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New iron ore drilling program under way on Eyre Peninsula

Lincoln Minerals Limited (ASX Code: LML) is pleased to advise that the first drilling program has commenced on the Company's iron ore targets near Port Lincoln on southern Eyre Peninsula, South Australia.

The maiden drill program involves 10,000 metres of aircore and slim-hole reverse circulation (RC) drilling of hematite iron ore targets identified after processing and interpretation of a low-level high-resolution airborne magnetic survey on Lincoln Minerals' 100% owned Gum Flat Project.

The hematite targets are believed to be relatively shallow beneath 20-30m of calcareous sand and sandstone but overlie deeper magnetite-rich banded iron formations that are secondary iron ore targets.

The inaugural drilling program follows the announcement earlier this month of Lincoln Minerals' exploration and investment agreement with Indian metals and iron-ore mining group, Mineral Enterprises Limited. Under the Heads of Agreement, subject to certain conditions, Mineral Enterprises Limited will contribute up to \$2.5 million in exploration expenditure, earning up to 40% of the Gum Flat Iron Ore Project, and take up 3,500,000 fully paid ordinary shares in Lincoln Minerals at 30 cents per share, raising \$1,050,000.

"The aim of this first round of drilling is to test and prioritise the hematite targets at the Gum Flat Project," Lincoln Minerals' Managing Director, Dr John Parker, said today.

"Subject to the success of this drilling, the agreement with Mineral Enterprises will enable Lincoln Minerals to fast-track follow-up RC and diamond drilling over the next 12-18 months and hence maximise iron ore potential of the Gum Flat Project for its investors," he said.

Lincoln Minerals is a South Australian based iron ore, uranium and base metal exploration company with extensive tenement holdings on eastern Eyre Peninsula within the southern Gawler Craton. Eyre Peninsula is one of Australia's oldest iron ore mining districts and hematite iron ore has been mined continuously there for over 100 years.

In addition to the Gum Flat iron ore project, the Company will also drill gold, uranium and base metal targets in its Mount Hill, Cockabidnie and Wilcherry projects on central and northern Eyre Peninsula.

Further inquiries:

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Drilling at Gum Flat



Geologists Dwayne Povey and Damien Bachmann examine drill cuttings at Gum Flat with Managing Director Dr John Parker