



LINCOLN MINERALS LIMITED

Presentation to Eyre Peninsula Local Government Assoc. Conference 2010

Mining on Eyre Peninsula & Its Impact on Local Government

Cowell, 1 March 2010





LINCOLN MINERALS LIMITED

Mining on Eyre Peninsula

Historical

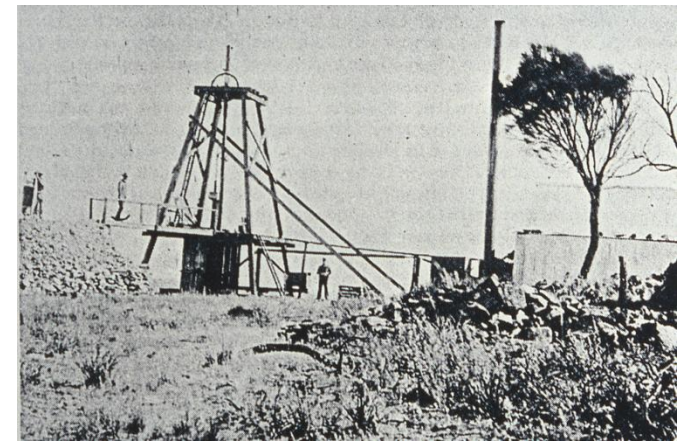
- Middleback Ranges – over 240 million tonnes iron ore mined since 1900
- Cowell-Cleve and Tumby Bay hills – numerous small copper-lead-silver mines mined in period 1850-1920
- Koppio and Uley region – numerous old graphite mines
- Wudinna-Streaky bay region – numerous disused granite quarries
- Cowell-Mt Ghearchy – several small jade, marble & talc quarries

Currently Operating

- Iron Duke-Iron Knight – high grade hematite direct shipping ore (DSO)
- Project Magnet – magnetite iron ore to produce high grade pellets for blast furnace
- Calca & Minnipa – granite
- Lake MacDonnell – gypsum
- Jacinth-Ambrosia – zircon

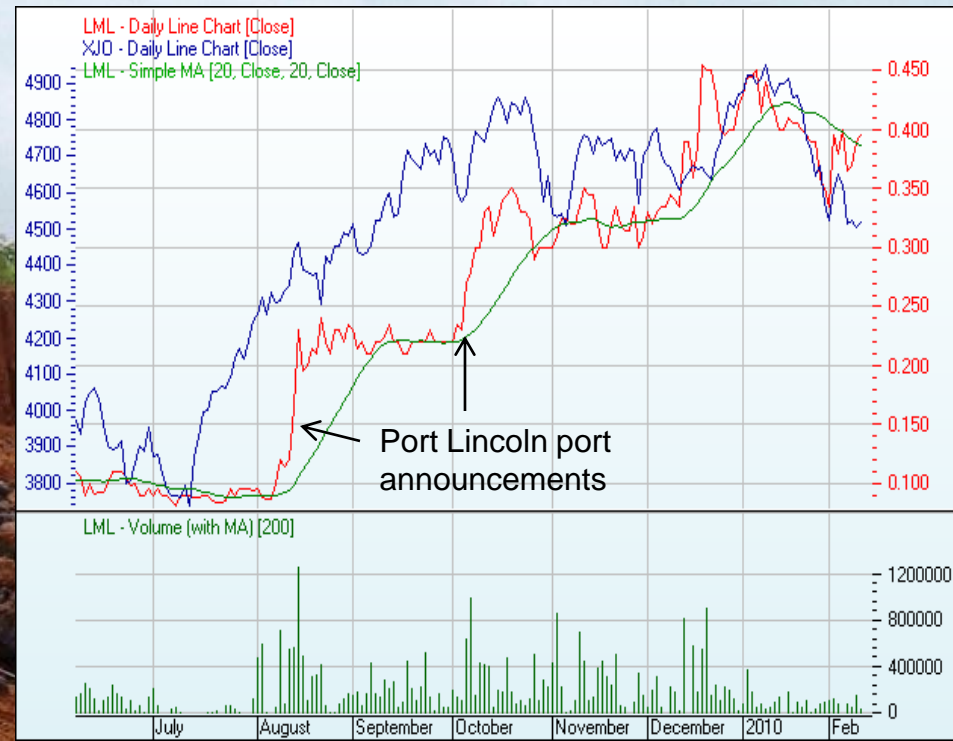
Planned Startup 2010

- Wilcherry Hill – DSO magnetite iron ore
- Wilgerup (Lock) – DSO hematite iron ore



LINCOLN MINERALS LIMITED

- Listed on ASX March 2007
- 100,501,286 Shares + 35,771,854 listed Options + 4,860,000 unlisted Options
- Market capitalisation (February 2010 @ 40 cents/share) \$40.2 million
- Cash on hand December 2009 \$2.9 million
- Located in established world class mineral belts (Indonesia & Gawler Craton)
- Experienced management and technical team
- Offices in Adelaide and Port Lincoln
- Considerable local experience and focused on eastern Eyre Peninsula
- Significant assets:
 - Gum Flat Iron Ore (near Port Lincoln)
 - Wilcherry Uranium & Iron Ore (Kimba)
 - Cockabidnie Nickel-Cobalt (Cleve)



Mining On Eyre Peninsula

Eastern Eyre Peninsula

- One of the World's major iron ore provinces
- Numerous prospects:
 - uranium
 - copper, lead-zinc, silver, nickel-cobalt, gold, manganese
 - Graphite, coal

Northwestern Eyre Peninsula

- Jacinth-Ambrosia – one of the World's best zircon deposits – 239 Mt heavy mineral sand containing 4.5 Mt zircon producing 300,000 tpa zircon
- Poochera 20 Mt “bright white” paper quality kaolin
- Lake MacDonnell 500 Mt gypsum resource producing 1.5 Mtpa

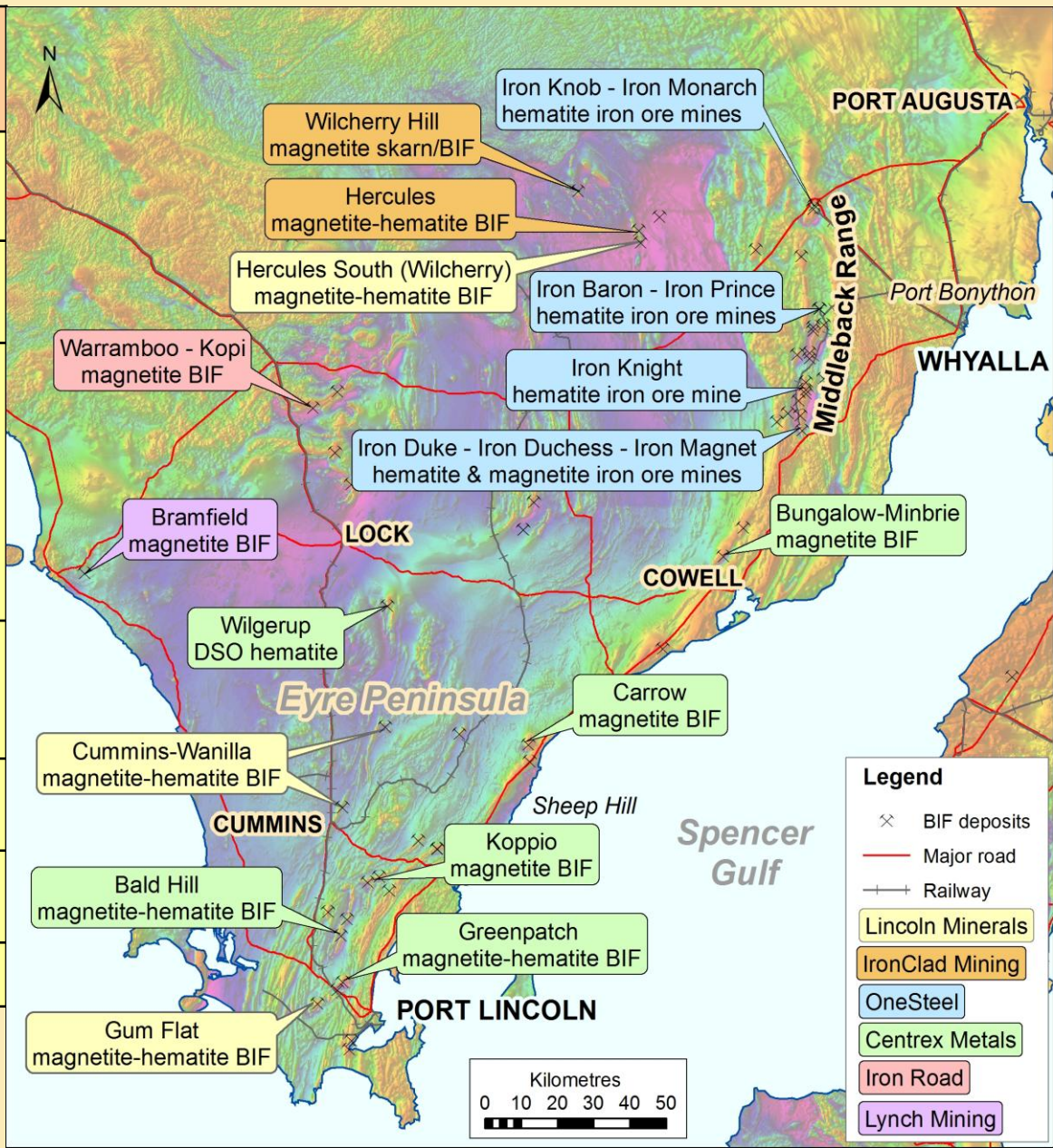


Iron Ore Potential – Eastern Eyre Peninsula

One of the World's major iron ore provinces

Company	Deposit	Inferred Resource	Exploration Target
OneSteel	Middleback Range	>335 Mt	>1 Bt
Lincoln Minerals	Gum Flat Wilcherry	55 Mt	125-200 Mt
		22 Mt	50-100 Mt
Centrex Metals	Wilgerup	13.2 Mt	20 Mt
	Bungalow	30 Mt	>250 Mt
	Carrow	52 Mt	80-110 Mt
	Greenpatch	75 Mt	>100 Mt
	Other		1-2 Bt
Ironclad	Wilcherry Hill	60 Mt	>300 Mt
	Hercules	216 Mt	~1 Bt
Iron Road	Warrambo	110 Mt	2.8-5.7 Bt
Lynch Mining	Bramfield	-	>100 Mt
	TOTAL	>900 Mt	5-10 Bt

Data compiled from various company reports.
Exploration Targets include Inferred Resources and are entirely conceptual in nature. It is uncertain if further exploration will result in the estimation of a Mineral Resource



Iron Ore Transport Logistics

IronClad Mining Operating Costs (2 Mtpa):

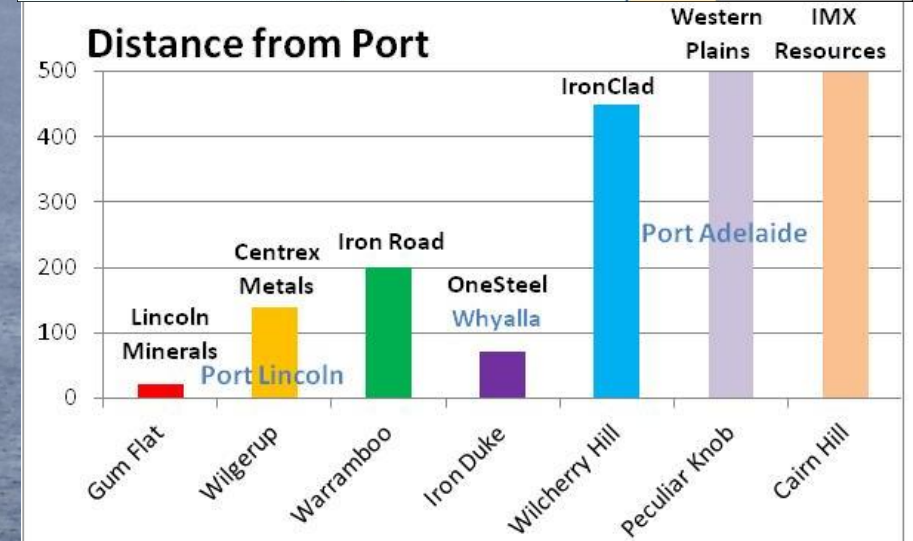
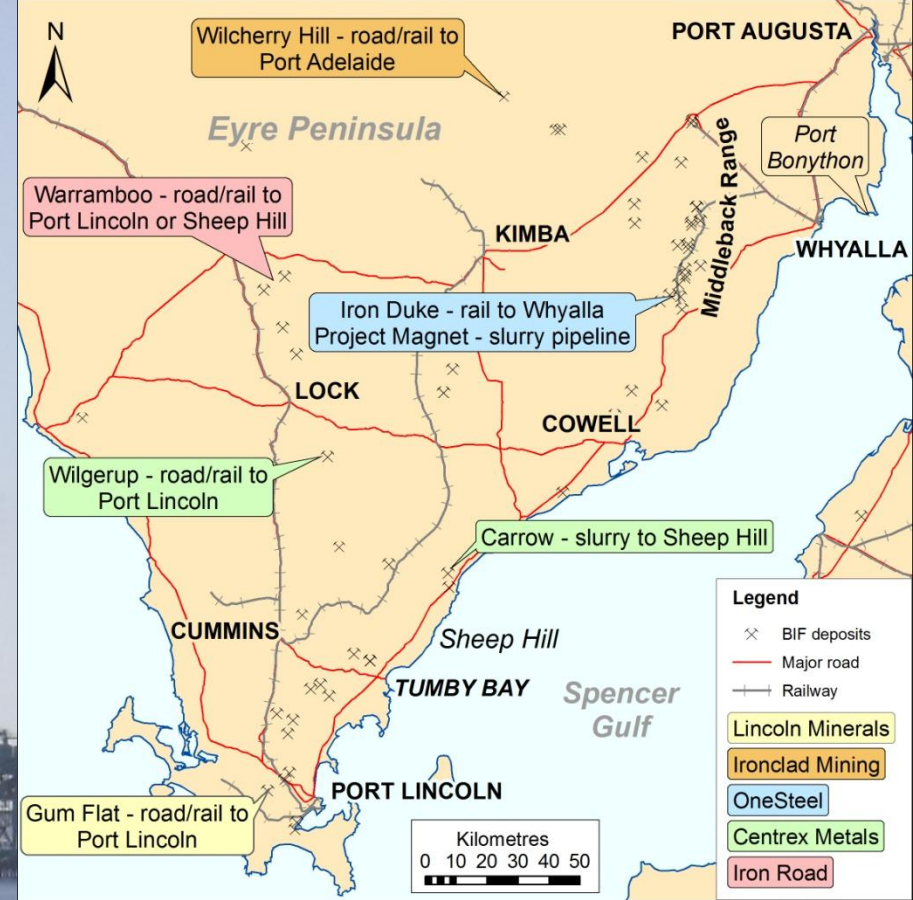
- Mining + Processing ~ \$8/t
- Road using triple road trains (35 t per trailer, 55 road trains per day) to rail siding at Lincoln Gap then by rail to Port Adelaide ~ \$29/t
- Port charges ~ \$11/t

Port Bonython and/or Sheep Hill

- At least 3-5 years away
- Best long-term port option but need rail & road extensions and upgrade

Port Lincoln

- Deepest water port in South Australia
- Very much under-utilised
- Centrex Metals has approval to ship iron ore from Port Lincoln
- Port Lincoln is a beautiful city – iron ore shipments will not change that
- Essential for short term iron ore exports



Uranium Potential Eastern Eyre Peninsula

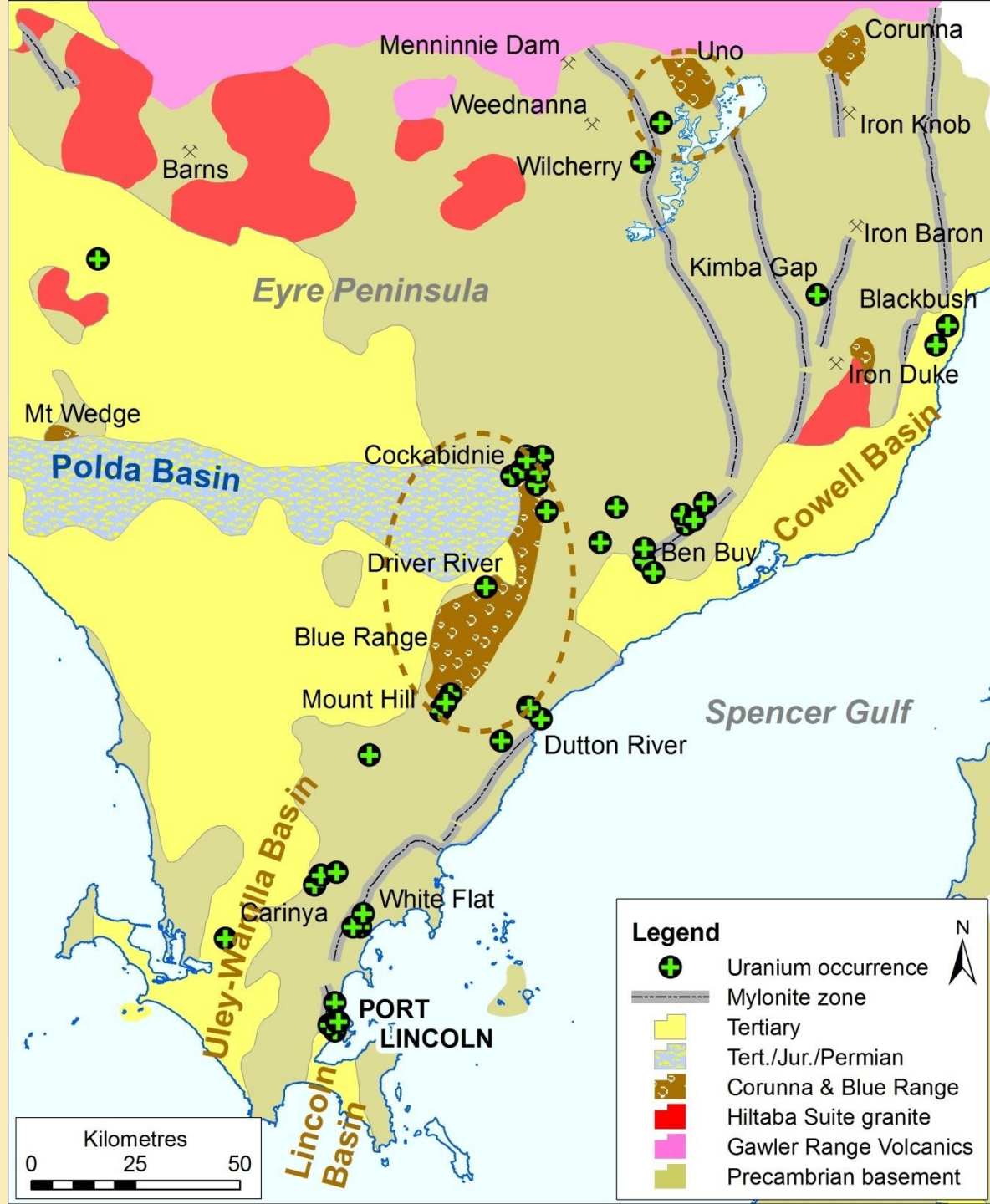
- A major uranium province
- Extends length of Eyre Peninsula
- Numerous occurrences within bedrock gneiss and palaeochannels
- Potential for unconformity-related Alligator River-Ranger style uranium

Uranium SA – Mullaquana

- Blackbush - 12Mt @ 0.02% U₃O₈
- Plumbush – up to 0.06% eU₃O₈
- Potential in-situ leach operation (as at Beverley)

Lincoln Minerals

- Wilcherry – 0.07% U at graphitic gneiss-saprolite interface
- Kimba Gap – vegetation U anomaly over possible palaeochannel
- Cockabidnie – widespread anomalism up to 71ppm U in calcrete
- White Flat – up to 1% U in gneiss



Impact on Local Government

Exploration Stage

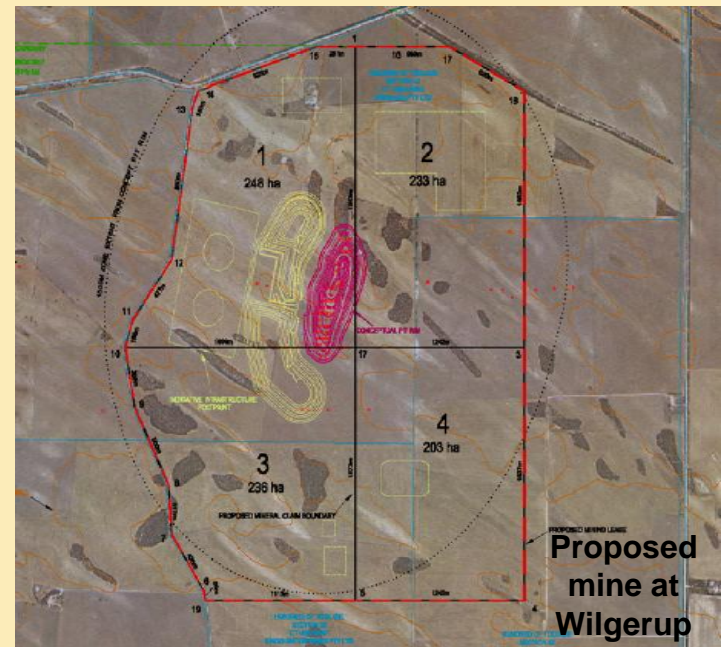
- Minimal impact and community disturbance
- BUT significant expenditure in the community by field crews on accommodation, food, hardware, fuel and local contractors (eg earthmoving, engineering, mechanical, transport)
- Slight increase in traffic on some local roads
- Need for minor waste disposal – EG empty plastic bags
- Need access to water supplies
- Cooperation with CFS – fire breaks, tracks, water supplies



Impact on Local Government

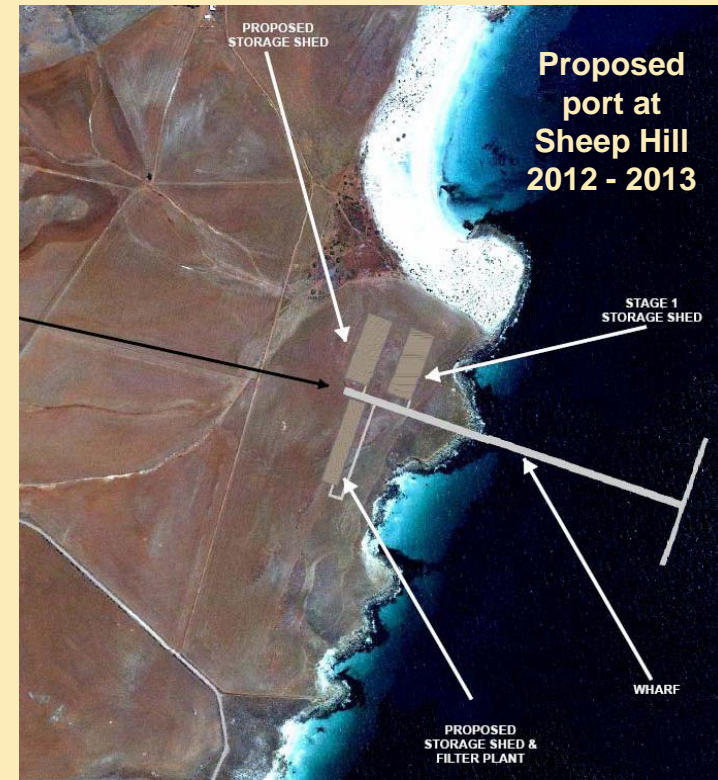
Mine Planning and Development Stage

- Local Government input into the mining and rehabilitation planning (MARP) process – typically 6 months
- Major community impact and creation of local employment
 - Jacynth-Ambrosia – 280 temporary jobs created during construction; 110 permanent jobs
 - Wilgerup – 120 permanent jobs (mine site, transport, port); about double that during construction
- Employment flow-on effect in local towns and communities – 2 to 3 additional jobs for every job on-site
- Upgrade infrastructure to mine site and ports – roads, power, rail, port access, water supplies, desalination plants
- Provision of housing – new land subdivisions with power, water, sewerage etc
- Upgrade community services – hospitals, police, schools, emergency services



Impact on Local Government

Deposit	Status	Earliest Possible Startup
Middleback Ranges	operating mines	-
Jacinth Ambrosia	discovery to operating mine in 5 years	2009
Uley	on care & maintenance	-
Wilcherry Hill	planning & mine development	Q4 2010
Wilgerup	mine & port development	Q1 2011
Poochera	pilot plant trial & marketing study	2011
Mullaquana	resource definition leach trial & pilot plant 2011	2012
Gum Flat	resource definition & scoping study	2012
Carrow	resource definition	2013
Bungalow	resource definition	2014
Menninnie Dam	resource definition	?
Warrambo	exploration & resource definition	2014
Bramfield	exploration	?



SUMMARY

Eastern Eyre Peninsula World Class Iron Ore Province

Several significant deposits either in development or at advanced stages of exploration and resource definition

New mines at Wilcherry Hill and Wilgerup within 12 months

With more to follow

Major Uranium Province

Mullaquana is most advanced project

Plans to conduct leach trials & build pilot plant in 2011

Good Potential for Nickel-Cobalt, Copper, Lead-Zinc-Silver, Gold, Manganese, Graphite, Heavy Mineral Sands & sub-bituminous Coal

INFRASTRUCTURE

Urgent need for new bulk minerals handling port on eastern Eyre Peninsula
for Cape-size ships

Urgent need for rail and road upgrade to handle bulk minerals & link to new port

Need to upgrade Power and Water Supplies

Land Subdivisions and Related Services

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