

10 July 2014

The Manager
ASX Announcements

Graphite assays up to 42.8% TGC recorded from Lincoln's first drilling at the historic Koppio Graphite Mine on South Australia's Eyre Peninsula

One of the highest yet graphite assay results from Australia's new wave of graphite exploration and development has been recorded by Adelaide-based Lincoln Minerals Limited (ASX:LML) ("Lincoln" or "Company") from the Company's maiden exploration drilling program at its historic Koppio Graphite Mine located on South Australia's Eyre Peninsula.

The single one metre intersection, in Hole KPO17, recorded an assay of 42.8% total graphitic carbon (TGC) over the interval from a depth of 53 metres. The assay results are in accordance with the JORC Code 2012.

Other Highlights

- **Graphite mineralisation at the historic mine site defined over 525m in strike length and remains open to the north and south of current drilling extents**
- **Significant potential still exists on the adjoining but undrilled Kookaburra Gully Extended exploration targets**

Maiden Koppio drilling results

Lincoln completed in April this year, a total of 20 aircore and reverse circulation (RC) drill holes over the historic Koppio Graphite Mine for a total of 1,679 metres. Drilling at Koppio intersected varying grades and thicknesses with all but one drill hole intersecting minor to significant graphite mineralisation. The one drill hole failing to hit graphite was drilled as a scissor hole to the mine section (see Figure 1 below) but was positioned too far away from the mineralisation to intersect graphite at depth. Some 586 samples were taken for total graphitic carbon and carbon analysis. Upon receipt of those results, several zones have been identified that require further sampling to close off mineralisation before Mineral Resource estimation can commence. Drill hole assay intercepts have been tabulated based upon a nominal 2% TGC cut-off and further by a 5% TGC cut-off (Table 1).

The April drilling at Koppio has extended the extent of graphite mineralisation from a strike length of ca. 50m to over 525m and a depth extent of at least 100m below ground level at the site of the historic workings. The current strike length is still open to the north and south of existing drilling. 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 but they are complexly folded.

Lincoln Minerals' Managing Director, Dr John Parker, stated that:

"The Koppio drilling has highlighted some spectacular individual sample intervals and the strike extent defined by this drilling has confirmed electromagnetic (EM) imagery for further exploration target drilling. While it is too early to define a Mineral Resource at the historic Koppio Graphite Mine, the new results when combined with the Company's high grade Kookaburra Gully Resource, clearly indicate that this region of Eyre Peninsula is shaping up as a world class graphite province.

In light of these drilling results, EM imagery over Kookaburra Gully Extended outlines a very significant exploration target for follow up after winter crops have been harvested."
(refer ASX release 30 January 2014)



The historic Koppio Graphite Mine was intermittently mined from the early 1900's to 1944 (*South Australian Department of Mines (now SA Department for State Development) Report Book 21/87, 1945*) and contains high grade lenses of coarse flake graphite up to 32% TGC. Up to 100 tonnes of graphite was mined from Koppio during the 1940s and processed in Port Lincoln. However, it is not known what concentrate was produced and/or sold.

Previous petrological studies for Lincoln on samples from the old underground workings have shown that flake length is good and ranges up to 800 microns:

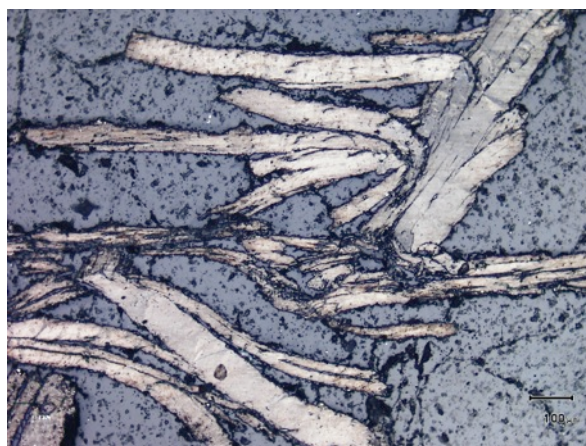
Sample No.	Prospect	Visual estimate of graphite vol% abundance	Graphite flake length range 50µm to (µm)	Mean flake length (µm)	TGC % assay
KP-MS-01	Koppio	25-30	800	350	32.0
KP-MS-02	Koppio	12-15	800	350	14.7
KP-MS-03	Koppio	25	800	400	22.9

Dr A John Parker
Managing Director

Competent Persons' Report

Information in this report that relates to exploration activity, exploration results, Mineral Resources and Exploration Targets was compiled by Dr A John Parker who is a Member of the Australasian Institute of Geoscientists and Managing Director of Lincoln Minerals Limited. Dr Parker 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 and Exploration Targets, 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.



Photomicrograph of crenulated graphite flakes (white) within a crystalline quartz matrix (grey). Koppio Graphite Mine sample KP-MS-01. Bar scale is 100 microns (field of view 1.4mm wide).

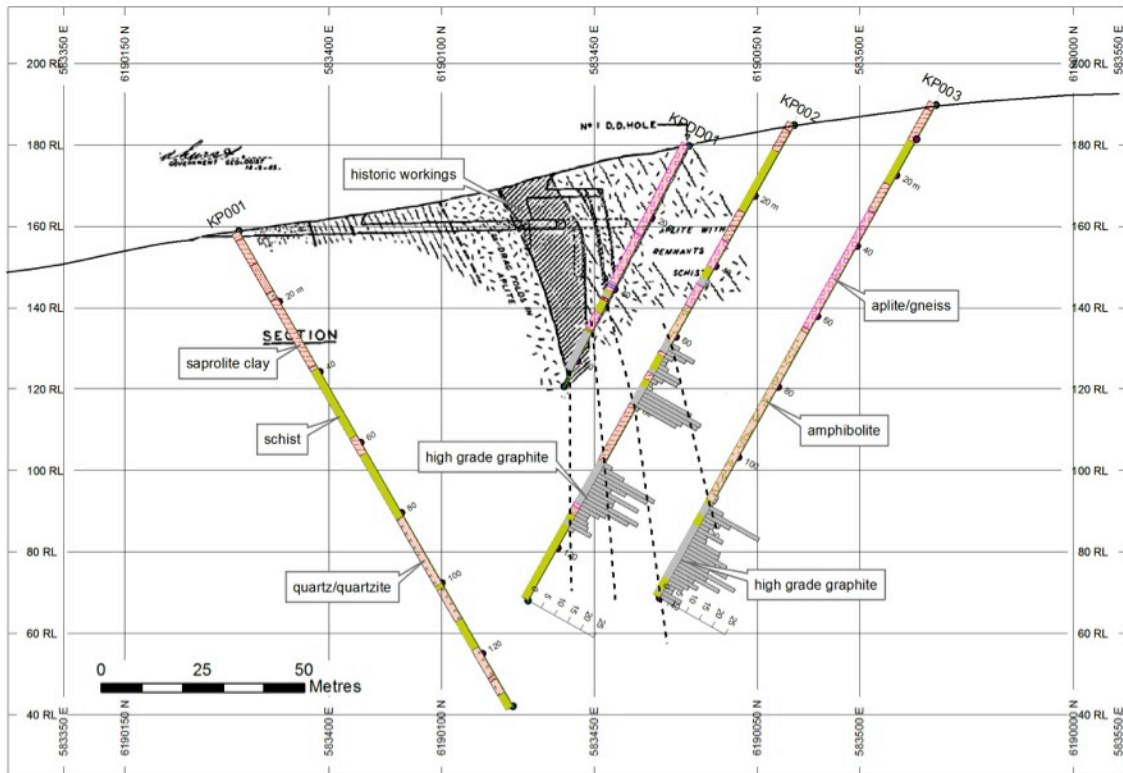


Figure 1: NW-SE geological drill section through the historic Koppio Graphite Mine

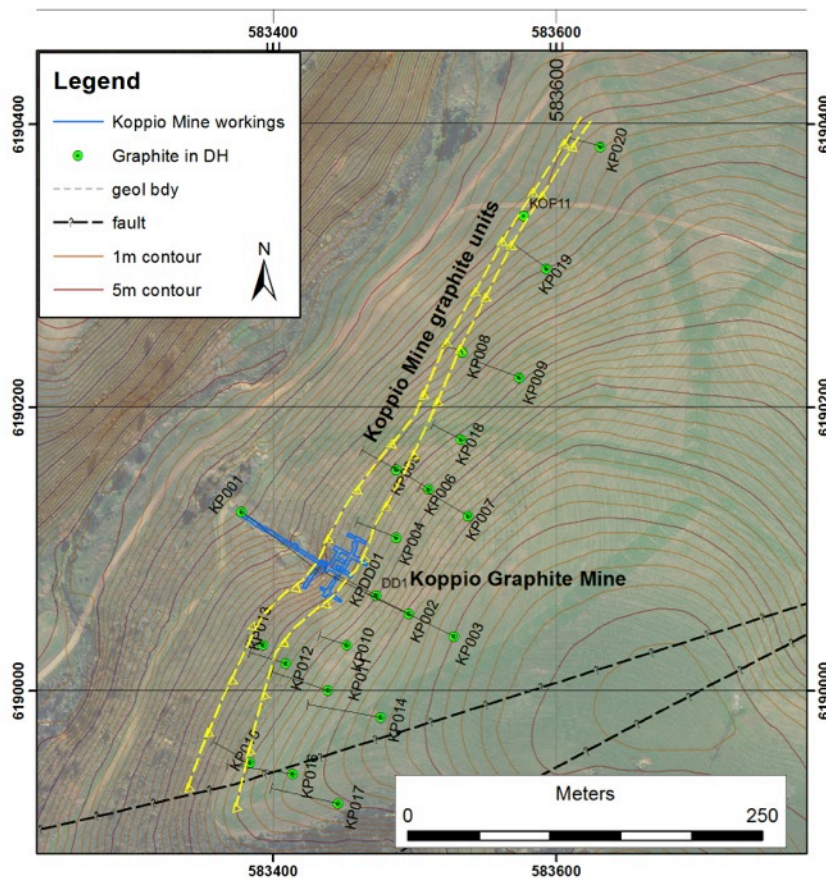


Figure 2: Location of drillholes and surface trace of historic underground graphite workings

Table 1: Drillhole Intercepts

HOLEID		FROM	TO	INTERVAL (m)	C (%)	TGC (%)
KP002		62	66	4	6.39	5.56
KP002		68	73	5	6.01	5.21
KP002		75	80	5	19.66	18.20
KP002		96	114	18	11.06	10.13
KP003		114	140	26	10.36	8.89
	includes >5%	123	136	13	13.10	11.46
KP004		22	30	8	14.11	9.19
KP004		36	58	22	9.05	7.70
	includes >5%	43	48	5	12.17	11.01
	includes >5%	50	55	5	13.19	11.96
KP005		3	25	22	10.21	6.36
	includes >5%	9	17	8	14.58	9.78
KP006		28	38	10	14.41	12.30
	includes >5%	31	38	7	17.81	15.04
KP006		45	73	28	11.15	10.05
	includes >5%	45	58	13	16.64	15.18
KP007		83	102	19	6.72	6.21
	includes >5%	88	92	4	13.19	12.59
KP008		3	14	11	11.53	4.57
	includes >5%	4	6	2	15.15	6.45
KP009		54	59	5	8.20	4.73
	includes >5%	54	55	1	13.00	8.15
KP010		23	33	10	12.02	8.03
	includes >5%	30	33	3	13.73	10.47
KP011		64	72	8	4.82	4.64
KP011		75	85	10	8.24	7.24
	includes >5%	77	83	6	10.72	9.49
KP012		30	45	15	11.75	8.54
	includes >5%	35	44	9	14.64	10.68
KP013		5	13	8	9.61	7.09
	includes >5%	5	10	5	9.20	7.99
KP014		72	77	5	3.68	3.23
KP014		83	87	4	12.13	11.26
KP015		1	14	13	6.20	4.45
	includes >5%	11	13	2	13.10	8.58
KP015		42	52	10	10.85	7.42
	includes >5%	43	49	6	14.39	10.20
KP016		27	32	5	7.24	6.05
KP016		42	53	11	21.30	15.59
KP016		56	72	16	4.18	3.81
KP016		73	100	27	8.45	8.00
	includes >5%	90	98	8	13.86	13.31
KP017		25	29	4	3.19	2.84
KP017		47	50	3	7.71	7.45
KP017		52	60	8	15.51	14.92
	includes >5%	53	57	4	23.13	22.60
	And	53	54	1	42.4	42.8
KP017		65	84	19	6.97	6.50
	includes >5%	72	78	6	10.58	9.85
KP017		87	96	9	3.66	3.26
KP017		99	115	16	5.01	4.35
KP018		39	60	21	11.02	9.62
	includes >5%	41	57	16	13.23	11.68
KP019		31	33	2	16.70	15.10
KP019		36	45	9	7.32	6.16
KP020		28	30	2	15.70	10.63
KP020		31	40	9	5.97	4.41
	includes >5%	31	33	2	14.25	10.20

JORC Code, 2012 Edition

Section 1 Sampling Techniques and Data

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> • Drill holes were drilled by slimline aircore (AC) and / or reverse circulation (RC) totalling 20 holes for 1,679 m (720m AC and 959m RC). • Drill holes were drilled at 60° to 70° towards WNW on WNW-ESE sections. Drill hole spacing 20–40m along lines on 80–160m spaced drill lines. • Mineralisation was graphitic schist. • 678 assay samples were collected of which 586 were drill samples and remaining 92 QA/QC: a rate of approximately 13.6% or 1 in 7 samples. Up to six certified total graphitic and 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 2m and 4m (23 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 586 drill samples for riffle splitting 6 percent or 39 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, 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 3 petrological samples were collected by hammer/chip sampling within the mine workings.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • 20 drill holes for 1,679m with 720m AC drilled and 959m RC drilled. AC drill bits are face sampling 85mm diameter bits, RC face sampling drill bit is 115mm in diameter. • Drill rods are 3m 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 (3m) 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 1m intervals and representative keepsake chip trays made. • Observed down hole drill hole 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 (39 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 22 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 3mm (if required), and then pulverised to 75 micron. • Petrological samples were prepared by Pontifex and Associates Pty Ltd from elongate/tabular and schistose chips which were mounted in epoxy and prepared as composite polished thin sections.
<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 carbon- sulphur analyser to give total graphitic or elemental carbon (TGC). • Standards, duplicates and blanks were inserted randomly throughout each batch. • Field duplicates show a 99% correlation for TGC and C. • Standards and blanks show no bias and good precision.
<i>Verification of sampling</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.

Criteria	Commentary
<i>and assaying</i>	<ul style="list-style-type: none"> Data validation and documentation are recorded in Datamine macros to satisfy audit trails.
<i>Location of data points</i>	<ul style="list-style-type: none"> All drill hole and trench survey information were surveyed with differential GPS. Drillhole locations are listed below in Table 2. 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 $\pm 25\text{cm}$ contour surface. The locations of the 3 petrological samples (Table 2) are $\pm 1\text{m}$ but based on 3D laser scanning that is interpreted to create three dimensional shapes or voids in the case of the mine.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> Refer to attached plans. Drill holes were drilled on WNW-ESE traverses initially spaced 160m and partially infilled to 80m. Spacing of drill holes along traverses was from 20m to 40m. 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 drill holes is appropriate for the orientation of the mineralised lodes. Holes were drilled at approximately 60-70° toward 282–314° based on mine, trench 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 License 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 tenement is in good standing and currently expires 05/08/2014. The project is located on freehold land.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> The historic Koppio Graphite Mine was worked in the early 1900's and during the Second World War 1944 to 1945. It was presumably found by its surface expression. The former South Australian Department of Mines (now DMITRE) undertook exploration at Koppio Graphite Mine in 1945 (<i>Department of Mines Report Book 21/87</i> and <i>Mining Review 82</i>). The department drilled one diamond drill hole (KPDD001) under the mine workings. Pancontinental Mining in the 1980's dug two trenches north and south of the historic Koppio Graphite Mine. However, no drilling was undertaken. Afmeco Pty Ltd, in 1982 in its search for uranium, drilled several holes in the vicinity of the Koppio graphite mine, with one drill hole intersecting graphite at end of hole. No carbon assays were undertaken.
<i>Geology</i>	<ul style="list-style-type: none"> The Koppio graphite mineralisation 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

Criteria	Commentary
	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 drill hole table and maps below. A total of 1,679 m of drilling was completed.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> Drill hole intercepts were based upon one-metre assay samples so some averaging of drill hole 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 drill holes 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 ASX announcements from 26 March 2014 and 30 April 2014 (<i>Quarterly Activities Report</i>) for additional maps and sections for the Koppio Graphite Mine
<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 (<i>Department of Mines Report Book 21/87</i>). Refer also to LML's ASX announcement, 26 March 2014. Exploration Targets were reported in LML's ASX announcement, 30 January 2014 Continuous disclosures of exploration results are found in Quarterly Activity Reports and other announcements to the ASX.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Continuous disclosures of exploration results are found in Quarterly Activity Reports and other announcements to the ASX.
<i>Further work</i>	<ul style="list-style-type: none"> Further assaying of selected intervals will be undertaken to close out mineralisation envelopes and will be compiled for resource estimation as required.



Koppio drillhole KP017 chip tray highlighting the 53-54m interval at 42.8% TGC

Table 2: Chip Sample and Drillhole Locations

BHID	EASTING	NORTHING	RL	LENGTH	DIP	AZIMUTH	SURVEY
KP-MS-01	583424	6190077	161	na	na	na	3D laser
KP-MS-02	583455	6190097	161	na	na	na	3D laser
KP-MS-02	583439	6190068	161	na	na	na	3D laser
KP001	583380.2	6190129	159.3	135	-60	129	DGPS
KP002	583499.1	6190053	185.93	135	-60	303	DGPS
KP003	583524.9	6190037	189.89	140	-60	300	DGPS
KP004	583486.7	6190108	178.59	60	-60	308	DGPS
KP005	583485.5	6190159	172.3	81	-70	311	DGPS
KP006	583508.9	6190141	178.39	87	-70	314	DGPS
KP007	583533.7	6190122	184.08	117	-70	315	DGPS
KP008	583533.5	6190236	167.38	33	-65	296	DGPS
KP009	583568.1	6190219	174	77	-65	301	DGPS
KP010	583450.8	6190034	181.12	48	-65	282	DGPS
KP011	583437	6189998	182.75	99	-65	301	DGPS
KP012	583408	6190017	177.3	63	-65	304	DGPS
KP013	583391	6190028	173.74	29	-65	301	DGPS
KP014	583473.6	6189978	187.52	105	-60	304	DGPS
KP015	583381.4	6189950	179.62	72	-65	298	DGPS
KP016	583413.7	6189935	183.57	111	-65	296	DGPS
KP017	583436.7	6189924	184.58	115	-65	293	DGPS
KP018	583532	6190174	176.3	67	-70	306	DGPS
KP019	583590	6190294	165.44	60	-60	302	DGPS
KP020	583629.3	6190383	161.88	45	-60	294	DGPS