

19 May 2008

Dear Securityholder

NON-RENOUNCEABLE RIGHTS ISSUE

This notice is provided to inform you that on 19 May 2008, Lincoln Minerals Limited ("LML" or the "Company") lodged a Prospectus with the Australian Securities Exchange in respect of a pro-rata non-renounceable rights issue of shares at an issue price of 26 cents per share (Rights Issue).

A copy of the Prospectus together with an Entitlement and Acceptance Form will be mailed to eligible shareholders on 2 June 2008.

If you are an existing option holder with a registered address in Australia or New Zealand, you will only be entitled to participate in this Rights Issue if you have exercised your options so that you have become a registered shareholder as at 7.00 pm (Sydney local time) on 27 May 2008 ("Record Date").

Under the Rights Issue, shareholders with a registered address in Australia or New Zealand ("Eligible Shareholders") are being invited to subscribe for one New Share, with one attaching free New Option, for every four existing shares held as at the Record Date. Each New Option will have an exercise price of 30 cents and expire on 30 June 2010. These New Options will have the same terms and conditions as the Company's existing listed options (ASX code: LML0). The Company will apply to ASX for quotation of both New Shares and New Options.

The Rights Issue will raise up to \$4.88m and is partly underwritten to at least \$3.74m.

The proceeds of the Rights Issue will substantially be applied to extend exploration, prefeasibility, scoping studies and project development on the Company's Eyre Peninsula tenements, and for working capital and for costs associated with the issue.

Eligible Shareholders' entitlements pursuant to this Rights Issue are non-renounceable and accordingly Eligible Shareholders may:

- take up their Rights in full or in part; or
- do nothing in which case their Rights will lapse.

No action is required to be taken at this stage unless you are an existing option holder. If you are an existing option holder you should exercise your options (as described above) if you wish to participate in the Rights Issue. If you intend to take up your Rights in full or in part then you should take appropriate action when you receive a copy of the Prospectus together with an Entitlement and Acceptance Form which will be mailed to Eligible Shareholders on 2 June 2008.

Shareholders with a registered address outside of Australia or New Zealand are not eligible to participate in the Rights Issue ("Ineligible Shareholders").

Further details of the courses of action available to Eligible Shareholders are set out in the Prospectus.

The Rights Issue is partly underwritten by Ferromet International Trading Pte Limited (a Company incorporated in Singapore and a subsidiary of Mineral Enterprises Limited) such that the Rights Issue will raise not less than \$3.74m. A summary of the terms and conditions of the underwriting are set out in the Prospectus.

Key information and indicative dates in respect of the Rights Issue are as follows:

Prospectus lodged with ASX	19 May 2008
Existing Shares are quoted on an "Ex" basis	21 May 2008
Record Date (date for determining entitlements of Eligible Shareholders to participate in the Offer)	27 May 2008
Prospectus Despatched to Eligible Shareholders (expected date of despatch of Prospectus and Entitlement and Acceptance Forms)	2 June 2008
Opening Date	2 June 2008
Closing Date	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

Further details on the Rights Issue are contained in the Prospectus.

For further information please contact the undersigned

Yours truly,



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