



LINCOLN MINERALS LIMITED

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The Manager
ASX Announcements

Dear Sir,

**Desa Mirah Iron Ore Mine
Kalimantan, Indonesia
Progress Update**

We advise of progress in the Company's iron ore joint venture in South Central Kalimantan, Indonesia.

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 Minerals (45%) and Samusa Corp (55%).

A small parcel of about 7,000-10,000 tonnes (t) of high grade iron ore was stockpiled during previous trial mining and selected run-of-mine (ROM) samples average 66.2% Fe.

Work to date at the mine site includes:

- Regional field reconnaissance – high grade iron ore out crops over an area with a strike length of at least 3.5 km;
- Trenching adjacent to the existing mine – mineralisation averaging 62.6% Fe extends over an area of at least 10,000 square metres sufficient for Stage 1 mining;
- Detailed ground magnetic survey completed to outline the boundaries of the iron ore;
- Processing and interpretation of magnetic data.

The initial shipment of stockpiled ore at the Desa Mirah mine site and commencement of mining have been delayed due to ongoing negotiations with the palm oil plantation owner on whose land the mine is located.

Outcrop mapping, trenching and the magnetic survey have defined sufficient resources to enable Stage 1 mining to commence as soon as negotiations are completed with the landowners and equipment can be mobilised on site.

A small parcel of ore was transported from the mine to the jetty at Pundu in June 2009 but trucking was discontinued partly due to the state of the connecting road between the mine and the jetty where the ore will be loaded onto barges for

shipment. Following advice from an independent civil engineering consultant, sections of the road including some bridges are currently being upgraded or reconstructed.

The Company has commissioned the successful construction in Jakarta of a small diamond core drill rig which will be transported to the mine area next week, precipitating a drill program to define the extent, depth, thickness and Fe grade of the resource within the mining or exploitation concession.

The initial drilling campaign will focus on the area close to the existing mine site and stockpile.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'John Parker', with a stylized flourish at the end.

Dr A John Parker
Managing Director, Lincoln Minerals Limited
Tel: (08) 8274 0243

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.

