

# Quarterly Activities Report – March 2009

## HIGHLIGHTS

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### *Indonesia – Lincoln Minerals to become Iron Ore Producer*

#### INDONESIA

- Acquisition of Desa Mirah iron ore mine in south-central Kalimantan (Borneo)
- Lincoln Minerals set to become Australia's newest iron ore producer
- Heads of Agreement (HoA) signed with Jakarta-based mining house, Samusa Corporation
- Lincoln earning 45% interest in the mining and exploration concessions
- High grade (up to 68.7% Fe) direct shipping (DSO) iron ore
- High grade (>62% Fe) outcrops extend over a strike length of at least 3.5 kilometres
- Plan for startup 250,000 tpa mine, increasing as resources defined
- Existing 7,000t ore stockpile sold under three month contract to Chinese buyer
- Trenching and mapping program undertaken to outline resources
- Regional ground magnetic survey has commenced
- Infill resource definition and regional drilling scheduled for May 2009
- Lincoln Minerals invited to JV because of expertise in geological aspects of the project



## **SOUTH AUSTRALIA**

### **Gum Flat Iron Ore**

- Phase 2-3 reverse circulation (RC) and diamond core drilling program completed
- Hematite enrichment up to 60.5% Fe (GFRC103 - 18m @ 58.2% Fe)
- Up to 43.9% magnetic DTR concentrate
- Magnetic DTR concentrates with up to 71% Fe and low silica, alumina and phosphorous
- Maiden resources calculated:

<b>Deposit</b>	<b>Ore Style</b>	<b>Status</b>	<b>Size (Mt)</b>	<b>DTR%</b>	<b>Con Fe%</b>	<b>BIF (Head) Fe%</b>
Barns	Magnetite (>10% DTR)	Inferred	49.8 Mt	20.2%	65.0%	
	Magnetite	Expl Target	100-150 Mt	15-25%		
	Hematite (>35% Fe)	Inferred	1.3 Mt			47.1%
	Hematite (>45% Fe)	Inferred	0.9 Mt			52.7%
	Hematite	Expl Target	2-7 Mt			45-55%
Rifle Range	Magnetite (>10% DTR)	Inferred	5.4 Mt	22.6%	68.2%	
	Magnetite	Expl Target	5-12 Mt	20-25%		
Sheoak West	Hematite (>35% Fe)	Inferred	1.2 Mt			43.8%
	Hematite (>45% Fe)	Inferred	0.3 Mt			48.3%
	Hematite	Expl Target	1-3 Mt			40-55%
Other	Magnetite	Expl Target	20-40 Mt	15-25%		

- Indian JV partner, Mineral Enterprises group, continuing to fund JV on pro-rata basis
- Ongoing interest from Chinese investors

### **Cummins-Wanilla Iron Ore**

- Drilling commenced April 2009 part funded by Mineral Enterprises group JV

### **Cockabidnie Nickel-Cobalt**

- Scoping study in progress to determine leaching characteristics

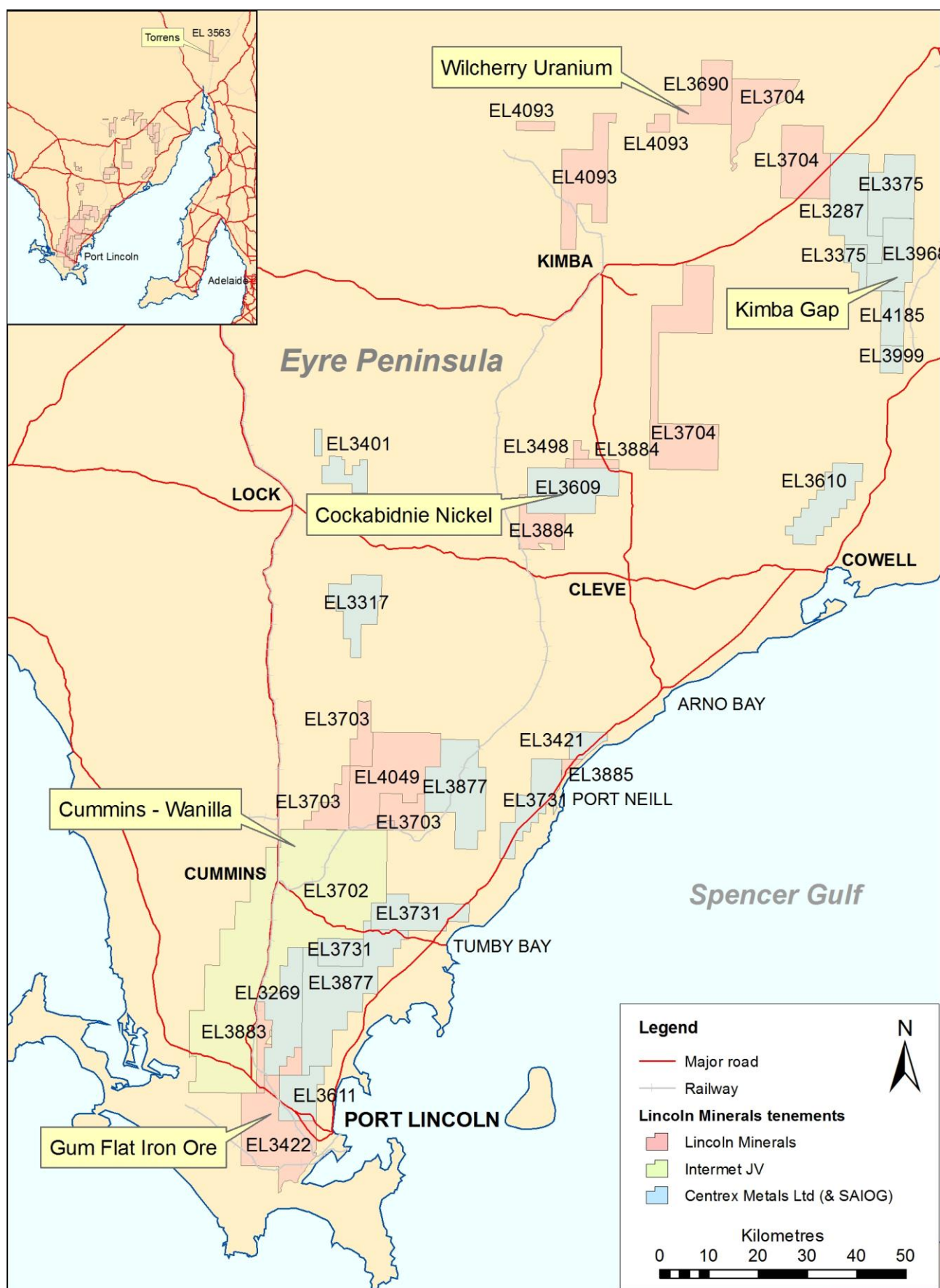
### **Wilcherry Uranium**

- Up to 0.05-0.07% uranium + 0.1-0.5% base metal
- 250m wide zone of mineralisation open to north and south along strike

### **Kimba Gap Uranium**

- Further vegetation sampling has confirmed a significant uranium anomaly





## INDONESIA

### Mine Background

Lincoln Minerals has concluded a Heads of Agreement (HoA) with Indonesian mining house, Samusa Corp of Jakarta, to establish a new iron ore joint venture to explore and exploit Samusa's Desa Mirah iron ore mine and surrounding exploration concession in the south-central area of the Indonesian island of Kalimantan (Borneo).

Under the HoA, Lincoln is earning a 45% interest in the mining and exploration concessions by way of a conditional initial JV commitment of US\$2 million. Proceeds from ore sales can be offset against Lincoln's contribution obligations so that it will have little impact on the Company's existing cash reserves.

The mine is being developed jointly through an Indonesian mining company, PT. Samusa Bintang Mandiri, jointly owned by Lincoln (45%) and Samusa (55%).

Requisite permits have now been obtained in order to transport ore from the mine to Pundu Jetty so mining and transport of ore stockpiles can now commence as soon as the road has been upgraded.

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.

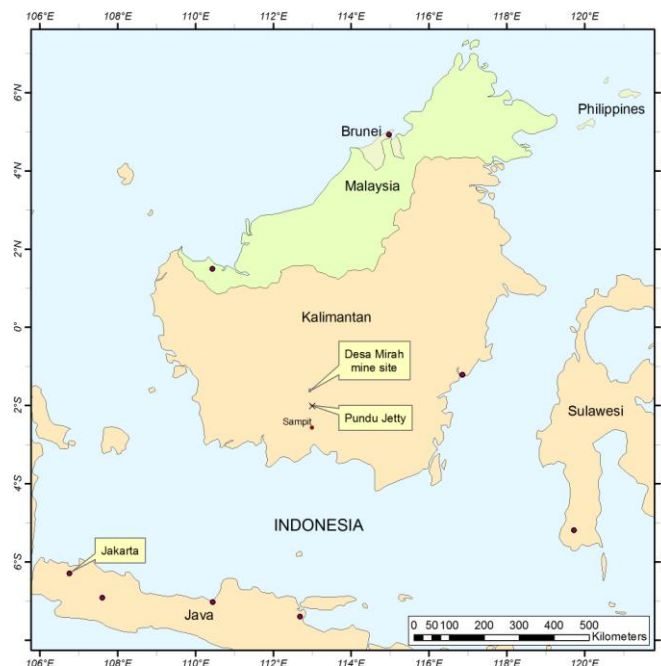
A small parcel of about 7,000 tonnes (t) of high grade iron ore was stockpiled during trial mining and selected samples range from 63.9% to 68.7% Fe. The average grade of these run of mine (ROM) samples is:

Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	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 allows 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 summarised below:

Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P <sub>2</sub> O <sub>5</sub> %	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.

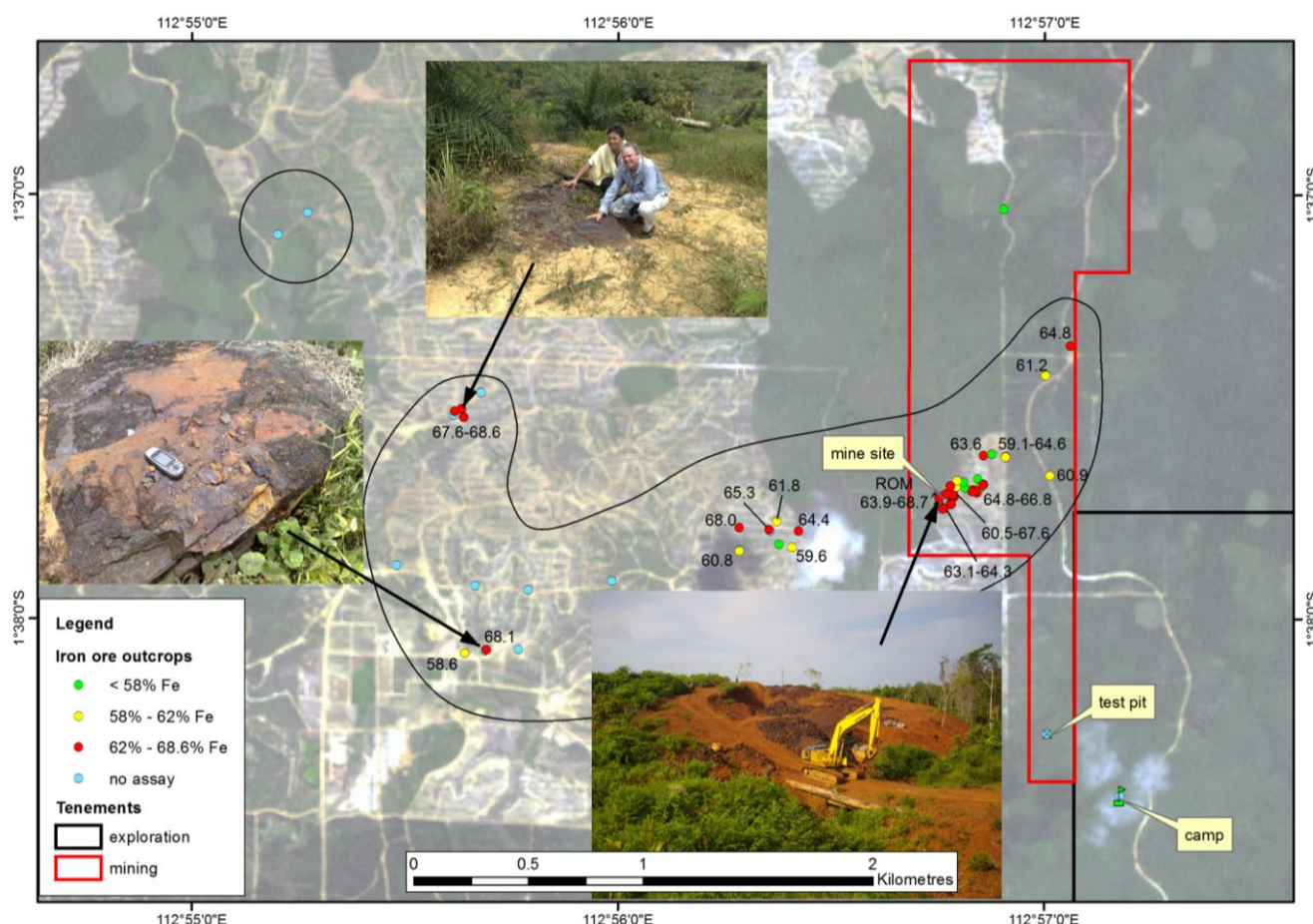


Figure 3: Location of iron ore outcrops and iron assays (% Fe) within the Desa Mirah mine and exploration areas.

## SOUTH AUSTRALIA EXPLORATION PROGRESS DURING THE QUARTER

### Gum Flat Iron Ore – EL 3422

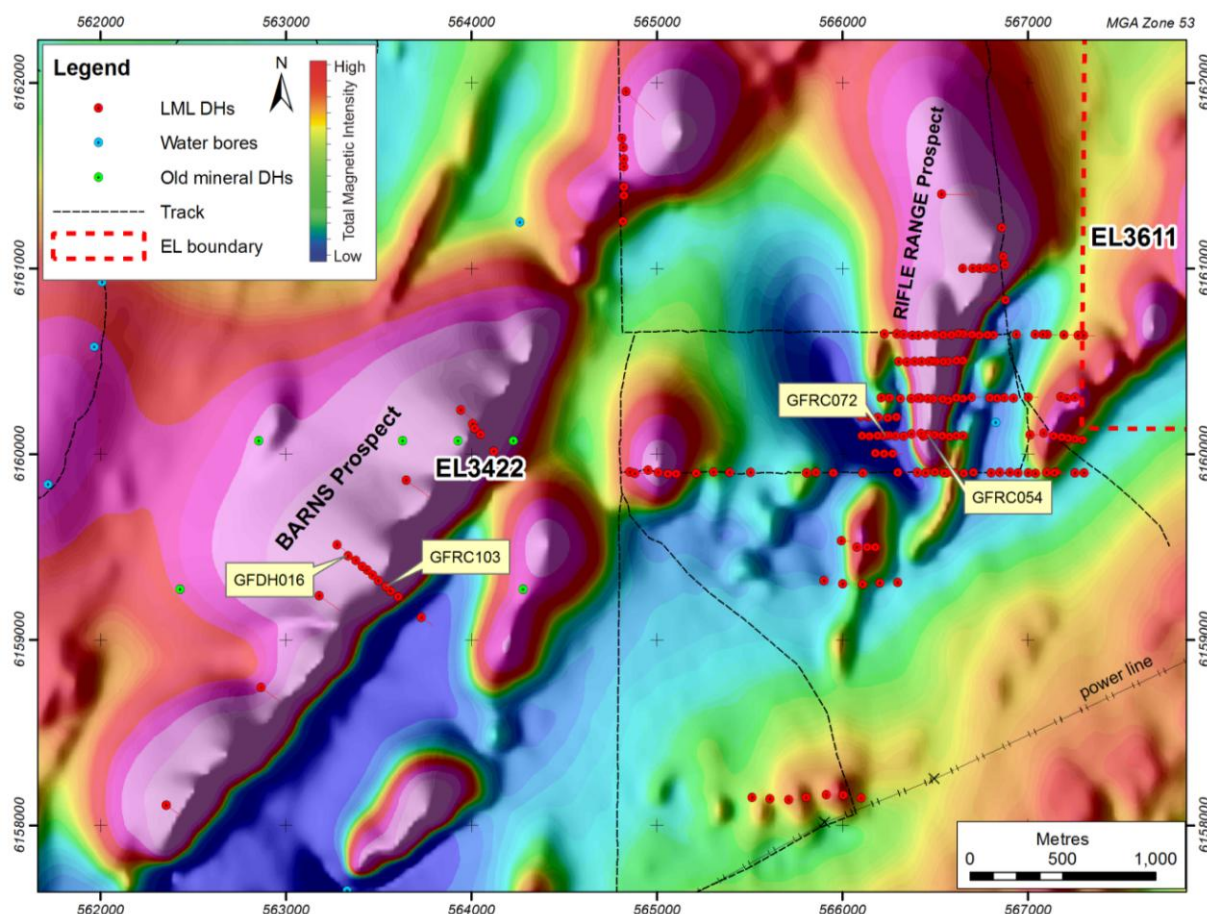
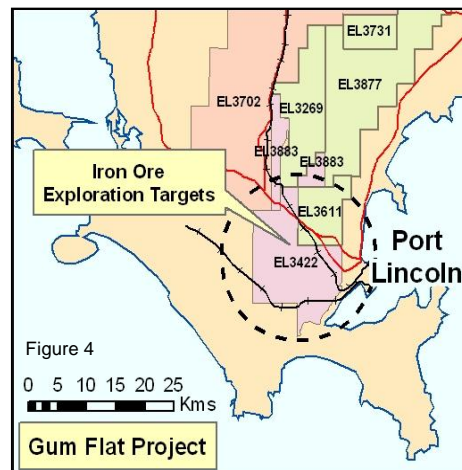
*(LML has exclusive rights to all minerals subject to MEA farmout)*

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.

Lincoln Minerals has a joint venture agreement with Indian iron ore mining company Mineral Enterprises Limited (MEL) and its subsidiary Mineral Enterprises Australia Pty Ltd (MEA). MEA has earned a 40% participating interest in EL 3422 by spending \$2.5 million on exploration. MEA is continuing to fund the project on a pro-rata basis with LML.

The ongoing exploration and resource definition program for Gum Flat continued throughout the March 2009 quarter. Phase 2-3 diamond core (DDH) drilling was completed in January 2009 over the Barns Prospect magnetite targets. Three DDHs (total 469.4m) were drilled during the period.





Most assay data including Davis Tube (DTR) magnetic separation results from drilling undertaken during this and the previous quarter have been received and processed to define a JORC compliant inferred resource for parts of the orebody.

## Gum Flat Drilling Results and Inferred Resources

### Barns Prospect – Hematite

Drilling across the high priority Barns exploration target has confirmed the geophysical exploration model of a shallowly west-dipping high grade hematite-goethite-magnetite BIF sequence approximately 80m thick (Fig. 6).

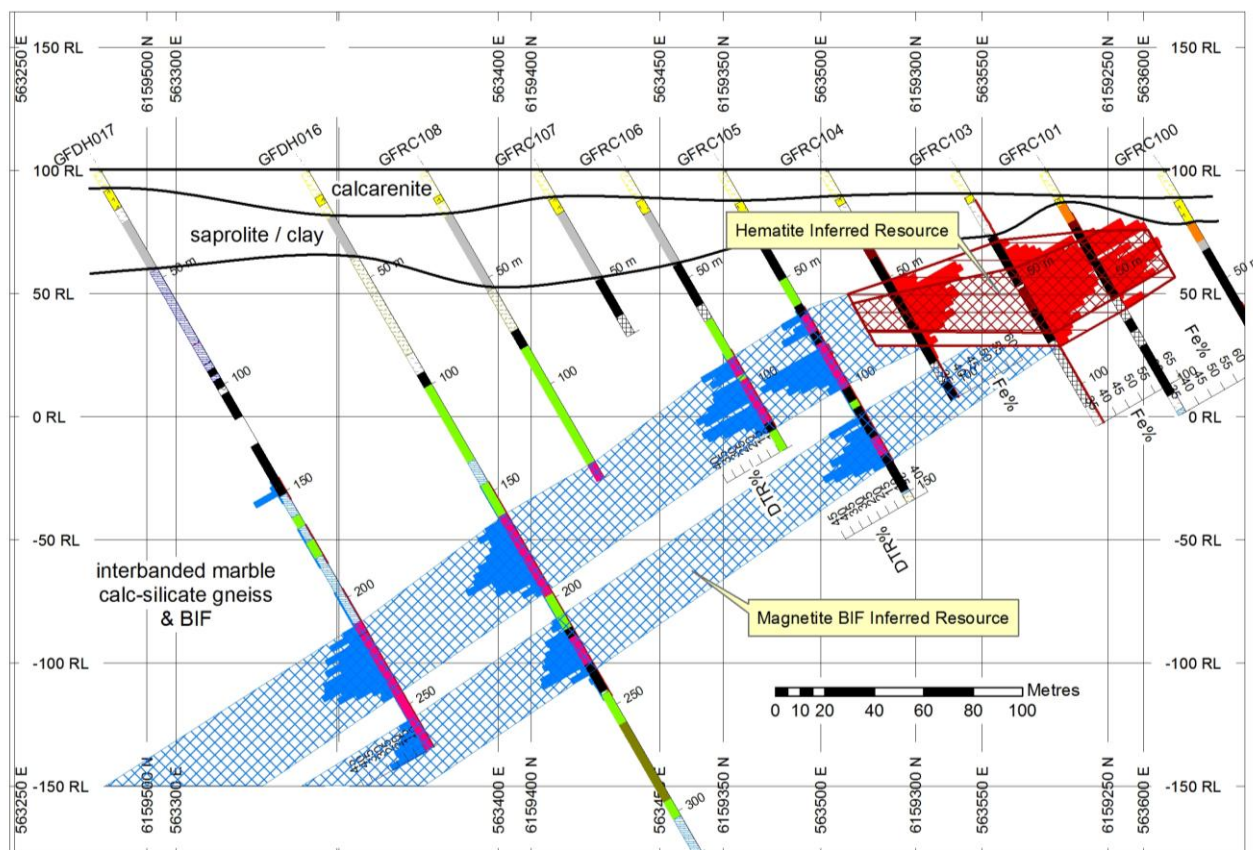


Figure 6: Southeast-northwest RC and diamond drill section across the Barns Prospect

The upper levels of this BIF sequence are oxidised and enriched to hematite and goethite down to approximately 60m vertical depth. Iron (Fe) enrichment grades up to 60.5% Fe (GFRC103 58-60m) within a short interval of potential direct shipping hematite-goethite ore (DSO):

Drillhole	From	To	Interval	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%	Mn%	CaO%	LOI%
GFRC103	50	68	18	58.18	5.16	1.37	0.48	1.07	0.85	6.32

Drillholes GFRC101 to GFRC104 along the SE-NW oriented Section centred on 6159375N (Figure 6) collectively define an enriched hematite-goethite resource with an average grade of 47.13% Fe including a higher grade core @ 52.69% Fe.

Drillholes	Cutoff Grade	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%	Mn%	CaO%	LOI%
GFRC101-104	35% Fe	47.13	18.13	1.74	0.42	1.31	1.31	7.82
including	45% Fe	52.69	12.80	1.46	0.45	1.20	1.17	6.02

*\*\* refer to separate ASX Gum Flat announcement 30 April 2009 for further details*

The upper weathered and oxidised BIF sequence is overlain by 12-18m of Quaternary calcarenite lime sand and by local, variably thick Tertiary ferricrete, ferruginous sand and saprolitic clay (Figure 6).

The strike extent of this mineralisation is not known but based on a 200m strike extent (viz. 100m either side of the drill traverse), the Inferred Resource for hematite-goethite mineralisation outlined by the above intersections (Figure 6) is 1.30 Mt @ 47.1% Fe with a higher grade core 0.92 Mt @ 52.7% Fe (see table below).

Barns Prospect – Hematite-Goethite Mineralisation	Inferred Resource (>35% Fe)	Inferred Resource (>45% Fe)	Exploration Target ** (lower)	Exploration Target ** (upper)
Average true thickness	38.7	23.3	20	40
Vertical extent of cover	25	25	25	25
Vertical extent of oxide zone below ground level	70	66	70	70
Assumed dip of BIF	25	25	30	25
Dip extent of oxide BIF below cover	106	97	90	106
Cross section area of mineralisation (m <sup>2</sup> )	4,197	2,778	na	na
Strike length (based on aeromagnetic interpretation)	100	100	200	550
Volume of oxide BIF (m <sup>3</sup> )	419,700	277,800	630,000	2,342,540
Oxidised BIF density	3.1	3.3	3.1	3.1
<b>Tonnage (Mt)</b>	<b>1.3</b>	<b>0.9</b>	<b>2.0</b>	<b>7.3</b>
<b>Grade (% Fe)</b>	<b>47.1</b>	<b>52.7</b>	<b>45-55</b>	

*\*\* It is emphasized that exploration target tonnage estimates are conceptual in nature and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

It is interpreted that enriched hematite-goethite BIF mineralisation extends along the full length of the aeromagnetic anomaly defining the Barns Prospect, viz. approximately 3.5 km. However, much of this zone is thinner and/or of lower Fe grade. Therefore, for the estimation of a hematite-goethite Exploration Target, a strike length ranging from 200m to 550m is assumed. This corresponds to the higher grade central magnetite zone outlined below.

### Barns Prospect – Magnetite

Below the hematite-goethite cap, the BIF becomes progressively more magnetite rich and less oxidised. There are two bands of high grade magnetite BIF which have a cumulative thickness in drill hole GFDH016 of 52m.

Testing of this ore involved crushing and grinding drillcore down to a nominal 90% passing 75 microns, analysing the pulp by XRF (Head grade), undertaking wet Davis Tube magnetic separation of a 20g subsample, determining the weight percentage of magnetic concentrate from that test (DTR) then analysing the DTR concentrate by XRF (Con grade). Magnetite content in



these bands ranges up to 43.9% DTR grading 70.3% Fe (GFRC105 84-86m) with low phosphorous, silica and alumina.

Drillholes **	Cutoff Grade	Head Fe %	DTR %	Con Fe %	Con SiO <sub>2</sub> %	Con Al <sub>2</sub> O <sub>3</sub> %	Con P %	CON LOI %
GFRC105 & 106 GFDH016 & 17	10% DTR	26.02	24.61	65.61	6.38	0.50	0.01	-3.03
GFDH018	10% DTR	22.52	16.19	65.77	6.06	0.46	0.01	-2.31
GFDH019	10% DTR	22.60	16.06	64.61	7.66	0.58	0.01	-1.95
GFDH020	10% DTR	19.20	15.34	63.80	8.65	0.62	0.01	-2.94
GFDH021	10% DTR	23.49	21.04	63.64	9.02	0.49	0.01	-2.63

DTR = Davis Tube Recovery from magnetic separation; Head grade = total rock XRF assay prior to magnetic separation; Con grade = XRF assay of DTR magnetic concentrate.

\*\* refer to separate ASX Gum Flat announcement 30 April 2009 for further details

Based on the limited drilling done to date over the Barns Prospect, it is possible to define an Inferred Resource for the magnetite BIF combined with a revised Exploration Target. The definition and strike extent of the various blocks that comprise the Barns Prospect has been determined from geophysical interpretation of detailed low-level aeromagnetic data and maps (Figure 5). Based on that interpretation combined with drilling, the total Inferred Resource defined to date is 49.8 Mt @ 20.2% DTR magnetite concentrate. This resource would yield an inferred magnetite DTR concentrate of 10.1 Mt @ 65.0% Fe. As noted above, it is expected that further grinding will improve the concentrate grade.

BARNS PROSPECT	SW Gap	Central High Grade - SW	Central High Grade - B1	Sheoak	CRA Line
Diamond Core Drillholes	GFDH019	GFDH021	GFDH016,17 GFRC105,106	GFDH020	GFDH018
Average true thickness (cumulative)	6	46	52	20	32
Average DTR grade	16.1%	21.0%	24.6%	15.3%	16.2%
Average Fe grade of DTR concentrate	64.6%	63.6%	65.6%	63.8%	65.8%
Vertical extent of cover including saprolite	25	25	25	25	25
Vertical extent of oxidised zone below ground level	60	60	60	60	60
Vertical extent of Inferred Resource	200	200	250	200	200
Assumed dip of BIF	34	34	34	34	34
Dip extent of magnetite Inferred Resource	250	250	340	250	250
Strike length (based on aeromagnetic interpretation)	600	225	325	400	450
Volume of inferred magnetite resource (m <sup>3</sup> )	901,299	2,591,235	5,742,204	2,002,887	3,605,196
BIF rock density (gm/cc)	3.3	3.4	3.4	3.3	3.3
<b>Magnetite Inferred Resource</b>	<b>2.97 Mt</b>	<b>8.81 Mt</b>	<b>19.52 Mt</b>	<b>6.61 Mt</b>	<b>11.9 Mt</b>
Inferred magnetite concentrate	0.48 Mt	1.85 Mt	4.8 Mt	1.01 Mt	1.93 Mt



Drilling along the full length of the Barns Prospect either did not go deep enough or extend along the entire 3.2 km strike length of the aeromagnetic anomaly to test its full potential. The revised Exploration Target for Barns, taking these into consideration, is 100-150 Mt @ 15-25% DTR.

### Rifle Range Prospect – Magnetite

Drilling across the Rifle Range Prospect has identified at least two, quite shallow dipping (10-40°) but relatively thin BIF units that are variably folded to locally define thicker drill intersections (Fig. 7). In GFRC054 using a cutoff grade of 10% DTR, folding forms a 42m thick band of BIF from 34-76m averaging 22.5% DTR @ 68.6% Fe (Con).

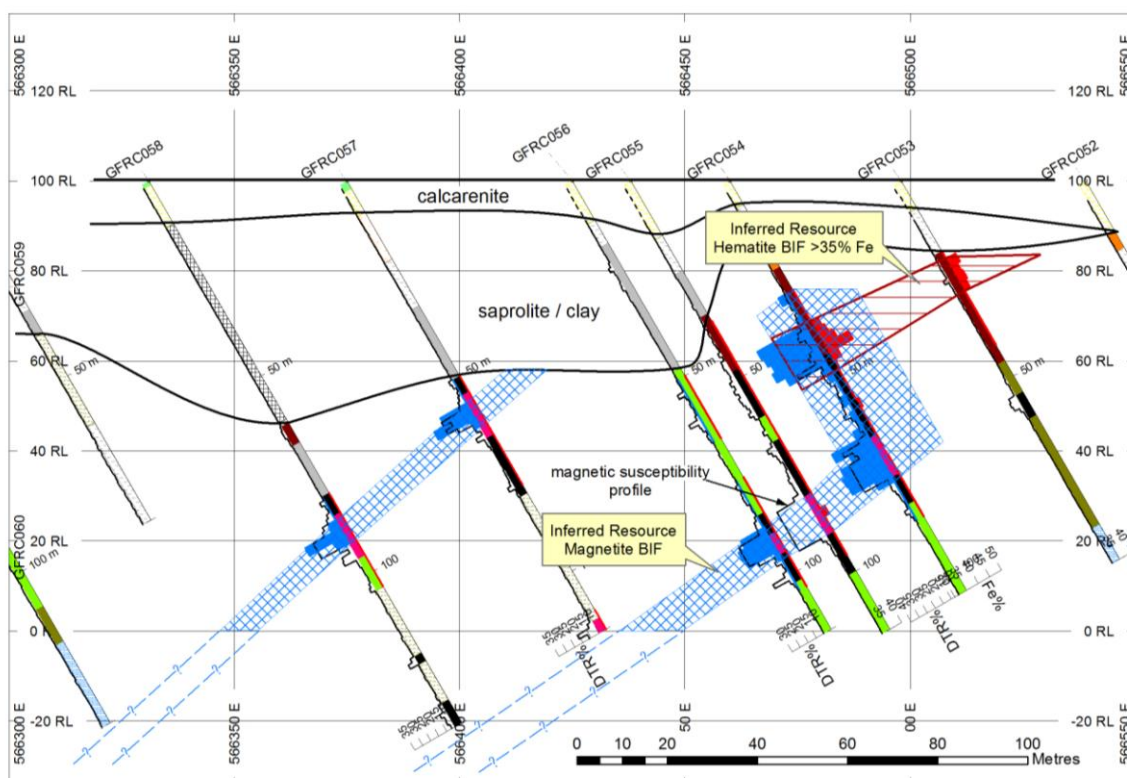


Figure 7: East-west RC drill section 6160100mN across the Rifle Range Prospect

The BIF units are variably oxidised down to 40-55m (true depth) and locally enriched at shallow levels to higher grade hematite-goethite bodies (eg. GFRC054 36-46m and GFRC053 20-28m).

Head XRF assays, DTR grades and DTR concentrate grades averaged over several holes along drill sections from 6160100mN to 6161000mN are summarised below:

Drillholes **	Head Fe %	DTR %	Con Fe %	Con SiO <sub>2</sub> %	Con Al <sub>2</sub> O <sub>3</sub> %	Con P %	CON LOI %
Section 6160100N	31.49	22.55	68.82	2.81	0.49	0.01	-2.96
Section 6160300N	28.38	23.42	68.24	3.29	0.48	0.02	-2.74
Section 6160500N	27.66	22.65	67.64	4.20	0.40	0.02	-3.08
Section 6160650N	29.53	25.67	69.06	2.78	0.40	0.01	-3.18
Section 6161000N	25.49	19.85	67.41	4.29	0.56	0.01	-3.18

DTR = Davis Tube Recovery from magnetic separation; Head grade = total rock XRF assay prior to magnetic separation; Con grade = XRF assay of DTR magnetic concentrate; Cutoff grade = 10% DTR.

\*\* refer to separate ASX Gum Flat announcement 30 April 2009 for further details

Based on the results listed above and interpreted cross section areas (Figure 7), a small magnetite resource has been defined for the Rifle Range Prospect. Using a 10% DTR cutoff, a cumulative strike length of 900m and a maximum vertical depth of 100m below ground level as defined by RC drilling, the Inferred Resource of magnetite BIF is 5.37 Mt @ 22.6% DTR magnetite concentrate. This resource would yield an inferred magnetite DTR concentrate of 1.21 Mt @ 68.2% Fe.

### Sheoak West Prospect – Hematite

Throughout the Rifle Range area there are shallow zones of local hematite enrichment. Sheoak West hematite prospect is one such example and in RC drillhole GFRC078, whole rock assays range up to 55.8% Fe and average 50.6% Fe over 6m from 62-68m. Assay results for all holes in the Sheoak West Prospect are summarised in the table below:

Drillholes	Cutoff Grade	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%	Mn%	CaO%	LOI%
GFRC072, 73, 74, 75, 76 & 78	35% Fe	43.84	22.76	1.68	1.14	1.93	0.40	6.38
including	45% Fe	48.28	20.63	1.26	0.70	0.85	0.38	5.41

*\*\* refer to separate ASX Gum Flat announcement 30 April 2009 for further details*

Based on these assays and the cross sectional area of mineralisation (Figure 8), a small hematite-goethite (± magnetite) Inferred Resource has been calculated for Sheoak West:

Sheoak West Prospect - Hematite-Goethite Mineralisation	Inferred Resource (>35% Fe)	Inferred Resource (>45% Fe)	Exploration Target ** (lower)	Exploration Target ** (upper)
Average true thickness based on intercepts with >30% Fe and/or high grade magnetite	21	22	15	25
Vertical extent of cover including saprolite	28	28	35	28
Vertical extent of oxide zone below ground level	65	65	65	65
Assumed dip of BIF	10	10	20	20
Polygon area of mineralisation	3915	820		
Strike length (based on aeromagnetic interpretation)	100	100	200	300
Volume of oxide BIF **	391500	82000	263142	811356
Oxidised BIF density	3.1	3.3	3.1	3.1
<b>Tonnage (million tonnes)</b>	<b>1.21 Mt</b>	<b>0.27 Mt</b>	<b>0.8 Mt</b>	<b>2.5 Mt</b>
<b>Grade (Fe %)</b>	<b>43.8%</b>	<b>48.3%</b>	<b>40-50%</b>	

*\*\* It is emphasized that exploration target tonnage estimates are conceptual in nature and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*





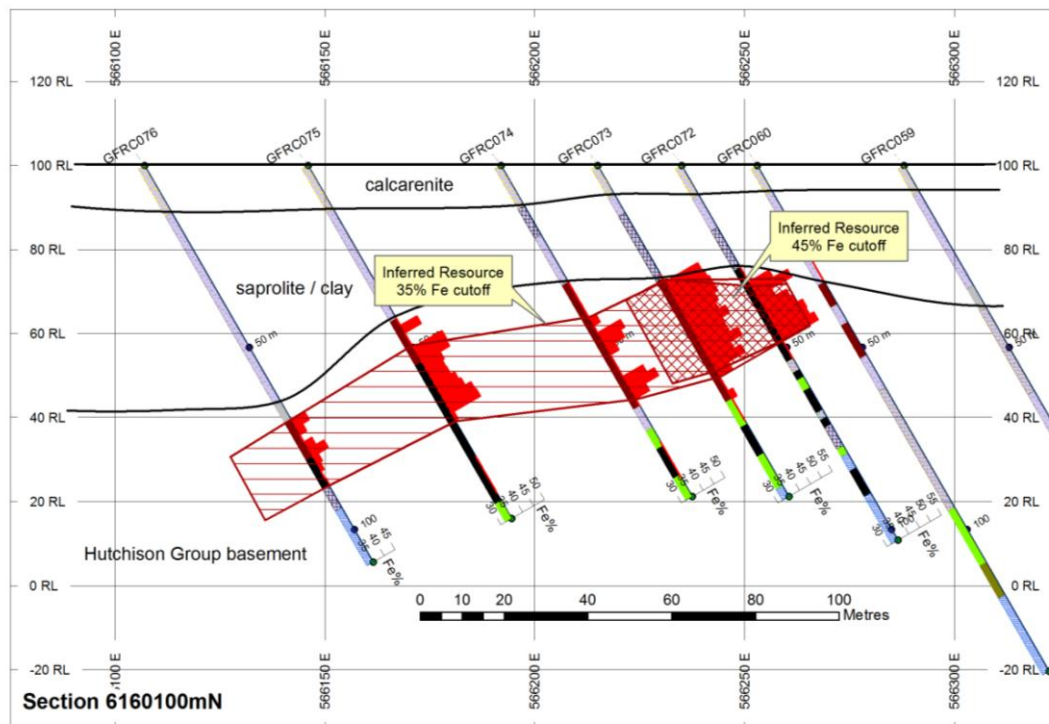


Figure 8: East-west RC drill section across the Sheoak West Prospect

## Cummins-Wanilla Iron Ore

### ELs 3702, 3703, 3883 and 4049

*(LML has exclusive rights for all minerals on ELs 3703, 3883 and 4049, and along with JV partner MEA 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.

Ongoing processing and interpretation of detailed aeromagnetic and gravity surveys combined with field mapping was completed over selected targets on ELs 3702 and 3703 to identify iron ore drill targets, in particular those with direct shipping hematite iron ore (DSO) potential.

A 1500m aircore and RC drilling program began in April 2009 immediately after Easter. Drilling on EL 3702 will be jointly funded by LML and Indian backed JV partner, Mineral Enterprises Australia Pty Ltd.

### 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 near Cleve and is prospective for a range of minerals including gold, uranium, and base metals (copper, lead, zinc, nickel, cobalt).

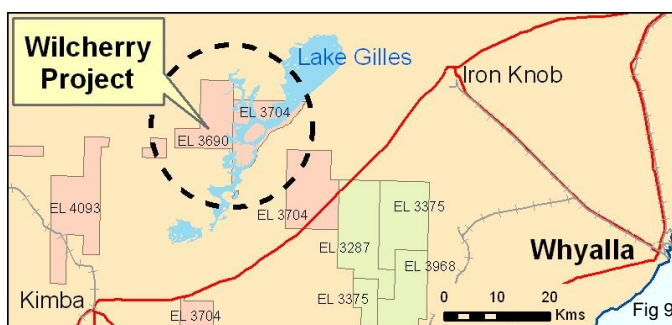
Lateritic nickel-cobalt mineralisation has been discovered by LML on EL 3609 and aircore drilling programs in 2007 and 2008 outlined lateritic nickel-cobalt mineralisation grading up to 1.15% Ni (with 0.045% Co, 0.037% Cu and 0.18% Zn; CBAC182, 25-26m) and 0.33% Co (with 0.21% Ni and 0.07% Cu; CBAC185, 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).

A scoping study is in progress to investigate the nickel-cobalt mineralogy and potential for heap leaching. Tests were undertaken on bulk samples collected during the 2008 aircore drilling program.

## 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.



## Jungle Dam Uranium Prospect

Aircore and slimline RC drilling in October 2007, RC drilling in July 2008, and further aircore drilling in October 2008 have outlined a significant new uranium discovery including intervals grading 0.05-0.07% U accompanied by 0.1-0.5% base metal (Zn+Pb+Ni+Cu+Co) (WCAC024, 72-76m and WCRC008, 55-56m and 65-66m).

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

Additional calcrete uranium anomalies define a potential palaeochannel northeast of Eurilla Dam but drilling to date has failed to locate the source of that anomaly.

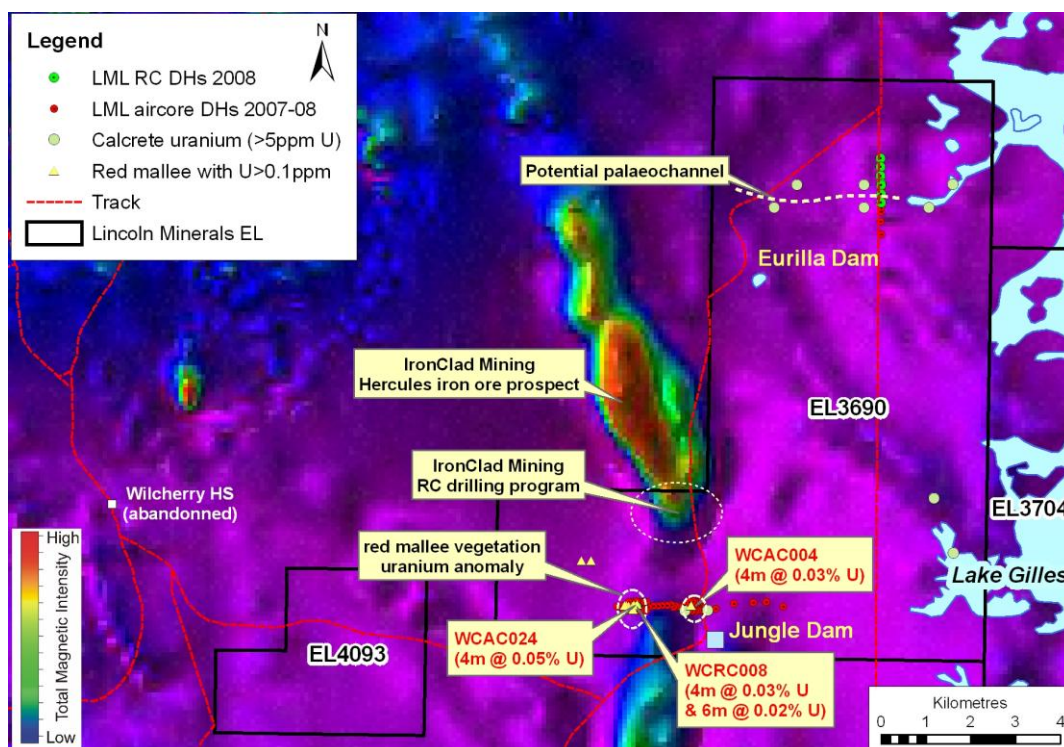


Figure 10: Calcrete / vegetation surface geochemical anomalies and LML drillholes, Wilcherry

The latest results from drilling on the Company's Jungle Dam uranium prospect include intervals grading up to 0.06% U accompanied by up to 0.5% base metal (Zn+Pb+Ni+Cu+Co) in a weathered cap rock overlying pyritic and graphitic units of the Middleback Subgroup.

The data have identified a zone of uranium mineralisation approximately 200m wide and 200m long open both to the north and south along strike (Figure 11).

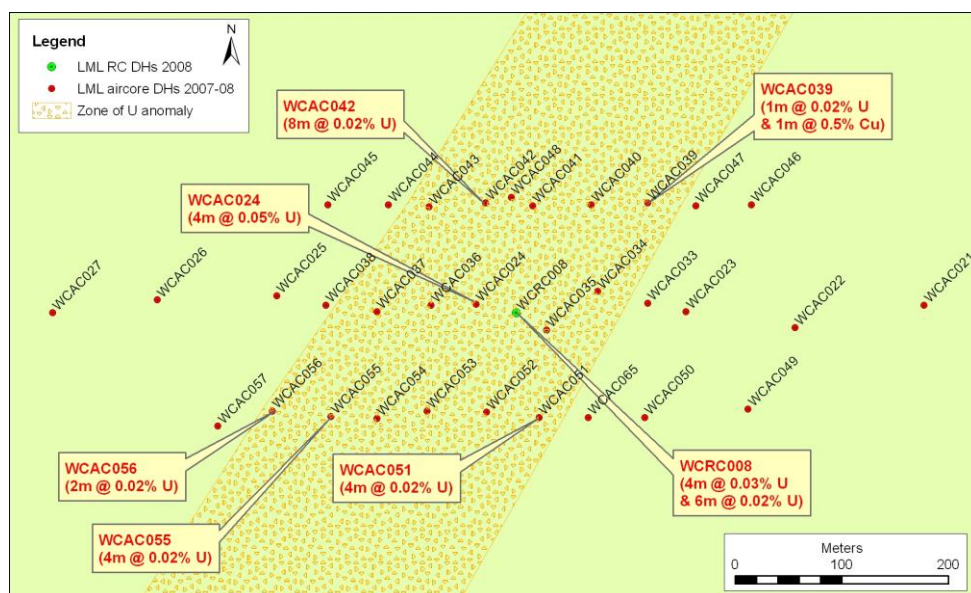


Figure 11: Lincoln Minerals' aircore and RC drilling summary, Jungle Dam Prospect

On the basis of these encouraging results, Lincoln Minerals has undertaken a scoping study to determine detailed uranium and base metal mineralogy along with leaching characteristics.

The results of quantitative XRD analysis showed that the test samples were dominated by kaolinite with varying amounts of goethite, halite, quartz and minor to trace mica and sulphides. Because of the high clay content, the samples were not conducive to heap leaching so bench-scale agitated acid and carbonate leach tests were undertaken. After 12 hours, 24% of the uranium was dissolved by the carbonate leaching solution whereas 37% of the uranium was dissolved by sulphuric acid.

QemScan analysis identified the uranium mineral as an uranium phosphate mineral, Francoisite-Ce.

Further analysis is being evaluated.

## Wilcherry Iron Ore JV

Early in 2008, Lincoln Minerals signed a Heads of Agreement (HoA) with IronClad Mining Limited (ASX: IFE) under which IFE can earn up to 80% of the rights to explore for and mine iron ore within EL 3690.

EL 3690 straddles the southern extension of IFE's Hercules iron ore target including the synclinal fold axis structure.

During 2008, IFE undertook detailed gravity and airborne magnetic surveys, RC drilling and resource modelling across the southern Hercules target in conjunction with work on the main Hercules magnetic anomaly.

As announced by LML on 5 January 2009, the *in situ* Inferred Mineral Resource outlined by Golder Associates for that part of the Hercules target, Domains 1 to 4, within EL 3690 is 21.7 Mt @ 33.3% Fe. This includes 0.2 Mt containing 17.5% Mn + 29.2% Fe.



## 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.

Reconnaissance and follow-up vegetation sampling on EL 3968 in the Kimba Gap area around the margins of one of the lakes with high U/Th ratios has located a significant zone of uranium anomalism. This is interpreted to represent a potential uraniferous palaeodrainage channel.

## Torrens Project – EL 3563

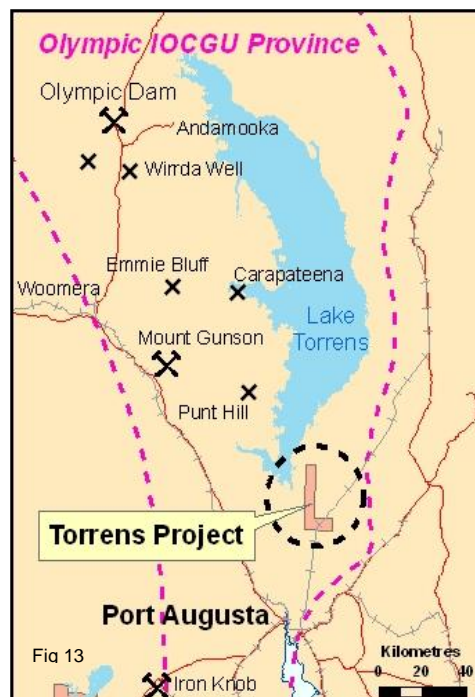
*(LML has exclusive rights to all minerals)*

The Torrens Project (EL 3563) is focussed on copper and iron-oxide copper-gold-uranium (IOCGU) targets within the Olympic Dam structural province. It is located southeast of Lake Torrens approximately 50km north of Port Augusta.

Interpretation of detailed gravity and ground magnetic data acquired by LML supported the presence of shallow, high density basement and overlying Beda Volcanics and Adelaidean sediments thrust from east to west in what has been interpreted as a “thrust anticline”. LML believes that this structure could be the focus for potential sediment-hosted copper (Zambian Copper Belt or Kupferschiefer style) and/or IOCGU mineralisation associated with the uplifted block.

Drilling over the thrust-anticline target was completed during the December 2008 quarter with the assistance of a SA Government Program for Accelerated Exploration (PACE) grant of \$100,000.

Drilling intersected Tertiary sediments of the Pirie-Torrens Basin down to 197.8m then a sequence of early Adelaidean red sandstone to 308.6m and mafic volcanics (Beda Volcanics) to 633.9m. At 633.9m, drilling intersected a 3m wide cataclastic thrust zone then went into 38m of late Adelaidean Brachina Formation and Elatina Formation in which the drill hole finished at 1002.3m.



## CORPORATE

At 31 March 2009, the Company had approximately \$3.1m net cash available. In view of the current financial climate, the Company has reviewed and plans to maintain a reduced ongoing exploration program that will continue to add value to its various projects.

One option being considered by the Board is to invite new joint venture parties to participate in one or more of the Company's projects. LML has strong ongoing support from joint venture partner Mineral Enterprises Limited on its main iron ore projects at Gum Flat and Wanilla. In addition, there has been recent interest shown by Chinese delegations in the Company's iron ore and other main projects. The Board will consider any additional joint venture arrangements on the Company's projects.

### Board and Management

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

### Securities on Issue at 31 March 2009

<b>Shares</b>	<b>75,372,221</b>
<b>Options outstanding</b>	
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
<b>Total Options</b>	<b>40,736,854</b>

### Tenements at 31 March 2009

<b>Tenements</b>	<b>Exclusive Rights</b>	<b>Area (sq km)</b>
10	All minerals	1,764
15	All minerals except iron ore	1,947
1	All minerals except uranium	1,000
	<b>TOTAL</b>	<b>4,711</b>

*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.*

*It is emphasized that exploration target tonnage estimates given in this report are entirely conceptual in nature. There has been insufficient drilling in the immediate areas of these targets and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*