
NEWS

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For immediate release
Wednesday February 25, 2009

INDONESIAN IRON ORE SIGNING REPRESENTS

LINCOLN'S FIRST OFFSHORE FORAY

A high grade Indonesian iron ore mine on the island of Kalimantan is to be jointly developed by Australian explorer, Lincoln Minerals Limited (ASX: "LML"), under an agreement announced today.

The proposed joint venture provides for an immediate start to mining, the processing and immediate agreed sale within three months to a Chinese-based buyer of a 7,000 tonne stockpile currently on site, and the development of a minimum 250,000 tonne a year iron mining operation within 12 months.

Adelaide-based Lincoln Minerals announced today it had signed a Heads of Agreement with Jakarta-based mining house, Samusa Corporation, to fully develop the Desa Mirah Kalanaman iron ore project in the south central area of Kalimantan (Borneo).

Lincoln will earn a 45% interest in the project by spending up to US\$2 million on the initial mining and exploration program for Desa Mirah where early sample testing by Lincoln has returned extremely pure, high-grade assays of up to 68.7% Fe.

The project area covers nearly 5,000 hectares of exploration concessions, including a 200-hectare mining area where trial mining of Direct Shipping hematite Ore (DSO) has already commenced.

The agreement is Lincoln's second partnership with an international miner. Indian resource house, Mineral Enterprises Limited, recently completed an exploration commitment of \$2.5 million to earn a 40% stake in Lincoln Minerals' advanced Gum Flat iron ore project on South Australia's Eyre Peninsula.

Near-term maiden production potential

"The agreement with Samusa is an exciting development for Lincoln as it will enable us to transition to iron ore production at little or no cost to existing shareholders while allowing us to pursue development of our South Australian iron ore projects," the Company's Managing Director, Dr John Parker, said today.

“Under the terms of the Agreement, funds will be provided by Lincoln Minerals on an ‘as needs’ basis but the arrangement of the proposed joint venture is such that proceeds from ore sales can be offset against our contribution obligations,” Dr Parker said.

“We plan to commence an on-site drilling campaign as soon as practicable as our own field work at Desa Mirah has identified iron outcrops both within and outside of the mining area, containing in excess of 61% Fe.

“Once a suitable ore body is established, it is planned to develop a small scale, high grade mining operation producing around 250,000 tonnes of iron ore per year and increase that output as further resources are defined”

Samusa – which mines iron ore, iron sand, lead, manganese, copper and chrome – has secured a sale contract with a Chinese buyer to purchase the 7,000t ore stockpile from trial mining, using a new barge-loading facility constructed by Samusa 70 kilometres from the mine at Pundu, on a river linked to the river port of Sampit.

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