



Kookaburra Gully Graphite Project

Mineral Lease granted – PEPR lodged

An imminent new, world-class, high grade, low cost graphite mine



***Managing Director's Presentation
2017 Annual General Meeting
28 November 2017
ASX : LML
www.lincolnminerals.com.au***



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The presentation is based on Lincoln Minerals Limited ASX Release dated 27 November 2017

Lincoln confirms that all material assumptions underpinning the forecast financial information derived from the production target announced on 27 November 2017 continue to apply and have not materially changed. Lincoln further confirms that it is not aware of any new information or data that materially affects the information in the announcement of Ore Reserves on 27 November 2017 and that all material assumptions and technical parameters underpinning the Ore Reserve continue to apply and have not materially changed.

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

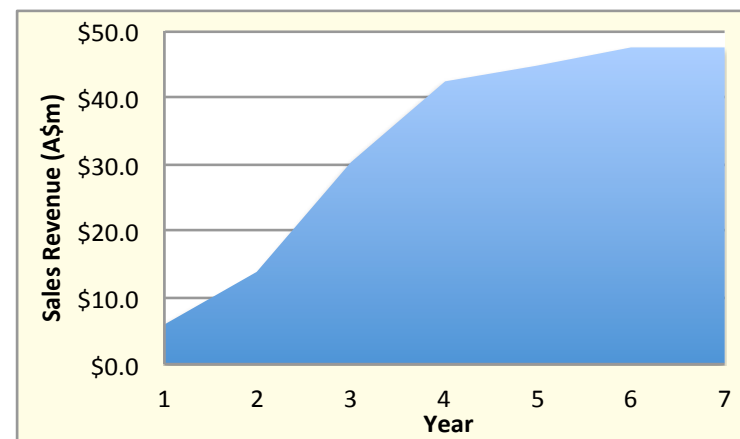
Information in this presentation that relates to exploration activity, mineral resources, ore reserves and results was compiled by Dr A J Parker who is a Member of the Australasian Institute of Geoscientists. Dr. Parker is Managing Director of and has shares in Lincoln Minerals Limited. He has sufficient 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 consents to the release of the information compiled in this presentation in the form and context in which it appears.

Key investment appeal



Located in South Australia's world-class graphite-rich metallogenic province of Eyre Peninsula 35kms north of Port Lincoln

- **Global Top 10 graphite deposit set to be Australia's premier and only producing graphite mine**
- Targeting ~35,000 tonnes per annum high purity graphite concentrate
- Pre-tax NPV₁₀ A\$81 million & IRR 33%
- Establishment cost A\$44 million
- Life-of-Mine operating cost A\$705/t conc.
- Average sales price A\$1230/t conc*.
- **Targeting development 2018-19 & detailed design has commenced**



Entering a multi-billion dollar “new era”
expanding global graphite market

Investment options: **mine financing, off-take, direct equity or provision of environmental/engineering/mining/processing solutions & equipment**

* At USD/AUD = 0.78

Lincoln Minerals Limited



Focused Board and Management

Considerable experience in Chinese investment & markets

Non-Executive Chairman - Mr James Zhang

Managing Director – Dr John Parker

Non-Executive Director - Mr Eddie Pang



- Unwavering, long-term focus on the multi-commodity mineral wealth of South Australia's richly endowed Eyre Peninsula
- Graphite is the main strategic investment
- Other assets include substantial magnetite & hematite Resources and copper targets



Australian Graphite Pty Ltd is wholly-owned subsidiary of LML



**** a further \$3.66 million has since been received following a placement**

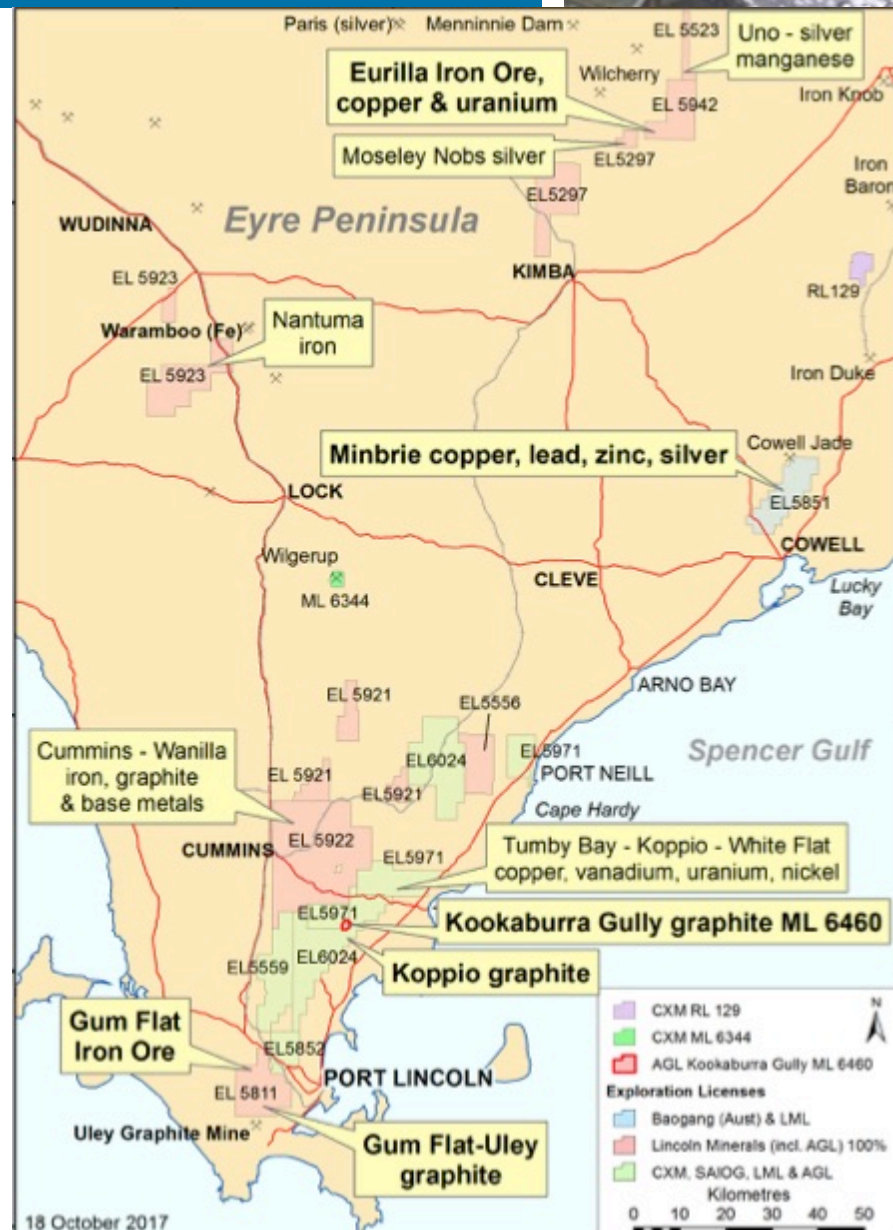
| | |
|-------------------------------|-----------------------|
| ASX Code | LML |
| Market Capitalisation | A\$21.3 million |
| Shares on issue | 575 million |
| 52 Week range | \$0.03 – \$0.05 |
| Cash at 30 Sept 2017** | A\$1.19 million |
| Debt | NIL |
| Tenement holdings | 2,156 km ² |

Lincoln Minerals tenements & projects



2,156 square kilometre tenement package

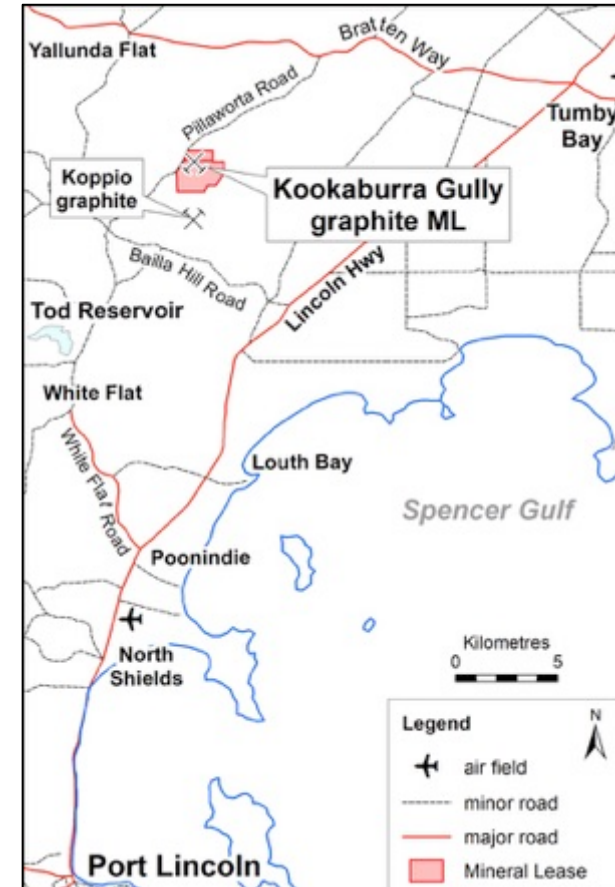
- ▶ **Graphite** – southern Eyre Peninsula focus from Uley to Kookaburra Gully & beyond
- ▶ **Copper & other base metals**
 - Minbrie: 29.5m at 0.76% Cu, 7.37% Pb, 1.88% Zn, 9.0g/t Ag and trace gold
 - Eurilla: up to 0.5% Cu in reconnaissance aircore drilling near Jungle Dam
 - Uno: high grade manganese outcrops & untested silver soil anomalies
 - Tumby Bay: numerous small historic Cu-Pb mines & prospects
 - Koppio: chalcopyrite recorded in several magnetite exploration drillholes – yet to be assayed
- ▶ **Iron** – Gum Flat, Eurilla & Nantuma



Project Status – Kookaburra Gully



- ▶ **Mineral Lease ML6460 granted 3 June 2016**
- ▶ Preliminary mine & mine infrastructure design studies (Feasibility Study level) complete
- ▶ Base case mining & processing schedule complete
- ▶ **Feasibility Study & Ore Reserve statement issued**
- ▶ Environmental assessments complete
- ▶ Project Development Manager (Miro Rapaic) and Project Metallurgist (Lin Zhou) appointed
- ▶ **Business Case** prepared by KPMG
- ▶ **Program for Environment Protection and Rehabilitation (PEPR) lodged 29 September 2017**
- ▶ **Pilot plant test-work** in progress in China
- ▶ Project financing in progress
- ▶ Land acquisition in progress
- ▶ Detailed design of road upgrades in progress



Geology & Resource Model



- ▶ Drilling, sampling, analysis & data compilation ongoing
- ▶ Kookaburra Gully Inferred, Indicated & Measured Mineral Resource is **2.03 million tonnes at 15.2% TGC***
- ▶ Resource is open at depth and along strike to northeast

Next Steps:

- ▶ Further infill drilling to increase Resource categorisation, along strike and at depth (early 2018)
- ▶ Update Resource Model
- ▶ Update Ore Reserves

TGC = Total Graphitic Carbon

** at 5% TGC cutoff*

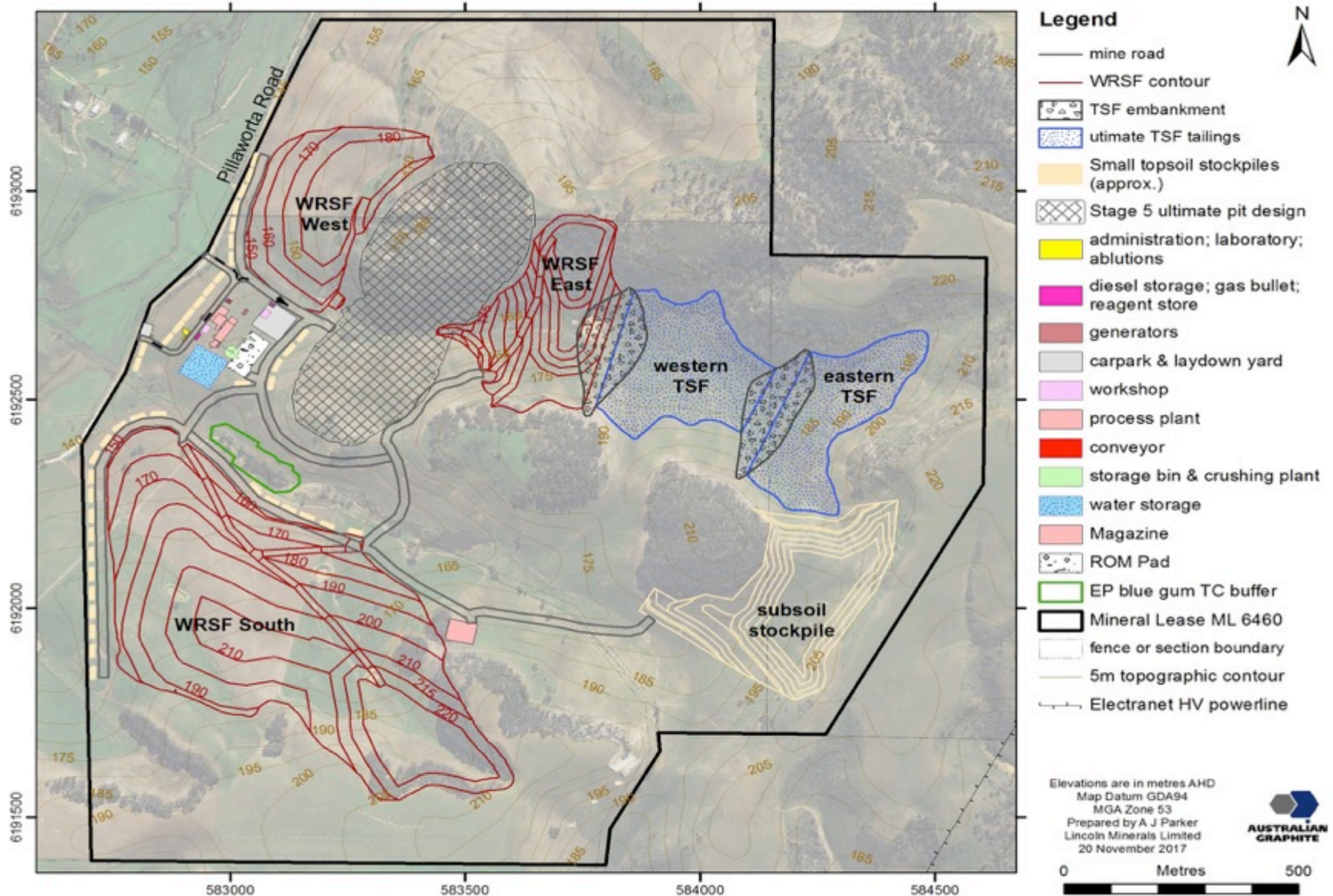


Kookaburra Gully RC drilling 2017

Mine site layout



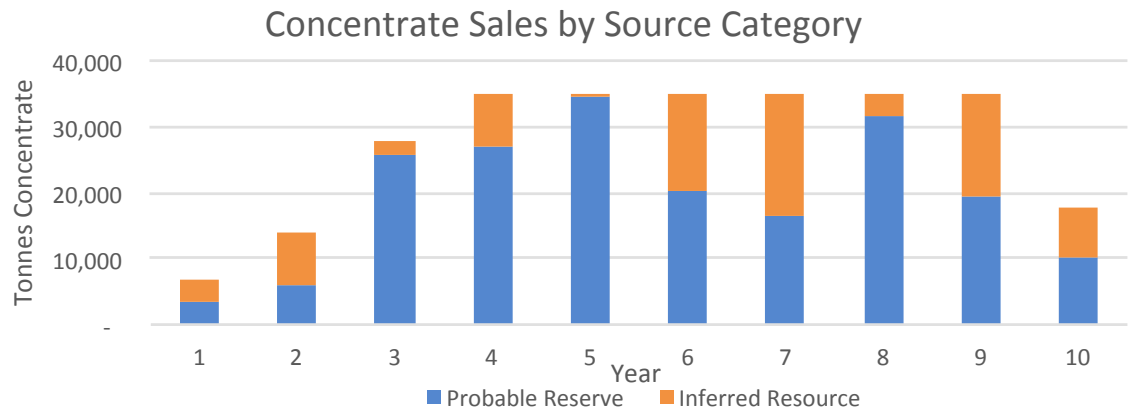
Kookaburra Gully Mineral Lease ML 6460 - Ultimate Mine Plan



Mine design – pit development stages



- Mine optimisation supports a 5 stage mine based on estimated graphite prices
- Mine up to 250,000 tonnes ore per year
- Conventional digger, truck and haul open-pit mining method
- Completely weathered rock to ~20m BGL excavated without blasting but drill and blast for partially weathered and unweathered rock
- Mining includes **1.3 Mt at 14.6% TGC Probable Ore Reserve** defined by Measured & Indicated Mineral Resource within the Stage 5 pit (at cutoff grade 8.5% TGC) plus 0.53 Mt of Inferred Mineral



Metallurgical test-work & process plant design



- ▶ Laboratory-scale test-work program identified a simple crush, grind, flotation, dry, screen & pack process
- ▶ Lock-cycle tests confirm >90% recovery & concentrate grades >95% LOI
- ▶ Flake sizes are predominantly <150 micron (mesh size <100#)
- ▶ Pilot plant tests produced average grades >95% LOI with 86-92% recoveries

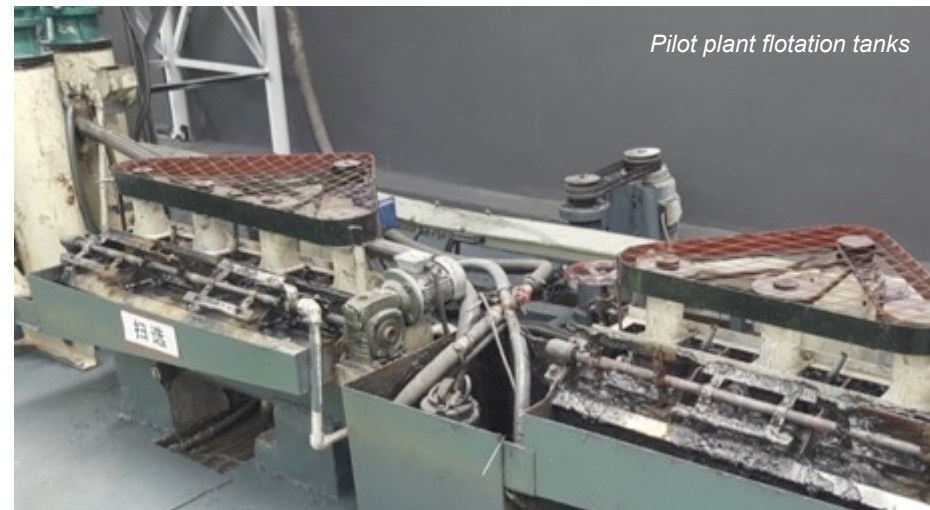
Next steps:

- ▶ On-going pilot plant processing and product testwork
- ▶ Refine and finalise plant design

TC = Total Carbon

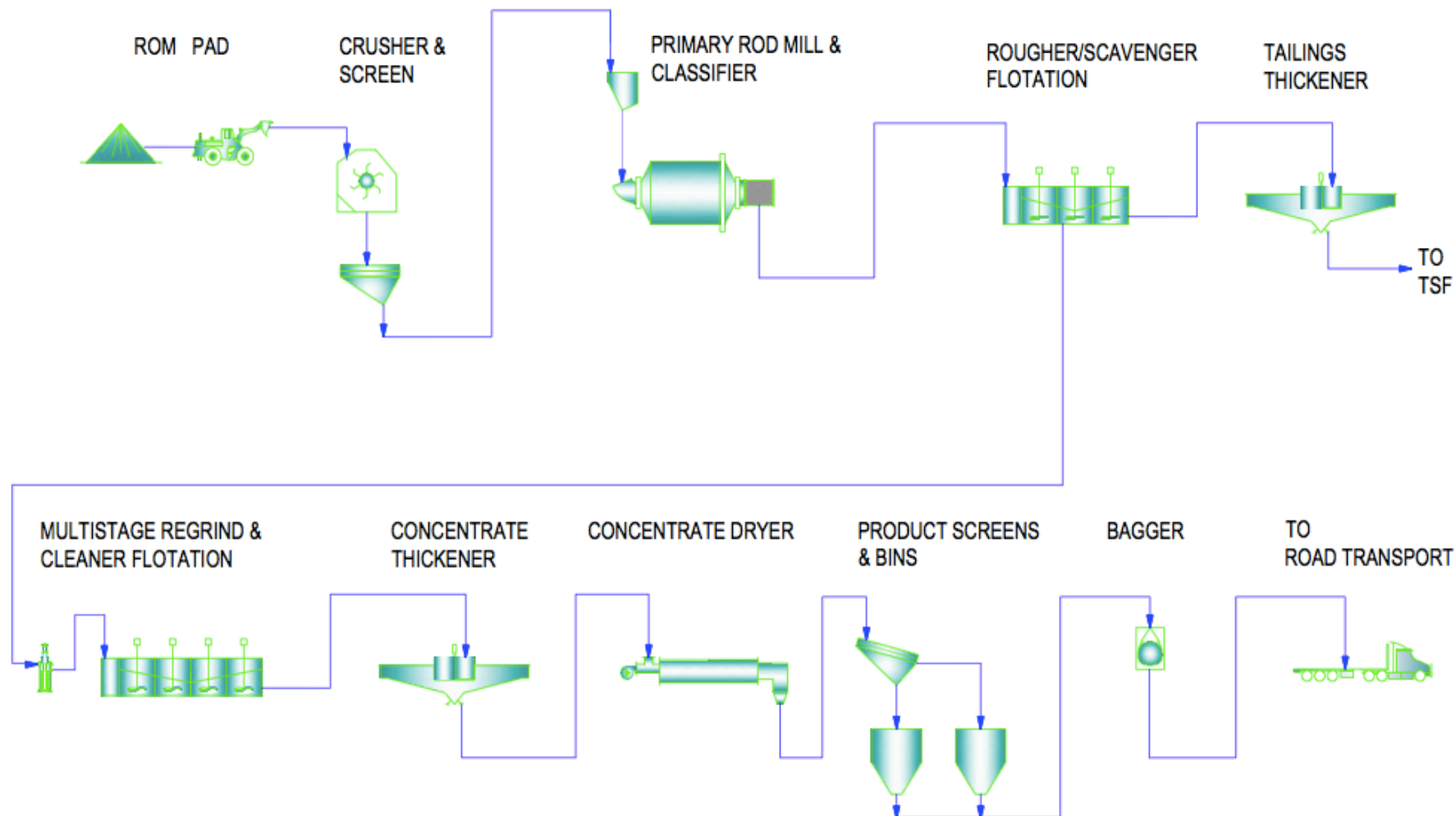
*LOI (as used in graphite industry) = Ash % after 24 hrs.
at 1,000C in Oxygen atmosphere*

| Size Fraction (µm) | LMC 11 - Master Comp | | |
|-----------------------|----------------------|--------|---------|
| | Mass | TC (%) | LOI (%) |
| 500 | | | |
| 300 | 0.1% | 93.20 | 96.00 |
| 180 | 3.5% | 93.20 | 96.00 |
| 150 | 3.9% | 95.80 | 97.22 |
| 106 | 11.4% | 96.60 | 97.46 |
| 75 | 11.4% | 96.70 | 97.41 |
| -75 | 69.7% | 96.80 | 96.84 |
| Calc Head | 100.0% | 96.60 | 96.96 |

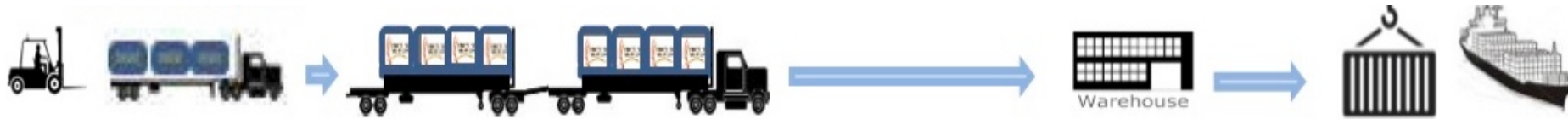


Pilot plant flotation tanks

Metallurgical process flow sheet



Transport logistics



- ▶ Export via Pillaworta Road & Bratten Way to freight depot in Tumby Bay
- ▶ Graphite concentrate in bulka bags or containers to Port Adelaide by road train
- ▶ Detailed design of road upgrades to Pillaworta Road in progress

Alternate ports:

Containers or bulka bags

- ▶ Port Lincoln
- ▶ Whyalla
- ▶ (? Cape Hardy)



Water & power supply options

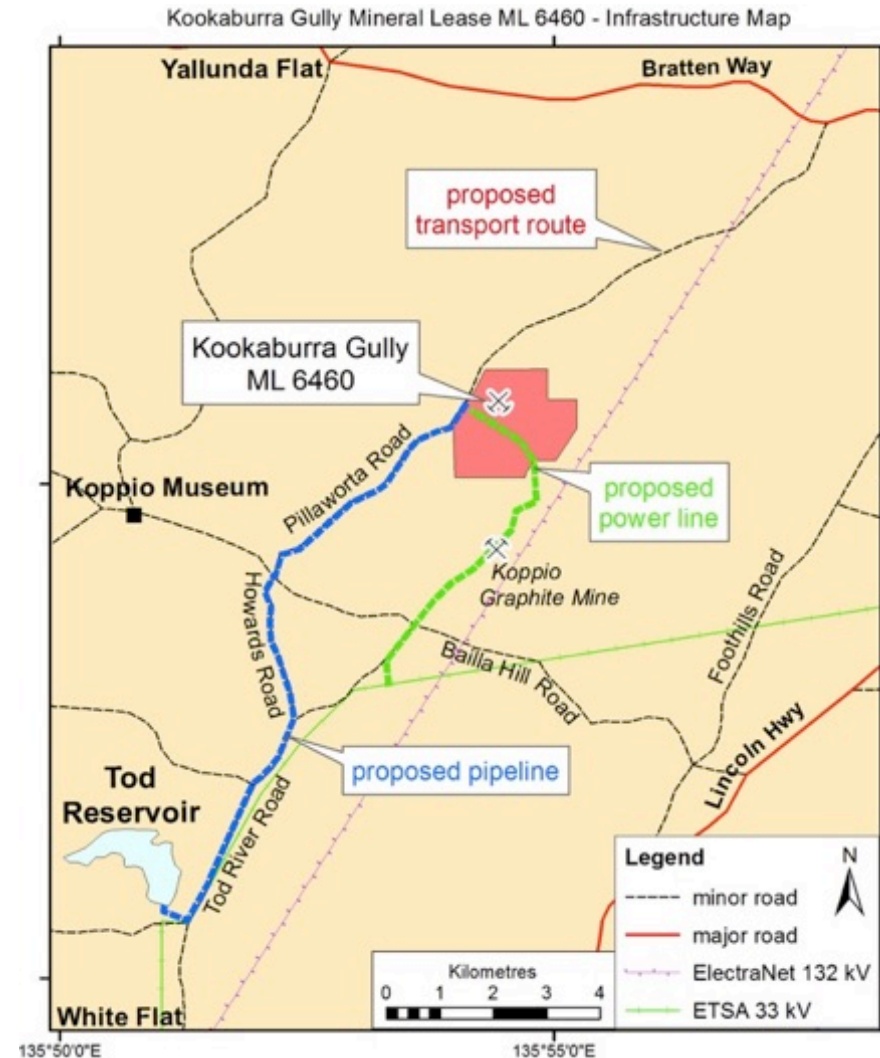


Water supply

- Raw water supply from either Tod Reservoir or groundwater from water wells on the ML plus pit dewatering
- Recycled water from process plant and tailings thickener
- Groundwater studies & monitoring on-going
- High quality water provided by desalination plant & rainwater harvesting

Power supply

- Preferred option is on-site gas or diesel generation for construction & initial operations
- Long-term could be HV grid connection to nearby 33 kV distribution network



Product specification & marketing



- ▶ Based on the high proportion (~90%) of -100# concentrate (<150 microns), target market / product mix is:
 - polymer/plastic additives (10%)
 - lubricants/drilling fluids (10%)
 - friction materials (15%)
 - other industrial (35%) and
 - unallocated (30%)
- ▶ Average carbon content of Kookaburra Gully concentrate is >94% TGC (or >94% LOI)
- ▶ Marketing strategy is to progressively increase production and market qualification from 7,000 tpa in Year 1 to 35,000 tpa in Year 4.

| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 |
|-----------------------------|----------|--------|--------|--------|--------|--------|---------|---------|
| Mesh total tonnes by year | tonnes | 7,000 | 14,010 | 27,515 | 35,000 | 35,000 | 35,000 | 35,000 |
| Mesh weighted average price | (US\$/t) | \$687 | \$760 | \$863 | \$947 | \$999 | \$1,059 | \$1,059 |

Base case capital & operating costs



- Pre-production establishment capital costs are estimated to be A\$44.2m, including land acquisition and 20% contingency

| | % of Total Establ. Cost | Establ. Cost (A\$m) |
|--|-------------------------|---------------------|
| Land acquisition, preliminaries, site preparation, vegetation SEB offset & Government Bond | 23.4% | \$10.35 |
| Mining equipment (contractor) | | N/A |
| TSF (incl. 30% contingency) | 2.9% | \$1.26 |
| Ore processing, screening & bagging plant | 49.6% | \$21.89 |
| Buildings | 0.9% | \$0.40 |
| Project management & commissioning | 5.5% | \$2.43 |
| Roads & site infrastructure | 3.5% | \$1.53 |
| Contractor Mobilisation/Demob | 0.5% | \$0.20 |
| Contingency (20% of base cost excl. land acquisition & TSF) | 13.8% | \$6.10 |
| TOTAL | 100.0% | \$44.16 |

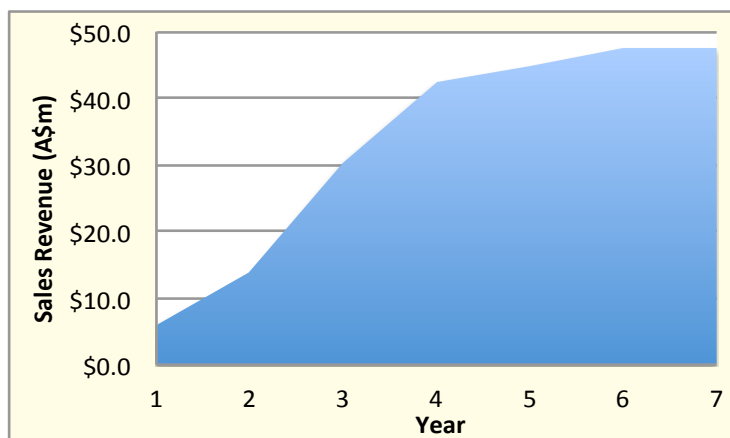
- Estimated average Free-On-Board (FOB) operating cost is A\$704/t (~US\$550/t) of mesh concentrate for the life-of-mine (A\$395/t in Year 1 but increasing due to increased mining costs with depth).

Base case financial outcomes



- ▶ Key financial return outcomes of the Kookaburra Gully Graphite Project based on producing a range of standard mesh graphite products are:

| | Unit | Value |
|----------------------------------|--------------|-------|
| Life-of-Mine | years | 10 |
| Average operating cost | A\$/t conc. | \$705 |
| Average product price | US\$/t conc. | \$960 |
| Pre-tax NPV ₁₀ | A\$m | \$81m |
| Pre-tax IRR | % | 33% |
| Payback period post construction | years | 3-4 |



Long term mine & resource potential



There are significant opportunities for further value enhancement including extension of project life beyond 8-10 years and incorporation of value-adding product development including spherical graphite for the battery market

Historic Koppio Graphite Mine

- ▶ 1.85 Mt JORC Inferred Mineral Resource at 9.76% TGC (at 5% TGC cutoff)

Kookaburra Gully Extended:

- ▶ Large electromagnetic (EM) anomaly which extends 4-5 kilometres southwest of Kookaburra Gully
- ▶ Reconnaissance drilling completed in March 2017
- ▶ 70 of the 100 drillholes intersected graphite
- ▶ Resource modelling in progress

Next steps:

- ▶ Undertake detailed metallurgical analysis
- ▶ Plan further drilling



2018 in a nutshell....



With approval of the PEPR

Kookaburra Gully is set 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**

Dr A. John Parker
Managing Director
+61 8 8274 0243

Kookaburra Gully Mineral Resources



Kookaburra Gully Mineral Resource (AGL 100%) as at 30 June 2017. These remain unchanged from 17 May 2017

| 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 |
|--|--|-------------|-------------|-------------|-------------|

DOMAIN 1 = Interpreted at 5% TGC nominal cut-off DOMAIN 2 = Interpreted >2% TGC halo

CLASS 1 = Measured CLASS 2 = Indicated CLASS 3 = Inferred

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

Reference:

Lincoln Minerals 2017 Annual Report. *Lincoln Minerals Limited*, ASX Announcement 23 September 2017.



Kookaburra Gully Metallurgy



Metallurgical Test Results

| | Master Composite LMC11 | | | Oxide Surface Composite LOX1 | | | Deeper Composite LSU1 | | |
|-----------------------------|---------------------------|---------------|-------------|--|---------------|-------------|--------------------------|---------------|-------------|
| Depth BGL* | 40–119m | | | 1–5m | | | 99–119m | | |
| Depth AHD (above sea level) | 81–133m | | | Trench 2 & 4 190–183m Trench 1 152–156m | | | 66–101m | | |
| Graphite recovery | ca. 90+% | | | ca. 90+% | | | ca. 90+% | | |
| Total Concentrate Grade | 96.6% TC | | | 95.0% TC | | | 95.1% TC | | |
| Screened concentrate | Assay TC% | Assay LOI% | Dist'n % | Assay TC% | Assay LOI% | Dist'n % | Assay TC% | Assay LOI% | Dist'n % |
| +300 µm | 93.2 | 96.0 | 0.1 | 97.8 | 97.1 | 0.4 | 97.4 | 97.4 | 0.31 |
| +180 µm, -300 µm | 93.2 | 96.0 | 3.5 | 97.8 | 97.1 | 5.2 | 97.4 | 97.4 | 4.7 |
| +150 µm, -180 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 |

*BGL is below ground level; AHD is Australian Height Datum; Dist'n is distribution
TC is Total Carbon; LOI is Loss on Ignition

International ISO 565 (TBL-2) 1983 & American ASTM E 11-87 Standard Sieve/Mesh Sizes are: 50# = 300 µm; 80# = 180 µm;
100# = 150 µm; 200# = 75 µm



Reference: Lincoln Minerals 2017, ASX Announcement 27 November 2017.



Kookaburra Gully PEPR & Feasibility Studies



The Feasibility Study and PEPR were based on a number of independent environmental, geotechnical, feasibility and option studies undertaken over the past 18 months on various components of the proposed mine and mine infrastructure:

- Upgraded Mineral Resource Estimate (OreWin Pty Ltd)
- Geotechnical mine assessment (AMC Consultants Pty Ltd)
- Mine optimisation, design & production schedule – pit & waste rock storage facilities (AMC Consultants Pty Ltd)
- Metallurgical test-work & process plant design (Inception Group, IMO Metallurgy and ammjoh Pty Ltd)
- Geotechnical assessment and design of the tailings storage facility (Golder Associates)
- Geochemical & kinetic assessment of ore and waste rock (Earth Systems)
- Surface water & groundwater assessment & groundwater modelling (CDM Smith)
- Site water balance, stormwater & sediment control (Golder Associates)
- Water supply options study – Tod Reservoir option (Inside Infrastructure and SA Water)
- Power supply options study (GPA Engineering)
- Road & transport logistics (Tonkin Consulting)
- Updated ecological surveys and SEB offset proposal (EBS Ecology)
- Rehabilitation & closure planning (Earth Systems and Golder Associates)
- Marketing & preliminary value-adding process design (Lone Star Tech Minerals)
- Preparation of a Community Engagement Plan (CEP)(Envirocom).