

# LINCOLN MINERALS LIMITED

ACN 050 117 023

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## NOTICE OF ANNUAL GENERAL MEETING

### EXPLANATORY NOTES

### PROXY FORM

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**Date of Meeting**

8 November 2016

**Time of Meeting**

10:30 am (Adelaide time)

**Place of Meeting**

Offices of Grant Thornton  
Level 1, 67 Greenhill Road,  
Wayville, South Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting. Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on 03 9600 0782.

**NOTICE OF 2016 ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Shareholders of Lincoln Minerals Ltd ("Company") will be held at the offices of Grant Thornton, Level 1, 67 Greenhill Road, Wayville South Australia on Tuesday 8 November 2016 at 10:30 am (Adelaide time).

Members should refer to the accompanying Explanatory Notes for further information concerning agenda items set out below.

Members are encouraged to exercise their right to fully participate in the Meeting by asking questions on any matters of interest or concern with the Company's operations, irrespective of whether those matters are the subject of an agenda item.

**ORDINARY BUSINESS**

**Financial Report**

To receive and consider the Company's Financial Report including the Directors' Declaration for the year ended 30 June 2016 and the accompanying Directors' Report and Auditor's Report. Members who have elected to receive a copy of the Company's Financial Report will find a copy of it enclosed with this Notice.

To consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

**Resolution 1 - Adoption of Remuneration Report**

"That the remuneration report that forms part of the Annual Report of the Company for the year ended 30 June 2016 be adopted."

**Voting restriction:** In accordance with the Corporations Act, the Company will disregard any votes cast (in any capacity) on this Resolution by any member of the Key Management Personnel listed in the Remuneration Report and any of their Closely Related Parties (such as close family Members and any controlled companies) unless the vote is cast by:

- (a) a person as a proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form), or
- (b) the person chairing the Meeting as a proxy for a person who is entitled to vote and in accordance with an express authority to vote the undirected proxy even though the Resolution is connected directly or indirectly with the remuneration of a Member of the Key Management Personnel.

**Resolution 2 - Re-election of Mr Eddie Pang as a Director of the Company**

"That Mr Eddie Lung Yiu Pang, having retired automatically as a Director in accordance with ASX Listing Rule 14.4 and the Constitution of the Company, being eligible, and having offered himself for re-election, is re-elected as a Director of the Company."

**Resolution 3 - Election of Mr James Zhang as a Director of the Company**

"That Mr James Tenghui Zhang, having been appointed as a Director by the Board on 17 February 2016, being eligible, and having offered himself for election, is elected as a Director of the Company."

**SPECIAL BUSINESS**

**Resolution 4 - Share Placement Facility**

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the approval to issue up to 200,000,000 Shares within 3 months of the date of this Annual General Meeting as set out in the Notice of Meeting and Explanatory Notes."

**Voting exclusion:** The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities and any of their associates, if the Resolution is passed. However, the Company will not disregard any votes on this Resolution if it is cast by:

- (a) a person as proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form); or
- (b) the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Resolution 5 - Increase in non-executive Directors' fee pool**

"That pursuant to and in accordance with Listing Rule 10.17 and for all other purposes, the maximum aggregate amount of Directors' fees payable to non-executive Directors be increased by \$200,000 from \$250,000 to \$450,000 per annum."

**Voting exclusion:** The Company will disregard any votes cast on this Resolution by a Director of the Company and any of their associates if the Resolution is passed. However, the Company will not disregard any votes on this Resolution if it is cast by:

- (a) a person as proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form); or
- (b) the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Voting restriction:** In accordance with the Corporations Act, the Company will disregard any votes cast as a proxy on this Resolution by any member of the Key Management Personnel listed in the Remuneration Report and any of their Closely Related Parties (such as close family Members and any controlled companies) unless the vote is cast by:

- (a) a person as a proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form), or
- (b) the person chairing the Meeting as a proxy for a person who is entitled to vote and in accordance with an express authority to vote the undirected proxy even though the Resolution is connected directly or indirectly with the remuneration of a Member of the Key Management Personnel.

### **Resolution 6 - Approval for 10% Additional Placement Capacity**

To consider and, if thought fit, pass the following resolution as a Special Resolution:

"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, Lincoln Minerals Limited be authorised to have the additional capacity to issue Equity Securities totalling up to 10% of the Shares on issue (at the time of the issue) calculated in accordance with the formula prescribed in Rule 7.1A.2 and on the terms described in the Explanatory Notes."

**Voting exclusion:** The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities and any of their associates, if the Resolution is passed. However, the Company will not disregard any votes on this Resolution if it is cast by:

- (a) a person as proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form); or
- (b) the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By order of the Board

Jaroslav (Jarek) Kopias  
Company Secretary  
Adelaide, 7 October 2016

## RESOLUTIONS 1 AND 5 – CHAIRMAN’S VOTING INTENTION

In completing the attached Proxy Form, Members must be aware that where the Chairman of the Meeting is appointed as their proxy in respect of Resolutions 1 and 5, that the Chairman will exercise the Member’s proxy even though:

- Resolutions 1 and 5 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- the Chairman of the Meeting is a member of the Key Management Personnel, details of whose remuneration is included in the Remuneration Report.

and you will have directed the Chairman of the Meeting to exercise the relevant Shareholders’ votes in accordance with the Chairman’s stated voting intention set out in the Explanatory Notes even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel (except where the Member has indicated a different voting intention on the Proxy Form in respect of Resolutions 1 and 5). You can appoint the Chairman as your proxy with a direction to cast your vote "For", "Against" or abstain on Resolutions 1 and 5, even if this is contrary to the Chairman's stated voting intention.

## PROXIES AND CORPORATE REPRESENTATIVES

A Member who is entitled to vote at this Meeting may appoint a proxy who need not be a Member of the Company. For the convenience of Members a Proxy Form is enclosed. A Member who is entitled to cast more than one vote may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

In order to be valid the Proxy Form must be received by the Company at the address or facsimile number specified below, along with any power of attorney or certified copy of a power of attorney (if the Proxy Form is signed pursuant to a power of attorney), by no later than 48 hours before the Annual General Meeting (i.e., by no later than 10:30am Adelaide time on Sunday 6 November 2016):

Lincoln Minerals Limited  
c/- Computershare Investor Services Pty Ltd  
GPO Box 242  
MELBOURNE, VIC 3001  
or facsimile: +61 3 9473 2555 or 1800 783 447

For Intermediary Online subscribers only (custodians), cast the Shareholder’s vote online by visiting [www.intermediaryonline.com](http://www.intermediaryonline.com).

A Member who is a body corporate may appoint an individual as a representative to exercise all or any of the rights and privileges the body corporate may exercise at the Annual General Meeting pursuant to section 250D of the Corporations Act. Representatives will be required to present documentary evidence of their appointment on the day of the Meeting.

## DETERMINATION OF ENTITLEMENT TO ATTEND AND VOTE

For the purpose of the Corporations Act, the Company has determined that all Shares of the Company that are quoted Shares at 10:30pm Adelaide time on Sunday 6 November 2016 will be taken, for the purpose of the Annual General Meeting, to be held by the persons who held them at that time. Only those persons will be entitled to vote at the Annual General Meeting on 8 November 2016.

## QUESTIONS AND COMMENTS BY MEMBERS

In accordance with the Corporations Act, the Chairman of the Annual General Meeting will allow a reasonable opportunity for Members at the Meeting to ask questions about, or make comments on, the management of the Company.

Similarly, the Chairman will allow a reasonable opportunity for Members at the Meeting to ask questions of a representative of the Company’s Auditor, Grant Thornton, relevant to the conduct of the audit, the preparation and content of the Auditor’s Report, the accounting policies adopted by the Company in relation to the preparation of the Financial Statements and the independence of the Auditor in relation to the conduct of the audit.

Pursuant to the Corporations Act, Members may submit written questions to the Company’s Auditor relevant to the content of the Auditor’s report or the conduct of the audit of the annual financial report. If a Member wishes to submit such a question, please submit it to the Company no later than 5.00pm Adelaide time on 31 October 2016.

The Chairman of the Annual General Meeting will allow a reasonable opportunity at the Annual General Meeting for a representative of the Company’s Auditor to answer any written questions submitted in accordance with the above procedure. If the Company’s Auditor has prepared written answers to written questions, the Chairman may allow these to be tabled at the Meeting and such written answers will be available to Members as soon as practicable after the Meeting.

## ANNUAL GENERAL MEETING - EXPLANATORY NOTES

### Introduction

The Explanatory Notes accompanying this Notice of Annual General Meeting are incorporated in and comprise part of this Notice of Annual General Meeting, and should be read in conjunction with this Notice of Annual General Meeting.

These Explanatory Notes set out information in connection with the business to be considered at the Annual General Meeting of Shareholders of Lincoln Minerals Ltd ("Company") which will be held at the offices of Grant Thornton at Level 1, 67 Greenhill Road, Wayville, South Australia on Tuesday 8 November 2016 at 10:30 am (Adelaide time) ("AGM").

These Explanatory Notes should be read in conjunction with the accompanying Notice of Meeting and is a brief explanation of Resolutions 1 to 6. Resolutions 1 to 5 are Ordinary Resolutions whereas Resolution 6 is a Special Resolution. They are all separate Resolutions and in no way dependent on each other.

Terms defined in the Notice of Annual General Meeting have the same meaning in these Explanatory Notes.

The Directors recommend members read these Explanatory Notes in full before making any decision in relation to the resolutions to be considered at the AGM.

### Resolution 1: Remuneration Report

The Remuneration Report is set out in the Directors' Report within the 2016 Annual Report that is available on the Company's website at <http://www.lincolnminerals.com.au/asxreports.php>. The Remuneration Report sets out the Company's remuneration arrangements for Directors, including the Managing Director, and the Company's Key Management Personnel.

Pursuant to section 250R (2) of the Corporations Act, a Resolution that the Remuneration Report be adopted must be put to the vote at the Company's Annual General Meeting. The vote on the proposed Resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

Under changes to the Corporations Act, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, then Members will be required to vote at the second of those AGMs on a Resolution ("Spill Resolution") that another meeting be held within 90 days at which all of the Company's Directors (except the Managing Director) must stand for re-election.

The Chairman of the Annual General Meeting will allow a reasonable opportunity for Members to ask questions about, or make comments on, the Remuneration Report.

The Directors believe that the Company's remuneration policies and structures are appropriate relative to the size of the Company and its business.

**Board Recommendation:** The Board, while noting that each Director has a personal interest in their own remuneration from the Company, recommends that Members vote in favour of Resolution 1.

The Chairman of the Meeting intends to vote all undirected proxies in favour of Resolution 1.

### Proxy restrictions

If you elect to appoint a member of the Key Management Personnel or a Closely Related Party as a proxy, **then you must direct the proxy how they are to vote**. Undirected proxies granted to these persons will not be included in any vote on Resolution 1.

If you elect to appoint the Chairman of the Meeting as your proxy, you do not need to direct the Chairman how you wish him to exercise your vote on Resolution 1. However if you do not direct the Chairman how to vote, the proxy appointment expressly authorises the Chairman to exercise your proxy in accordance with Chairman's stated intention above to vote all undirected proxies in favour of Resolution 1, even though Resolution 1 is connected directly or indirectly with the remuneration of Key Management Personnel.

If your proxy is not a member of the Key Management Personnel or a Closely Related Party, then you do not need to direct your proxy how to vote.

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel <sup>1</sup>	Vote as directed	Unable to vote <sup>3</sup>
Chair <sup>2</sup>	Vote as directed	Able to vote at discretion of Proxy <sup>4</sup>
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

<sup>1</sup> Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

<sup>2</sup> Refers to the Chair (where he is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

<sup>3</sup> Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

<sup>4</sup> The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

## Resolution 2: Re-election of Mr Eddie Pang as a Director of the Company

### General

In accordance with the Company's constitution and ASX Listing Rule 14.4, one third of the directors shall retire from office by rotation at each annual general meeting and no director may hold office for more than 3 years. A retiring director is eligible for re-election.

Accordingly Mr Eddie Pang retires automatically as a Director of the Company and being eligible, offers himself for re-election. Brief biographical details of Mr Pang follow:

### Directors

#### Mr Eddie Lung Yiu Pang (Non-executive Director)

Mr Pang has a first-class Bachelor of Science with Honours degree in Chemistry. He operates a trading business based in Shanghai supplying the Chinese market with Australian wine and dairy products, along with marketing and export of Chinese pharmaceutical products and chemicals to the United Arab Emirates, Lebanon, Iraq and Canada. Mr Pang has a number of private business interests in Australia, including vineyards and timber plantations. Mr Pang's extensive network of business associates in China (both national and private) and the Middle East will be an invaluable asset for Lincoln in its future capital raising and product marketing.

Mr Pang has been a Director of the Company since 1 December 2013 and the Board considers Mr Pang to be an independent Director.

**Board Recommendation:** The Directors (other than Mr Pang) recommend that Shareholders vote in favour of Resolution 2.

The Chairman of the Meeting intends to vote all undirected proxies in favour of the re-election of Mr Pang.

## Resolution 3: Election of Mr James Tenghui Zhang as a Director of the Company

### General

In accordance with ASX Listing Rules, the Corporations Act and the Company's Constitution, a Director, having been appointed to the Board of the Company by the Directors to fill a casual vacancy or as an additional Director may not hold office beyond the next Annual General Meeting.

Accordingly Mr James Zhang, who was appointed as an additional Director to the Company since the Company's last Annual General Meeting, retires automatically as Director of the Company and being eligible, offers himself for election. Brief biographical details of Mr Zhang follow:

Mr Zhang has spent over 20 years in real estate development and business management in China and Australia, and has developed extensive experience across a wide variety of areas, including funding of real estate, infrastructure, property development and enterprise management. His experience extends across Australia, mainland China and Hong Kong. Mr Zhang is also the Director of Shanghai Jihai Investment Ltd. Co. In China, the company is a member of the Asset Management Association of China (AMAC) and responsible for a number of significant M&A.

Mr Zhang has been a Director of the Company since 17 February 2016 and the Board considers Mr Zhang to be an independent Director.

**Board Recommendation:** The Directors (other than Mr Zhang) recommend that Shareholders vote in favour of Resolution 4.

The Chairman of the Meeting intends to vote all undirected proxies in favour of the election of Mr Zhang.

#### Resolution 4: Share Placement Facility

The Company seeks Shareholder approval, for the purposes of Listing Rule 7.1, for a Share placement facility to allow the issue of up to a maximum 200,000,000 new Shares on the terms described in this Resolution 4.

The Company seeks to have the flexibility to issue Shares and to allow this number of Shares not to be included in the 15% calculation under ASX Listing Rule 7.1. This will enable the Company to have the flexibility to issue Shares during the 3 months after the Annual General Meeting without the requirement to obtain prior Shareholder approval.

The Shares will be issued at a minimum price that is at least 80% of the volume weighted average market price for securities in that class. The average will be calculated over the last 5 days on which sales in the securities were recorded before the day on which the issue will be made, or, if there is a prospectus relating to the issue, over the 5 days on which sales of Shares are recorded before the date of the prospectus.

The names of the proposed allottees are not known and the quantity of the Shares to be issued to each allottee is not known. The Company intends (but without limitation) that the Shares will be issued to qualified clients of member firms of ASX or sophisticated or professional investors, at the discretion of the Board.

The funds raised will be used to further the Company's graphite projects, particularly a definitive or bankable feasibility study combined with detailed engineering design and development of the Kookaburra Gully Graphite Project. Funds would also be used for ongoing exploration for graphite, iron and base metals at Gum Flat on southern Eyre Peninsula, 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 and working capital purposes. A Mineral Lease for the Kookaburra Gully Graphite Project was granted to the Company's wholly-owned subsidiary, Australian Graphite Pty Ltd, on 3 June 2016 so, subject to Government approval of a Program for Environment Protection and Rehabilitation (PEPR), it is anticipated that all approvals for the Kookaburra Gully Graphite Project will be received by mid-2017. This will allow mine and infrastructure development to commence subject to finance. The PEPR is currently in preparation and a number of detailed geotechnical surveys are being undertaken for the proposed mine and mine infrastructure including process plant and tailings storage facility.

The securities will rank equally in all respects with all other Shares on issue as at the date of their issue.

The allotment will occur between the date of this Annual General Meeting and 8 February 2017 – being 3 months after approval. The allotment may occur at one time or progressively as best assessed by the Company. No Shares approved under this Resolution 4 will be issued after 8 February 2017 or such later date permitted by any ASX waiver or modification of the Listing Rules.

If Shareholders approve this Resolution 4, then the Company will have the flexibility to issue more securities during the 3 month period after the Annual General Meeting if an opportunity arises which the Board believes is in the best interests of the Company. For the purpose of Listing Rule 7.1, the issue of these Shares would not make up part of the 15% limit and would enable that proportion of the 15% limit to be used for a future issue of equity securities.

**Board Recommendation:** The Directors recommend that Shareholders vote in favour of the Share Placement Facility.

The Chairman of the Meeting intends to vote all undirected proxies in favour of the Share Placement Facility.

#### Resolution 5: Increase in non-executive Directors' fee pool

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 10.17 and for all other purposes, for the Company to be authorised to increase the maximum aggregate amount of fees available to be paid to non-executive Directors under clause 43.1 of the Company's Constitution by \$200,000 from \$250,000 to \$450,000 per annum.

The Board considers that it is reasonable and appropriate at this time to seek an increase in the remuneration pool for non-executive Directors for the following reasons:

- (a) to give the Board strategic flexibility to appoint additional non-executive Directors;

- (b) expected growth of the Company and increased responsibilities for non-executive Directors;
- (c) non-executive Directors fees may in the future need to be increased to retain Directors;
- (d) to attract new Directors of a calibre required to effectively guide and monitor the business of the Company particularly in regard to mine development and operation; and
- (e) to remunerate Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates.

The maximum aggregate amount of fees payable to Directors has not been increased since the Company's initial public offering in 2007. It is not intended to fully utilise the increased aggregate amount of fees in the immediate future.

The total annual remuneration of the non-executive Directors for the financial year ended 30 June 2016 was \$109,944 as detailed in the Company's 2016 Annual Report. This includes all Board and committee fees paid to non-executive Directors and superannuation contributions made on behalf of the non-executive Directors.

As from 1 October 2016, the Board has resolved to set annual non-executive Director fees (inclusive of statutory superannuation) to the Chairman of \$130,000 and to other non-executive Directors of \$60,000.

No securities were issued to any non-executive Director under ASX Listing Rules 10.11 or 10.14 within the preceding three years.

**Board Recommendation:** The Board, while noting that each Director has a personal interest in their own remuneration from the Company, recommends that Members vote in favour of Resolution 5.

The Chairman of the Meeting intends to vote all undirected proxies in favour of Resolution 5.

## SPECIAL RESOLUTION

### Resolution 6: Approval for 10% Additional Placement Capacity

#### Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued Share capital through placements over a 12 month period after the Annual General Meeting at which approval of the issue is obtained (**10% Placement Facility**). This 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1 and allows the Company to issue up to 25% of its issued capital in total.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity at the date of this Notice of Meeting and must remain compliant with the requirements of Listing Rule 7.1A at the date of the Meeting to be able to utilise the additional capacity to issue Equity Securities under that Listing Rule.

The Company is now seeking Shareholder approval by way of a Special Resolution which requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

#### Number of Shares

The formula for calculating the maximum amount of securities to be issued under the 10% Placement Facility is calculated as follows:

$$(A \times D) - E$$

**A** is the number of Shares on issue 12 months before the date of issue:

- plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid ordinary Shares that became fully paid in the 12 months;
- plus the number of Shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4 (excluding an issue of Shares under the Company's 15% placement capacity without Shareholder approval);
- less the number Shares cancelled in the 12 months.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under this Listing Rule 7.1A.2 in the 12 months before the date of the issue and not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

The ability to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1

At the date of this Notice, the Company has on issue 368,386,949 Shares and therefore has capacity to issue:

1. 55,258,042 Equity Securities under Listing Rule 7.1 and
2. 36,838,694 Equity Securities under Listing Rule 7.1A (subject to approval of Resolution 6 in this Notice).

A number of scenarios showing potential issues under Listing Rule 7.1A are detailed in **Table 1**.

### Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Additional Placement Capacity as follows:

#### 1. Minimum issue price

For the purpose of Listing Rule 7.1.A.3, the issue price of Shares under this 10% Additional Placement Capacity will be no less than 75% of the VWAP for securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- i) the date on which the price at which the securities are to be issued is agreed; or
- ii) if the securities are not issued within 5 trading days of the date in paragraph i), the date on which the securities are issued.

#### 2. Risk of economic and voting dilution

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Additional Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in **Table 1** below (in the case of unlisted options, only if the unlisted options are exercised).

There is a risk that:

- i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting in which the approval under rule 7.1A is given; and
- ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

**Table 1** also shows:

- i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future meeting of Shareholders; and
- ii) two examples where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

**TABLE 1**

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.028 50% decrease in issue price	\$0.056 Issue Price	\$0.112 100% increase in issue price
Current Variable A 368,386,949 Shares	10% voting dilution Funds raised	36,838,694 Shares \$1,031,000	36,838,694 Shares \$2,063,000	36,838,694 Shares \$4,126,000
<b>50% increase in current Variable A</b> 552,580,424 Shares	10% voting dilution Funds raised	55,258,042 Shares \$1,547,000	55,258,042 Shares \$3,094,000	55,258,042 Shares \$6,189,000
<b>100% increase in current Variable A</b> 736,773,898 Shares	10% voting dilution Funds raised	73,677,389 Shares \$2,063,000	73,677,389 Shares \$4,126,000	73,677,389 Shares \$8,252,000

**Table 1** has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Additional Placement Capacity.
- No unlisted options (including any unlisted options issued under the 10% Additional Placement Capacity) are exercised into Shares before the date of the issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- **Table 1** does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Additional Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- **Table 1** shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The funds raised have been rounded to the nearest thousand dollars.
- The issue of Equity Securities under the 10% Additional Placement Capacity consists only of Shares. If the issue of Equity Securities includes listed options, it is assumed that those listed options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The issue price is based on the average share price of the Company, based on the closing market price, over the previous 12 month period ending on 31 August 2016.

### 3. Timing

The date by which the Equity Securities may be issued is the earlier of:

- i) 12 months after the date of this Annual General Meeting; and
- ii) the date of approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

The approval will cease to be valid in the event that holders of the Company's Shares approve a transaction under ASX Listing Rule 11.1.2 or ASX Listing Rule 11.2.

### 4. Purposes for which Equity Securities may be issued

The Company may seek to issue the Equity Securities for the following purposes:

- i) Non-cash consideration for the acquisition new resources, assets or investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- ii) Cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued exploration and development expenditure on the Company's current assets and/or general working capital.

The Company will comply with disclosure obligations under Listing Rule 7.1A.4 and 3.10.5A upon issue of any Equity Securities under the 10% Additional Placement Capacity.

### 5. Allocation policy

The Company's allocation policy is dependent upon the prevailing market conditions at the time of any proposed issue pursuant to the 10% Additional Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to, but not limited to, the following factors:

- i) the methods of raising funds that are available to the Company, but not limited to, rights issues or other issues in which existing security holders can participate;
- ii) the effect of the issue in the Equity Securities on control of the Company;
- iii) the financial situation and solvency of the Company; and
- iv) advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Additional Placement Capacity have not been determined as at the date of this Notice, but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

### 6. Previously obtained approval under rule 7.1A

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at the 2015 AGM on 27 November 2015.

**Table 2** shows the total number of Equity Securities issued in the 12 months preceding the date of the Meeting and the percentage those issue represent of the total Equity Securities on issue at the commencement of that 12 month period.

**TABLE 2**

Equity Securities issued in the prior 12 month period	100,000,000 ordinary Shares
Percentage previous issues represent of total number of Equity Securities on issue at commencement of the 12 month period	37%

The Company provides the details of all issues of Equity Securities by the Company during the 12 months preceding the date of the Meeting in **Table 3** as required under Listing Rule 7.3A.6(b):

**TABLE 3**

Date of Appendix 3B, number and class of Equity Securities and summary of key terms	Names of persons who received securities or basis on which those persons was determined	Issue Price of Equity Securities and discount to market price <sup>1</sup> on the trading day prior to issue	If issued for cash – the total consideration, the amount of cash that has been spent, what it was spent on and the intended use of the remaining funds.  If issued for non-cash – a description of the consideration and the current value of the consideration.
28 Jun 2016 100,000,000 Shares <sup>2</sup>	Sophisticated, professional and institutional investors. No related party participation.	3.2 cents per Share. Discount of approx. 49% to the market price of 27 Jun 2016.	\$3,200,000 cash raised and expended entirely on detailed mine planning and preparation of a Program for Environmental Protection and Rehabilitation (PEPR), ongoing flake graphite metallurgy; product testing and pilot plant testing both in Australia and China of the Company's Kookaburra Gully graphite deposits, detailed design and engineering of a graphite processing plant for the Kookaburra Gully graphite project, undertaking market evaluation of and establishing international markets and customers for graphite products from Kookaburra Gully, completing a detailed feasibility study for Kookaburra Gully, ongoing exploration on the Company's other exploration licences, with particular emphasis on graphite and copper and working capital purposes.

1 The closing price on the trading platform, excluding special crossings, overnight sales and exchange traded option exercises.

2 Fully paid ordinary Shares.

**Board Recommendation:** The Directors recommend that Shareholders vote in favour of the approval of the 10% Additional Placement Capacity.

The Chairman of the Meeting intends to vote all undirected proxies in favour of the 10% Additional Placement Capacity.

## Glossary

In the Notice of Annual General Meeting and Explanatory Notes:

**10% Additional Placement Capacity** means the Shares which may be issued under Listing Rule 7.1A if approval is given.

**Annual Report** means the Annual Report of the Company for the year ended 30 June 2016.

**ASX** means ASX Limited (ABN 98 008 624 691).

**Board** means the board of directors of Lincoln.

**Closely Related Party** means, in relation to a member of the Key Management Personnel:

- a) a spouse or child of the member; or
- b) a child of the member's spouse; or
- c) a dependant of the member or of the member's spouse; or
- d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- e) a company the member controls; or
- f) a person prescribed by the Corporations Regulations 2001 (Cth).

**Constitution** means the constitution of the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Corporations Regulations** means the *Corporations Regulations 2001* (Cth).

**Director** means a director of the Company.

**Equity Securities** has the same meaning as in the Listing Rules.

**Key Management Personnel** has the same meaning as in the accounting standards as defined in section 9 of the Corporations Act (so the term broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director, whether executive or otherwise, of the Company) as disclosed in the Remuneration Report.

**Lincoln or the Company** means Lincoln Minerals Limited (ABN 50 050 117 023).

**Listing Rules** means the listing rules of ASX.

**Meeting** means the Annual General Meeting of Shareholders to be held at the offices of Grant Thornton at Level 1, 67 Greenhill Road, Wayville South Australia on Tuesday 8 November 2016 at 10:30 am (Adelaide time).

**Member or Shareholder** means a person registered as a holder of a Share.

**Notice** means this Notice of Annual General Meeting.

**Ordinary Resolution** means a resolution passed by more than 50% of the votes at a general meeting of Shareholders.

**Proxy Form** means the proxy appointment form accompanying the Notice.

**Remuneration Report** means the section of the directors' report of Lincoln that is included in the Annual Report.

**Resolution** means a resolution referred to in this Notice.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Placement Facility** means the issue of up to 200,000,000 Shares in the Company as detailed in this Notice.

**Special Resolution** means a resolution passed by more than 75% of the votes at a general meeting of Shareholders.

**Spill Resolution** means, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGM's, then the Members will be required to vote at the second of those AGM's on a resolution ("Spill resolution") that another meeting be held within 90 days at which all of the directors (except the Managing Director) must stand for re-election.

## Lodge your vote:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

### For all enquiries call:

(within Australia) 1300 365 998  
(outside Australia) +61 3 9415 4611

## Proxy Form

**XX**

For your vote to be effective it must be received by 10:30 am (Adelaide time) on Sunday 6 November 2016

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** →



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

- Review your securityholding
- Update your securityholding

**Your secure access information is:**

**SRN/HIN:**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Lincoln Minerals Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Lincoln Minerals Limited to be held at the **Offices of Grant Thornton, Level 1, 67 Greenhill Road, Wayville, South Australia on Tuesday, 8 November 2016 at 10:30 am (Adelaide time)** and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 1 & 5** (except where I/we have indicated a different voting intention below) even though **Items 1 & 5** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 1 & 5** by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

### ORDINARY BUSINESS

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Eddie Pang as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Mr James Zhang as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### SPECIAL BUSINESS

4 Share Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Increase in non-executive Directors' fee pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval for 10% Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /