



Drilling expected to boost resource coffers

ANGELA BUSINOSKA

A NEW drilling program has begun at Lincoln Minerals' flagship iron ore project at Gum Flat in South Australia.

The new round of drilling is expected to boost the company's initial resource estimates and provide additional core for further metallurgical testing.

Two drilling rigs have started a parallel reverse circulation and diamond core drilling program on the Barns prospect, 20km from Port Lincoln.

The company said that the initial exploration target for the new drill schedule was 500m-long, however, the area was believed to be central to a much larger exploration target extending more than 3km in strike length.

This target contains 125mt to 200mt of hematite and magnetite iron formation, including an existing 55mt magnetite iron ore inferred resource.

Iron ore from the Gum Flat project, which is adjacent to a railway line and

major highway near Port Lincoln, will be exported from the Wilgerup hematite deposit on the central Eyre Peninsula.

The company said that the approval to export the iron ore from Wilgerup could

open the door for the export of iron ore

from Port Lincoln.

Centrex Metals has already been given approval from the SA Government to export ore from the port, however, this

latest suggestion that Lincoln Minerals is also seeking approval for export of its iron ore has met opposition from environmental groups and the seafood industry.

The new drilling at the Barns prospect is expected to continue into the first quarter of 2010.

The Gum Flat project operates under a joint venture with Indian iron ore miner Mineral Enterprises and its Australian subsidiary, which has contributed more than \$2.5 million in exploration expenditure and earned the company a 40 per cent interest in the project.

In addition to the new drilling program, further studies are in progress to determine the operating costs for a small-scale mining operation.

Since its ASX listing in March 2007, Lincoln Minerals has remained active with discoveries of iron ore resources on the eastern Eyre Peninsula and gold exploration projects in the southern Gawler Craton.



Drilling at Gum Flat