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The Manager

ASX Announcements

Dear Sir,

Indicated hematite resource for Gum Flat iron ore on SA's Eyre Peninsula

Drilling at Gum Flat, EL 3422 on southern Eyre Peninsula, South Australia, by Lincoln Minerals Limited (ASX: LML) during the period November 2009 to February 2010 has upgraded the inferred hematite resource for the Barns Prospect to indicated status and defined extensions to both the magnetite and hematite mineralisation previously identified.

Key points

- Barns Hematite Indicated Resource:
 - 0.9 Mt at 54.8% Fe (50% Fe cutoff) or 58.8% CaFe – potential DSO
 - 2.4 Mt at 47.7% Fe (40% Fe cutoff) or 51.6% CaFe
- Barns Hematite Exploration Target
 - 2.4 Mt to 13.8 Mt at 45-60% Fe
- Barns Central magnetite extended to at least 325m below ground level
- Low waste:resource strip ratio predicted for hematite mine
- Scoping study and hydrogeological survey scheduled

Barns Hematite Resource

Reverse circulation (RC) drilling along the southeastern margin of the high priority Barns exploration target has outlined a shallowly west-dipping medium grade hematite-goethite (\pm limonite \pm magnetite) deposit up to 35m thick and 495m in strike length (Figure 1). A total of 5,041m of RC drilling has been undertaken on the Barns Prospect to date with 1,814m of that utilized to determine the Indicated Resource.

Hematite mineralisation extends down to 65m to 70m below ground level whence magnetite becomes the dominant iron ore mineral. The lower section of hematite mineralisation is variably magnetic and could be amenable to upgrading by magnetic separation.

Depth to the top of mineralisation varies from 20m to 25m below ground level (Figure 2) with a strip ratio Waste:Resource < 1.8:1. Most of this is relatively soft saprolitic clay and sandy limestone (calcarene) that can be easily excavated.

The density and spacing of drill holes and the continuity of mineralisation between drill holes is deemed to be appropriate to classify the resource as an Indicated Resource in accordance with the JORC Code (2004).

Assay results from the RC drilling program (see details in Table 2) have been processed to define an Indicated Resource for the central hematite Barns Prospect based on SG = 3.0:

Table 1: Central Barns Prospect hematite Indicated Resource

INDICATED RESOURCE tonnes	CUTOFF Fe %	Fe %	Al ₂ O ₃ %	CaO %	MgO %	Mn %	P %	SiO ₂ %	LOI %	CaFe %
863,325	50%	54.78	1.35	0.88	0.29	0.92	0.47	9.87	6.78	58.77
2,426,700	40%	47.67	1.96	1.06	0.45	1.18	0.42	18.09	7.50	51.57

Note that the CaO, MgO and Mn may not necessarily be considered deleterious

LOI = Loss on Ignition

CaFe = calcined Fe = $Fe / (100 - LOI) \times 100$ = removal of volatiles at ca. 1400°C

RC drilling to date has only focussed on the central Barns hematite zone. This represents only 600m of a 3km long zone of potential hematite alteration and enrichment. Not all of this zone may be enriched but the exploration target for hematite along this zone is 2.4 Mt to 13.8 Mt at an average grade of 45-60% Fe including some DSO (see Table 4 below for details). Note, the potential quantity and grade of this exploration target is conceptual in nature, since there has been insufficient drilling and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Recent core drilling through the Barns Prospect magnetite resource has not yet been assayed but, based on magnetic susceptibilities, high grade magnetite mineralisation has been shown to extend to at least 325m below ground level. This is 75m deeper than previously identified. There are also additional zones of magnetite banded iron formation (BIF) not previously drilled.

On the basis of ongoing good drilling results, LML is planning to undertake a scoping study within the second quarter of 2010. This will include a detailed hydrogeological survey and construction of water monitoring bores to ensure that any proposed mining will not affect groundwater in the region. This will be essential for approval to mine since the iron ore deposit is located adjacent to the Uley East groundwater basin within a Prescribed Wells Area.

Further inquiries:

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GFDH023 drill core of DSO hematite, Central Barns Prospect (tray is 1m long)

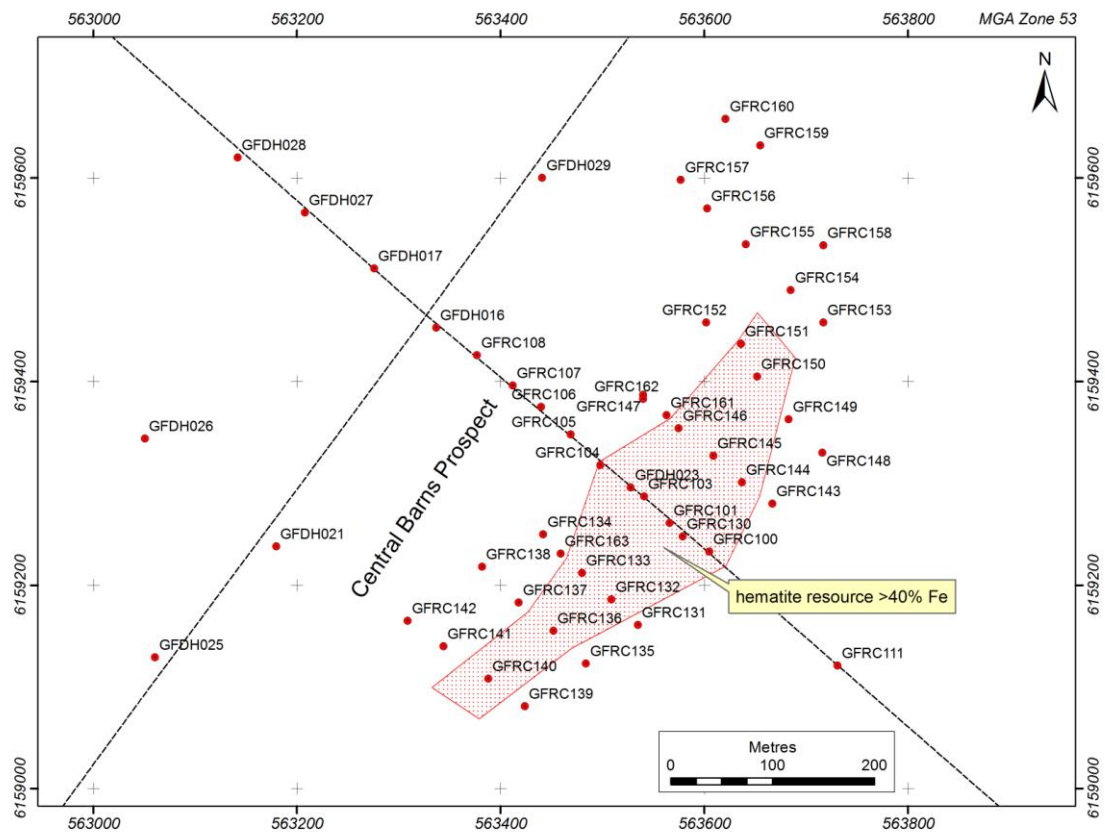


Figure 1: Location of drill holes, Central Barns Prospect, EL 3422
(All holes angled 60° to ca. 125° except GFDH023 which is vertical)

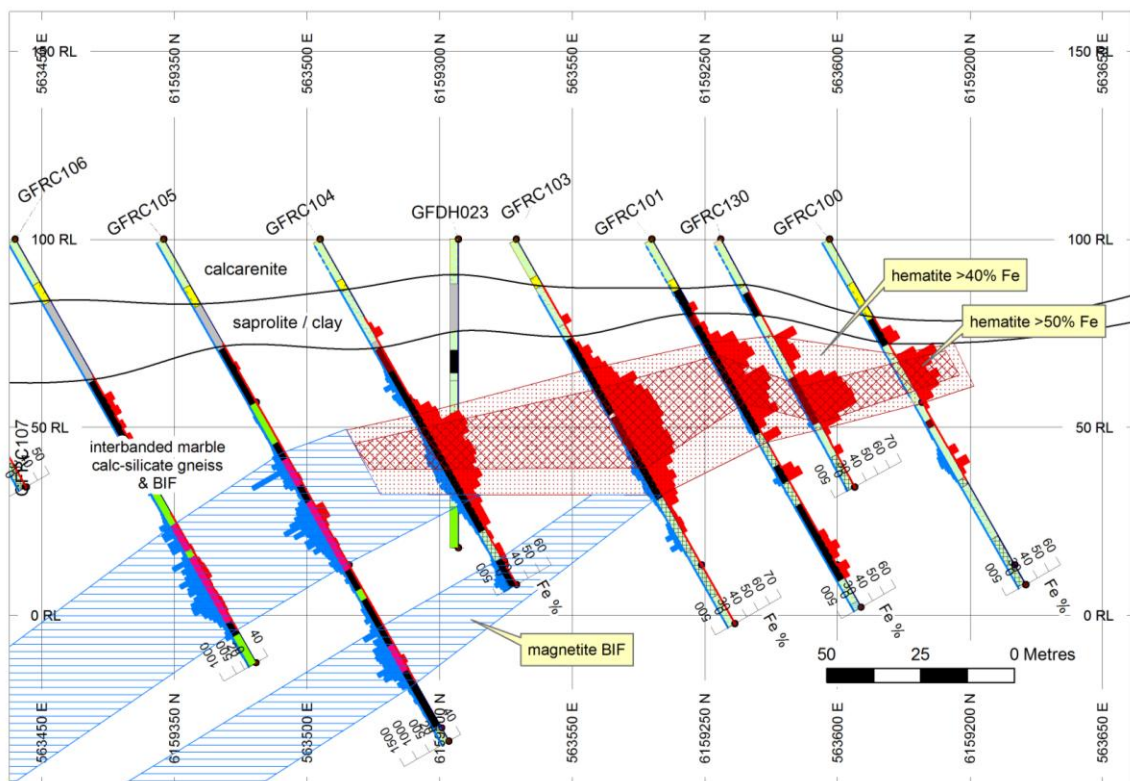


Figure 2: NW-SE oriented section 6159275N, Central Barns Prospect
(red bars = Fe % blue bars = magnetic susceptibility)

Gum Flat Iron Ore Project

The Gum Flat Iron Ore Project is located on EL 3422 on southern Eyre Peninsula (Gawler Craton, South Australia) within 20km of Port Lincoln.

In April 2009, LML announced maiden resources for Gum Flat including:

- Total magnetite Inferred Resource 55.2 Mt at 20.6% DTR concentrate

Based on the latest round of drilling at Barns, the combined total hematite Inferred and Indicated Resource including Sheoak West hematite is:

- Barns Indicated Resource 0.9 Mt at 54.8% Fe (50% Fe cut-off) or 58.8% CaFe
- Total Inferred and Indicated 2.7 Mt at 47.7% Fe (40-45% Fe cut-off)

The total Exploration Targets (**) for magnetite and hematite (including the above resources) are:

- Magnetite 125-200 Mt at 20-25% Fe
- Hematite 4-17 Mt at 45-60% Fe (incl. 1-2 Mt DSO at 55-60% Fe)

Detailed metallurgical testing of the magnetite resource has shown that, based on an approximate final grind P₈₀ of 40 micron, an indicative BF concentrate grade would be:

DTR Wt %	%Fe	% SiO ₂	% Al ₂ O ₃	%CaO	%MgO	%P	%S	%Mn
28.2	66.90	4.38	0.49	0.55	0.58	0.01	0.02	0.44

The EL is also prospective for polymetallic minerals including gold, uranium, base metals (copper, lead, zinc, nickel) and graphite.

Extending west from Port Lincoln with a railway line and major highway running through the area, EL3422 is ideally located with respect to infrastructure and proximity to a major shipping port. The approval given to Centrex Metals Limited to ship iron ore from Port Lincoln may open the door for Lincoln Minerals to also export iron ore from Port Lincoln.

As recently announced, LML has signed a Contract for Sale of Joint Venture Interest with Indian iron ore miner Mineral Enterprises Limited (MEL) and MEL subsidiary Mineral Enterprises Australia Pty Ltd (MEA) under which, subject to finance, LML will buy back the 40% interest in Lincoln's Gum Flat Iron Ore Project on EL 3422.

LML entered into a joint venture agreement with MEL and MEA in December 2007 and since that date MEA has earned a 40% participating interest in EL 3422 by spending in excess of \$2.5 million on exploration expenditure.

The resumption of full ownership of the Company's flagship Gum Flat iron ore project on successful completion of this contract will enable Lincoln to maximise the potential development of the iron ore resources for the benefit of its shareholders. It is in addition to LML retaining 100% ownership of its other major iron ore project at Wilcherry (Hercules South) on northern Eyre Peninsula earlier this year.

Information in this report that relates to exploration activity and results was compiled by Dr A J 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.

*** It is emphasized that exploration target tonnage estimates given in this report are entirely conceptual in nature. There has been insufficient drilling in the immediate areas of these targets and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

DTR = magnetic Davis Tube Recovery DSO = Direct Shipping Ore Mt = million tonnes BF = Blast Furnace

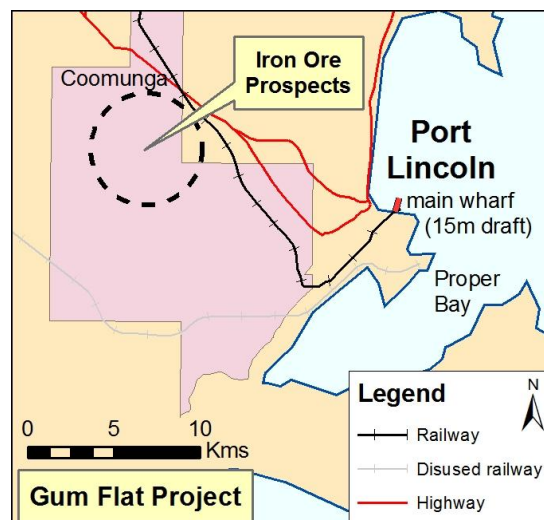


Table 2: RC drill hole data used to calculate the hematite indicated resource

Hole ID	From m	To m	Interval m	Fe %	Al ₂ O ₃ %	CaO %	MgO %	Mn %	P %	SiO ₂ %	LOI %	CaFe %
GFRC100*	36	48	12	48.99	3.83	0.28	0.18	0.14	0.41	15.47	8.80	53.74
GFRC100**	38	42	4	54.51	3.37	0.23	0.13	0.17	0.42	7.45	9.58	60.28
GFRC101*	32	62	30	45.98	2.02	1.17	0.27	0.73	0.38	22.02	6.56	49.28
GFRC101**	36	50	14	51.06	2.26	1.43	0.17	0.46	0.35	13.91	7.48	55.12
GFRC103*	40	78	38	52.61	1.64	0.97	0.30	1.00	0.46	12.25	6.93	56.49
GFRC103**	46	70	24	57.27	1.39	0.83	0.28	0.98	0.47	6.50	6.48	61.24
GFRC104*	52	78	26	48.70	0.97	1.73	0.67	2.36	0.51	16.50	5.75	51.61
GFRC104**	58	70	12	53.87	0.75	1.42	0.44	2.08	0.52	11.72	4.40	56.39
GFRC130*	30	58	28	47.01	2.31	0.20	0.09	0.34	0.27	22.52	6.44	50.32
GFRC130**	44	56	12	58.47	1.25	0.28	0.11	0.66	0.37	6.24	6.71	62.64
GFRC131*	42	44	2	40.20	7.77	0.21	0.14	0.16	0.50	21.50	10.86	45.10
GFRC132*	52	64	12	49.23	1.62	1.35	0.19	0.53	0.63	18.80	5.27	52.00
GFRC132**	56	60	4	54.25	1.22	1.58	0.19	0.35	0.74	11.61	5.49	57.44
GFRC133*	58	76	18	51.90	0.73	0.48	0.16	0.42	0.54	16.15	6.33	55.44
GFRC133**	60	74	14	53.84	0.68	0.38	0.15	0.27	0.55	13.60	6.44	57.58
GFRC137*	76	88	12	48.80	0.66	2.28	0.83	2.31	0.56	10.17	11.79	55.26
GFRC137**	80	86	6	51.33	0.55	2.23	0.64	1.91	0.60	10.99	8.24	55.95
GFRC140*	66	68	2	46.20	0.73	0.98	1.66	3.26	0.23	18.55	6.93	49.64
GFRC141*	82	94	12	40.47	0.53	4.57	2.11	3.63	0.41	10.01	18.94	50.11
GFRC144*	28	36	8	47.53	6.85	0.27	0.11	0.07	0.39	13.43	10.14	52.93
GFRC145*	46	70	24	44.70	2.08	0.20	0.15	0.05	0.42	23.70	8.78	49.01
GFRC146*	46	76	30	48.76	0.96	0.81	0.33	1.23	0.41	19.31	6.17	51.99
GFRC146**	48	58	10	54.06	1.04	0.24	0.23	0.80	0.34	12.74	6.54	57.85
GFRC150*	26	48	22	45.51	3.03	0.35	0.19	0.92	0.27	22.29	6.94	48.95
GFRC150**	36	40	4	50.50	2.22	0.26	0.24	0.91	0.28	14.68	8.24	55.04
GFRC151*	28	38	10	40.36	5.38	0.36	0.28	0.28	0.30	26.45	8.34	44.04
GFRC161*	50	76	26	44.47	0.77	1.70	1.04	2.23	0.44	23.83	4.93	46.89
GFRC161**	60	62	2	50.60	0.68	1.58	0.57	2.66	0.48	13.40	6.66	54.21
GFRC163*	62	86	24	51.33	0.58	1.44	0.84	2.53	0.55	10.27	8.79	56.18
GFRC163**	66	82	16	54.36	0.46	1.25	0.71	1.47	0.61	8.88	7.51	58.78

* based on a cutoff grade of 40% Fe ** based on a cutoff grade of 50% Fe

Assays were undertaken by XRF on 2m composite samples then averaged over the intervals indicated

Sampling was undertaken using a 3 tier riffle splitter on RC samples (4 ½ to 5 ½ inch face sampling drill bit)

Table 3: RC drill hole collar and survey data

Hole ID	Easting m	Northing m	Depth m	Dip °	Azimuth °
GFRC100	563605	6159233	106	-60	126
GFRC101	563566	6159261	113	-60	126
GFRC103	563541	6159287	118	-60	126
GFRC104	563498	6159318	106	-60	126
GFRC130	563579	6159248	76	-60	115
GFRC131	563535	6159161	76	-60	120
GFRC132	563509	6159186	94	-60	130
GFRC133	563480	6159212	100	-60	130
GFRC137	563418	6159183	100	-60	125
GFRC140	563388	6159108	88	-60	120
GFRC141	563344	6159140	94	-60	120
GFRC144	563637	6159301	88	-60	125
GFRC145	563609	6159327	100	-60	125
GFRC146	563575	6159354	112	-60	125
GFRC150	563652	6159405	88	-60	130
GFRC151	563636	6159437	91	-60	130
GFRC161	563563	6159367	88	-60	120
GFRC163	563459	6159231	94	-60	120
GFDH023	563528	6159296	82	-90	0

Table 4: Barns Prospect conceptual hematite exploration target ()**

Barns Prospect – Hematite-Goethite Mineralisation	Exploration Target ** (lower)	Exploration Target ** (upper)
Average true thickness	15m	35m
Cover thickness to top of mineralisation	25m	25m
Vertical extent of oxide zone below ground level	70m	70m
Assumed dip of BIF	25 ⁰	25 ⁰
Strike length (based on aeromagnetic interpretation)	500m	1,000m
Volume of oxide BIF (m ³)	800,000	4,605,000
Tonnage (Mt) (based on SG = 3.0)	2.4	13.8