

22 May 2009

Dear Securityholder

## **NON-RENOUNCEABLE RIGHTS ISSUE**

This notice is provided to inform you that on 22 May 2009, Lincoln Minerals Limited (“LML” or the “Company”) lodged an Offer Document with the Australian Securities Exchange in respect of a pro-rata non-renounceable rights issue of shares at an issue price of 8 cents per share (Rights Issue).

A copy of the Offer Document together with an Entitlement and Acceptance Form will be mailed to eligible shareholders on 5 June 2009.

If you are an existing option holder, you will only be entitled to participate in this Rights Issue if you have exercised your options so that you have become a registered shareholder with a registered address in Australia or New Zealand as at 7.00 pm (Sydney local time) on 1 June 2009 (“Record Date”).

Under the Rights Issue, shareholders with a registered address in Australia or New Zealand (“Eligible Shareholders”) are being invited to subscribe for one New Share for every three existing shares held as at the Record Date.

The Rights Issue will raise up to \$2.009 million before costs. The Issue is not underwritten but Eligible Shareholders will have the opportunity to apply for additional New Shares and Directors reserve the right to issue any New Shares not taken up by Eligible Shareholders at their discretion.

The proceeds of the Rights Issue will be applied to fund the development of the Desa Mirah iron ore mine in Indonesia, to provide funding for exploration opportunities in Indonesia, and to provide funding for scoping and further drilling of the Gum Flat iron ore project.

Eligible Shareholders’ entitlements pursuant to this Rights Issue are non-renounceable and accordingly Eligible Shareholders may:

- take up their Rights in full or in part;
- do nothing in which case their Rights will lapse; or
- take up their Rights in full and apply for additional New Shares.

No action is required to be taken at this stage unless you are an existing option holder. If you are an existing option holder and you wish to participate in the Rights Issue in respect of those options, then you should exercise your options (as described above) by the Record date. If you intend to take up your Rights in full or in part, or apply for additional New Shares, then you should take appropriate action when you receive a copy of the Offer Document together with an Entitlement and Acceptance Form which will be mailed to Eligible Shareholders on 5 June 2008.

Shareholders with a registered address outside of Australia or New Zealand are not eligible to participate in the Rights Issue ("Ineligible Shareholders").

Further details of the courses of action available to Eligible Shareholders are set out in the Offer Document.

Key information and indicative dates in respect of the Rights Issue are as follows:

Offer Document lodged with ASX	22 May 2009
Existing Shares are quoted on an "Ex" basis	26 May 2009
Record Date (date for determining entitlements of Eligible Shareholders to participate in the Offer)	1 June 2009
Offer Document despatched to Eligible Shareholders (expected date of despatch of Offer Document and Entitlement and Acceptance Forms)	5 June 2009
Opening Date	5 June 2009
Closing Date	22 June 2009
Company to notify ASX of undersubscriptions (if any)	25 June 2009
Allotment date	30 June 2009
Trading commences for New Shares on ASX	1 July 2009
Despatch holding statements	3 July 2009

Further details on the Rights Issue are contained in the Offer Document.

For further information please contact the undersigned.

Yours truly,



**Peter E Cox**  
Company Secretary  
Lincoln Minerals Limited

Tel: +61 8 8274 0243  
Email: peter.cox@chariot.net.au