



**LINCOLN MINERALS LIMITED**

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The Manager  
ASX Announcements

Dear Sir,

**Update  
Gum Flat Iron Ore Project**

Lincoln Minerals Limited ("LML") is pleased to announce that it has signed an agreement with ProMet Engineers Pty Ltd, Perth WA, to undertake metallurgical testwork and a Scoping Study on the processing and beneficiation of massive and banded hematite iron formation (BIF) from LML's Gum Flat Iron Ore Project near Port Lincoln, South Australia.

This Scoping Study will be completed in two stages:

- Stage 1 – Undertake test work designed to develop a better understanding of the material and the potential of beneficiating and/or upgrading the hematite iron ore deposits;
- Stage 2 – Generate a conceptual process flowsheet, plant layout, capital costs and operating costs of processing and beneficiating hematite BIF from Gum Flat.

The study will commence immediately and be completed in the second quarter 2008 concurrently with the next phase of drilling.

ProMet has extensive recent experience in the development of iron ore processing projects including detailed engineering and construction engineering assistance for OneSteel's new Project Magnet magnetite concentrator and a Bankable Feasibility Study for the process plant facilities of Gindalbie Metals' hematite and magnetite projects.

Drilling by LML has identified hematite BIF grading up to 56.6% Fe overlying coarse grained magnetite BIF at Gum Flat. As previously advised, the conceptual magnetite (+ hematite) 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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\*\* 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.*