



LINCOLN MINERALS LIMITED

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Quarterly Activities Report – October 2007

Board and Management

Richard V. Ryan AO	Chairman (Non-Executive)
Dr A John Parker	Managing Director
Peter E Cox	Director (Non-Executive) and Company Secretary
Robert A. Althoff	Director (Non-Executive)

Shareholder Structure

Shares on issue at 30 September 2007	75,172,221
Options outstanding at 30 September 2007	
Exercisable at 20 cents, expiring 31 December 2008	4,353,332
Exercisable at 30 cents, expiring 30 June 2010	35,776,854
Exercisable at 20 cents, expiring 31 December 2011	4,750,000
Total Options	44,880,186

Information in this report that relates to exploration activity and results was compiled by Dr A J Parker who is a Member of the Australasian Institute of Geoscientists. Dr Parker is Managing Director of Lincoln Minerals Limited and 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, 2004. Dr Parker consents to the release of the information compiled in this report in the form and context in which it appears.

HIGHLIGHTS

- Inaugural Gum Flat drilling program completed. Highlights include:
 - Eight zones of iron (Fe) mineralisation;
 - Hematite-rich banded iron formation (BIF) containing up to 52.6% Fe;
 - Large exploration target with at least 5 km strike length of high amplitude magnetic anomalies and associated folded BIF;
 - Relatively shallow cover within 20km of existing infrastructure.
- Heads of Agreement signed with diversified Indian iron ore and metals miner, Mineral Enterprises Limited to form a Joint Venture on the Gum Flat Project.
- Drilling completed on 8 October at Cockabidnie for a total of 3,396m (45 DHs).

CORPORATE

Exploration Licences (ELs) were granted for one year for EL3883 (Strawberry Hill), EL3884 (Campoonna) and EL3885 (Dutton River) and renewed for 3 years on EL3422 (Gum Flat).

An ELA was lodged for a 199 sq km area around Moseley Nobs immediately north of Kimba on north-central Eyre Peninsula (Figure 2). The application has been accepted as ELA 527/07. The area is prospective for base metals, gold and uranium.

Patrick Lyons, formerly Senior research scientist, *Geodynamics and Predictive Metallogenesis, Proterozoic Synthesis*, Geoscience Australia has recently joined the LML team. His knowledge and expertise in tectonics, structural geology and mineral systems within Australian Proterozoic terranes, particularly the Gawler Craton, will be a valuable asset to LML.

In August 2007, the Company concluded a Heads of Agreement with Mineral Enterprises Limited ("MEL") of Bangalore, India in respect of a Joint Venture for the exploration of EL3422 (Gum Flat). Under the Agreement:

- MEL will contribute \$500,000 for the initial drilling and associated exploration programs targeting hematite iron ore.
- Subject to rights to withdraw, MEL will 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.
- MEL subscribed for 3,500,000 fully paid ordinary shares in Lincoln Minerals Limited ("LML") at 30 cents per share to raise \$1,050,000.

Further details are contained in the Company Annual Report and previous announcements.



Figure 1: Mineral Enterprises Limited iron ore mining operations near Bangalore, India

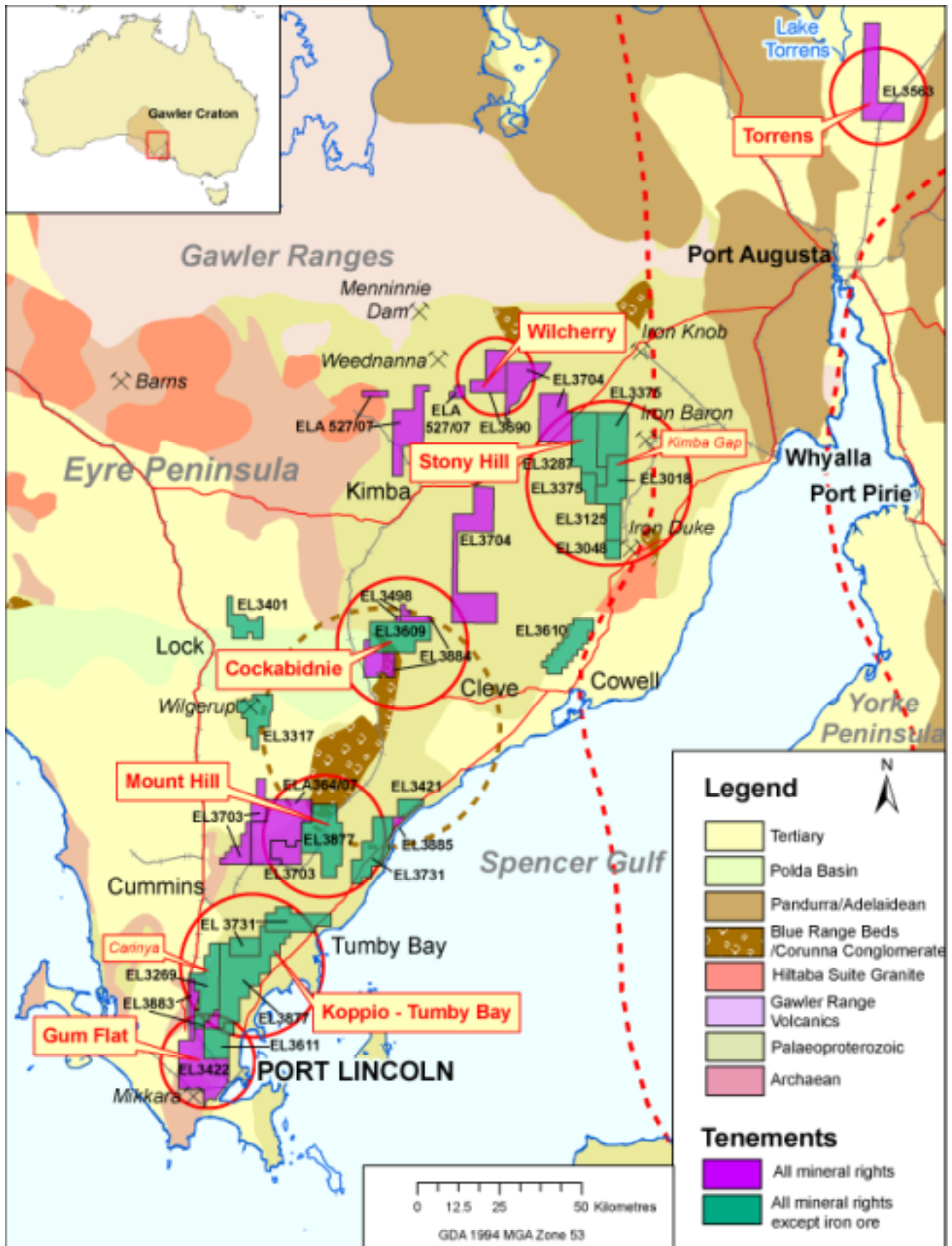


Figure 2: Location of Lincoln Minerals' tenements and project areas

EXPLORATION PROGRESS DURING THE QUARTER

Gum Flat Project – EL 3422

(LML has exclusive rights to all minerals subject to MEL farmout)

The Gum Flat Project is located on southern Eyre Peninsula within 20km of Port Lincoln and is prospective for both magnetite and hematite iron ore plus a large range of polymetallic minerals including gold, uranium, base metals (copper, lead, zinc, nickel) and graphite.

Extending west from Port Lincoln with two railway lines (one now disused) and a major highway running through the area, EL3422 is ideally located with respect to infrastructure and proximity to a major shipping port. Transport costs from mine to port could be potentially the lowest for any iron ore deposit in Australia.

The Company's primary exploration targets in the Gum Flat Project are:

- Shallow, high grade direct shipping (DSO) hematite iron ore deposits >10 Mt;
- Shallow, high grade Tertiary channel iron deposits (CIDs); and
- Large (>100 Mt) banded magnetite (\pm hematite) iron ore deposits.

LML's inaugural aircore and slimline RC drilling program at Gum Flat was completed during the quarter, and all assay results have been now received. The program targeted several shallow hematite targets rather than the more extensive and deeper magnetite mineralisation.

Eight zones of significant iron (Fe) mineralisation were defined within a sequence of folded banded iron formation (BIF) and overlying Tertiary pisolitic ferruginous sediments.

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
including					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
including					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
including					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
including					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
including					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
including					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
including					28	36	8	30.55	40.65	4.73	0.18	7.37

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 in Table 1 and Figures 3 and 4.

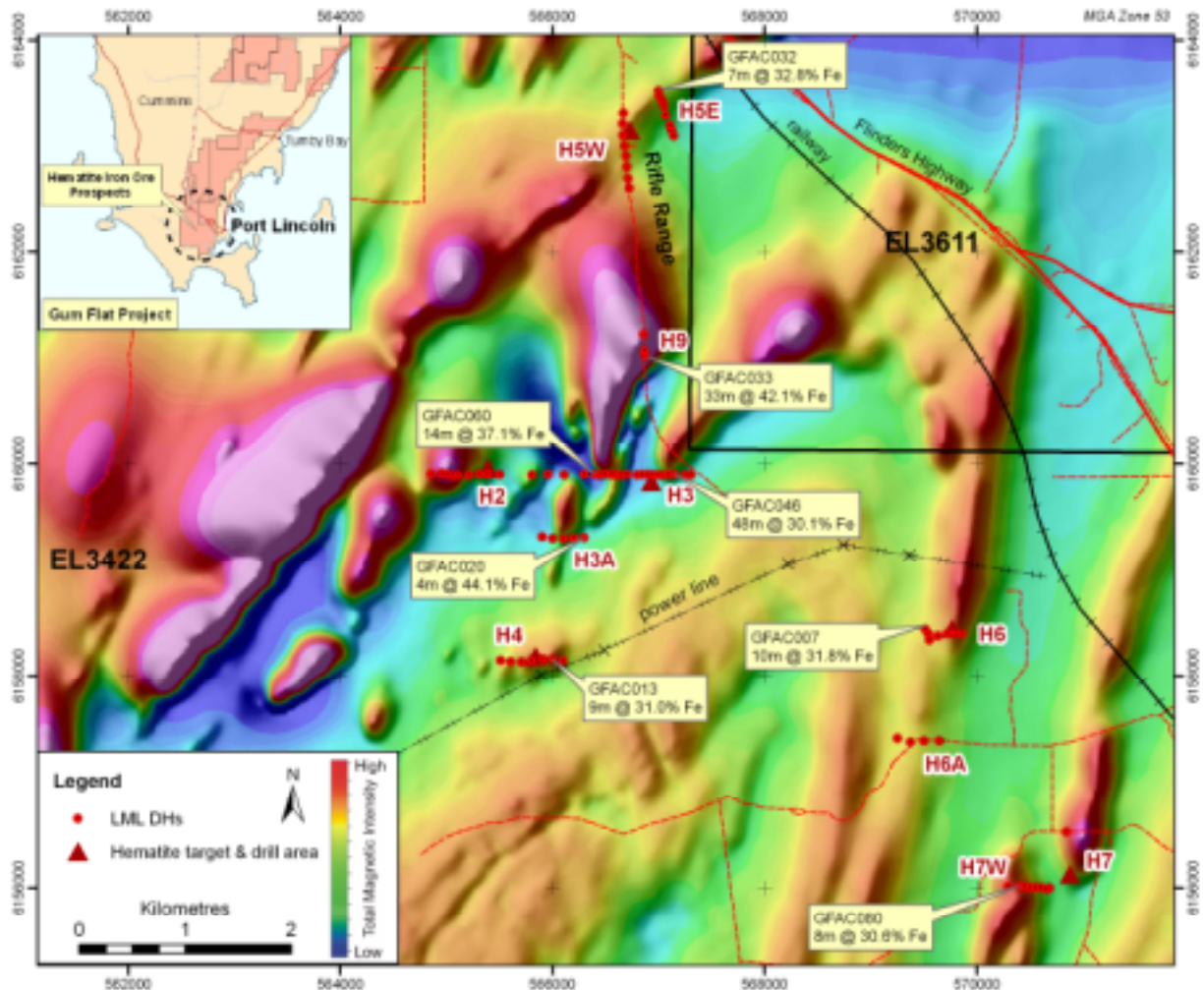


Figure 3: Summary map of Lincoln Minerals' drilling results, Gum Flat Project

Although no high grade DSO hematite was identified during the drilling program, the Company is very encouraged by the relatively shallow high grade BIF occurrences up to 56.6% Fe (GFAC060 34-36m) in an area that has never previously been drilled for iron ore yet is within 20km of established infrastructure and port facilities. The presence of high grade BIF with >55% Fe indicates that there is potential for DSO in the Gum Flat area and LML will actively continue exploration for this style of mineralisation in conjunction with evaluation of the magnetite/hematite BIF mineralisation.

Magnetic modelling of aeromagnetic data at Rifle Range (the magnetic body connecting drillholes GFAC033 and GFAC060) defines a shallow magnetite BIF unit about 60m thick dipping 80° east (Figure 4). A northeast plunging syncline is interpreted between GFAC060 and GFAC046 where the magnetite unit is shallowly west dipping.

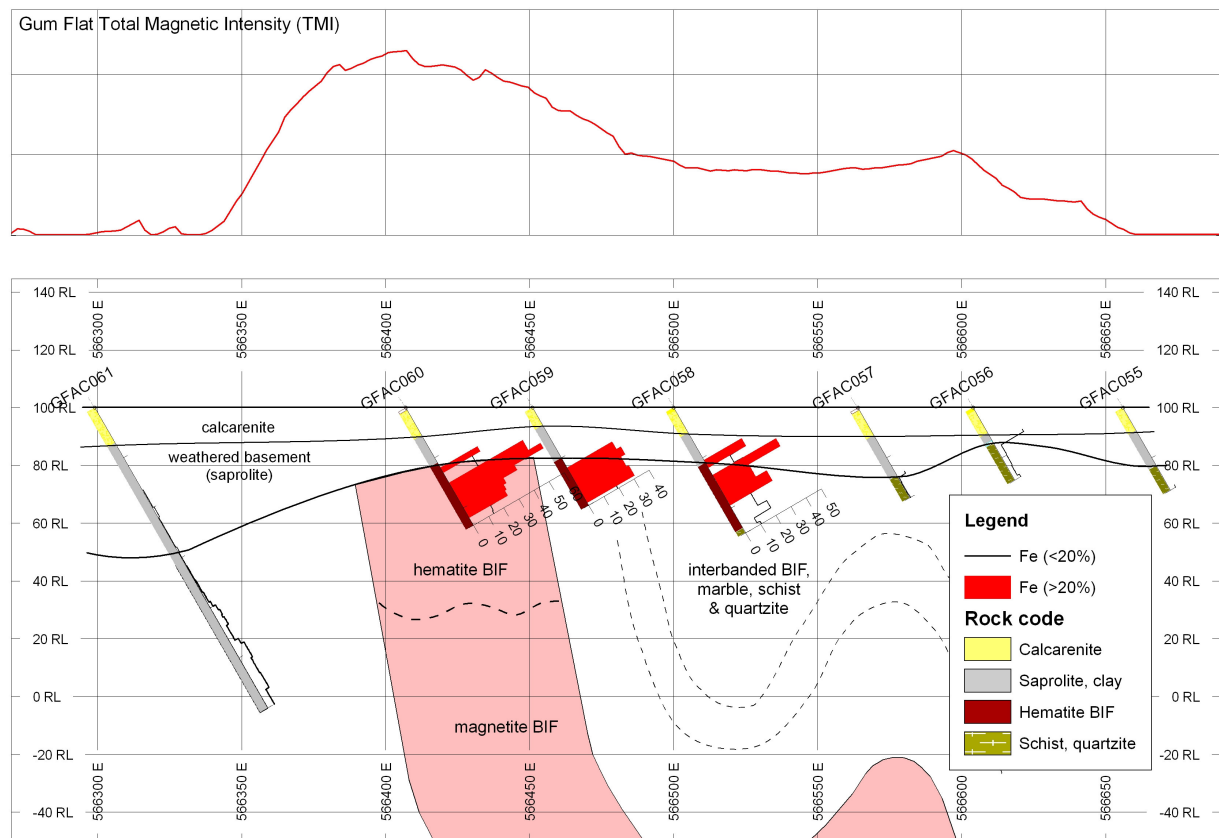


Figure 4: Interpreted geological section through drillholes GFAC055 to GFAC061, Gum Flat Project

The aggregate length of interpreted BIF in EL3422 based on aeromagnetic data is about 30km. However, the cumulative length of high intensity aeromagnetic anomalies in the Rifle Range area is ca. 5-6 km and it outlines an exploration target for magnetite (and lesser hematite) BIF iron ore that could be more than 250 Mt at grades of 30-50% Fe (based on an average thickness of 45-75m, down dip extent of 200m and SG of 3.4).

The observed Fe grades and exploration target at Rifle Range are consistent with or better than the Greenpatch iron ore deposit (ca. 5km northeast of Rifle Range) where hematite BIF (33.7-38.6% Fe) overlies magnetite BIF ore (Centrex Metals Limited prospectus, 2006). The vertical depth of hematite oxidation at Greenpatch extends down to ca. 25-55m below the surface. Previous work at the Centrex Metals' Greenpatch deposit has demonstrated that a high grade magnetite concentrate (69% Fe, <0.01% P_2O_5 , 0.25% Al_2O_3 , 2.7% SiO_2) can be readily produced from the magnetite BIF.

LML believes that, in conjunction with a magnetite operation, a high grade hematite concentrate with Fe >65% and low P, Al_2O_3 and SiO_2 may be able to be produced by beneficiation of hematite BIF. The cost of beneficiation would be counter balanced at least in part by the very low mine-port transport costs. LML has now commenced a scoping study to determine the feasibility and potential cost of hematite beneficiation either as a standalone operation or in conjunction with a magnetite operation.

Detailed gravity surveys along with deeper RC and diamond drilling will be undertaken over priority hematite and magnetite targets at Gum Flat during the next few months.

In addition to iron ore, BIF horizons and associated carbonate and calcsilicate rock units of the Hutchison Group are host to numerous base metal or graphite occurrences and old mines throughout eastern Eyre Peninsula. Weakly anomalous zinc, lead, copper and gold were present

in several drillholes including 0.3% Zn in GFAC013 (62-63m) and GFAC030 (16-17m), 0.15% Cu in GFAC020 (38-40m) and 0.13g/t Au in GFAC013 (63-64m).

Cockabidnie Project – ELs 3498, 3609 and 3884

(LML has exclusive rights to all minerals except iron on ELs 3498 and 3609 and exclusive rights to all minerals on EL 3884)

The Cockabidnie Project is located on central Eyre Peninsula and is prospective for a large range of polymetallic minerals including gold, unconformity uranium and base metals (copper, lead, zinc, nickel).

Regional and local infill surface geochemical soil, calcrete and rock chip samples were collected across most of the northern half of the Cockabidnie project to locate priority targets for drilling in the September quarter 2007.

Calcrete assays up to 154ppb Au and 730ppm Pb + Zn were identified along the western limb of the Campoona Syncline and have extended the zone of interest. Previous drilling of this zone has comprised numerous shallow RAB holes down to ca. 10m combined with a few widely spaced deeper RC and diamond drillholes (Figure 5). The latter intersected intervals up to 6.1m @ 0.51%Pb & 18.3m @ 0.21%Zn (CRAE 77CW1) and 5m @ 1.14% Zn & 0.11%Pb (WMC SJPD44).

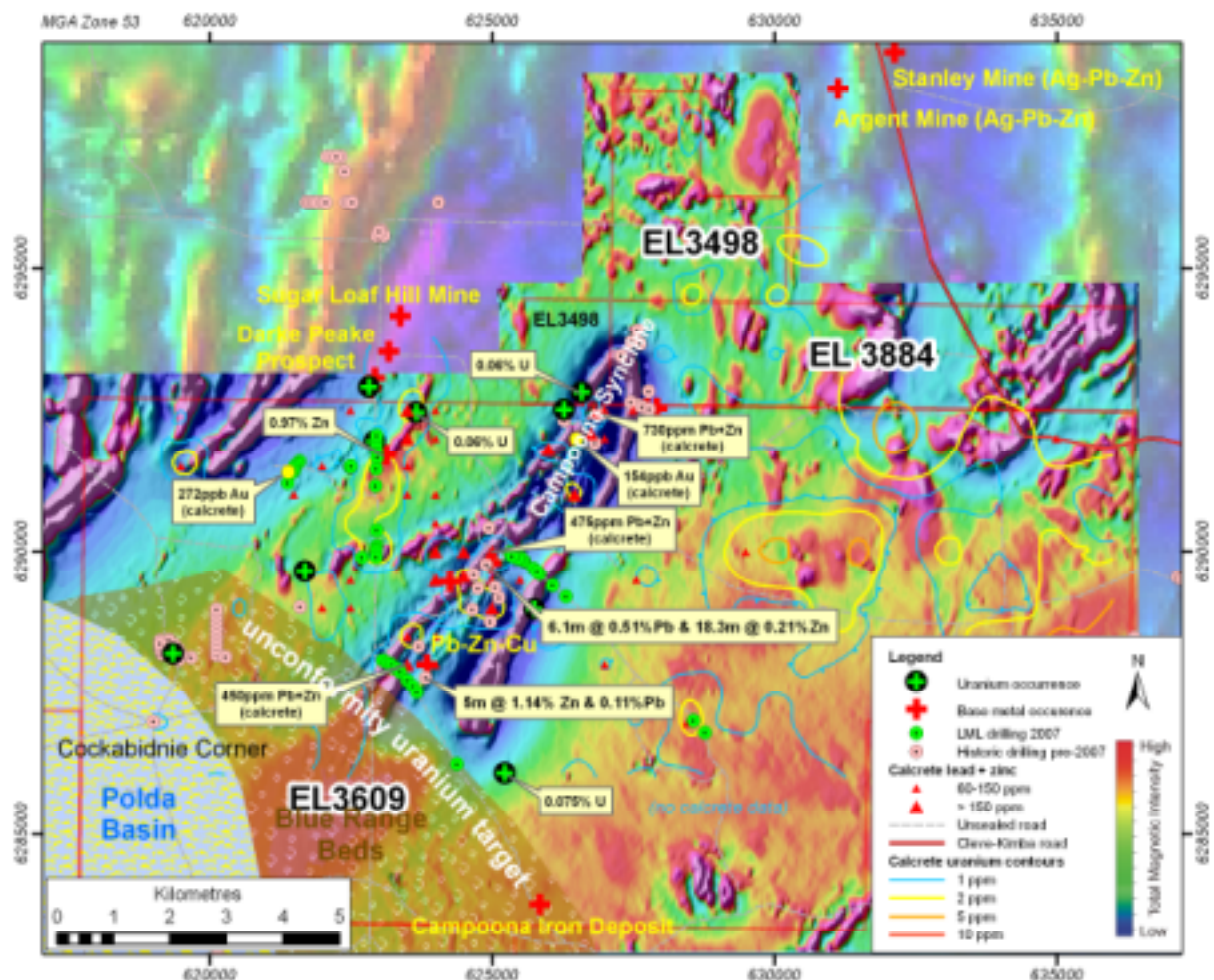


Figure 5: Summary map of anomalous calcrete, soil and rock chip samples, previous drilling and recent LML drilling, Cockabidnie Project

South west of the Sugarloaf Hill Mine and Darke Peak Prospect calcrete assays up to 272ppb Au define a 600m long calcrete gold anomaly (>10ppb Au) open to the south west.

Aboriginal heritage surveys were undertaken over selected drilling targets and drilling commenced early September. The first phase of drilling was completed on 8 October 2007. 45 aircore and slimline RC drillholes were drilled for a total of 3,396m. Selected intervals have been sampled and submitted for assay. No results have yet been received.

Mount Hill Project – ELs 3703, part 3731, part 3877 and 3885 and ELA 364/07

(LML has exclusive rights to all minerals except iron on ELs 3877 and 3731 and exclusive rights to all minerals on ELs 3703 and 3885 and ELA 364/07)

The base of the Blue Range Beds and immediately underlying Hutchison Group metamorphic basement are the targets for unconformity-style uranium mineralisation in this project area. Previous exploration by Pancontinental Mining in 1979-82 identified uranium anomalism up to 260ppm U (in silicified Katunga Dolomite/ironstone) with associated thorium, lead and nickel. Drilling was recommended but never undertaken.

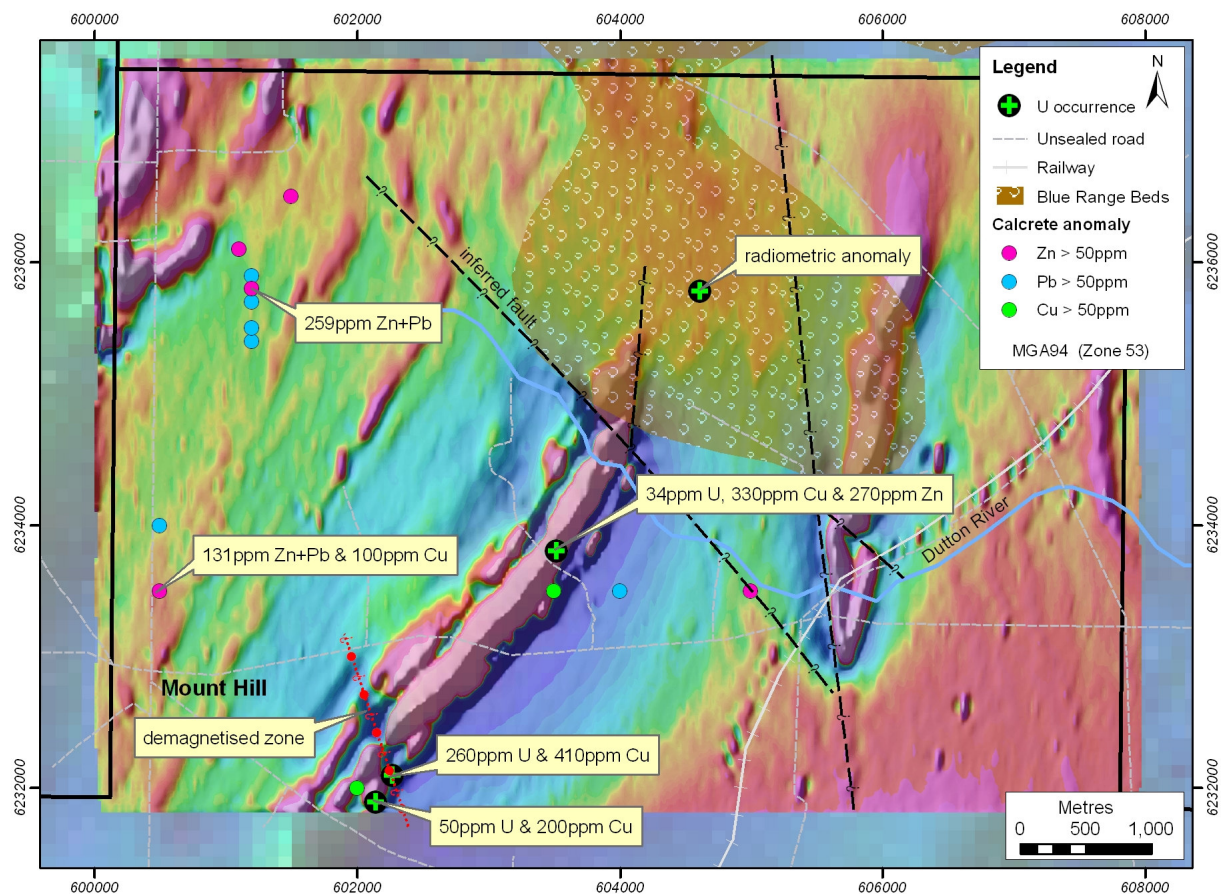


Figure 6: Anomalous calcrete, soil and rock chip samples, Mount Hill Project

There is significant potential for base metals, gold and uranium in basement marble, calcsilicate gneiss and BIF below the unconformity and for uranium in palaeodrainage channels associated with the Dutton River particularly on EL 3885.

Processing, enhancement and interpretation of a low-level (50m above ground level), close-spaced (100m) aerial magnetic and radiometric survey flown for LML in February 2007 was undertaken.

during the quarter. Both the aeromagnetic and radiometric data define significant basement structures and areas of interest that were not previously evident (Figure 6).

Regional and infill calcrete sampling within the northern Mount Hill area has identified separate zones of elevated gold and base metals with assays up to 99ppb Au, 259ppm Pb + Zn and 100ppm Cu.

Aboriginal heritage clearances were obtained in readiness for drill testing the Mount Hill uranium, base metal and gold targets and drilling commenced in early October.

Planning is well advanced for regional calcrete sampling on EL 3703.

Wilcherry Project – ELs 3690 and part 3704 and ELA 527/07

(LML has exclusive rights to all minerals)

The Wilcherry Project is along strike from the Weednanna gold-magnetite and Menninnie Dam zinc-lead-silver deposits to the northwest and has potential for gold and/or base metal mineralisation maybe with associated hydrothermal iron oxide and/or sericite alteration.

Detailed regional and infill calcrete sampling by LML has identified significant calcrete gold anomalies up to 181ppb Au in the Jungle Dam area.

The calcrete gold anomalism occurs in a 3.5km long area of relatively low -magnetic response between two strong aeromagnetic anomalies. It is immediately along strike from the Telephone Dam prospect and is a high priority Menninnie Dam zinc-lead-silver and Weednanna-style gold target.

An Aboriginal heritage survey was completed over the Jungle Dam area during the quarter and aircore combined with slim hole RC drilling began in mid October 2007.

Calcrete sampling has been planned for EL 3704 and will commence during the next quarter.

Carinya-Koppio-Tumby Bay Project – ELs 3269, 3611, part 3731, part 3877 and 3883

(LML has exclusive rights to all minerals except iron on ELs 3269, 3611, 3731 and 3877 and exclusive rights to all minerals on EL 3883)

The Carinya-Koppio-Tumby Bay project on southern Eyre Peninsula is prospective for uranium, gold, base metals, iron ore, graphite and various other minerals. It contains sporadic outcrops of Hutchison Group quartzite, marble, calcsilicate gneiss, BIF, garnet gneiss and amphibolite. Outcrop is more extensive in the east but much of the region is capped by intense Tertiary weathering and lateritic ferricrete that mask basement lithologies.

A drilling program was scheduled over an 800m long uranium-only anomaly at Carinya but this was postponed due to restricted access. It is now scheduled for early next year after 2007 crops have been harvested.

Stony Hill Project – ELs 3018 (ELA 453/07), 3048, 3125, 3287, 3375 and part 3704

(LML has exclusive rights to all minerals except iron)

The Stony Hill project is located in northeastern Eyre Peninsula, immediately west of the Middleback Ranges within the Middleback Subdomain. It contains scattered banded iron formation (BIF), marble and calcsilicate gneiss similar to the Menninnie Dam lead-zinc-silver deposit surrounded by Lincoln Complex granite gneiss. BIF, marble and gneiss are overlain by extensive sand and sandy clay with local playa lakes.

Granite gneiss in the region is locally uraniferous with numerous mylonitic shear zones similar to southern Eyre Peninsula. There is potential for uranium mineralisation within the granite gneiss, particularly within shear zones, and in palaeodrainage channels that drain from the gneisses.

Processing and enhancement of aeromagnetic and radiometric data acquired in February 2007 identified several uranium and uranium/thorium anomalies, the best being on the margins of salt lakes west of Kimba Gap.

Surface calcrete and soil sampling is planned for the area surrounding the Kimba Gap radiometric anomaly (EL 3018) and in the western Lake Gilles area (EL 3704) during the next quarter.

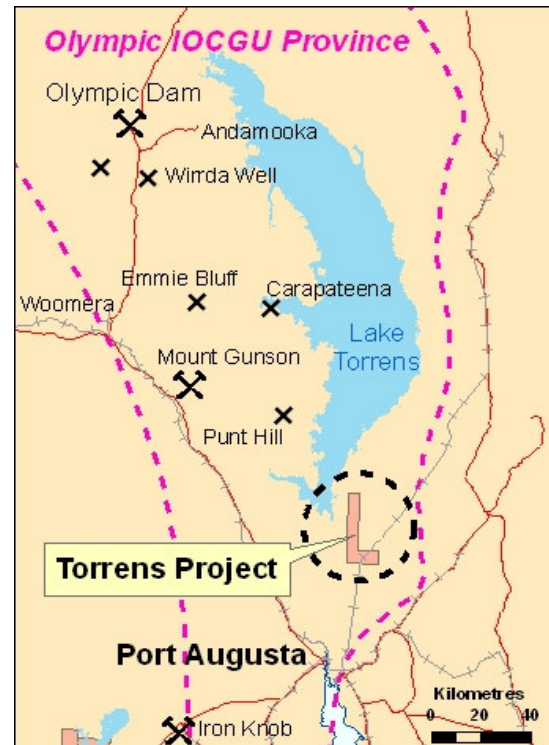
Torrens Project – EL 3563

(LML has exclusive rights to all minerals)

The Torrens Project (EL 3563) is located on the margin of Lake Torrens southeast of Carapateena and Punt Hill in a similar structural position along a major NNW-trending lineament within the Olympic Iron Oxide Copper Gold Uranium Province.

Although the Torrens Project is east of the Torrens Hinge Zone in an area where depths to Mesoproterozoic basement have traditionally been believed to be >1,000m, previous investigations interpreted a narrow, NNW-trending anomaly on regional aeromagnetic data as a possible uplifted basement structure, the “Yadlamalka Horst”. Depths to magnetic units along the lineament may be as shallow as 200m.

Patrick Lyons will coordinate the exploration program on the Torrens Project in conjunction with other senior staff. He has considerable experience in integrating geological, geophysical, geochemical, and geochronological data and results to produce 3D crustal architecture models within the Olympic Cu-Au-U Province.



A detailed gravity survey has been planned over the Yadlamalka Horst and is scheduled for the December quarter 2007.

FINANCE

As at 30 September 2007 the Company had \$6.9 million cash.

Cash expenditure on exploration activities by the Company during the September 2007 quarter was \$385k.

A handwritten signature in blue ink, appearing to read 'John Parker'.

Dr A. John Parker – Managing Director

Dated:

Enquiries should be directed to John Parker, Managing Director

Ph (08) 8274 0243 or email: info@lincolnminerals.com.au