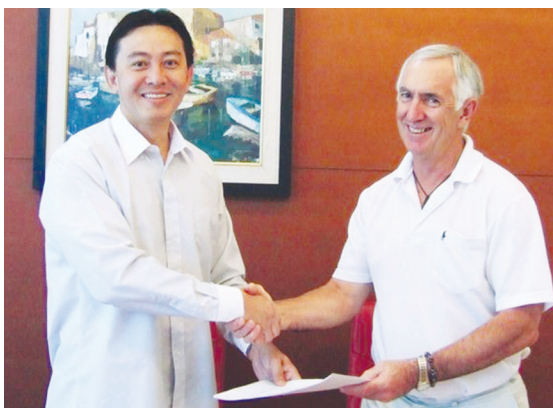


Road paves way for iron ore exports



Lincoln Minerals' Dr John Parker (left) and Peter Cox (right) on site with Samusa's Stewart Lau.



Samusa Corporation's Stewart Lau and Lincoln Minerals' managing director Dr John Parker.

THE upgrading of a road on the island of Kalimantan has enabled Lincoln Minerals to make the transition from explorer to producer in just two years.

The 70km road enables iron ore to be transported from the Desa Mirah project in the south central area of Kalimantan to barge loading facilities at Pundu Jetty.

Approval for the vital road upgrading was granted by government authorities in April, with the Australian-based company immediately undertaking the work.

The infrastructure corridor has not only allowed the company to begin transporting ore from existing stockpiles at Desa Mirah but it has also enabled it to begin open pit mining at the high grade project.

Ore is being transported along the road at a rate of about 20,000 tonnes/month to the barge loading facilities where it is then on-shipped to the river port of Sampit.

The rapid transition from explorer to producer has been made possible by a joint venture arrangement struck in February between Lincoln and Jakarta-based mining house Samusa Corporation, which mines iron ore, iron sand, lead, manganese, copper and chrome.

The joint venture provided for an immediate start to mining, the processing and immediate agreed sale to a Chinese-based buyer of the 7000 tonne stockpile on site, and development of a minimum 250,000 tonnes/year iron mining operation.

Lincoln is earning a 45% interest by spending up to US\$2 million on the initial mining and exploration program for Desa Mirah where early sample testing returned extremely pure, high-grade assays of up to 68.7% iron from a project whose outcrops extend over a strike length of at least 3.5km.

The project area covers nearly 5000 hectares of exploration concessions, including a 200-hectare mining area where the successful trial mining of Direct Shipping hematite Ore (DSO) has already taken place.

Lincoln's managing director Dr John Parker says, "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."

In addition to the initial mining, an infill resource definition and regional drilling campaign is under way at Desa Mirah to build on further mineable resources.

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

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