

Monday, 15 October 2007

The Manager
ASX Announcements

Dear Sir,

Initial Drilling Results

Hematite iron intersections on southern Eyre Peninsula

Lincoln Minerals Limited (ASX Code: LML) is pleased to advise that the first aircore and slimline RC drilling program has been completed on the Company's Gum Flat iron ore project, EL 3422, near Port Lincoln on southern Eyre Peninsula, South Australia, and all assay results have been now received.

Highlights are:

- Hematite-rich banded iron formation containing intersections up to 52.6% Fe
- Large exploration target with at least 5 km strike length of high amplitude magnetic anomalies and associated folded iron formation
- Relatively shallow cover within 20km of existing infrastructure

Eight zones of significant iron (Fe) mineralisation have been defined within a sequence of folded Banded Iron Formation (BIF) and overlying locally pisolitic ferruginous sediments. These occur along a series of aeromagnetic anomalies with a cumulative strike length totaling ca. 30 km but including 5-6 km of high amplitude magnetic anomalies.

At the Rifle Range Prospect, there were several drill intersections averaging better than 30% Fe. GFAC033 intersected 33m of hematite BIF averaging 42.1% Fe from 18-51m including 18m @ 47.8% Fe from 24-42m. This was an angled hole so the true depth to the top of mineralisation, and hence thickness of cover sediments, is only 15-16m. GFAC060, 1.2 km along strike to the south, intersected similar hematite mineralisation including 6m @ 52.6% Fe from 30-36m. The average depth of drilling was 50-60m.

The locations and details of significant intersections with >30% Fe are shown below in Table 1 and Figure 1.

Although no high grade DSO hematite (direct shipping ore) was identified during the inaugural drilling program, the Company and its joint venture partner, Mineral Enterprises Limited of India, are very encouraged by the relatively shallow high grade BIF occurrences in an area that has never previously been drilled for iron ore yet is within 20km of established infrastructure and port facilities. Subject to certain conditions, Mineral Enterprises Limited will contribute up to \$2.5 million in exploration expenditure to earn up to 40% of the Gum Flat Project. Detailed gravity surveys along with deeper RC and diamond drilling will be undertaken over the next few months.

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 has also recently drilled uranium, gold and base metal targets in its Mount Hill and Cockabidnie projects on central Eyre Peninsula but no assay results are yet available.

Further inquiries:

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Information in this report that relates to exploration activity was compiled by Dr A J Parker PhD, M AIG who is a Competent Person as defined by the JORC code.

Table 1: Aircore and slimline RC drilling results, Gum Flat (MGA Zone 53 map grid)

HoleID	Easting	Northing	Dip	Azim	From	To	Interval	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	LOI
GFAC007	569515	6158444	-60	090	50	60	10	31.78	33.25	7.20	0.21	6.31
GFAC013	566103	6158148	-60	090	54	63	9	30.97	16.12	4.96	0.06	17.63
<i>including</i>					58	63	5	38.18	13.74	4.29	0.06	19.97
GFAC020	566300	6159309	-60	090	38	42	4	44.10	18.78	3.67	0.11	8.70
GFAC030	567034	6163433	-60	150	19	24	5	31.62	38.56	5.37	0.11	8.31
GFAC032	567004	6163530	-60	150	21	28	7	32.77	27.13	2.41	0.18	8.03
GFAC033	566878	6161020	-60	175	18	51	33	42.11	26.88	4.51	0.24	6.39
<i>including</i>					24	42	18	47.83	19.31	3.05	0.29	7.22
GFAC034	566869	6161064	-60	175	22	34	12	31.33	37.97	2.81	0.13	6.96
GFAC044	567306	6159900	-60	090	22	44	22	31.71	27.05	9.27	0.29	10.20
<i>including</i>					28	36	8	39.78	24.68	6.65	0.33	9.79
GFAC045	567256	6159898	-60	090	32	56	24	32.30	26.72	7.60	0.24	10.24
<i>including</i>					50	54	4	44.95	14.85	5.16	0.29	11.10
GFAC046	567155	6159903	-60	090	32	80	48	30.08	24.30	3.57	0.13	11.79
<i>including</i>					48	58	10	42.36	15.45	3.81	0.17	9.83
GFAC059	566451	6159898	-60	090	24	38	14	30.80	30.75	9.24	0.24	10.10
GFAC060	566407	6159902	-60	090	30	44	14	37.13	26.64	7.62	0.24	7.19
<i>including</i>					30	36	6	52.60	11.48	2.82	0.34	7.21
GFAC080	570453	6156014	-60	090	28	44	16	25.60	43.70	5.71	0.16	8.41
<i>including</i>					28	36	8	30.55	40.65	4.73	0.18	7.37

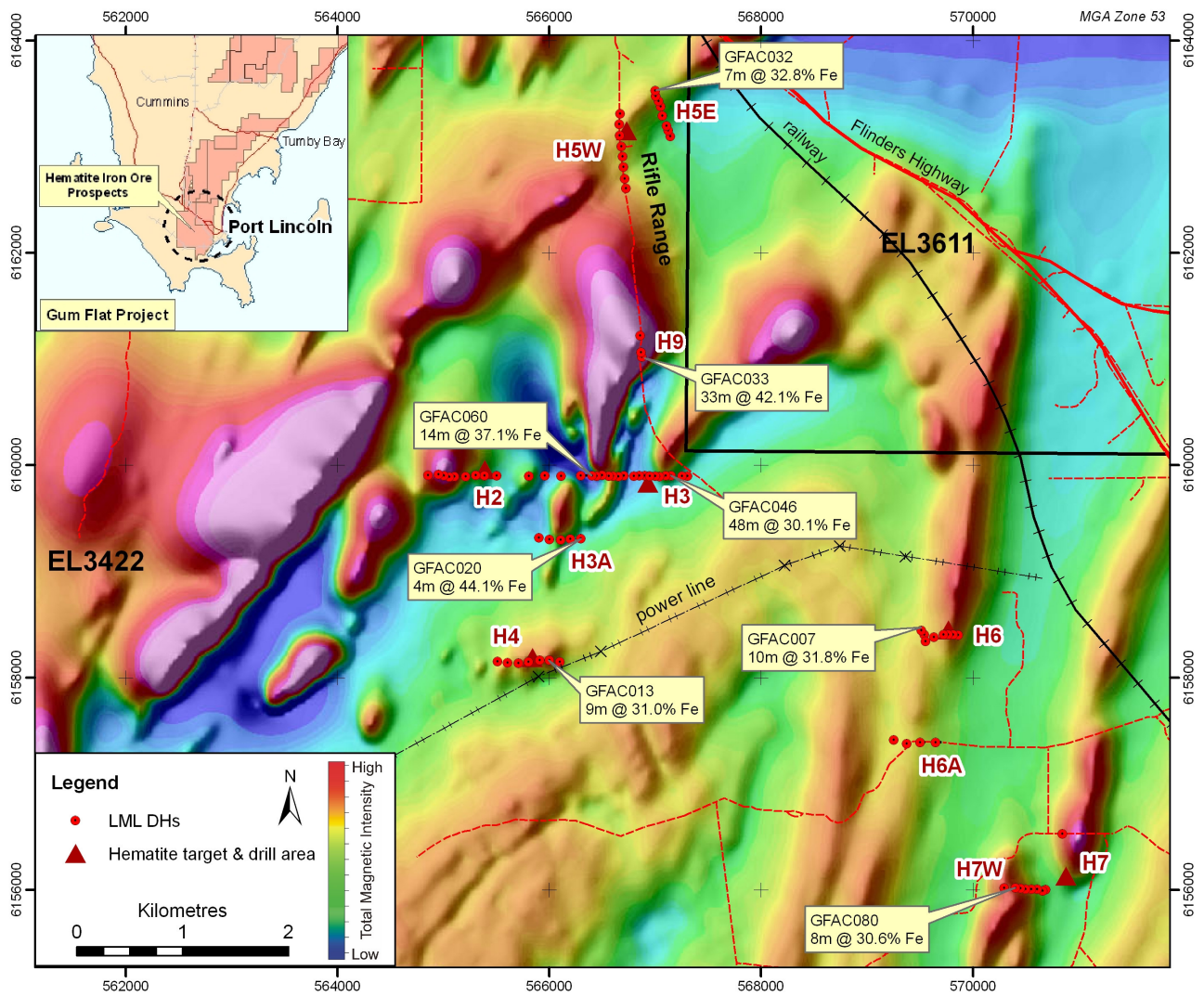


Figure 1: Summary map of Lincoln Minerals' drilling results, Gum Flat Project