



LINCOLN MINERALS LIMITED

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The Manager
ASX Announcements

Dear Sir,

Mining to commence at high grade Indonesian Iron Ore mine

Lincoln Minerals Limited ("LML") is pleased to announce that requisite permits have now been obtained in order to transport ore from Desa Mirah iron ore mine to Pundu Jetty in the south-central area of the Indonesian island of Kalimantan (Borneo). Mining and transport of ore stockpiles can now commence as soon as the road has been upgraded.

Desa Mirah Mine is being developed jointly by Lincoln Minerals and Samusa Corporation through an Indonesian mining company, PT. Samusa Bintang Mandiri, jointly owned by Lincoln (45%) and Samusa (55%).

Key points:

- Road access permit received
- Upgrading of the road transport corridor to commence immediately
- Mining and transport of ore to Pundu Jetty can then commence
- Initial production aimed at 20,000 tonnes per month
- Trenching and outcrop sampling have outlined resource and exploration target
- High grade (>62% Fe) outcrops extend over a strike length of at least 3.5 km
- Sufficient resources now confirmed to support initial mine development
- Regional ground magnetic survey has commenced
- Existing ore stockpile of about 7,000t sold under three month contract to Chinese buyer
- Infill resource definition and regional drilling scheduled to begin in May 2009
- Lincoln is earning a 45% interest in the mine and exploration concession through expenditure of US\$2 million from its share of mine profits.

Lincoln Minerals was invited to become a party to this joint venture because of its expertise in the geological aspects of this project and has commenced regional exploration and resource definition in and around the mine area.

Mine background

Samusa – which mines iron ore, iron sand, lead, manganese, copper and chrome – has exclusive rights to mine and sell iron ore from two areas in south central Kalimantan: a 4,911 hectare exploration area (Exploration No. 188.4 / 320-SK / Distambe / 2006) that includes a



200 hectare exploitation (mining) area (Exploitation No. 238 Tahun 2008) upon which trial mining operations have already commenced.

A small parcel of about 7,000 tonnes (t) of high grade iron ore was stockpiled during trial mining and selected samples range from 63.9% to 68.7% Fe. The average grade of these run of mine (ROM) samples is:

Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	LOI%
66.2	2.02	1.31	0.04	1.85

In addition to the mining and exploration concessions, Samusa has also developed a stockpile site, weighbridge and barge loading facility at Pundu approximately 70km from the mine site on a river that flows down past the port of Sampit.

A permit to enable ore to be transported by truck from the mine site across the main Palangkaraya-Sampit Road to Pundu Jetty has recently been received.

Receipt of this permit will now allow the road to be immediately upgraded followed by mining and transport of the existing ore stockpile. It is expected that the road works will only take a few weeks to complete. A 3-month contract has been agreed to with a Chinese buyer to purchase this ore consignment FOB (Freight on Board) barges at Pundu Jetty.

Exploration and Resource Definition

Regional field reconnaissance by Lincoln Minerals has identified high grade iron ore outcrops both within and outside the exploitation area extending over an area with a strike length of at least 3.5 km. The iron ore is of lateritic style, and forms a relatively flat-lying sheet beneath thin alluvium but cropping out along gullies and hill slopes.

Trenching in and around the mine site was supervised by Lincoln Minerals' geologists in March 2009. This has confirmed that high grade mineralisation ranging up to 68.6% Fe extends over an area of at least 10,000 square metres. Mineralisation is up to 5m thick with an average grade for all trench and outcrop samples within that area as listed below:

Fe%	SiO ₂ %	Al ₂ O ₃ %	P ₂ O ₅ %	LOI%
62.6	4.35	3.16	0.03	2.47

This outcrop mapping and trenching has defined sufficient resources to enable mining to commence as soon as equipment can be mobilised on site.

A ground magnetic survey has recently commenced to more accurately define the boundaries of the iron ore. The ore is weakly to moderately magnetic and the survey will be completed in 2-3 weeks.

Upon completion of the magnetic survey, it is planned to commence a drilling program as soon as possible to define the depth, thickness and grade of the resource.

This is an exciting development for Lincoln Minerals and enables the Company to become an iron ore producer at little or no cost to its existing investors while it also pursues development of its advanced iron ore exploration projects on South Australia's Eyre Peninsula.

Yours truly,



Dr A John Parker
Managing Director

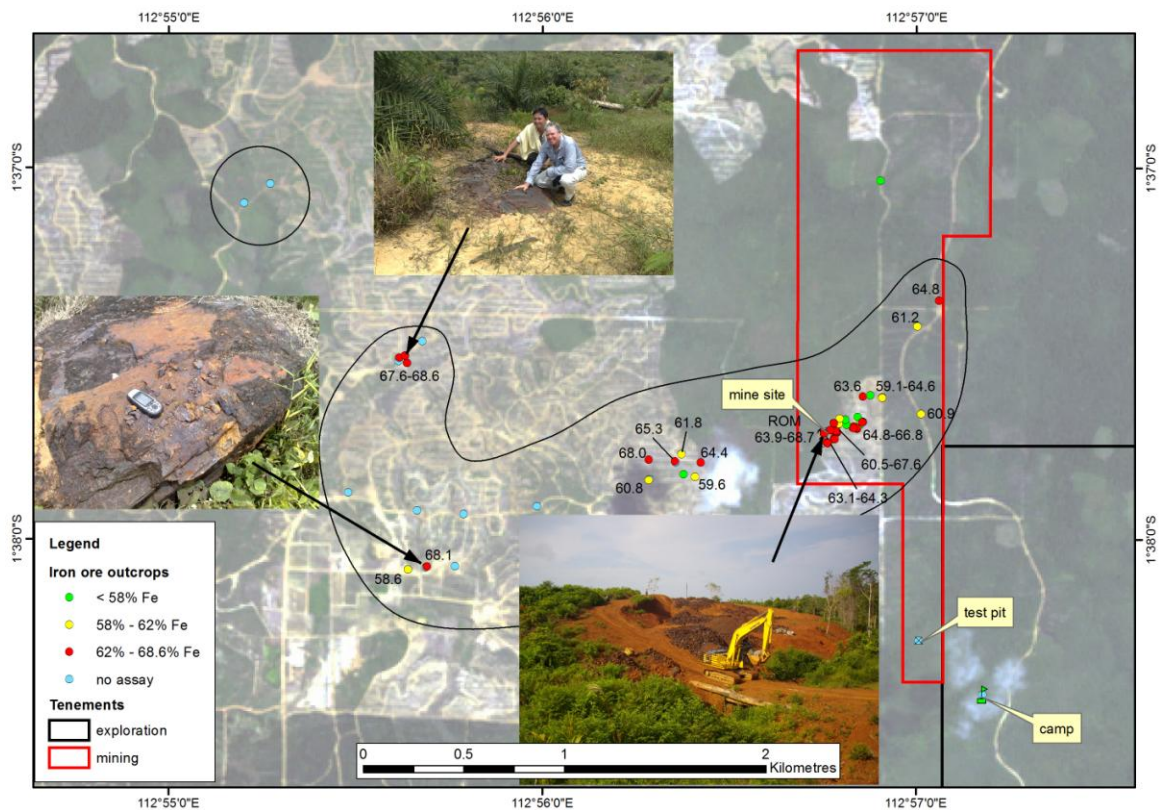


Figure 2: Location of iron ore outcrops and iron assays (% Fe) within the Desa Mirah mine and exploration areas.

Information in this report that relates to exploration activity and results was compiled by Dr A John 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.