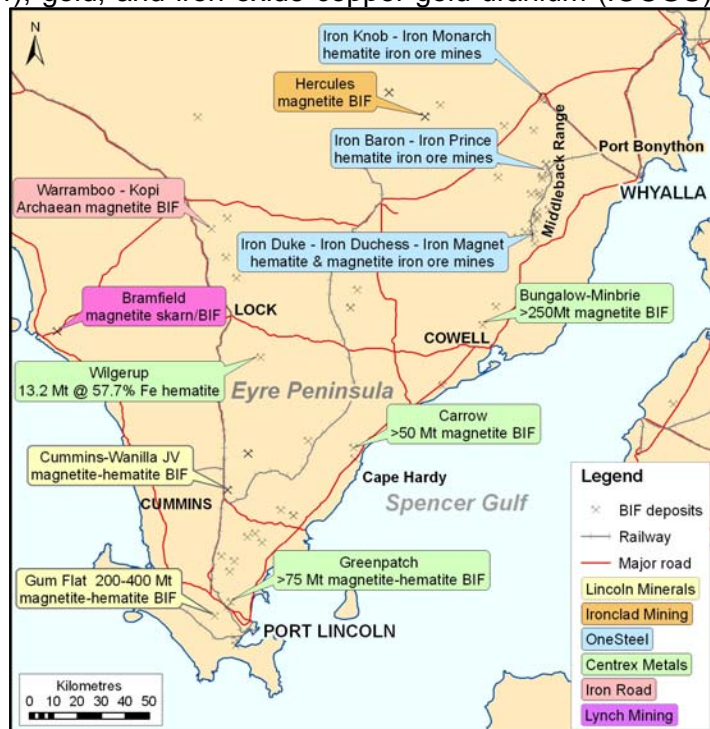


Quarterly Activities Report – June 2008

Lincoln Minerals Limited is an Australian company with a portfolio of quality iron ore, nickel-cobalt, uranium, base metal (lead-zinc-copper-silver), gold, and iron oxide copper-gold-uranium (IOCGU) exploration projects in the highly prospective Gawler Craton.

Tenements are located on South Australia's Eyre Peninsula, an iron-rich mineral belt that is host to the historically important iron ore mines of the Middleback Ranges. Over 200 Mt of high grade hematite has been mined in this area since the beginning of the last century. The magnetite and hematite banded iron formations (BIFs) extend throughout the Peninsula and form one of the major iron ore provinces of the world.

Lincoln Minerals has a secure land position on Eyre Peninsula with projects close to established infrastructure, including rail and heavy haulage road networks, shipping ports, electricity, water services, hospitals, and engineering service providers. This means lower operating costs and capital expenditure when it comes time to mine.



As a result, the Company is well placed to take advantage of the resurgence in prices of iron ore, nickel, cobalt, uranium and copper as well as expanding markets in Asia, particularly China, India and Vietnam.

Our mission is to provide capital growth through exploration, discovery, and development of economic mineral deposits along with strategic joint ventures and acquisitions.

As at 30 June 2008 the Company had \$5.4 million cash. Cash expenditure on exploration activities by the Company during the June 2008 quarter (excluding expenditure recovered from joint venture activities) was \$715k.

In May 2008 the Company announced a partially underwritten one-for-four non-renounceable rights issue at a price of 26 cents per share to raise up to approximately \$4.88 million before costs of issue. The Rights Issue was suspended due to the actions of a substantial shareholder and has now been effectively terminated because all of the conditions of the underwriting agreement cannot be fulfilled. The Company will address capital raising for the future as a separate matter.

HIGHLIGHTS

Successful drilling program for lateritic nickel-cobalt completed at Cockabidnie, contract signed for 20,000m Reverse Circulation (RC) drilling at Gum Flat iron ore project, uranium exploration stepped up at Wilcherry, gravity surveys completed for iron ore in Cummins-Wanilla and Gum Flat regions, Wanilla JV extended and drilling program (PACE grant) scheduled for Torrens.

Gum Flat

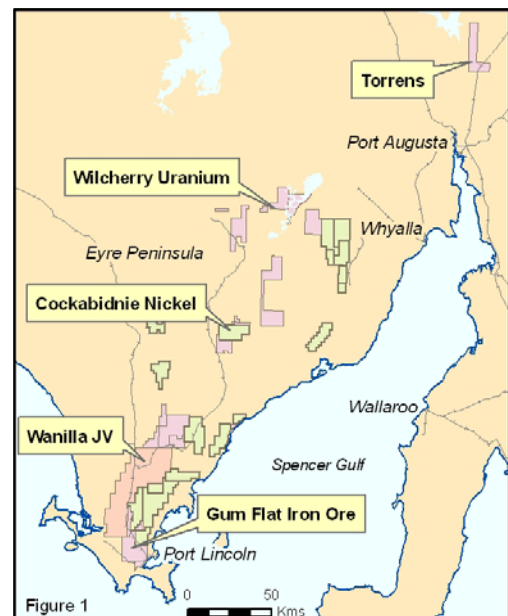
- Significant intervals of coarse-grained magnetite BIF overlain by massive and banded hematite and goethite
- Large magnetite (+ lesser hematite) iron ore exploration target 200-400Mt
- Up to 40.6% magnetite (Davis Tube concentrate) @ 68.4% Fe
- 20,000m RC drilling contract began in July 2008
- Hydrogeological study completed over key target areas
- Multi-purpose drilling rig owned by JV partner Mineral Enterprises Limited scheduled to commence diamond drilling in August 2008

Cockabidnie

- Phase 2 drilling identified lateritic nickel-cobalt up to 1.15% Ni (0.045% Co) and 0.33% Co (0.21% Ni) in the Campoona Syncline
- Scoping study to be undertaken

Cummins-Wanilla

- Numerous aeromagnetic anomalies and iron ore targets
- Detailed gravity surveys completed and iron ore target generation in progress
- Wanilla JV extended to include Indian iron ore subsidiary Mineral Enterprises Australia Pty Ltd



Wilcherry

- Significant uranium mineralisation up to 0.05% U + 0.1% base metal
- IronClad Mining Limited has begun drilling for iron ore (Wilcherry JV)
- Gravity and airborne magnetic and radiometric surveys processed
- RC drilling program began in July 2008

Torrens

- 50km north of Port Augusta in Olympic IOCGU Domain
- PACE drilling program scheduled to commence in August 2008
- Modelling of gravity and magnetic data indicates relatively shallow high density basement
- Regional seismic survey conducted by Geoscience Australia crossed tenement.

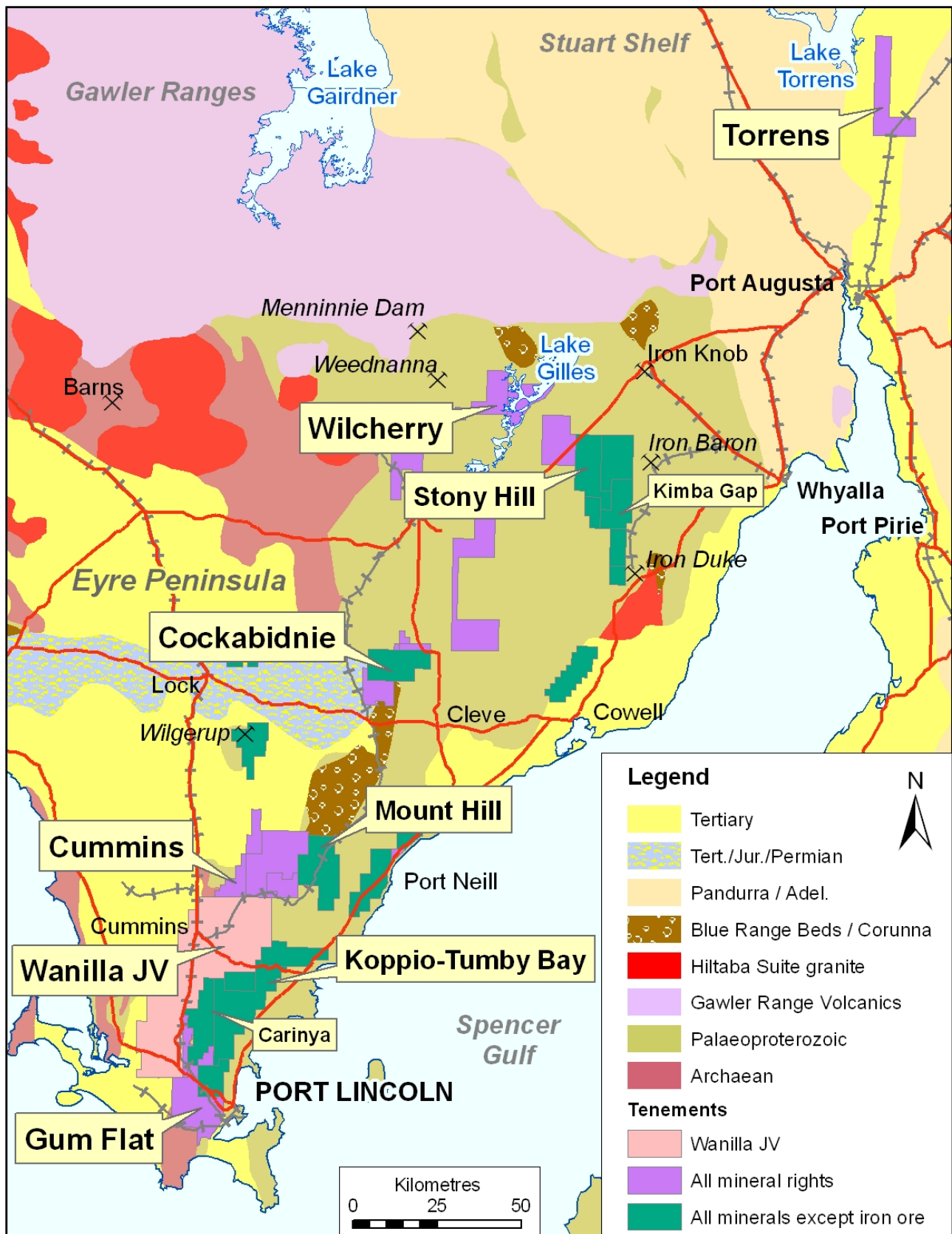


Figure 2: Location of Lincoln Minerals' tenements and project areas

EXPLORATION PROGRESS DURING THE QUARTER

Gum Flat Iron Ore – EL 3422

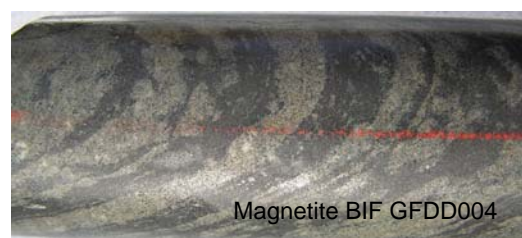
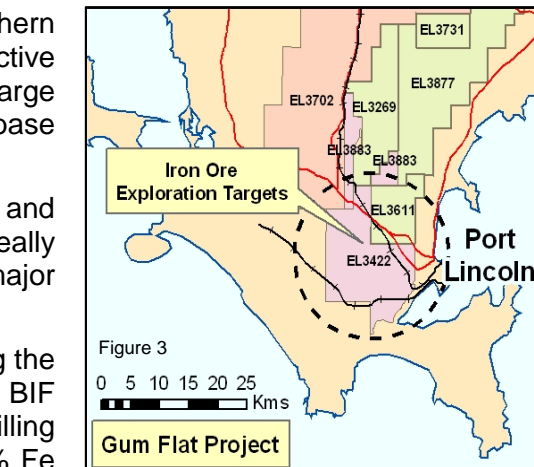
(LML has exclusive rights to all minerals subject to ME Australia-MEL farmout)

The Gum Flat Iron Ore Project is located on southern Eyre Peninsula within 20km of Port Lincoln. It is prospective for magnetite and hematite-goethite 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 major highway running through the area, EL3422 is ideally located with respect to infrastructure and proximity to a major shipping port.

A successful diamond drilling program at Gum Flat during the fourth quarter 2007 intersected coarse grained magnetite BIF beneath hematite BIF. During 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.

Magnetite BIF with relatively high magnetic susceptibilities was intersected during the diamond drilling program and has been evaluated by assaying and Davis Tube magnetic separation (DTS) to determine the quantity of magnetite and iron content of the primary BIF (head grade) and the DTS concentrate.



The results of the DTS have confirmed that magnetite BIF contains up to 40.6% magnetite (DTS concentrate) @ 68.4% Fe (GFDH004 282-284m) and low in alumina (Al_2O_3), phosphorous (P) and silica (SiO_2). None of the diamond drillholes went through the complete magnetite BIF sequence but DTS results from some of those intervals intersected are included in the table below.

Table 1: Gum Flat magnetite BIF assays and DTS results

Drill Hole	From (m)	To (m)	Interval (m)	DTS ** (%)	Head Fe (%)	DTS Fe (%)	DTS Al_2O_3 (%)	DTS P (%)	DTS SiO_2 (%)
GFDH004	82	86	4	22.67	32.4	69.6	0.33	0.012	2.415
GFDH004	270	290	20	25.25	26.29	66.67	0.44	0.012	2.803
including	278	288	10	34.45	31.54	67.96	0.33	0.016	1.608
including	282	284	2	40.55	34.6	68.4	0.32	0.015	1.2
GFDH005	176	182	6	30.86	31.63	68.4	0.38	0.012	1.03
GFDH005	192	200	8	28.8	30.93	68.05	0.36	0.014	1.295

** DTS = Davis Tube Separation magnetic concentrates
 GFDH004 – 566650mE 6160650mN inclined 60 to 270
 GFDH005 – 564883mE 6159897mN inclined 60 to 090

The magnetic anomalies and LML drillholes are along strike from Greenpatch (EL 3611 where LML has rights for all minerals except iron). Magnetite BIF at Greenpatch (Centrex Metals Limited prospectus, 2006) ranges in thickness from 44-58m and averages 26-29% magnetite (DTS concentrate) @ 69% Fe (<0.01% P_2O_5 , 0.25% Al_2O_3 , 2.7% SiO_2).

As previously discussed (March 2008 Quarterly Activities Report), the aggregate length of interpreted BIF in EL3422 based on aeromagnetic data is about 30km. However, the cumulative length of high intensity aeromagnetic anomalies in the Coomunga-Rifle Range area is about 5-6 km. Geophysical modelling of the larger of the aeromagnetic anomalies defines a tabular body with an interpreted dip 20-30° to the west (Fig. 4). This anomaly is about 3.6km long and, based on various dips and pit depth scenarios, outlines a conceptual exploration target for magnetite (and lesser hematite) BIF iron ore of 200-400 Mt.

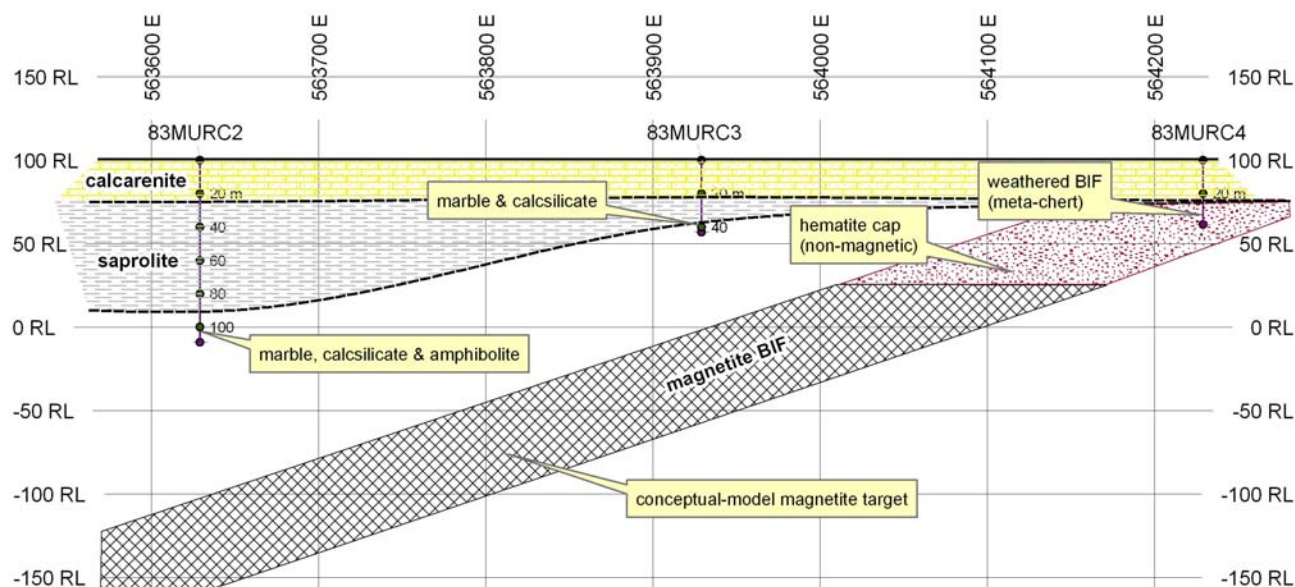


Figure 4 : Geophysical model of the main aeromagnetic target at Gum Flat

As indicated in the cross section model, magnetite BIF is overlain by hematite BIF. ProMet Engineers Pty Ltd (of Perth, WA) has undertaken metallurgical test work and a scoping study on the processing and beneficiation or upgrading of massive and banded hematite iron formation from Gum Flat.

Upgrading possibilities include the use of Wet High Intensity Magnetic Separation (WHIMS) so a test work program was generated to evaluate the WHIMS beneficiation option. The tests involved fine grinding of the feed sample to a p80 of 75µm (80% passing 75µm) then treatment with a Low Intensity Magnetic Separator (LIMS) to remove any magnetite before stage treatment with a WHIMS unit at 3000G, 5000G and 10000G to concentrate the hematite.

The LIMS test work revealed that a small amount of high grade magnetite (up to 9% magnetite) was present in the samples. The WHIMS test work showed significant weight recoveries with typically only 30% non mags remaining at 10000G. The product grade did, however, not increase as expected and all of the samples failed to reach an acceptable Fe and SiO₂ target.

One possible reason for this result could be that the hematite and/or goethite are not liberated at 75 µm. Further test work has been recommended.

As an extension to the Scoping Study, Lincoln Minerals 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 has recently recommenced with the arrival of a Reverse Circulation (RC) drilling rig. Drill lines have been prepared for a major 20,000m RC drilling program. Lehmann Drillers from Kimba on northeastern Eyre Peninsula have been contracted to do the RC drilling.

In addition, a multi-purpose drilling rig owned by Indian Joint Venture partner Mineral Enterprises Limited is being fitted out in Perth and is scheduled to begin diamond drilling in August 2008. Government exploration work approvals have been obtained for this next phase of drilling.

One of LML's main exploration targets at Gum Flat is on the margin of the Uley East groundwater lens. This lens is only currently used for stock water but an assessment of the local hydrogeology has been prepared by independent consultants Sinclair Knight Merz as part of a broader study into the groundwater basins of the Gum Flat region.

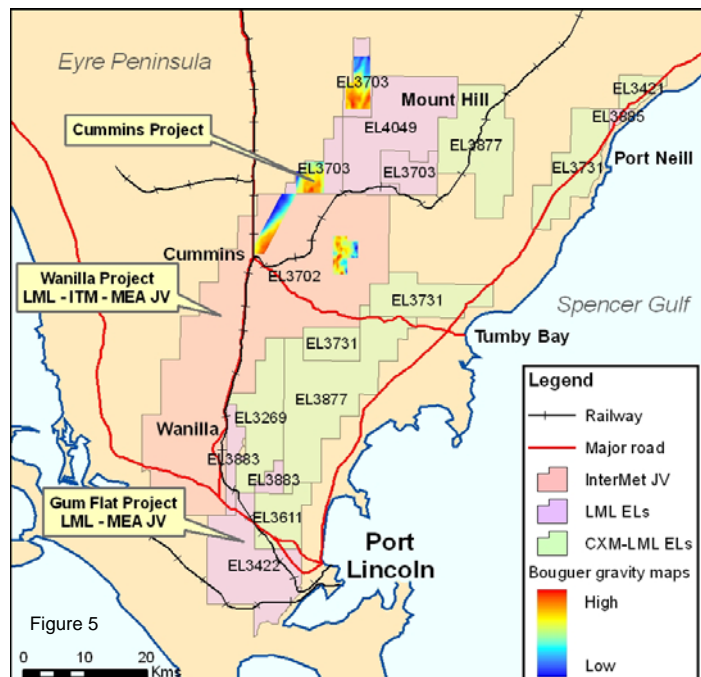
Cummins-Wanilla Iron Ore

ELs 3702, 3703, 3883 and 4049

(LML has exclusive rights for all minerals on ELs 3703, 3883 and 4049, and is earning an 80% interest 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.

Calcrete and soil sampling programs have been completed across most of EL 3703 and detailed gravity surveys have been completed over selected targets on ELs 3702 and 3703 during the period 26 March to 5 June 2008. Survey details are summarised in the table below.



The purpose of the gravity surveys is to identify direct shipping (DSO) style hematite iron ore targets.

Table 2: Details of gravity surveys, ELs 3702 and 3703

Survey Area	Tenement	Line Spacing	Lines	Station Spacing	Stations
Cummins North	EL 3703	400m	23	50m	1577
Cummins South	EL 3703	400m	13	50m	1063
Cummins	EL 3702	400m	26	100m	638
Cummins East	EL 3702	400m	17	100m	535

The Wanilla Joint Venture Agreement (Wanilla JV) has been extended to include Mineral Enterprises Australia Pty Ltd ("MEA"), a subsidiary of Indian iron ore miner, Mineral Enterprises Limited.

Under the new joint venture arrangements, MEA can earn up to 40% participating interest in EL3702 (as per the table below) by expending \$1M on exploration by 31 December 2012. The original Wanilla JV with International Metals Pty Ltd ("ITM") a subsidiary of InterMet Resources Limited was signed in March 2008 in respect of ITM's EL3702 (Wanilla) tenement.

Table 3: Joint Venture between Lincoln Minerals (LML), International Metals Pty Ltd (ITM) and Mineral Enterprises Australia Pty Ltd (MEA)

	DATE	FUNDING		PARTICIPATING INTEREST		
		MEA	LML	MEA	LML	ITM
STAGE 1	30 June 2009	\$125,000	\$125,000	0%	0%	100%
STAGE 2	31 Dec 2010	\$375,000	\$375,000	25%	25%	50%
STAGE 3	31 Dec 2012	\$500,000	\$500,000	40%	40%	20%

The joint venture includes all minerals except uranium.

Cockabidnie Nickel – 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 range of minerals including gold, unconformity uranium and base metals (copper, lead, zinc, nickel).

Following the discovery of lateritic nickel-cobalt mineralization on EL 3609 in October 2007, an aircore drilling program along the potential zone of nickel mineralisation in the Campoona Syncline was completed during the April-June 2008 quarter.

The drilling outlined further lateritic nickel-cobalt mineralisation (see table below) grading up to 1.15% Ni (with 0.045% Co, 0.037% Cu and 0.18% Zn; CBAC182, 25-26m) and 0.33% Co (with 0.21% Ni and 0.07% Cu; CBAC185, 30-31m). There are significant intervals of mineralisation up to 30m wide (CBAC185, 20-50m @ 0.13% Co, 0.18% Ni and 0.05% Cu) where the Ni equivalent (Ni-Co-Cu) based on current world metal prices averages about 0.8%.

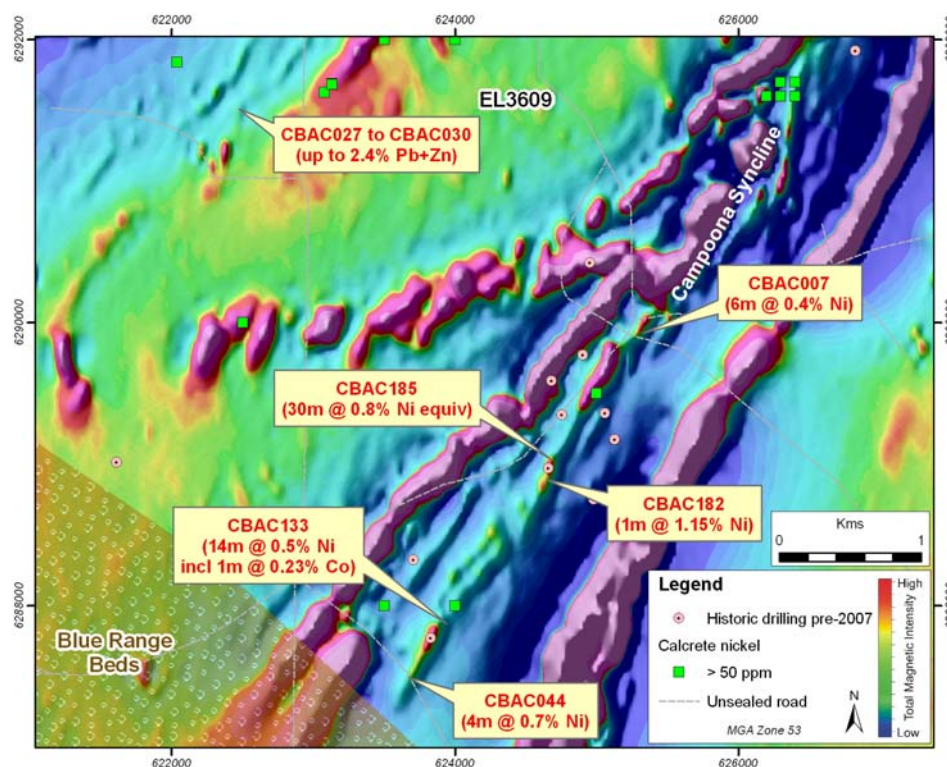
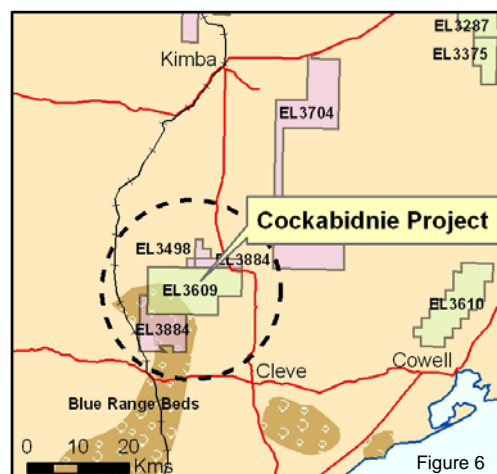


Figure 7: Aeromagnetic map highlighting LML drilling and calcrete geochemistry anomalies, Cockabidnie Project

These results have identified a zone of scattered lateritic and saprolitic nickel-cobalt mineralisation over a strike length of 3 km. The mineralisation occurs to depths of 50m beneath shallow soil and sand cover 5-15m thick and is relatively enriched in cobalt relative to typical lateritic nickel deposits. Therefore, given the current price of cobalt at about US\$45/lb, it is appropriate to consider the drilling results and potential resource in terms of Ni equivalents.

The latest results outline a number of pods or exploration targets. However, because of the widely spaced drill lines, the pods are open both along strike and in some cases across strike. As yet, there has been insufficient exploration drilling in the immediate area to define a mineral resource.

LML is planning ongoing exploration work during 2008 to investigate the potential of the nickel-cobalt laterite. A scoping study has been initiated to investigate the potential for heap leaching. Tests will be undertaken on several bulk samples collected during the recent aircore drilling program.

The Campoona Syncline region is highly prospective area not only for nickel-cobalt but also for zinc-lead-silver, gold, uranium and manganese. Within and immediately west of the Campoona Syncline, drilling in 2007 identified significant base metal, gold and silver mineralisation up to 2.4% Zn+Pb, 0.26g/t Au and 26g/t Ag (see December 2007 Quarterly Report). Follow-up geophysical work and drilling of these targets will be undertaken after this year's wheat harvest.

Table 4: Significant aircore drilling results, Cockabidnie (MGA Zone 53 map grid)

Hole ID	Easting (MGA)	Northing (MGA)	From (m)	To (m)	Interval (m)	Co (ppm)	Cu (ppm)	Fe (%)	Zn (ppm)	Ni (%)
CBAC107	625320	6289978	22	30	8	207	177	11.7	474	0.58
CBAC109	625282	6290047	18	21	3	700	265	4.9	273	0.27
CBAC112	623714	6287440	36	38	2	399	245	7.4	1425	0.39
CBAC120	623876	6287837	26	34	8	601	316	8.7	475	0.27
CBAC128	623672	6287602	25	28	3	255	111	12.0	128	0.44
CBAC130	623806	6287796	22	35	13	918	336	17.5	171	0.17
CBAC132	623909	6287851	25	26	1	1900	622	10.4	402	0.30
CBAC133	623948	6287867	16	30	14	474	346	7.9	983	0.51
		incl.	25	26	1	2260	595	8.4	954	0.50
		and	29	30	1	1940	751	14.7	704	0.50
CBAC133	623948	6287867	38	42	4	185	234	8.4	865	0.52
CBAC135	623964	6287878	10	23	13	288	210	5.8	837	0.43
CBAC137	623897	6287801	32	35	3	232	173	9.0	690	0.49
CBAC152	623796	6288266	41	44	3	230	281	11.6	3340	0.54
CBAC157	623591	6288323	27	33	6	426	231	9.6	412	0.29
CBAC175	624255	6288521	24	29	5	702	613	17.6	677	0.30
CBAC175	624255	6288521	37	48	11	236	98	11.5	950	0.51
CBAC182	624664	6288897	22	27	5	309	287	5.2	1058	0.64
		incl.	25	26	1	449	365	7.1	1845	1.15
CBAC183	624672	6288949	21	27	6	412	316	7.7	790	0.51
CBAC185	624672	6289032	20	50	30	1333	494	14.6	378	0.18
		incl.	30	32	2	2940	626	15.8	327	0.19
		and	40	44	4	2395	754	15.7	302	0.15
CBAC191	624909	6289426	12	14	2	677	117	6.0	218	0.27
CBAC195	625286	6289908	14	16	2	788	204	8.6	211	0.23
CBAC197	625336	6290011	18	22	4	941	214	8.9	306	0.27
CBAC204	623925	6288055	34	42	8	160	162	9.5	403	0.51

Tumby Bay, Koppio and Mount Hill – ELs 3269, 3731, 3877, 3885 and 4049

(LML has exclusive rights to all minerals except iron on ELs 3269, 3731 and 3877 and exclusive rights to all minerals on ELs 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.



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

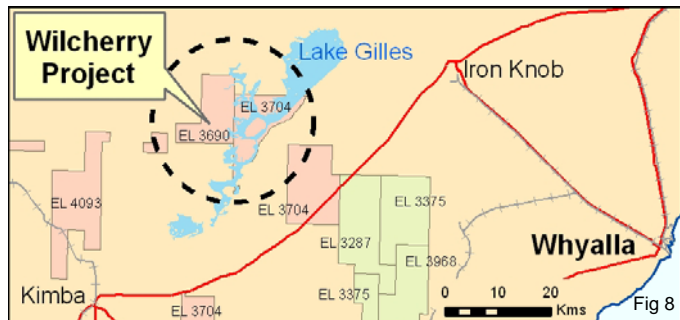
A ground spectrometer survey was conducted over the Carinya uranium anomaly and several samples collected for follow-up assay. The best assay was 93ppm U in laterite.

In addition to basement targets, there is significant 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.

Wilcherry Uranium- ELs 3690, 3704 and 4093

(LML has exclusive rights to all minerals subject to IFE farm-out for iron on EL 3690)

The Wilcherry Project area is along strike from the Weednanna gold-magnetite and Menninnie Dam zinc-lead-silver deposits to the northwest and has potential for uranium, gold, iron ore and/or base metal mineralisation possibly with associated hydrothermal iron oxide and/or sericite alteration.



Aircore and slimline RC drilling completed in October 2007 outlined a new uranium discovery (see December 2007 quarterly report) including a 4m interval grading 0.05% U accompanied by 0.1% base metal (Zn+Pb+Ni+Cu+Co) (WCAC024, 72-76m).

The uranium intersections are in saprolitic clay associated with pyritic and graphitic units adjacent to uraniferous calcrete, soil and red mallee vegetation anomalies with up to 17ppm U in calcrete. Additional calcrete uranium anomalies define a potential untested palaeochannel northeast of Eurilla Dam. This was drill tested in early July 2008 along with further drilling adjacent to WCAC024.



Following a successful trial survey across WCAC024 earlier this year, vegetation sampling was undertaken in June 2008 along E-W lines a kilometre north and south of WCAC024 to assess strike continuity of mineralisation. Results are pending.

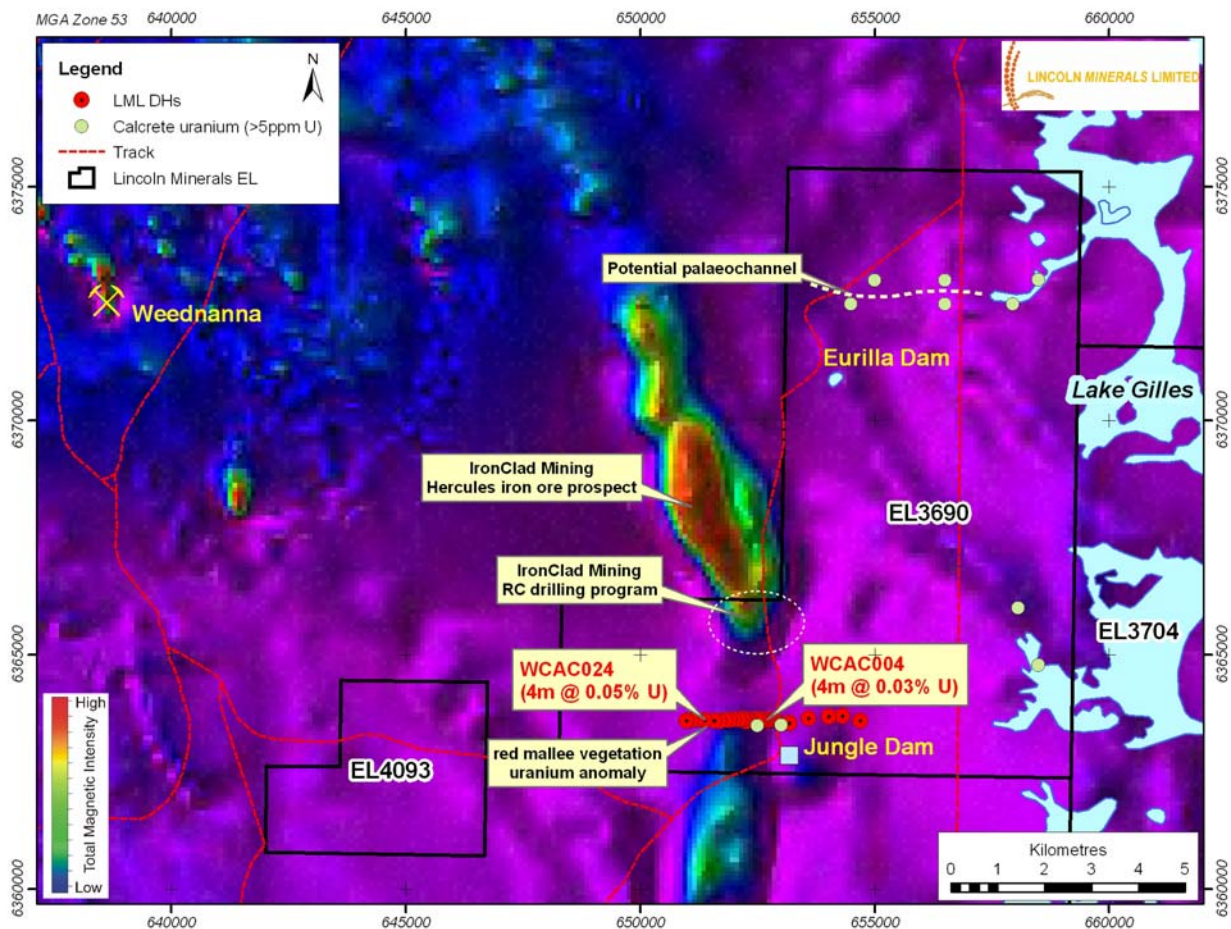


Figure 9: Calcrete / vegetation surface geochemical anomalies and LML drillholes, Wilcherry

In early February 2008, Lincoln Minerals 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. LML retains exclusive 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 previous quarter IFE undertook detailed gravity and low-level airborne magnetic and radiometric surveys on parts of EL 3690. These data have been received and processed.

An Aboriginal heritage survey was conducted by IFE/LML and several sites cleared in preparation for RC drilling. IFE commenced drilling on gravity targets in EL 3690 during the quarter but no results are presently available.

Stony Hill – ELs 3125, 3287, 3375, 3968, 3999 and part 3704

(LML 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 that of 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 those of 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. There is a significant uranium anomaly with a high uranium/thorium ratio in lakes near Kimba Gap.

Surface calcrete and soil sampling has been undertaken within the Stony Hill area (EL 3287) and trial vegetation sampling undertaken in the area surrounding the Kimba Gap radiometric anomaly (EL 3968). Assay results are pending.

Centrex Metals undertook a PACE-supported RC drilling program at Stony Hill during the quarter. Since LML has the rights for all minerals except iron in this area, the Company reviewed all drill samples using its portable XRF analyser. Several samples were collected for laboratory analysis. Assay results are pending.

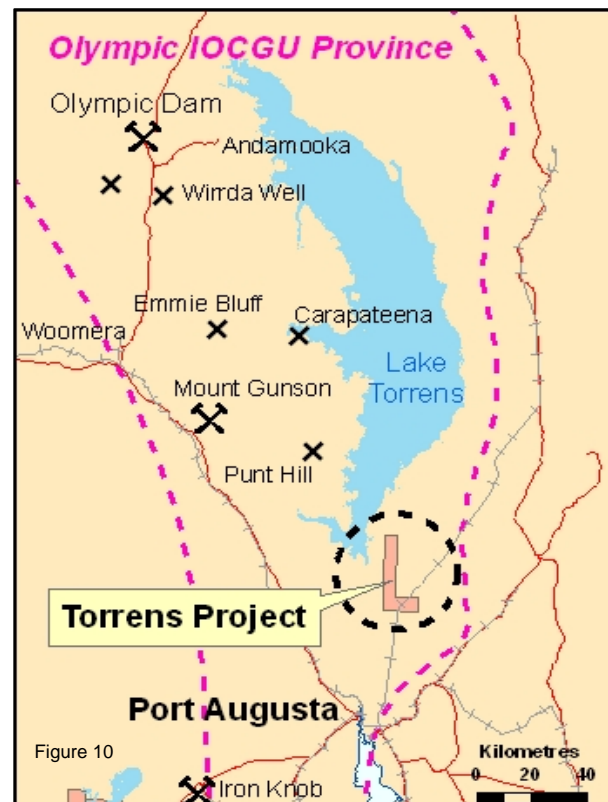
Torrens Project – EL 3563

(LML 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 on 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 in regional aeromagnetic data as a possible uplifted basement structure. Depths to magnetic units along this lineament may be as shallow as 200 m.

Interpretation of detailed gravity and ground magnetic data acquired by LML supports the presence of shallow, high density basement and overlying Beda Volcanics and Adelaidean sediments thrust from east to west. LML believes that this structure could be the focus for potential sediment-hosted Cu and/or IOCGU mineralisation associated the uplifted block.



A SA Government Program for Accelerated Exploration (PACE) grant of \$100,000, to assist with drilling of this structure, was awarded to LML in February 2008. Subsequently LML has undertaken Aboriginal heritage surveys over drill targets and made preparations to commence deep drilling in August 2008. A regional seismic survey conducted by Geoscience Australia in June-July 2008 crossed EL 3563. LML eagerly awaits the results of that survey.



CORPORATE

Board and Management

Richard V. Ryan AO	Chairman (Non-Executive)
Dr A John Parker	Managing Director
Peter E. Cox	Director (Non-Executive) and Company Secretary
Robert A. Althoff	Director (Non-Executive)

Securities on Issue at 31 July 2008

Shares	75,372,221
Options outstanding	
Exercisable at 20 cents, expiring 31 December 2008	4,353,332
Exercisable at 30 cents, expiring 30 June 2010	35,776,854
Exercisable at 20 cents, expiring 31 December 2011	4,550,000
Exercisable at 25 cents, expiring 31 December 2011	300,000
Exercisable at 30 cents, expiring 31 December 2011	110,000
Total Options	45,090,186

Tenements at 31 July 2008

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

Information in this report that relates to exploration activity and results was compiled by Dr A J Parker who is a Member of the Australasian Institute of Geoscientists. Dr Parker is Managing Director of Lincoln Minerals Limited and has sufficient experience relevant to the styles of mineralisation and to the activities which are being reported to qualify as a Competent Person as defined by the JORC code, 2004. Dr Parker consents to the release of the information compiled in this report in the form and context in which it appears.

