



LINCOLN MINERALS LIMITED

ABN 50 050 117 023

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28 May 2008

The Manager
ASX Announcements

Dear Sir,

Letter to Securityholders

The attached letter detailing the suspension of the non-renounceable rights issue will be sent out to all securityholders today.

Yours truly,

Peter E Cox
Director and Company Secretary



27 May 2008

Dear Securityholder,

SUSPENSION OF NON-RENOUCEABLE RIGHTS ISSUE

We refer to the letter sent to you on 19 May 2008 informing you of a 1-for-4 non-renounceable rights issue ("Rights Issue") pursuant to the lodgement of a prospectus dated 16 May 2008 ("Prospectus").

On 20 May 2008 the Company received a letter from solicitors acting for a substantial shareholder of the Company, Mr Eng Hoe Lim, seeking the suspension of the Rights Issue and the convening of an Extraordinary General Meeting of members of the Company. The letter alleges that the terms of the Rights Issue may have been inconsistent with the policy of the takeovers provisions of the *Corporations Act*.

On 21 May 2008 the Company received a requisition from Mr Eng Hoe Lim to convene an Extraordinary General Meeting (EGM) of members of the Company to replace Mr Robert A. Althoff and Mr Peter E. Cox (and any other director appointed between the issue of the requisition and the date of the General Meeting) with Mr Eng Hoe Lim, Mr Freddy Kah Hong Chan, and Mr George Y. Filmeridis as Directors of the Company.

The purpose of this letter is to inform shareholders that the Directors have resolved to suspend the Rights Issue until after the EGM has been held. Accordingly the events detailed in the Company's letter to you of 19 May 2008 will not take place in accordance with the timetable set out in that letter.

On 26 May 2008 the Company lodged a supplementary prospectus with ASIC informing investors of these new circumstances.

The EGM will be held before 19 July 2008 and, shortly, you will receive a Notice of Meeting and an Explanatory Memorandum which will call for the holding of that meeting.

Whilst the Explanatory Memorandum which will accompany the Notice will deal with these issues in greater detail, it is important to reflect upon some of the Company's outstanding achievements during its first 15 months of operation.



In that time the Company has:

- Identified a significant iron ore exploration target on southern Eyre Peninsula, discovered lateritic nickel on central Eyre Peninsula, and uranium on north-eastern Eyre Peninsula;
- Successfully gained a SA Government Plan for Accelerated Exploration (PACE) grant of \$100,000 for its Torrens Project; and
- Maintained an aggressive corporate development program that has seen the Company's tenement package increase from 3,217 sq km in March 2007 to 4,753 sq km in May 2008;
- Commenced scoping, environmental and hydrogeological studies on the Gum Flat iron ore project;
- Secured a number of important Joint Ventures to expand its exploration program, yet, maintain a strong cash position for future developments, including potential acquisitions; and
- Established a strong alliance with Indian iron ore miner Mineral Enterprises Limited and its Australian subsidiary that provides not only valuable exploration funding but also iron ore mining and international trading expertise.

Your Company's mission is to maximize opportunities for its shareholders through discovery and development. I believe we are well on track and that our achievements over the past 15 months speak for themselves.

The Company has a strong, stable and professional Board and management team with great depth of experience in exploration, mining, and development, especially within South Australia. The current Board continues to use this exploration and mining experience in your best interests to add value to the Company and maximize returns to you, the securityholder and loyal owners.

If you have any queries regarding the above events, please contact the Company on 08 8274 0243 or via email at info@lincolnminerals.com.au.

Please refer to the Company's announcements as made from time to time with ASX, either on the ASX website or on the Company's website at www.lincolnminerals.com.au.

Yours truly,



Dr A. John Parker
Managing Director

Lincoln Minerals Limited
ABN 50 050 117 023

Supplementary Prospectus to a Prospectus Dated 16 May 2008

**Lodgement with Australian Securities and Investments
Commission**

Important Information

This supplementary Prospectus is dated 26 May 2008 and was lodged with ASIC pursuant to section 719 (1) of the Corporations Act. It is supplementary to the Prospectus dated 16 May 2008 issued by Lincoln Minerals Limited ("Company") for a partially underwritten non-renounceable rights issue of New Shares and New Options in the Company to Entitled Shareholders on the basis of 1 New Share together with 1 free New Option for every four shares held as at a Record Date of 7pm Sydney time on 27 May 2008 ("Rights Issue").

A copy of this Supplementary Prospectus was lodged with ASIC on 26 May 2008. Neither ASIC nor ASX take any responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus must be read together with the Prospectus.

Unless otherwise indicated terms and abbreviations defined and used in the Prospectus have the same meaning in this Supplementary Prospectus.

Reasons for Supplementary Prospectus

Since the Prospectus was lodged, a new circumstance has arisen which would have been required to be included in the Prospectus if it had arisen before the Prospectus was lodged as it is a material adverse circumstance from the point of view of an investor.

Additional New circumstance

On 21 May 2008 Mr Eng Hoe Lim, a shareholder of the Company, issued a request to convene an extraordinary general meeting of shareholders of the Company ("Request") under section 249D of the Corporations Act within 21 days of the Company's receipt of the Request ("EGM").

At the EGM, resolutions are proposed to appoint Mr Eng Hoe Lim, Mr Freddy Kah Hong Chang and Mr George Y Filmeridis as directors of the company and to remove Mr Robert A Althoff and Mr Peter Cox (and any other director appointed between the issue of the Request and the date of the EGM) as directors of the company.

This is a Supplementary Prospectus intended to be read with a Prospectus dated 16 May 2008 issued by Lincoln Minerals Limited relating to a Rights Issue for New Shares and New Options of Lincoln Minerals Limited.

Shareholders meeting

In accordance with the Corporations Act, the Company within 21 days after the giving of the Request, will call a meeting of members of the Company to be held no later than 2 months after the Request has been given.

Suspension of Rights Issue

The Directors of the Company have resolved to suspend proceeding with the offer of the Rights Issue until after the EGM has been held.

Director's authorisation

The Directors each have consented to the issue of this Supplementary Prospectus and its lodgement with ASIC. No Director has withdrawn this consent prior to the lodgement of the Supplementary Prospectus with ASIC. This Supplementary Prospectus has been signed by a Director of Lincoln Minerals Limited with the authority of each of the Directors and is dated 26 May 2008.

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Dr. A John Parker - Director

This is a Supplementary Prospectus intended to be read with a Prospectus dated 16 May 2008 issued by Lincoln Minerals Limited relating to a Rights Issue for New Shares and New Options of Lincoln Minerals Limited.