

12 September 2008

The Manager  
ASX Announcements

Dear Sir,

## **Lincoln commences a 2,000 metre drilling campaign for copper at Torrens and extends drilling for iron ore at Gum Flat**

Major new exploration drilling campaigns have been commenced by Lincoln Minerals Limited (ASX Code: LML) on the Company's South Australian copper and iron ore projects on Eyre Peninsula and near Lake Torrens in the southern Gawler Craton.

### **Maiden drilling campaign over copper target**

A 2,000 metre diamond core drilling program is commencing this week on Lincoln's Torrens copper project (EL 3563), just north of Port Augusta in a maiden drilling campaign over the project, supported by a SA Government Plan for Accelerated Exploration (PACE) grant of \$100,000.

The program is targeting copper mineralisation of Mount Gunson or Zambian Copper Belt style at shallow levels and Olympic Dam style at deeper levels. Detailed interpretation of gravity and magnetic data by Company geologists has identified a significant "thrust anticline" or uplifted block of prospective bedrock that will form the focus of the drilling program.

### **Additional iron ore campaign**

In a second drill program, a multi-purpose rig is scheduled to start diamond core drilling at Lincoln's Gum Flat Iron Ore Project (EL 3422) near Port Lincoln on SA's southern Eyre Peninsula in early October 2008. This campaign is focusing on deeper magnetite iron ore targets and will use a rig operated by Lincoln's Gum Flat joint venture partner, Mineral Enterprises Australia Pty Limited. This rig will work alongside a Reverse Circulation rig that has been drilling at Gum Flat for the last month.

Resource drilling at Gum Flat will continue until at least early 2009. Previous work there identified a conceptual 200-400 million tonne magnetite iron ore exploration target (see footnote) with Davis Tube recoveries in the range 25-40% magnetite.

### **Uranium extent to be tested**

Lincoln has also added a third leg to its new drilling focus, electing to schedule an aircore and diamond core drilling program from mid-October this year at its Wilcherry uranium project (EL 3690) on SA's northern Eyre Peninsula.

This program will aim to define the extent and depth of uranium mineralisation at the Jungle Dam prospect where recent RC drilling confirmed results from the end of 2007 of uranium mineralisation grading 0.05% U accompanied by 0.1%-0.2% base metal (Zn+Pb+Ni+Cu+Co). In the latest results (see below) from a RC drill hole sited 50 metres

from the original discovery hole, two zones of mineralisation have been identified containing similar mineralisation to the original hole.

Uranium anomalism in red mallee vegetation samples from Wilcherry indicates that the mineralisation extends for at least 1km.

The three schedules will represent the busiest on-ground program for Lincoln since its listing on the ASX, with 3 to 5 drilling rigs operating on key projects simultaneously.

**Further inquiries:**

**Dr John Parker**

**Managing Director, Lincoln Minerals Limited**

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*Table 1: RC drilling results, Wilcherry (MGA Zone 53 map grid)*

HoleID	Easting	Northing	Dip	Azim	From	To	Interval m	U ppm	Zn+Pb+Cu+Ni+ Co ppm
WCRC008	651430	6363598	-60	090	55	59	4	335	1449
		<i>including</i>			55	56	1	570	1866
		<i>and</i>			64	70	6	197	1616
		<i>including</i>			64	65	1	470	1902

*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.*

*\*\* The Gum Flat exploration target is based on geophysical modeling and limited drilling. The model assumes a strike length of 3.6km, dips of 20-30°, 50m true thickness, 25m cover thickness, 75m depth to base of oxidation and mining depth of 200-250m.*

*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.*

## About Lincoln Minerals

Lincoln Minerals has a portfolio of high quality iron ore, lateritic nickel-cobalt, uranium, base metal, gold and iron oxide copper-gold-uranium (IOCGU) exploration projects in the southern Gawler Craton.

Its mission is to provide **capital growth through the discovery and development of strategic mineral deposits.**

Since listing in March 2007, the Company has been **very active and successful.** It has identified a significant **iron ore exploration target at Gum Flat** near Port Lincoln and discovered **uranium at Wilcherry** and **lateritic nickel-cobalt at Cockabidnie** on central Eyre Peninsula.

In addition, LML has been successful in gaining a SA Government **PACE grant** for drilling on its Torrens IOCGU project.

LML has 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 July 2008.

The Company has secured joint ventures at Gum Flat and Wanilla allowing it to **expand and accelerate its exploration program** while still maintaining a strong cash position for future developments and potential acquisitions.

In particular, Lincoln Minerals is establishing a strong **alliance with Indian iron ore miner Mineral Enterprises Limited** and its Australian subsidiary. This has provided valuable exploration funding along with international mining and trading expertise. Mineral Enterprises is earning a 40% participating interest in LML's Gum Flat and Wanilla projects but LML retains management control of operations.

The Gum Flat and Wanilla projects are part of a large structural system of both hematite and magnetite banded iron formations that extend the length of Eyre Peninsula. Scoping, environmental and hydro-geological studies have already commenced at Gum Flat.