

31 December 2007

The Manager
ASX Announcements

Dear Sir,

**Joint Venture with Mineral Enterprises Limited and Mineral Enterprises Australia Pty Ltd
Gum Flat Iron Ore Project**

The Directors are pleased to announce that Lincoln Minerals Limited ("LML") has concluded a Joint Venture Agreement with Mineral Enterprises Limited ("MEL") of Bangalore, India and Mineral Enterprises Australia Pty Ltd ("ME Australia"), in respect of LML's 100% owned EL3422 (Gum Flat) tenement near Port Lincoln on the southern Gawler Craton, South Australia. This follows a Heads of Agreement signed between MEL and LML in August 2007.

ME Australia has contributed \$500,000 of funding in respect of the initial drilling programs at Gum Flat to reach the first "minimum expenditure" milestone. This was achieved following completion of a diamond core drilling program in December 2007.

The essence of the JV Agreement provides that, subject to rights to withdraw, ME Australia 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, ME Australia can earn an additional 20% in the Project by contributing a further \$1,500,000 of exploration expenditure by 31 December 2010.

MEL will act as guarantor to the project. In August 2007, MEL subscribed for 3,500,000 fully paid ordinary shares in LML at 30 cents per share to raise \$1,050,000.

ME Australia is a subsidiary of MEL, 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

This is an exciting development for Lincoln Minerals and will enable the Company to continue to maximise the iron ore potential of the Gum Flat Project for its investors. Drilling since August 2007 has confirmed that there is hematite banded iron formation (BIF) grading up to 56.6% Fe overlying significant intervals of coarse grained magnetite BIF. As previously advised, the conceptual magnetite BIF exploration target** at Gum Flat is in excess of 250 Mt within 20km of the port of Port Lincoln.

Yours truly,



Dr John Parker
Managing Director, Lincoln Minerals Limited
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Magnetite BIF at Gum Flat (GFDH004)

** Since there is insufficient exploration drilling in the immediate area to define a Mineral Resource, the exploration target tonnage estimates given are conceptual in nature. Therefore, it is uncertain if further exploration will result in the estimation of a Mineral Resource.

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.

