

Lincoln Minerals Limited

ABN 50 050 117 023

Prospectus

For a partially underwritten non-renounceable rights issue of New Shares and New Options to Entitled Shareholders on the basis of 1 New Share together with 1 free New Option for every 4 Shares held as at a Record Date of 7.00pm Sydney time on 27 May 2008.

The issue will raise up to \$4,886,194 before costs.

Each New Option will give the holder the right to subscribe for 1 Share at an exercise price of 30c each on or before 30 June 2010.

The Company will apply to ASX for Official Quotation of the New Shares and New Options.

**Underwriter to the issue:
Ferromet International Trading Pte Limited**

SHAREHOLDERS PARTICIPATING IN THE OFFER ARE REQUIRED TO COMPLETE
THE ENTITLEMENT AND ACCEPTANCE FORM WHICH ACCOMPANIES THIS
PROSPECTUS

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the New Shares and New Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional advisor.

The New Shares and New Options offered by this Prospectus should be considered speculative.

TABLE OF CONTENTS

1. DETAILS OF THE OFFER	6
1.1 The Offer	6
1.2 Existing Options	6
1.3 Minimum subscription	7
1.4 Underwriting	7
1.5 Purpose of the Issue	8
1.6 The Offer Period.....	8
1.7 Acceptance	8
1.8 Applying for New Shares and New Options	8
1.9 ASX Quotation	9
1.10 Overseas Shareholders	10
1.11 Taxation Implications	10
1.12 Financial forecasts	10
1.13 Privacy	10
1.14 Enquiries	11
2. ABOUT THE COMPANY	11
2.1 Background	11
3. CURRENT OPERATIONS	12
3.1 Gum Flat	12
3.2 Cummins and Wanilla	14
3.3 Cockabidnie	15
3.4 Mount Hill	16
3.5 Wilcherry	16
3.6 Koppio-Tumby Bay.....	17
3.7 Stony Hill	17
3.8 Torrens Project.....	18
3.9 Wanilla Joint Venture	18
4. EFFECT OF THE OFFER ON THE COMPANY	20
4.1 Capital Structure of the Company	20
4.2 Effect on immediate Financial Position	21
4.3 Use of Funds.....	24
5. COMPANY OVERVIEW	24
5.1 Overview and Reference to 2007 Annual Report.....	24
6. TERMS AND CONDITIONS OF NEW OPTIONS	26
7. RIGHTS ATTACHING TO NEW SHARES AND SHARES ISSUED UPON CONVERSION OF NEW OPTIONS	27
8. RISKS.....	29

9. ADDITIONAL INFORMATION	31
9.1 Nature of the Prospectus	31
9.2 Further Documents	31
9.3 Market Price of Ordinary Shares and Listed Options	31
9.4 Legal Proceedings	32
9.5 Interests of Directors and Experts	32
9.6 Expenses of the Offer	32
9.7 Terms and conditions of Existing Options	32
9.8 Material Contracts	33
9.8.1 Underwriting Agreement	33
9.8.2 Heads of Agreement and Supplementary Agreement	34
9.8.3 Gum Flat Exploration Farm-in and Joint Venture Agreement	34
9.8.4 Gum Flat Exploration and Farm-in Joint Venture Supplementary Agreement	35
9.8.5 Wanilla Joint Venture Agreement	35
9.8.6 Wanilla LML/MEA Joint Venture Heads of Agreement	36
9.9 Tenement Schedule	36
9.10 Interests and Consents of Advisers	37
10. AUTHORITY OF DIRECTORS	37
11. DEFINITIONS	38

IMPORTANT DATES

Prospectus lodged with ASX, and Appendix 3B lodged with ASX	19 May 2008
Shares quoted ex-rights	21 May 2008
Record date for determining Entitlements	27 May 2008
Despatch date of Prospectus and Entitlement and Acceptance forms	2 June 2008
Closing date for acceptances	20 June 2008
New Shares and New Options quoted on ASX on a deferred settlement basis	23 June 2008
Company to notify ASX of undersubscriptions (if any)	24 June 2008
Allotment date	26 June 2008
Trading commences for New Shares and New Options on ASX	27 June 2008
Despatch holding statements	1 July 2008

These indicative dates are determined based on the current expectations of the Directors and may, subject to the Listing Rules, be changed without notice. Subject to the Underwriting Agreement, the Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such, the date the New Shares and New Options are expected to commence trading on ASX may vary.

The Underwriter reserves the right to place any of the Shortfall (to the extent permitted by the Underwriting Agreement) up to 13 Business Days after the Closing Date, and the offer under this Prospectus for the Shortfall remains open until this date (unless the Directors resolve to close the offer earlier).

CORPORATE DIRECTORY

Directors

Richard V Ryan AO, Chairman
Dr A John Parker, Managing Director
Peter E Cox
Robert A Althoff

Secretary

Peter E Cox

Registered and Principal Office

28 Greenhill Road
Wayville, South Australia 5034

Phone +61 8 8274 0243
Facsimile +61 8 8274 0242

Email info@lincolnminerals.com.au
Website www.lincolnminerals.com.au

Share Registry

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
Adelaide, South Australia 5000

GPO Box 2987
Adelaide, South Australia 5001

Enquiries:
Within Australia 1300 556 161
Outside Australia +61 8 8236 2300

Computershare Investor Services Pty Ltd has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.

Solicitor

Hunt & Hunt Lawyers
12th Floor, 26 Flinders Street
Adelaide, South Australia 5000

ASX codes

LML
LMLO

IMPORTANT NOTICE

This Prospectus is dated 16 May 2008.

A copy of this Prospectus was lodged with ASIC on 16 May 2008. ASIC takes no responsibility for the contents of this Prospectus.

No New Shares or New Options will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The New Shares and New Options are of existing classes of securities of the Company and application will be made by the Company to ASX within 7 days after the date of this Prospectus for admission of the New Shares and New Options to Official Quotation.

Each Entitled Shareholder will be entitled to participate in the Offer. The Entitlement and Acceptance Form accompanies this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. In making representations in this Prospectus, regard has been given to the fact that ASX maintains a file containing publicly

disclosed information about the Company and that the Company is a disclosing entity for the purpose of the *Corporations Act*, and certain matters may reasonably be expected to be known to professional advisers whom potential investors may consult.

Certain abbreviations and other defined terms used throughout this Prospectus have defined meanings which are set out at the end of this Prospectus.

PROSPECTUS

This Prospectus is issued pursuant to section 713 of the Corporations Act using the special prospectus content rules for continuously quoted securities. This Prospectus is required to contain all information investors and their professional advisors would reasonably require to make an informed assessment of the effect of the Offer on the Company and the rights and liabilities attaching to the New Shares and New Options. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the Company. Accordingly, information that is already in the public domain as a result of the periodic reporting and continuous disclosure obligations of the Company has not been included in this Prospectus other than that which is considered necessary to make the Prospectus complete.

The Company is a “disclosing entity” under the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. As a disclosing entity, the Company is subject to regular reporting and continuous disclosure obligations which require it to immediately notify the ASX of any information concerning the Company of which it is or becomes aware and which a reasonable person would expect if it were generally available to have a material effect on the price or value of securities of the Company.

Copies of all documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC or at the registered office of the Company during normal office hours. A schedule of these documents is set out in Section 5.

None of the information referred to in Section 5 is incorporated by reference into this Prospectus or is issued with this Prospectus.

There is no information relating to the issue of New Shares or New Options under this Prospectus that has been excluded from a continuous disclosure notice to the ASX which Shareholders or their professional advisers would reasonably require and reasonably expect to make an informed assessment of the assets and liabilities, financial position and performance, profits, losses and prospects of the Company, and the rights and conditions attaching to the New Shares and New Options.

ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the Company’s website at www.lincolnminerals.com.au.

Applications can only be submitted on the original Entitlement and Acceptance Form which accompanies this Prospectus.

1. DETAILS OF THE OFFER

1.1 *The Offer*

By this Prospectus, the Company is inviting Entitled Shareholders to participate in a pro-rata non-renounceable rights issue of New Shares and New Options to Entitled Shareholders on the basis of 1 New Share for every 4 Shares held at the Record Date (rounded down to the nearest whole number) at an issue price of 26 cents per New Share, together with one New Option for no consideration, to raise up to approximately \$4,886,194 (subject to rounding and before costs of the Issue are deducted).

The New Shares will have an issue price of 26 cents each, payable in full on Application. Fractional entitlements will be rounded down to the nearest whole number of New Shares. For every New Share allotted, applicants will also receive at no cost a New Option to subscribe for a further Share at 30 cents each and exercisable at any time on or before 30 June 2010.

The purpose of the Issue and use of funds raised are set out in sections 1.5 and 4.3. The rights and liabilities attaching to New Shares and New Options are set out in sections 6 and 7.

1.2 *Existing Options*

The Company currently has on issue 44,910,186 options (Existing Options) to acquire Shares (see section 4.1 for details of options). This Offer extends to the holders of any Shares issued pursuant to the exercise of any of the Existing Options before the Record Date. Option holders wishing to participate in the Issue must ensure that their completed exercise notice and payment is received before the Record Date after which they will not be able to participate in the Issue. If none of the Existing Options is exercised prior to the Record Date, the number of New Shares and New Options offered pursuant to this Prospectus will be approximately 18,793,055 New Shares and 18,793,055 New Options (subject to rounding). In this event, the maximum amount raised by the Issue will be approximately \$4,886,194 (subject to rounding and before costs of the Issue are deducted).

At the date of this Prospectus, the market price of the Company's Shares is around the 20 cent exercise price of 9,103,332 of the Existing Options but below the 30 cent exercise price of the remaining Existing Options. There is a possibility that some of the Existing Options may be exercised prior to the Record Date. If all 9,103,332 Existing Options exercisable at 20 cents each are exercised prior to the Record Date, up to 21,068,888 New Shares and 21,068,888 New Options could be offered pursuant to this Prospectus and the maximum amount the Issue can raise on this basis is approximately \$5,477,911 (subject to rounding and before costs of the Issue are deducted). If all of the 44,910,186 Existing Options of all types are exercised prior to the Record Date, up to 30,020,602 New Shares and 30,020,602 New Options could be offered pursuant to this Prospectus and the maximum amount the Issue can raise on this basis is approximately \$7,805,356 (subject to rounding and before costs of the Issue are deducted).

1.3 Minimum subscription

As outlined in section 1.4 of this Prospectus, the Offer is partially underwritten by the Underwriter on the terms and conditions set out in the Underwriting Agreement. If, for any reason, the Underwriter is released of its obligations under the Underwriting Agreement and the minimum subscription has not been raised within four (4) months after the date of this Prospectus, all Applications will be dealt with in accordance with the Corporations Act.

The minimum subscription in relation to this Offer is 14,406,860 New Shares and 14,406,860 New Options to raise \$3,745,784 (before costs). The Company will not issue any New Shares and New Options pursuant to this Prospectus until the minimum subscription is satisfied.

1.4 Underwriting

The Issue is partially underwritten by Ferromet International Trading Pte Limited on the basis of an issue price of 26 cents per New Share. No underwriting commission is payable by the Company in respect of this Issue.

Ferromet International Trading Pte Limited is a Singaporean subsidiary company of Mineral Enterprises Limited, an Indian incorporated company based in Bangalore, India. Mineral Enterprises Limited's Australian subsidiary company, Mineral Enterprises Australia Pty Ltd has entered into a joint venture with Lincoln Minerals Limited over EL 3422 (Gum Flat) on Eyre Peninsula in South Australia.

By a Supplementary Agreement dated 5 April 2008 to the Gum Flat Exploration and Farm-in Joint Venture Agreement, the Company has agreed to extend the right of Mineral Enterprises Australia Pty Ltd to earn a further 10% participating interest in the joint venture (to a total interest of 50%) by the contribution of a further \$2 million towards expenditure on EL 3422 Gum Flat by 31 December 2012. The Supplementary Agreement is conditional upon Ferromet International Trading Pte Limited completing the underwriting pursuant to the Underwriting Agreement by 30 June 2008. Refer Section 9.8.4.

Mineral Enterprises Limited currently holds 3,500,000 shares in Lincoln Minerals Limited. The Underwriting Agreement provides for the Underwriter to take up so much of the shortfall of the Issue as would then take its shareholding (including any shares held by associated entities, and in this case including 3,500,000 shares held by Mineral Enterprises Limited) up to, but not exceeding, 19.99% of the issued capital of the Company.

If there were no subscriptions from any shareholders in respect of the Issue, then the Underwriter would take up 14,406,860 shortfall shares. If there were no Existing Options exercised prior to the Record Date, the maximum number of shortfall shares that the Underwriter could take up in accordance with the terms of the Underwriting Agreement is 15,283,660 (if the number of shares taken up by shareholders who are not associated with the Underwriter were 3,509,395 shares). If shareholders not associated with the Underwriter take up more than 3,509,395 shares of the Issue, then the Underwriter will take up all of the shortfall, but will have an interest less than 19.99% upon completion.

Additional details of the Underwriting Agreement are set out in Section 9.8.1 of this Prospectus.

None of the Directors will be participating in the underwriting or any sub-underwriting in respect of this Offer.

1.5 Purpose of the Issue

The purpose of the Issue is to raise funds which are to be applied for the following purposes:

1. to carry out its exploration programs, including the continued exploration and exploitation of tenements in South Australia;
2. to meet the costs of the Offer;
3. to fund working capital; and
4. to provide funding to enable the Company to investigate and take up investment opportunities in the energy and resources sector.

Detail of the use of funds is set out in Section 4.3

1.6 The Offer Period

The Record Date for the Offer is 27 May 2008. The Opening Date for Applications in respect of the Offer is 2 June 2008. The Closing Date for the Offer is 20 June 2008. The Offer Period may be varied by the Directors without prior notice, subject to the Listing Rules.

1.7 Acceptance

This Offer may be accepted in whole or in part. Your Entitlement and Acceptance Form and Application Money (being 26 cents per New Share applied for) must be received before 5.00pm Adelaide time on 20 June 2008. Instructions for completion and lodgement of acceptances are set out in the enclosed Entitlement and Acceptance Form.

1.8 Applying for New Shares and New Options

a) If you do not wish to participate

If you do not wish to take up any part of your Entitlement under this Issue you are not required to take any action, in which case your rights will lapse. If you do nothing, you will continue to own your original number of Shares, but your percentage shareholding will be diluted.

b) If you wish to accept your Entitlement in full or in part

If you wish to take up all of your Entitlement, complete the enclosed Entitlement and Acceptance Form in accordance with the instructions set out on the reverse side of the form and send it and the Application Money (at 26 cents per New Share) to the Company's share registry as set out below. An Application must not exceed your Entitlement at item "A" on the Entitlement and Acceptance Form. An Application exceeding your Entitlement at item "A" of the Entitlement and Acceptance Form will be deemed to be for your maximum Entitlement only, and any surplus funds will be returned to you without interest.

c) Shortfall

The Underwriters reserve the right to take up shortfall shares in accordance with the Underwriting Agreement.

d) Payment

Cheques for the Application Money must be in Australian currency drawn on an Australian bank, made payable to "Lincoln Minerals Limited - Application Account" and crossed "Not Negotiable". Cash will not be accepted and receipts will not be issued. Applicants should ensure that cleared funds are available at the time the Entitlement and Acceptance Form is lodged as dishonoured cheques or inadequate funds may result in your application being rejected.

Alternatively, payment can be made by BPay by following the instructions on the Entitlement and Acceptance Form.

e) Applications

Your completed Entitlement and Acceptance Form together with the Application Money must be mailed to:

Computershare Investor Services Pty Ltd
GPO Box 2987
Adelaide South Australia 5001

OR

if your application and payment is being made by BPay, follow the instructions on the Entitlement and Acceptance form

and must be received no later than 5:00pm (Adelaide time) on 20th June 2008.

Pending the issue and allotment of New Shares and New Options or payment of refunds pursuant to this Prospectus, all Application Money will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the Application Money and each Applicant waives the right to claim any interest. New Shares issued pursuant to the Offer will rank *pari passu* in all respects with all other Shares. The terms and conditions of the New Options are described in section 6.

1.9 ASX Quotation

The Company is presently admitted to the official list of the ASX and the existing Shares of the Company are quoted on the ASX (ASX code: LML). Existing Options of the same type as the New Options are quoted as LMLO. An application for admission for Quotation of the New Shares and New Options will be made to the ASX within 7 days from the date of this Prospectus. If permission for Quotation of the New Shares and New Options is not granted within 3 months from the date of this Prospectus, then the Company will repay all Application Money received pursuant to this Prospectus within the time prescribed under the Corporations Act, without interest. The ASX takes no responsibility for the contents of this Prospectus. The fact that the ASX may grant Quotation of the New Shares and New Options is not to be taken in any way as an indication of the merits of the Company, or the New Shares and New Options now offered pursuant to this Prospectus.

1.10 Overseas Shareholders

This Prospectus and the Entitlement and Acceptance Form do not constitute an offer in any jurisdiction outside of Australia or New Zealand, or to any person to whom it would be illegal to make such an offer. Shareholders with registered addresses in Australia and New Zealand are eligible to participate in the Issue. However, the Directors have decided that it will be unreasonable to offer the New Shares and New Options for issue to Shareholders with a registered address in a place outside Australia or New Zealand (Non-qualifying Foreign Shareholders) after taking into account the following matters:

- the number of Non-qualifying Foreign Shareholders with a registered address in a place outside Australia or New Zealand to whom offers would otherwise be made;
- the number and value of New Shares and New Options that would otherwise be offered for issue to Non-qualifying Foreign Shareholders; and
- the high cost of complying with laws and any requirements of any regulatory authority, of the place where the New Shares and New Options would otherwise be offered for issue.

1.11 Taxation Implications

Shareholders should be aware that there may be taxation liabilities arising from the issue and/or the subsequent sale of New Shares and New Options pursuant to this Prospectus, the exercise and/or sale of the New Options and/or the sale of Shares issued on exercise of the New Options. For this reason, it is important that Shareholders obtain their own independent professional advice in connection with the taxation implications of acquiring New Shares and New Options.

The Company does not propose to give any taxation advice and neither the Company, nor its advisers and officers accept any responsibility or liability for any taxation consequences resulting from the issue of New Shares and New Options under the Issue.

1.12 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings for the Company on the basis that the future operations of the Company are inherently uncertain. Accordingly, any forecast or projected information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

1.13 Privacy

Persons who apply for New Shares and New Options pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registrar. The Company and the Share Registrar collect, hold and use that information to provide facilities and services to shareholders and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the relevant privacy laws and any lawful direction of the Company from time to time. In accordance with privacy laws information collected in relation to specific shareholders can be obtained by that shareholder by contacting the Company or Computershare Investor Services Pty Ltd.

1.14 Enquiries

If you have any questions concerning the Issue, please contact your professional advisor, or the Company on telephone +61 (0)8 8274 0243 or by email at info@lincolnminerals.com.au. For any enquiries that relate only to the Entitlement and Acceptance form, please contact Computershare Investor Services Pty Ltd on 1300 556 161.

2. ABOUT THE COMPANY

2.1 Background

Lincoln Minerals Limited is a South Australian based mineral exploration company. On 30 January 2007 the Company lodged a prospectus with ASIC and successfully completed a public offer which raised \$7 million before costs, which then enabled the Company to become admitted to the Official List of ASX on 9 March 2007.

The Company's projects include rights to all minerals except iron ore on tenements held by Centrex Metals Limited on Eyre Peninsula in South Australia, as well as a number of exploration licences held in its own right.

In June 2007 the Company issued bonus options exercisable at 30 cents each at any time on or before 30 June 2010 on the basis of one option for every two shares held as at 9 June 2007.

In August 2007 the Company issued 3,500,000 shares to Mineral Enterprises Limited, a diversified iron ore producing company based in Bangalore, India. In conjunction with that share issue the Company entered into a joint venture agreement with Mineral Enterprises Australia Pty Ltd ("MEA"), a subsidiary of Mineral Enterprises Limited, whereby MEA has the right to earn up to 40% interest in EL 3422, known as Gum Flat, in return for a total expenditure of \$2,500,000.

By a Supplementary Agreement dated 5 April 2008 to the Gum Flat Exploration and Farm-in Joint Venture Agreement, the Company has agreed to extend the right of MEA to earn a further 10% participating interest in the joint venture (to a total interest of 50%) by the contribution of a further \$2 million towards expenditure on EL 3422 Gum Flat by 31 December 2012. The Supplementary Agreement is conditional upon Ferromet International Trading Pte Limited completing the underwriting pursuant to the Underwriting Agreement by 30 June 2008. Refer Section 9.8.4

In March 2008, the Company concluded a Joint Venture Agreement with International Metals Pty Ltd ("ITM") a subsidiary of InterMet Resources Limited in respect of ITM's EL3702 (Vanilla) tenement near Port Lincoln in the southern Gawler Craton, South Australia. Under the joint venture, Lincoln Minerals can earn up to an 80% interest in the rights on EL3702 to all minerals excluding uranium by expending \$2 million on exploration by 31 December 2012.

Lincoln Minerals has since concluded a Heads of Agreement with MEA in respect of a Joint Venture on Exploration License EL3702 (Vanilla). This Agreement with MEA provides that MEA will contribute 50% of funding in respect of the exploration programs at Vanilla,

targeting both hematite and magnetite iron ore, to earn 50% of Lincoln Minerals' rights under its joint venture with ITM.

A summary of Lincoln Minerals' project areas is as follows:

Tenements	Exclusive Rights	Area (sq km)
10	All minerals	1,764
15	All minerals except iron ore	1,989
1	All minerals except uranium	1,000
TOTAL		4,753

At 31 March 2008 Lincoln Minerals Limited had 75,172,221 shares on issue and approx. \$6.25 million in cash.

3. CURRENT OPERATIONS

A summary of the current operations of the Company is set out hereunder:

3.1 Gum Flat

EL 3422

(Lincoln Minerals has exclusive rights to all minerals subject to ME Australia-MEL farmout)

The Gum Flat Iron Ore 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 a railway line and a major highway running through the area, EL3422 is ideally located with respect to infrastructure and proximity to a major shipping port.

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 (>200 Mt) banded magnetite (+ hematite) iron ore deposits.

A diamond drilling program at Gum Flat during the fourth quarter 2007 intersected coarse grained magnetite banded iron formation (BIF) at depth below hematite mineralisation while in the previous aircore drilling program, significant iron (Fe) mineralisation up to 56.6% Fe was identified within a sequence of folded BIF and overlying Tertiary pisolitic ferruginous sediments. The thickness of cover sediments is only 15-20m.

Several bands of magnetite BIF with relatively high magnetic susceptibilities and a cumulative true thickness of magnetite rich bands >50m were intersected during the diamond drilling program. During January-February 2008, drill core was cut and sent off to laboratories for assay and Davis Tube magnetic separation (DTS). Preliminary data for

diamond drillhole GFDH004 have given DTS results ranging up to 40.55% (weight %) magnetic concentrate with iron contents up to 69.8% Fe combined with low phosphorous (P), silica (SiO₂) and alumina (Al₂O₃).

Drill hole reference and depth	Magnetic concentrate recovered	Fe	P	SiO ₂	Al ₂ O ₃
	Wt %	%	%	%	%
GFDH004 82-84m CONC	30.12	69.8	0.01	2.19	0.28
GFDH004 282-284m CONC	40.55	n.d.	n.d.	n.d.	n.d.
GFDH004 284-286m CONC	39.48	68.2	0.016	1.39	0.32

n.d. = no data yet available

ProMet Engineers Pty Ltd, Perth WA, has commenced metallurgical testwork and a Scoping Study on the processing and beneficiation of massive and banded hematite-magnetite iron formation from Gum Flat.

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 and magnetite 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 is scheduled to be completed in the second quarter 2008.

As an extension to the Scoping Study, the Company has begun looking at various options for processing, transporting and shipping magnetite concentrate from Port Lincoln which is less than 20km from the main magnetite and hematite exploration targets.

The ongoing exploration and resource definition program for Gum Flat is scheduled to recommence in the second quarter with the arrival of a multi-purpose drilling rig from India. The rig, owned by Joint Venture partner Mineral Enterprises Australia Pty Ltd, originally built in Australia, has been brought back from India and is being fitted out for both RC and diamond drilling. Government exploration work approvals have been obtained for the next phase of drilling.

Two of Lincoln Minerals' main exploration targets at Gum Flat are subject to Vegetation Heritage Agreements. A vegetation survey has been undertaken in these areas and a Declaration of Environmental Factors prepared by independent consultants as part of a broader study that also includes an assessment of the local hydrogeology and groundwater basins.

The aggregate length of interpreted BIF in EL 3422 based on aeromagnetic data is about 30km. However, the cumulative length of high intensity aeromagnetic anomalies in the Coomunga-Rifle Range area is ca. 5-6 km. Geophysical modelling of the larger of the aeromagnetic anomalies defines a tabular body with an interpreted dip 20-300 to the west. This anomaly is about 3.6km long and, based on various dip and pit depth scenarios,

outlines a conceptual exploration target for magnetite (and lesser hematite) BIF iron ore of 200-400 Mt (see table below).

Assumed dip of BIF	300		200	
Proposed depth of mine pit below ground level	200m	250m	200m	250m
Oxide BIF exploration target (Mt) **	54	54	79	79
Magnetite BIF exploration target (Mt) **	153	153	224	313
Total Exploration Target (Mt)	207	268	303	392

** based on 50m true thickness, 25m cover thickness, 75m depth to base of oxidation

It is emphasized that since there has been insufficient exploration drilling in the immediate area of this magnetic anomaly 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.

The Gum Flat exploration target is comparable to the Greenpatch iron ore deposit (on EL 3610 ca. 5km along strike northeast of Rifle Range) where hematite BIF (33.7-38.6% Fe) overlies magnetite BIF (Centrex Metals Limited prospectus, 2006). Previous work at Greenpatch has demonstrated that a high grade magnetite concentrate (69% Fe, <0.01% P₂O₅, 0.25% Al₂O₃, 2.7% SiO₂) can be readily produced from the magnetite BIF.

Lincoln Minerals expects that, in conjunction with a magnetite operation, a high grade hematite-goethite concentrate with Fe >65% and low P, Al₂O₃ and SiO₂ could be produced by beneficiation of hematite BIF.

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 has been recorded in some of LML's drillholes.

3.2 Cummins and Wanilla

ELs 3702, 3703 and 4049

(Lincoln Minerals has exclusive rights for all minerals, except uranium on EL 3702)

The Cummins-Wanilla project area is located on southern Eyre Peninsula and is prospective for a large range of polymetallic minerals including iron ore. Refer Section 3.9

The cumulative length of aeromagnetic anomalies similar to and broadly along strike from those in the Wilgerup and Bald Hill areas of Eyre Peninsula is extensive. These are the focus of iron ore exploration within the project area.

Calcrete and soil sampling has been undertaken across most of EL 3703 and a detailed gravity survey has been recently completed over selected iron ore targets. Processing and interpretation of the gravity data is in progress. A detailed gravity survey has recently commenced over selected iron ore targets on EL 3702.

3.3 Cockabidnie

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).

Aircore and slimline RC drilling completed in October 2007 outlined a new lateritic nickel discovery along with further base metal, gold and uranium mineralisation on EL 3609 near Darke Peak.

The drilling results included a 4m thick laterite grading 0.68% Ni, 0.05% Co and 0.03% Cu (19.95% Fe) above a 12m thick saprolite zone grading 0.34% Ni, 0.02% Co, 0.02% Cu and 0.03g/t Au (9.4% Fe).

During early 2008, re-assaying of old RAB drilling samples collected by C.R.A. Exploration Pty Ltd in 1981 extended the strike length and continuity of lateritic nickel mineralisation with assays up to 0.16% Ni and 0.02% Co. The old RAB drill samples were not originally assayed for nickel.

These results combined with interpretation of aeromagnetic maps and calcrete geochemistry, have identified a potential zone of lateritic nickel mineralisation over a strike length of at least 5 km. The mineralisation occurs at a depth of about 15-20m beneath shallow cover in the Campoona Syncline and overlies gabbroic amphibolite with up to 0.1% Ni in fresh bedrock.

Late during the first quarter 2008, the Company undertook an aircore drilling program along the potential zone of nickel mineralisation in the Campoona Syncline. Samples were assayed on site by a new portable XRF analyser that gives semi-quantitative assays within minutes of an interval being drilled. These results enabled the drilling program to be modified and focused on the areas of elevated nickel, cobalt and other base metals. Selected drill samples have been sent off for assay but results have not yet been received.

Other drilling results from 2007 include zones of elevated uranium up to 81ppm U (CBAC002 28-29m) below surface uranium calcrete soil anomalies. The uranium occurs in basement rocks that were originally not far below the Mesoproterozoic unconformity similar to Alligator River style uranium mineralisation in the Northern Territory.

Within and immediately west of the Campoona Syncline, drilling in 2007 also identified significant base metal, gold and silver mineralisation up to 2.4% Zn+Pb, 0.26g/t Au and 26g/t Ag.

The Company is planning ongoing exploration work during 2008 to investigate the potential of the nickel laterite, uranium, gold, silver and base metal sulphide prospects. The Campoona Syncline region is highly prospective area not only for nickel but also for zinc-lead-silver, gold, uranium and manganese.

3.4 Mount Hill

ELs 3703, 3731, part 3877, 3885 and 4049

(Lincoln Minerals has exclusive rights to all minerals except iron on ELs 3731 and 3877 and exclusive rights to all minerals on ELs 3703, 3885 and 4049)

The base of the Blue Range Beds and immediately underlying Hutchison Group metamorphic basement are the targets for unconformity-style uranium and base metal 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 lead, zinc, copper and nickel. Drilling was recommended but never undertaken.

Calcrete and soil sampling within the northern Mount Hill area in mid-2007 identified separate zones of elevated gold and base metals with assays up to 99ppb Au, 259ppm Pb + Zn and 100ppm Cu.

An aircore and slimhole RC drilling program was conducted across selected targets in October 2007 but no significant results were identified. Follow-up drilling is being evaluated along with ongoing calcrete and soil sampling.

In addition to basement targets, there is potential for uranium in palaeodrainage channels associated with the Dutton River particularly on EL 3885 where spectrometer readings up to 0.2% eU have been recorded in fluvial sediments.

3.5 Wilcherry

ELs 3690 and 3704, and ELA 527/07

(Lincoln Minerals 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 uranium, gold and/or base metal mineralisation maybe with associated hydrothermal iron oxide and/or sericite alteration.

Aircore and slimline RC drilling completed in October 2007 outlined a new uranium discovery northeast of Kimba on northern Eyre Peninsula.

The results (see December 2007 quarterly report) included a 4m interval grading 0.05% U accompanied by 0.1% base metal (Zn+Pb+Ni+Cu+Co) in saprolitic clay associated with pyritic and graphitic units in WCAC024 (72-76m). A second hole intersected uranium mineralisation up to 0.026% + 0.07% base metal (WCAC004, 52-56m).

The uranium intersections are adjacent to uraniferous calcrete-soil anomalies with up to 17ppm U. Additional calcrete uranium anomalies define a potential untested palaeochannel northeast of Eurilla Dam. This will be drill tested in 2008 following Aboriginal heritage surveys.

During the March 2008 quarter, Lincoln Minerals undertook a trial vegetation sampling program over the area in which drilling intersected uranium. Sampling of red mallee and certain blue bush species gave good results and has been followed up with more regional sampling to help delineate drill targets. No results are yet available for the follow-up sampling.

In early February 2008, Lincoln Minerals Limited announced that it had signed a Heads of Agreement with IronClad Mining Limited ("IFE") under which IFE can earn up to 80% of the rights to explore for and mine iron ore within EL 3690. Lincoln Minerals retains the sole rights to explore for and mine all minerals and substances excluding iron ore.

EL3690 lies immediately to the south and east of IFE's Hercules iron ore target and covers the extension of the BIF sequence, including the interpreted synclinal fold axis structure.

During the March 2008 quarter IFE undertook a detailed gravity survey on parts of EL 3690 as well as a low-level airborne magnetic and radiometric survey. Lincoln Minerals extended the airborne survey to cover the entire EL. It is anticipated initial drill testing will commence once the results of the geophysical surveys are received and assessed and interpreted.

3.6 Koppio-Tumby Bay

ELs 3269, 3611, part 3731, part 3877 and 3883

(Lincoln Minerals Limited 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 ground spectrometer survey undertaken over an 800m long uranium-only airborne radiometric anomaly at Carinya located minor uranium within lateritic surface samples.

3.7 Stony Hill

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

(Lincoln Minerals Limited 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.

Surface calcrete and soil sampling was undertaken within the Stony Hill area (EL 3287) and trial vegetation sampling undertaken in the area surrounding the Kimba Gap radiometric anomaly (EL 3018). Assay results are pending.

3.8 Torrens Project

EL 3563

(Lincoln Minerals Limited 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 (IOCGU) 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 >1,000 m, 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 200 m.

A detailed gravity survey and 18 line-km of ground magnetics over the Yadlamalka Horst were completed in December 2007. Interpretation of the data supports the presence of shallow, high density basement. Modelling of the data is consistent with the presence of an uplifted block of Palaeoproterozoic basement beneath Beda Volcanics, the latter at a depth of 200m to 300 m.

Potential sediment-hosted Cu and IOCGU mineralisation associated the uplifted block is to be drill-tested by deep diamond holes. A PACE grant of \$100,000, to assist with this drilling, was awarded to the Company in February 2008.

Aboriginal heritage surveys over identified drill targets have been carried out with the Barngarla and Nukunu people and planning is now progressing well towards drilling in mid-2008.

3.9 Wanilla Joint Venture

EL 3702

In March 2008, Lincoln Minerals Limited concluded a Joint Venture Agreement with International Metals Pty Ltd (“ITM”) a subsidiary of InterMet Resources Limited in respect of ITM’s EL3702 (Wanilla) tenement near Port Lincoln in the southern Gawler Craton, South Australia.

EL 3702 is 1000 km² in area and has considerable potential for iron ore in addition to base metals and gold. It links the Company’s Gum Flat (EL3422) and Cummins (EL3703) tenements on which the Company is actively exploring for iron ore. There are extensive outcrops of banded iron formation (BIF) on EL3702 and recent aeromagnetic imagery acquired by ITM has delineated numerous exploration targets for BIF iron ore under thin sand and soil cover.

Under the joint venture, Lincoln Minerals Limited can earn up to an 80% interest in EL3702 by expending \$2million on exploration by 31 December 2012. Details of the joint venture agreement are set out in Sections 9.8.5 and 9.8.6.

The joint venture includes all minerals other than uranium.

This development gives the Company potential to maximise the exploration and development of its iron ore projects on southern Eyre Peninsula. It increases to 1,423 km²

the total area of tenements on southern Eyre Peninsula on which the Company is exploring for iron ore and to 4,753 km² the total area of all tenements.

Information in this section 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 Prospectus in the form and context in which it appears.

Chemical symbols used in Section 3 are:

<u>Symbol</u>	<u>Name</u>	<u>Symbol</u>	<u>Name</u>
Ag	Silver	Ni	Nickel
Al ₂ O ₃	Alumina	P	Phosphorus
Au	Gold	Pb	Lead
Co	Cobalt	SiO ₂	Silica
Cu	Copper	U	Uranium
Fe	Iron	Zn	Zinc

4. EFFECT OF THE OFFER ON THE COMPANY

4.1 Capital Structure of the Company

As at the date of this prospectus, the capital structure of the Company is:

Securities	Number
Shares	75,172,221
Existing 20 cent Options	9,103,332
Existing 30 cent Options	35,776,854
Existing 30 cent Staff Options	30,000

The following table sets out the position if none, certain or all of the Existing Options are exercised prior to the Record Date:

Securities	Number if no Existing Options exercised	Number if all Existing 20 cent Options exercised	Number if all Existing Options exercised
Shares	75,172,221	84,275,553	120,082,407
Existing 20 cent Options	9,103,332	-	-
Existing 30 cent Options	35,776,854	35,776,854	-
Existing 30 cent Staff Options	30,000	30,000	-
New Shares offered	18,793,055	21,068,888	30,020,602
New Options offered	18,793,055	21,068,888	30,020,602
Total shares post Offer	93,965,276	105,344,441	150,103,009
Total options post Offer	63,703,241	56,875,742	30,020,602
	\$	\$	\$
Cash raised by the exercise of Existing Options	-	1,820,666	12,562,722
Cash raised pursuant to the prospectus (before issue costs) – maximum subscription	4,886,194	5,477,911	7,805,356
Cash which could be raised by exercise of the New Options – maximum subscription	5,637,917	6,320,666	9,006,181

The likelihood of the Company raising the additional cash through the exercise of the New Options is dependent on the price of the Shares throughout the period from their issue until they expire on 30 June 2010.

4.2 Effect on immediate Financial Position

The following table sets out the summarised financial information reflecting the Company's position as at 30 June 2007, its results for the half year ended 31 December 2007 and pro-forma unaudited balance sheet reflecting the effect of the Offer.

	As reported June 2007 (audited)	Unaudited operating result and changes, 6 months ended 31 December 2007	Unaudited Balance Sheet 31 December 2007
Current Assets			
Cash	6,397,718	411,633	6,809,351
Other	86,049	80,052	166,101
Total Current Assets	6,483,767	491,685	6,975,452
Non-current Assets			
Property, plant & equipment	40,030	17,729	57,759
Exploration expenditure	280,436	636,812	917,248
Intangibles	-	8,802	8,802
Total Non-current Assets	320,466	663,343	983,809
Total Assets	6,804,233	1,155,028	7,959,261
Current Liabilities			
Payables	126,843	244,476	371,319
Total Liabilities	126,843	244,476	371,319
Net Assets	6,677,390	910,552	7,587,942
Shareholders' Equity			
Contributed equity	7,165,908	1,031,020	8,196,928
Reserves	28,742	6,665	35,407
Accumulated losses	(517,260)	(127,133)	(644,393)
Total Shareholders' Equity	6,677,390	910,552	7,587,942

	Unaudited Balance Sheet 31 December 2007	Unaudited cash raised by minimum underwritten amount of the Issue	Pro-forma unaudited Balance Sheet at 31 December 2007	Unaudited cash raised by maximum amount of the Issue	Pro-forma unaudited Balance Sheet at 31 December 2007
Current Assets					
Cash	6,809,351	3,686,484	10,495,835	4,823,994	11,633,345
Other	166,101		166,101		166,101
Total Current Assets	6,975,452		10,661,936		11,799,446
Non-current Assets					
Property, plant & equipment	57,759		57,759		57,759
Exploration expenditure	917,248		917,248		917,248
Intangibles	8,802		8,802		8,802
Total Non-current Assets	983,809		983,809		983,809
Total Assets	7,959,261		11,645,745		12,783,255
Current Liabilities					
Payables	371,319		371,319		371,319
Total Liabilities	371,319		371,319		371,319
Net Assets	7,587,942		11,274,426		12,411,936
Shareholders' Equity					
Contributed equity	8,196,928	3,686,484	11,883,412	4,823,994	13,020,922
Reserves	35,407		35,407		35,407
Accumulated losses	(644,393)		-644,393		-644,393
Total Shareholders' Equity	7,587,942		11,274,426		12,411,936

	Minimum subscription – 14,406,860 shares	Maximum subscription – 18,793,055 shares
Funds raised		
Gross cash at 26 cents per share	3,745,784	4,886,194
Less, costs of Issue	-59,300	-62,200
Net proceeds	3,686,484	4,823,994

Notes to the Summarised Financial Information for the period ended 31 December 2007.

The summarised financial information, for inclusion in the Company's Prospectus, comprise extracts of the 30 June 2007 audited financial report and 31 December 2007 unaudited financial information and pro-forma financial information. They have been prepared in accordance with the recognition and measurement requirements, but not all of the disclosure requirements, of Australian Accounting Standards, including all Australian equivalents to International Financial Reporting Standards and Urgent Issues Group interpretations.

The summarised financial information has been prepared on an accruals basis and is based on historical costs.

1. Movements in Equity – six months ended 31 December 2007

	Contributed Equity	Reserves	Accumulated Losses
	\$	\$	\$
Balances at 30 June 2007	7,165,908	28,742	(517,260)
Issue of 3,500,000 shares at 30 cents each	1,050,000	-	-
GST adjustment in respect of IPO	(18,980)	-	-
Share based remuneration paid in the six months ended 31 December 2007	-	6,665	-
Loss for the six months ended 31 December 2007	-	-	(127,133)
Balance at 31 December 2007	8,196,928	35,407	(644,393)

2. Reconciliation of net loss (\$127k) to increase in cash of \$412k for the six months ended 31 December 2007:

<u>Item</u>	<u>\$'000</u>
Net loss (P&L)	(127)
Add, non-cash expenses	
Depreciation and amortisation	16
Share based payments expense	7
Acquisitions of plant, equipment and intangibles	(49)
Exploration expenditure capitalised	(425)
Proceeds of share issues, net of issue costs	1,031
Increase in creditors	(10)
Increase in receivables and prepayments	(31)
Net increase in cash	412

4.3 Use of Funds

The funds raised from the issue of New Shares through the Offer before payment of all associated costs will raise approximately \$4.886 million in additional capital if fully subscribed, or approximately \$3.746 million if only the minimum subscription is achieved.

The funds raised will enable Lincoln Minerals to extend its exploration activities on the recently negotiated joint venture on EL 3702 at Wanilla, conduct pre-feasibility studies at Gum Flat, Cummins and Wanilla, and conduct scoping studies at Cockabidnie as follows:

	Minimum subscription \$'000	Maximum subscription \$'000
Exploration for iron ore on Wanilla joint venture EL 3702	1,000	1,000
Pre-feasibility studies on Gum Flat, Cummins and Wanilla projects	1,200	1,200
Scoping studies for nickel at Cockabidnie and uranium at Wilcherry projects	450	450
Project generation and development on southern Eyre Peninsula, South Australia	1,000	2,000
Costs of Issue	59	62
Working capital	37	174
	3,746	4,886

The actual allocation of funds raised may vary as priorities develop with regard to drill rig availability, exploration results, timing of exploration activities and development of other opportunities.

5. COMPANY OVERVIEW

5.1 Overview and Reference to 2007 Annual Report

The Company's 2007 annual financial report was lodged with ASX on 9 October 2007. All announcements used to notify ASX of information relating to the Company under the provision of the Listing Rules since 9 October 2007 can be viewed on the ASX web site at www.asx.com.au.

The Company will provide upon request and free of charge to any person considering this Offer:

- (a) the 2007 Annual Report which contains the financial report for the year ended 30 June 2007,
- (b) the half year financial report lodged with ASIC for the period ending 31 December 2007,
- (c) the third quarter activity report lodged with ASX for the period ending 31 March 2008, and

(d) the following documents notifying ASX of information relating to Lincoln Minerals during the period after the lodgement of the financial report contained in the 2007 Annual Report and before the issue of this Prospectus:

Date	Headline
10 October 2007	Response to ASX Query
15 October 2007	Drilling results at Gum Flat
25 October 2007	Quarterly cash flow report
25 October 2007	Quarterly activities report
29 October 2007	Amendment to September quarterly activities report
14 November 2007	Cockabidnie drill results
16 November 2007	Chairman address at AGM
16 November 2007	Managing Director address at AGM
16 November 2007	Results of Annual General Meeting
21 November 2007	Release of shares from Restriction
27 November 2007	Further drill results at Cockabidnie
6 December 2007	Release of options from escrow
6 December 2007	Appendix 3B
21 December 2007	Drilling results at Wilcherry
31 December 2007	Gum Flat Iron Ore Joint Venture
7 January 2008	Gum Flat iron ore project update
8 January 2008	Appendix 3B
10 January 2008	Release of shares and options from escrow
10 January 2008	Broker presentation
29 January 2008	Appendix 3B
30 January 2008	Quarterly cash flow report
30 January 2008	Quarterly activities report
11 February 2008	PACE grant Torrens and IFE JV
11 February 2008	Appendix 3B
3 March 2008	Additional assays at Cockabidnie
14 March 2008	Half yearly report and Accounts
31 March 2008	Joint Venture with Internet Resources on EL3702
28 April 2008	Quarterly cash flow report
28 April 2008	Quarterly activities report
1 May 2008	Presentation to SAREI Conference

6. TERMS AND CONDITIONS OF NEW OPTIONS

The terms and conditions of the New Options are as follows:

Entitlement. The New Options entitle the holder to subscribe for one Share upon exercise of each New Option.

Exercise Price. The exercise price of each New Option is 30 cents.

Expiry Date. Each New Option has an expiry date of 5.00pm (Adelaide time) on 30 June 2010.

Exercise Period. The New Options may be exercised at any time prior to the Expiry Date by notice in writing to the Company and payment of the Exercise Price for each New Option being exercised. Any notice of exercise of a New Option received by the Company will be deemed to be a notice of the exercise of that New Option as at the date of the receipt.

Shares issued on exercise. Shares issued on exercise of the New Options will rank equally with all existing ordinary Shares of the Company.

Quotation of Shares on exercise. Application will be made by the Company to ASX for Official Quotation of the Shares issued upon exercise of the New Options.

Timing of issue of Shares. After a New Option is validly exercised, the Company must as soon as possible:

1. issue and allot the Share the subject of the New Option; and
2. do all such acts, matters and things to obtain the grant of quotation of the Share on ASX no later than 5 business days from the date of exercise of the New Option and receipt of cleared funds equal to the sum payable on the exercise of the New Option.

Participation in new issues. There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders unless the New Option has been duly exercised prior to the relevant record date.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give the holders of New Options the opportunity to exercise their New Options prior to the date for determining entitlements to participate in any such issue.

Bonus Issue of Shares: If there is a bonus share issue to the holders of Shares, the number of Shares over which a New Option is exercisable will be increased by the number of Shares which the holder of the New Option would have received if the New Option had been exercised before the record date for the issue of the bonus shares.

Rights issue: If the Company makes a rights issue (other than a bonus issue) of Shares, then the exercise price of the New Options will be reduced according to the formula prescribed in the Listing Rules.

Adjustments for reorganisation. If there is any reorganisation of the issued share capital of the Company, the rights of New Option holders may be varied to comply with the Listing Rules which apply to the reorganisation at the time of the reorganisation.

Quotation of New Options. Application will be made by the Company to ASX for Official Quotation of the New Options.

New Options transferable. Subject to the constitution of the Company, the *Corporations Act*, the Listing Rules and any other applicable laws, New Options are freely transferable at any time prior to their expiry.

7. RIGHTS ATTACHING TO NEW SHARES AND SHARES ISSUED UPON CONVERSION OF NEW OPTIONS

There is only one class of Share on issue in the Company being fully paid ordinary Shares. The rights and liabilities attaching to Shares in the Company are:

- (a) set out in the constitution of the Company, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- (b) in certain circumstances, regulated by the *Corporations Act*, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

(a) General Meeting

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Company's Constitution, the Corporations Act or the Listing Rules.

(b) Voting

Subject to any rights or restrictions for the time being attached to any class or classes of shares whether by the terms of their issue, the Constitution, the Corporations Act or the ASX Listing Rules, at a general meeting of the Company every holder of fully paid ordinary shares present in person or by a representative has one vote on a show of hands and every such holder present in person or by a representative, proxy or attorney has one vote per share on a poll. A person who holds an ordinary share, which is not fully paid, is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share. A member is not entitled to vote unless all calls and other sums presently payable by the member in respect of shares in the Company have been paid. Where there are two or more joint holders of the share and more than one of them is present at a meeting and tenders a vote in respect of the share (whether in person or by proxy or attorney), the Company will count only the vote cast by the member whose name appears before the other(s) in the Company's register of members.

(c) Issues of Further Shares

The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Company's Constitution, the ASX Listing Rules, the Corporations Act and any rights for the time being attached to the shares in special classes of shares.

(d) Variation of Rights

At present, the Company has on issue one class of shares only, namely ordinary shares. The rights attached to the shares in any class may be altered only by a special resolution of the Company and a special resolution passed at a separate meeting of the holders of the issued shares of the affected class, or with the written consent of the holders of at least three quarters of the issued shares of the affected class.

(e) Transfer of Shares

Subject to the Company's Constitution, the Corporations Act, the ASTC Settlement Rules and the ASX Listing Rules, ordinary shares are freely transferable.

The shares may be transferred by a proper transfer effected in accordance with ASTC Settlement Rules, by any other method of transferring or dealing introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by the Directors that is permitted by the Corporations Act. The Company may decline to register a transfer of shares in the circumstances described in the Company's Constitution and where permitted to do so under the ASX Listing Rules. If the Company declines to register a transfer, the Company must, within five business days after the transfer is lodged with the Company, give the lodging party written notice of the refusal and the reasons for refusal. The Directors must decline to register a transfer of shares when required by law, by the ASX Listing Rules or by the ASTC Settlement Rules.

(f) Partly Paid Shares

The Directors may, subject to compliance with the Company's Constitution, the Corporations Act and the ASX Listing Rules, issue partly paid shares upon which amounts are or may become payable at a future time(s) in satisfaction of all or part of the unpaid issue price.

(g) Dividends

The Company in general meeting may declare a dividend if the Directors have recommended a dividend, and a dividend shall not exceed the amount recommended by the Directors. The Directors may authorise the payment to the members of such interim dividends as appear to the Directors to be justified by the Company's profits and for that purpose may declare such interim dividends.

Subject to the rights of members entitled to shares with special rights as to dividend (if any), all dividends in respect of shares (including ordinary shares) are to be declared and paid proportionally to the amount paid up or credited as paid up on the shares.

(h) Winding Up

Subject to the rights of holders of shares with special rights in a winding up, if the Company is wound up, members (including holders of ordinary shares) will be entitled to participate in any surplus assets of the Company in proportion to the shares held by them respectively irrespective of the amount paid up or credited as paid up on the shares.

(i) Dividend Plans

The Directors or the members of the Company, in general meeting, may establish and maintain dividend plans under which (among other things) a member may elect that dividends payable by the Company be reinvested by way of subscription for shares in the Company or a member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive instead some other entitlement, including the issue of shares.

(j) Directors

The Company's Constitution states that the minimum number of directors is three.

(k) Powers of the Board

The Directors have power to manage the business of the Company and may exercise that power to the exclusion of the members, except as otherwise required by the Corporations Act, any other law, the ASX Listing Rules or the Company's Constitution.

8. RISKS

Prospective investors in the Company should be aware that subscribing for New Shares and New Options the subject of this Prospectus involves a number of risks. Investors are urged to consider those risks carefully (and if necessary, consult their professional advisers) before deciding whether to invest in the Company. The risk factors set out below and other general risks applicable to all investments in listed securities not specifically referred to, may in future affect the value of the New Shares and the New Options. Accordingly, an investment in the Company should be considered speculative.

- New Shares and New Options subscription price – The subscription price for New Shares is related to the current market values of Shares and Listed Options as traded on ASX. Despite the market value of Shares being less than the exercise price of Listed Options, the Listed Options have a market value which is based on the unexpired time to their expiry date. If the Shares are traded at below the 30 cent exercise price around their expiry date the New Options could be worthless. There is no assurance that the market price for the Shares will reach either 26 cents or 30 cents at any time.
- Volatility in the market price of Shares – Although the Company is listed on the Official List there is no assurance that an active market for its Shares will be sustained. The market price could be subject to significant fluctuations due to various external factors and events, including the liquidity of the Shares in the market and broader market-wide fluctuations. Market driven sentiment could impair the values of the Shares despite the Company's operating performance.
- Exploration risks – All of the Company's projects are at exploration stage. The business of minerals exploration, project development and production involves risks by its very nature. There can be no assurance that exploration of the tenements, or any other tenement in which the Company may acquire an interest in the future, will result in the discovery of an economic mineral deposit. Even if an apparently viable mineral deposit is identified, there is no guarantee that it will be able to be profitably exploited.

Exploration and development may be hampered by mining, heritage and environmental legislation, industrial disputes, cost overruns, land claims, compensation and other contingencies. Any exploitation of a deposit will involve the need to obtain licences or clearances from relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied.

Exploration may ultimately be unsuccessful, resulting in a reduction of the value of the Company's projects, diminution in the cash reserves of the Company and possible relinquishment of the exploration tenements. Outcomes of the Company's exploration program will affect its performance and share values.

- Production risks – Operations such as the design and construction of efficient mining and processing facilities, competent operation and managerial performance, and the efficient transport and marketing services, are required to be successful. In particular

production operations can be hampered by force majeure circumstances, engineering difficulties, cost overruns, inconsistent recovery rates and other unforeseen events. In the event the Company proceeds to development of economic deposits production may be affected by these matters.

- Infrastructure – The absence of suitable available facilities for the transportation, loading and shipping of bulk mineral commodities on Eyre Peninsula may affect the development of any mineral deposits discovered by the Company on its Eyre peninsula tenements.
- Cultural Heritage – Delays may be experienced if evidence of Aboriginal cultural heritage exists on any land to which the Company requires access.
- Environmental impact constraints – The Company's exploration and appraisal programs will, in general, be subject to approval by government authorities. Development of any mineral resources will be dependent on the Company being able to obtain environmental approvals to carry out its planned activities, and then being able to meet all environmental conditions placed on such activities.
- Volatility of price of target minerals – Fluctuations in commodity prices may influence timing, viability and management of projects in which the Company has an interest.
- Key personnel – The ability of the Company to achieve its objectives depends on the acquisition and retention of sufficient key personnel to do so. If the Company cannot secure these people or obtain sufficient external expertise, this may affect the Company's ability to achieve its objectives either within time frames or budgets.
- Joint Ventures - The joint venture agreements between the Company and Mineral Enterprises Australia Pty Limited allow for Mineral Enterprises Australia Pty Limited to withdraw during the course of the joint ventures. If Mineral Enterprises Australia Pty Limited were to withdraw, the Company would need to re-assess its position with regard to continued funding of the tenement areas subject to those joint ventures.
- General Economic Climate – Factors such as inflation, currency movements, legislative changes, interest rates movements, political decisions and industrial disruption can all impact on operating costs and metal prices. The Company's future income, asset values and share price can be affected by these factors and, in particular, by the market price for any metals that the Company may produce and sell.
- Stock Market Conditions – International and domestic factors will affect conditions in equity and financial markets. The value of the Company's quoted securities on ASX may be affected by these factors, including commodity prices, market conditions, supply and demand for money and currency fluctuations.
- Commodity Prices May Go Down – The demand for and price of commodities is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative or substitute commodities, actions by governments and cartels and global economic and political developments. Commodity prices have fluctuated widely in recent years and may continue to do so. Material changes in commodity prices could seriously affect the Company's operations and share prices.
- Government Changes to Exploration Activities – Any material adverse changes in government policies or legislations may affect the operations of the Company.

- **Speculative Nature of Investment** – The above list of risk factors is not necessarily an exhaustive list of those faced by the Company and by investors in the Company. The above factors, and others not specifically referred to above, may in future materially affect the financial performance of the Company and the value of the Shares and Options offered under this Prospectus.

Therefore, the Shares and Options to be issued under this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market values of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisors before deciding whether to apply for Shares and Options in the Company.

9. ADDITIONAL INFORMATION

9.1 Nature of the Prospectus

This Prospectus is issued under Section 713 of the Corporations Act which allows the issue of a prospectus in relation to offers of securities where those securities are of a class which have been quoted for twelve months before the date of that prospectus.

9.2 Further Documents

As a disclosing entity, the Company is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office. In addition, any person considering this Offer is entitled to receive a copy of the most recently lodged annual financial report and any continuous disclosure notices given by the Company after the lodgement of that financial report. The Company will give copies of those documents to any person who requests them free of charge. These documents are referred to in Section 5.

9.3 Market Price of Ordinary Shares and Listed Options

The Shares of the Company were initially quoted on the ASX on 9 March 2007.

The highest and lowest recorded market sale prices of the Shares quoted on ASX in the 12 months preceding the date of this Prospectus were 37 cents on 15 October 2007 and 15.0 cents on 5 May 2008 respectively.

The last market sale price of the Shares on ASX on 15 May 2008 was 19.5 cents.

The Listed Options of the Company were initially quoted on the ASX on 8 June 2007.

The highest and lowest recorded market sale prices of the Listed Options quoted on ASX in the 12 months preceding the date of this Prospectus were 15 cents on 15 October 2007 and 4.1 cents on 7 September 2007 and 13 September 2007 respectively.

The last market sale price of the Listed Options on ASX on 15 May 2008 was 6 cents.

9.4 Legal Proceedings

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against or involving the Company.

9.5 Interests of Directors and Experts

The relevant interests of the Directors in the securities of the Company as at the date of this Prospectus are as follows:

Directors	Shares	Existing 20 cent Options December 2008	Existing 30 cent Options June 2010	Existing 20 cent Options December 2011
Richard V Ryan AO	100,000	-	50,000	800,000
Dr A John Parker	-	-	-	2,000,000
Peter E Cox	100,000	-	50,000	1,000,000
Robert A Althoff	509,980	353,332	254,990	750,000

Dr Parker, as Managing Director of the Company, currently receives a salary of \$209,000 per annum, plus 9% superannuation. Mr Ryan, as Chairman receives director's fees of \$50,000 per annum and both PE Cox and RA Althoff receive directors' fees of \$35,000 each, and all of the directors' fees are inclusive of statutory superannuation. In addition, PE Cox receives remuneration for secretarial, accounting and consulting work. For the period from 1 July 2007 until the date of this prospectus Mr Cox was paid \$91,628 for such services. Mr Cox will also receive fees of approximately \$5,000 based on normal hourly rates for assisting in the preparation of this Prospectus.

Details of remuneration of all of the Directors for the year ended 30 June 2007 are contained in the 2007 annual report.

The Directors and their associates will receive the same entitlement pursuant to this Offer as all other Shareholders in respect of Shares in which they hold an interest on the Record Date.

9.6 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$62,200 (\$59,300 for minimum subscription) including legal costs, accounting fees, ASX fees, share registry, printing and other administrative expenses.

9.7 Terms and conditions of Existing Options

The terms and conditions of unlisted options exercisable at 20 cents each, being 4,353,332 expiring 31 December 2008 and 4,750,000 expiring 31 December 2011, are set out in the Company's prospectus dated 30 January 2007 and were contained in an ASX announcement dated 8 March 2007. The Staff Options expiry 31 December 2011 have the same terms as the 20 cent options that expire on the same date except that the exercise price is 30 cents each, and that, if the employee ceases to be employed by the Company before the expiry date, then those options not exercised will lapse 30 days after the date of cessation of employment.

The terms and conditions of the Listed Options are the same as for the New Options to be issued under this Prospectus.

9.8 Material Contracts

9.8.1 Underwriting Agreement

An underwriting agreement dated on or around 16 May 2008 has been entered into between Lincoln Minerals Limited (“the Issuer”) and Ferromet International Trading Pte Limited (“Underwriter”). The Underwriter has agreed to partially underwrite the issue to take up so much of the shortfall shares of the Issue as would take its shareholding (including any shares held by it or its associates) up to, but not exceeding, 19.99% of all the issued Shares of the Issuer at the completion of the underwriting (Underwritten Shares),

The following is a summary of certain material provisions of the Underwriting Agreement.

The Underwriting Agreement is subject to the following conditions precedent:

- i completion of due diligence in relation to matters pertaining to the Prospectus evidenced by a Director of Lincoln Minerals signing the Prospectus no later than 19 May 2008 (or such later agreed date) together with the provision of a legal letter of sign-off by the Issuer’s solicitors in favour of the Underwriter by that time;;
- ii the Underwriter being satisfied with the form of the Prospectus and giving its consent to be named in the Prospectus no later than 19 May 2008 (or such later agreed date); and
- iii lodgement of the Prospectus with ASIC by no later than 19 May 2008 (or such later agreed date).

If the above conditions are not satisfied by their due date, the Underwriter may terminate the Agreement.

- (a) The Underwriter may inspect and examine all information and documents relevant to the Issue.
- (b) If there is a shortfall in the applications received pursuant to the Issue, Lincoln Minerals must calculate the shortfall and the number of Underwritten Shares, notify the Underwriter and issue a certificate within 3 business days after the Closing Date that it has complied in all material respects with all of its obligations in relation to the Issue and under the Underwriting Agreement, that all representations and warranties made by Lincoln Minerals under the Underwriting Agreement are true and correct and that no terminating event as defined in the Agreement has occurred entitling the Underwriter to exercise its termination rights. In response to the shortfall notice, the Underwriter must, within 10 business days lodge applications for the Underwritten Shares to the extent required by the Underwriting Agreement.
- (c) The Underwriter’s liability ceases if the conditions referred above in paragraph (a) are not fulfilled (unless waived by the Underwriter) or the Underwriter exercises its termination rights under the Underwriting Agreement.
- (d) Lincoln Minerals shall meet the reasonable costs of the Underwriter pursuant to the Agreement and all professional and legal fees incurred by the Underwriter

provided that any cost in excess of \$5,000 must be pre-approved by Lincoln Minerals.

- (e) Both Lincoln Minerals and the Underwriter make various representations and warranties to each other. In the case of Lincoln Minerals, it warrants (inter alia) that it shall advise the Underwriter of the occurrence of an event which may have a Material Adverse Effect. The expression "Material Adverse Effect" is defined as:
- a material adverse effect on the Issue or on the subsequent market for the Shares (including, without limitation, a material adverse effect on a decision of an investor to invest in Shares); or
 - a material adverse effect on the condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Issuer.
- (f) The Underwriter and Lincoln Minerals must advise each other should there be an occurrence of an Event of Termination or of an event which is likely to have a Material Adverse Effect.
- (g) The Underwriter is entitled to terminate its obligations under the Agreement if:
- (market fall): after the date hereof and up to the later of the Closing Date or lodgement of Valid Applications for the Shortfall:
 - i S&P/ASX Midcap Resources Index (Code: XMR): for three (3) business days the S&P/ASX Midcap Resources Index falls to a level that is 10.00% below the level at the close of trade on the trading day prior to the date of signing the Agreement by the party last to sign it; or
 - ii S&P/ASX Small Resources Index (Code: XSR): for three (3) business days the S&P/ASX Small Resources Index falls to a level that is 10.00% below the level at the close of trade on the trading day prior to the date of signing this Agreement by the party last to sign it.

The Underwriter also has discretion to terminate the Underwriting Agreement for reasons that are standard for agreements of this nature.

9.8.2 Heads of Agreement and Supplementary Agreement

Summaries of the Heads of Agreement between Lincoln Minerals Limited, Centrex Metals Limited and South Australian Iron Ore Group Pty Ltd dated 8 July 2005 and Supplementary Agreement dated 21 March 2006 between the same parties are contained in the Company's prospectus dated 30 January 2007, a copy of which will be provided free of charge to any person who asks for it.

9.8.3 Gum Flat Exploration Farm-in and Joint Venture Agreement

In December 2007 Lincoln Minerals Limited concluded a joint venture agreement with Mineral Enterprises Australia Pty Ltd (MEA) in respect of Exploration Licence 3422 (Gum Flat) near Port Lincoln on southern Eyre Peninsula, South Australia.

Under the joint venture, MEA can earn up to a 40% interest in EL3422 by expending \$2.5 million on exploration by 31 December 2010.

Subject to rights to withdraw, MEA agreed to expend:

1. A minimum \$500,000 by 31 December 2007;
2. A further \$500,000 to earn a 20% interest in the project by 31 Dec 2008; and
3. An additional \$1.5 million to earn a further 20% by 31 Dec 2010.

MEA may withdraw at any time after the initial appraisal period provided it has expended at least \$500,000

The joint venture includes all minerals.

Note: As at the date of this Prospectus, MEA made the \$500,000 contribution by 31 December 2007 and has been contributing towards the amount of \$500,000 required to earn a 20% interest by 31 December 2008, in accordance with the Agreement.

9.8.4 Gum Flat Exploration and Farm-in Joint Venture Supplementary Agreement

The Agreement refers to the Gum Flat Exploration and Farm-in Agreement (Section 9.8.3 above). In summary it provides for Mineral Enterprises Australia Pty Ltd to fund expenditure of a further \$2 million by 31 December 2012 to increase its participating interest in Exploration Licence 3422 to 50%, having completed its obligations under Gum Flat Exploration and Farm-in Joint Venture Agreement.

This Agreement, entered into in April 2008, is conditional upon Mineral Enterprises Limited, Ferromet International Pte Limited or MEA completing the underwriting of a rights issue by Lincoln Minerals by 30 June 2008, the terms of which rights issue will be agreed by Lincoln Minerals and the underwriter

9.8.5 Wanilla Joint Venture Agreement

In March 2008, Lincoln Minerals Limited concluded a joint venture agreement with International Metals Pty Ltd ("ITM") a subsidiary of InterMet Resources Limited in respect of ITM's Exploration Licence 3702 (Wanilla) near Port Lincoln on southern Eyre Peninsula, South Australia.

Under the joint venture, Lincoln Minerals can earn up to an 80% interest in EL3702 by expending \$2million on exploration by 31 December 2012.

Subject to rights to withdraw, Lincoln Minerals Limited has agreed to expend:

1. A minimum \$250,000 by 30 June 2009;
2. A further \$750,000 to earn a 50% interest in the project by 31 Dec 2010; and
3. An additional \$1.0 million to earn a further 30% by 31 Dec 2012.

Lincoln Minerals may withdraw at any time after the initial appraisal period provided it has expended at least \$250,000. ITM may elect to contribute pro-rata to expenditure once Lincoln Minerals has earned an 80% interest or if Lincoln Minerals Limited elects not to sole fund Phase 3.

The joint venture includes all minerals other than uranium.

9.8.6 Wanilla LML/MEA Joint Venture Heads of Agreement

In May 2008 the Company entered into a Heads of Agreement with Mineral Enterprises Australia Pty Ltd (MEA) whereby MEA can earn a participating interest in the Wanilla Joint Venture referred to in Section 9.8.5 above. The terms of the Heads of Agreement provide that Lincoln Minerals will retain its management rights under the Wanilla Joint Venture Agreement but MEA can earn half of Lincoln Minerals' interest in that joint venture by contributing half of the funds to Lincoln Minerals that Lincoln Minerals is required to contribute to International Metals Pty Ltd, and on the same timetable, under the Wanilla Joint Venture Agreement.

9.9 Tenement Schedule

Lincoln Minerals Limited has all mineral rights

Tenement	Locality	Applicant - Licensee
EL 3422**	Gum Flat	Lincoln Minerals Limited
EL 3563	Kallioota (Lake Torrens)	Lincoln Minerals Limited
EL 3690	Lake Gilles (Wilcherry Hill)	Lincoln Minerals Limited
EL 3703	Cummins (Mount Hill West)	Lincoln Minerals Limited
EL 3704	Lake Gilles (Stony Hill West)	Lincoln Minerals Limited
EL 3883	Strawberry Hill	Lincoln Minerals Limited
EL 3884	Campoona	Lincoln Minerals Limited
EL 3885	Dutton River	Lincoln Minerals Limited
EL 4049	Tarlinga	Lincoln Minerals Limited
EL 4093	Mosely Nobs	Lincoln Minerals Limited

Lincoln Minerals Limited has rights to all minerals except iron ore

Tenement	Locality	Applicant - Licensee
EL 3401	Lock	Centrex Metals Limited
EL 3498	Cockabidnie North	Lincoln Minerals Limited
EL 3609	Cockabidnie	Centrex Metals Limited
EL 3968	Kimba Gap	South Australian Iron Ore Group Pty Ltd***
EL 3048	Pondooma (Iron Stone Hut)	South Australian Iron Ore Group Pty Ltd***
EL 3125	Kimba Gap	South Australian Iron Ore Group Pty Ltd***
EL 3287	Stony Hill	South Australian Iron Ore Group Pty Ltd***
EL 3375	Gilles Downs	Centrex Metals Limited
EL 3610	Minbrie	Centrex Metals Limited
EL 3269	Bald Hill	Centrex Metals Limited
EL 3317	Tooligie Hill (Wilgerup)	Centrex Metals Limited
EL 3421	Dutton Bay	Centrex Metals Limited
EL 3611	Greenpatch	Centrex Metals Limited
EL 3731	Tumby Bay (Carrow)	South Australian Iron Ore Group Pty Ltd***
EL 3877	Mount Hill (Tod River)	South Australian Iron Ore Group Pty Ltd***

Notes:

- ** EL3422 Gum Flat is subject to a Joint Venture Agreement with Mineral Enterprises Australia Pty Ltd ("MEA") (subsidiary company of Mineral Enterprises Limited) whereby MEA is entitled to earn up to a 50% interest in the tenement.
- *** South Australian Iron Ore Group Pty Ltd is a wholly owned subsidiary of Centrex Metals Limited

In addition, Lincoln Minerals Limited entered into a farm-in agreement with International Metals Pty Ltd in respect of EL 3702 (Section 9.8.5). As at the date of this Prospectus, Lincoln Minerals Limited had not incurred sufficient expenditure on the tenement in accordance with the Agreement to have acquired an interest in the tenement. Details of the Joint Venture were announced to ASX on 31 March 2008.

9.10 Interests and Consents of Advisers

The following parties have given (and not withdrawn before the date of this document) their consent to be named in this document in the form and context in which they are named:

Ferromet International Trading Pte Limited in the capacity as Underwriter,

Hunt and Hunt Lawyers in the capacity as solicitor to the Company.

Each of Ferromet International Trading Pte Limited and Hunt and Hunt:

- Has not authorised or caused this Prospectus,
- Has not made any statement in this Prospectus, or any statement on which a statement in this Prospectus is based,
- To the extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name, and
- Was not involved in the preparation of the Prospectus or any part of it except where expressly attributed to that person.

Hunt and Hunt is acting as Solicitor to the Company and is being paid a fee of approximately \$15,000 (plus GST).

10. AUTHORITY OF DIRECTORS

This Prospectus is issued by the Company and in accordance with section 720 of the *Corporations Act*, each Director has consented and has not withdrawn his consent to the lodgement of this Prospectus with ASIC.

Dated: 16 May 2008.

Richard V Ryan AO
Chairman
Lincoln Minerals Limited

11. DEFINITIONS

Applications means valid applications to subscribe for New Shares and New Options in accordance with the Offer.

Application Money means monies received from persons applying for Shares pursuant to the Issue.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd (ACN 008 504 532).

ASX means ASX Limited (ACN 008 624 691).

Board means the board of Directors unless the context indicates otherwise.

Closing Date means 5.00 Adelaide time on 20 June 2008 or such other date as may be determined by the Directors and the Underwriters under this Prospectus.

Company means Lincoln Minerals Limited (ABN 50 050 117 023).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Entitled Shareholder means a shareholder who is registered on the share register as at the Record Date or a shareholder who has exercised an Option to acquire a Share by the Record Date other than a Non-qualifying Foreign Shareholder

Entitlement means the non-renounceable right of a Shareholder to receive an entitlement under the Issue.

Entitlement and Acceptance Form means the Form accompanying this Prospectus that sets out the Entitlement of Shareholders to subscribe for Shares pursuant to the Issue.

Existing Options means all Options on issue on the Record Date.

Issue means the issue of New Shares and New Options pursuant to this Prospectus.

Issue Period means the period commencing on the date of this Prospectus and ending on the date of despatch of New Share and New Option holding statements to Shareholders.

Lincoln Minerals means Lincoln Minerals Limited (ABN 50 050 117 023).

Listed Options means Options exercisable at 30 cents each expiring 30 June 2010 and quoted on the Official List under ASX code LMLO.

Listing Rules means the Listing Rules of ASX.

New Option means an Option to be issued under this Prospectus.

New Share means a Share to be issued under this Prospectus.

Non-qualifying Foreign Shareholder means a Shareholder whose address as shown on the share register at the Record Date is not in Australia or New Zealand

Offer means the same as Issue.

Official List means the Official List of ASX.

Official Quotation means quotation of securities by the ASX in accordance with the Listing Rules.

Option means an option to acquire a Share.

Option holder means the holder of an Option.

Prospectus means this prospectus dated 16 May 2008.

Record Date means 7:00pm (Sydney time) on 27 May 2008.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

Shortfall means New Shares for which successful valid applications have not been received by the Closing Date.

Underwriter means Ferromet International Trading Pte Limited.

Underwriting Agreement means the underwriting agreement dated on or about the same date as this Prospectus, between the Underwriter and the Company.