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The Manager
ASX Announcements

Dear Sir,

Fully underwritten A\$3.35 million rights issue to develop high grade Kookaburra Gully graphite project in SA

A fully-underwritten non-renounceable Rights Issue to raise A\$3.35 million to develop one of Australia's advanced graphite projects, has been announced by Australian graphite and iron ore explorer and developer, Lincoln Minerals Limited ("LML" or "Lincoln").

Under the offer, Lincoln shareholders who are registered as at 9 May 2014, are eligible to subscribe for the approximately 67.1 million new fully paid ordinary shares in the capital of the Company, at an issue price of A\$0.05 per share, to raise approximately A\$3.35 million before expenses of the issue.

Proceeds of the Issue will primarily be graphite focused and directed at:

- Completion and processing of a Mining Lease application for Lincoln's wholly owned and high grade Kookaburra Gully graphite project on South Australia's Eyre Peninsula;
- Ongoing flake graphite metallurgy and pilot plant testing of the Company's Kookaburra Gully and nearby historic Koppio Mine graphite deposits;
- Detailed geotechnical and water well drilling and bulk sample trenching at the Kookaburra Gully graphite deposit;
- Detailed design and engineering of a graphite processing plant for the Kookaburra Gully project;
- Detailed mine planning and preparation of a Program for Environmental Protection and Rehabilitation;
- Establishing international markets and customers for graphite products from Kookaburra Gully.

Proceeds will also be used to:

- Obtain groundwater licenses and complete amendments to the Mining Lease Application for Stage 1 of the Gum Flat iron ore project also on South Australia's Eyre Peninsula;
- Repayment of a \$250,000 loan;
- Ongoing exploration for manganese, iron, silver and base metals at Uno and Eurilla on northern Eyre Peninsula, copper at Minbrie and magnetite at Nantuma near Warrambo on central Eyre Peninsula;
- Working capital purposes.

Lincoln Minerals' Managing Director, Dr John Parker:

"The Rights Issue provides all shareholders with the opportunity to further participate in the growth of the Company's advanced graphite and iron ore assets in South Australia, under our strategy to achieve first graphite mining and processing in the second half of 2015 subject to government approvals and securing project finance. Outside of China and excluding the small but high purity Sri Lankan vein deposits, Kookaburra Gully and Koppio Graphite Mine are recognised as within the Top 10 graphite deposits in the world with respect to grade. Proceeds from the rights issue will enable Lincoln to take another step towards mainstream commercial production of our world class Eyre Peninsula flake graphite resources."

The Issue will be offered to all Eligible Shareholders on the basis of one new share for every three shares held on 9 May 2014, at the price of 5 cents per ordinary share.

The Offer opens on 14 May 2014 and closes at 5.00 pm Adelaide Time on 6 June 2014.

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