the release of the information compiled in this presentation in the form and context in which it appears.



Kookaburra Gully & Koppio Mineral Resources



Total combined Mineral Resources for Kookaburra Gully and Koppio

| Mineral Resource Classification | Cutoff Grade (% TGC) | Tonnes (Mt) | Grade (%TGC) | Contained Graphite (tonnes) | Density (g/cc) |
|---------------------------------------|----------------------|-------------|--------------|-----------------------------|----------------|
| Kookaburra Gully | | | | | |
| High-grade core (Domain 1) -Measured | 5% | 0.39 | 14.9 | 58,110 | 2.60 |
| Low-grade core (Domain 2) -Measured | 2% | 0.11 | 3.0 | 3,300 | 2.46 |
| High-grade core (Domain 1) -Indicated | 5% | 1.08 | 14.9 | 160,920 | 2.52 |
| Low-grade core (Domain 2) -Indicated | 2% | 0.58 | 3.1 | 17,980 | 2.50 |
| High-grade core (Domain 1) -Inferred | 5% | 0.56 | 16.0 | 89,600 | 2.51 |
| Low-grade core (Domain 2) -Inferred | 2% | 0.22 | 3.0 | 6,600 | 2.62 |
| Koppio | | | | | |
| High-grade core (Domain 1) -Inferred | 5% | 1.85 | 9.8 | 181,300 | 2.67 |
| Low-grade core (Domain 2) -Inferred | 2% | 1.21 | 3.2 | 38,720 | 2.80 |
| TOTAL (>2% TGC) | | 6.00 | 9.7 | 556,530 | 2.63 |

References:

Mt = million tonnes

TGC = Total Graphitic Carbon

Lincoln Minerals 2016 Annual Report. *Lincoln Minerals Limited, ASX Announcement 30 September 2016.*

Kookaburra Gully updated Mineral Resource. *Lincoln Minerals Limited, ASX release 17 May 2017*



Kookaburra Gully & Koppio Mineral Resources



| | Master Composite LMC11 | | | Oxide Surface Composite LOX1 | | | Deeper Composite LSU1 | | |
|-----------------------------|---------------------------|---------------|-------------|--|---------------|-------------|--------------------------|---------------|----------|
| Depth BGL* | 40-119 m | | | 1–5 m | | | 99-119 m | | |
| Depth AHD (above sea level) | 81-133 m | | | Trench 2&4 190-183 m Trench 1 152-156 m | | | 66-101 m | | |
| Total Concentrate Grade | 96.6% TGC | | | 95.0% TGC | | | 95.1% TGC | | |
| Screened concentrate | Assay TGC% | Assay LOI% | Dist'n % | Assay TGC% | Assay LOI% | Dist'n % | Assay TGC% | Assay LOI% | Dist'n % |
| +300 µm | 93.2 | 96.0 | 0.1 | 97.8 | 97.1 | 0.4 | 97.4 | 97.4 | 0.31 |
| +177 µm, -300 µm | 93.2 | 96.0 | 3.5 | 97.8 | 97.1 | 5.2 | 97.4 | 97.4 | 4.7 |
| +150 µm, -177 µm | 95.8 | 97.2 | 3.9 | 96.4 | 97.7 | 4.7 | 97.0 | 97.6 | 6.9 |
| +106 µm, -150 µm | 96.6 | 97.5 | 11.4 | 97.0 | 97.3 | 14.8 | 97.5 | 97.7 | 13.9 |
| +75 µm, -106 µm | 96.7 | 97.4 | 11.4 | 97.1 | 97.2 | 12.7 | 96.0 | 97.6 | 12.2 |
| -75 µm | 96.8 | 96.8 | 69.7 | 93.8 | 94.5 | 62.2 | 94.0 | 94.6 | 62.0 |

Reference:

Kookaburra Gully updated Mineral Resource. *Lincoln Minerals Limited*, ASX release 17 May 2017

