

1 August 2007

The Manager  
ASX Announcements

Dear Sir,

**Joint Venture with Mineral Enterprises Limited – Gum Flat**

The Directors are pleased to announce that the Company has concluded a Heads of Agreement with Mineral Enterprises Limited of Bangalore, India in respect of a Joint Venture for the exploration of the Company's 100% owned EL3422 (Gum Flat) tenement near Port Lincoln on the southern Gawler Craton, South Australia.

The essence of the Agreement provides that Mineral Enterprises Limited ("MEL") will contribute \$500,000 of funding in respect of the initial drilling program at Gum Flat, targeting hematite iron ore.

Subject to rights to withdraw, MEL will then earn a 20% interest in the Gum Flat Project by contributing a further \$500,000 of exploration expenditure by 31 December 2008. Subject to rights to withdraw, MEL can earn an additional 20% in the Project by contributing a further \$1,500,000 of exploration expenditure by 31 December 2010.

In addition, MEL has agreed to subscribe on or before 15 August 2007 for 3,500,000 fully paid ordinary shares in Lincoln Minerals Limited at 30 cents per share to raise \$1,050,000. There is no commission payable in respect of this issue, and shareholder approval for this issue is not required in accordance with listing rule 7.1. The funds raised will be used for working capital and to extend the Company's exploration activities.

Mineral Enterprises Limited is a diverse Bangalore based corporation with interests in mining, power, infrastructure and bio-diesel. MEL has been extracting iron ore and manganese ore for over four decades and has substantial iron ore reserves in the Chitradurga and Turnkur Districts of southern India. For further information please refer to their website [www.mineralenterprises.org](http://www.mineralenterprises.org)

This is an exciting development for Lincoln Minerals and will enable the Company to maximise the iron ore potential of the Gum Flat Project for its investors.

Yours truly,



Dr A John Parker  
Managing Director



**LINCOLN MINERALS LIMITED**

ABN 50 050 117 023

28 Greenhill Road Wayville South Australia 5034 Australia  
Phone: **618 8274 0243** Facsimile: 618 8373 1496

Website: [www.lincolnminerals.com.au](http://www.lincolnminerals.com.au)

Email: [info@lincolnminerals.com.au](mailto:info@lincolnminerals.com.au)

