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The Manager
ASX Announcements

Lincoln regains 100% ownership of Gum Flat and releases new Iron Ore results

Lincoln Minerals Limited ("LML") is pleased to announce that it has regained 100% ownership of its flagship South Australian Gum Flat Iron Ore Project on southern Eyre Peninsula and less than 20km from the port of Port Lincoln. The Company has also received results from the latest round of diamond core drilling at Gum Flat.

Key points:

- Settlement of buy-back agreement to regain 100% interest in Gum Flat
- Magnetite iron ore mineralisation extended at depth and along strike
- Improved grinding methods generate enhanced iron and Davis Tube Recovery (DTR) grades
- Up to 43.3% magnetic Blast Furnace and/or Direct Reduction grade DTR concentrates
- DTR concentrates with up to 71% Fe, low silica and very low alumina and phosphorous
- Potentially self-fluxing concentrates
- Concentrates should fetch a premium sales price
- Mine, processing plant and transport options scoping study in progress.

Gum Flat Buy Back

Lincoln Minerals has today effected settlement of a Contract for Sale of Joint Venture Interest to buy back all of the 40% interest in the Gum Flat Iron Ore Project that it did not own. This 40% stake had been held by Indian iron ore miner, Mineral Enterprises Limited (MEL) and its subsidiary, Mineral Enterprises Australia Pty Ltd (MEA).

LML entered into the joint venture with MEL and MEA in December 2007 and they subsequently earned a 40% participating interest in EL 3422 by spending in excess of \$2.5 million on exploration. During that period MEA funded drilling programs that led to the definition of magnetite and hematite iron ore Inferred Resources. Their contribution in taking a greenfields iron ore prospect in 2007 to an Inferred Resource in April 2009 has been greatly valued.

Lincoln now owns 100% of the Gum Flat Iron Ore Project.

Drilling Results

Drilling at Gum Flat during the period November 2009 to February 2010 has defined extensions to the magnetite mineralisation. Down dip from the central zone of the Barns Prospect, good magnetite mineralisation extends to at least 325m below ground level

*DTR = Davis Tube Recovery (magnetic concentrate); BIF = banded iron formation;
BF = blast furnace grade; DR = direct reduction grade*

(GFDH026 and GFDH028). This is 75m deeper than previously identified. There are also additional zones of magnetite iron formation (BIF) not previously drilled (GFDH022, GFDH024 and GFDH032).

Most assay data including DTR magnetic separation results from this latest drilling program have been received and are currently being processed to define a new JORC compliant inferred resource for parts of the orebody. The new assay data is presented below in Table 1.

Testing of this latest drill core involved a modified crushing and grinding process followed by analysis of the pulp by XRF (Head grade), undertaking wet Davis Tube magnetic separation of a 20g subsample, determining the weight percentage of magnetic concentrate from that test (DTR) then analysing the DTR concentrate by XRF (Con grade). Importantly, the modified grinding procedure has delivered more enhanced test results than previous work reported in April 2009.

Magnetite content in these latest test cores ranges up to 43.3% DTR (grading 69.4% Fe in GFDH032 234-236m). The concentrate grades range up to 71 % Fe in several drill holes but are consistently >67% Fe with low silica <5% SiO₂ and very low phosphorous and alumina. Phosphorous is <0.02% P and alumina is generally below 0.7% Al₂O₃.

Combined CaO and MgO contents range up to ~2.4% but are commonly in the range 0.4% to 1.2% and suggest that the concentrate could be at least partially self-fluxing.

The higher magnetite DTR and Fe grades recorded in the latest results are considered to be more representative of the orebody than previous work since the grinding procedure more closely replicates what might be achieved during a full-scale mining and beneficiation process. The procedure was developed following detailed metallurgical testing in late 2009.

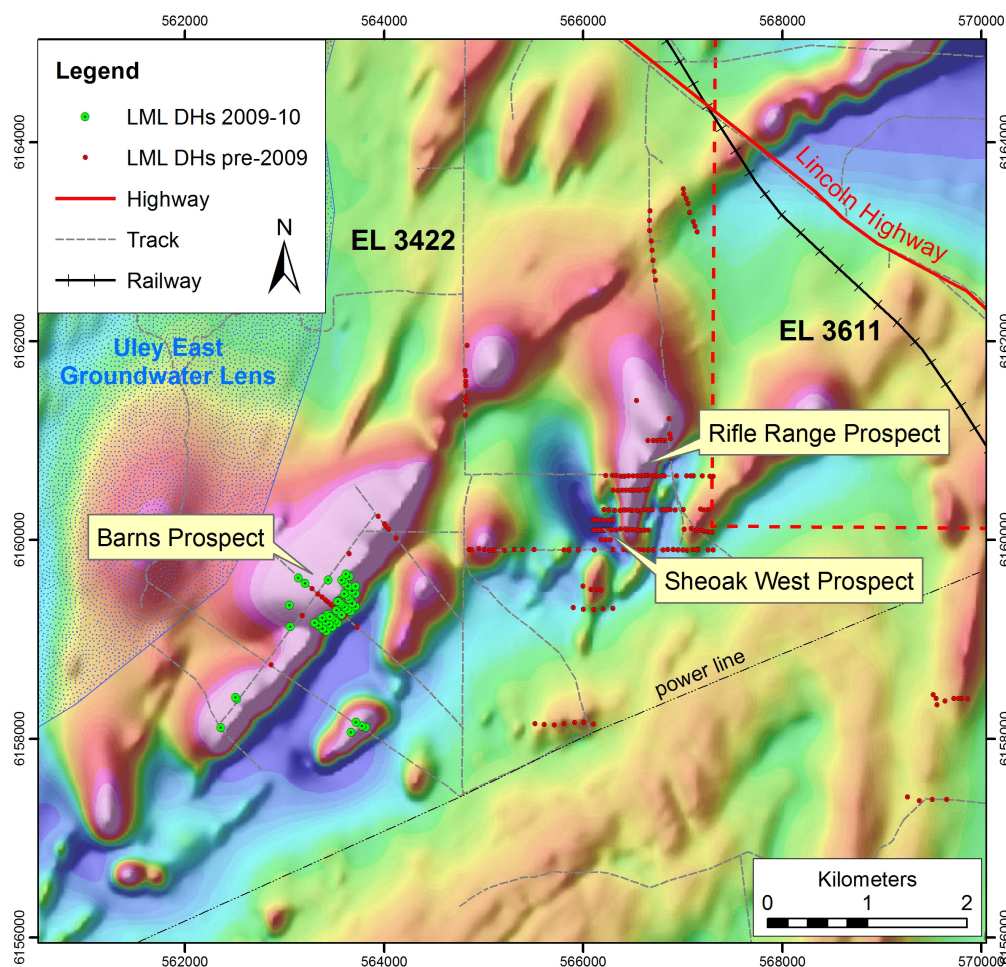


Figure 1: Total magnetic intensity map and location of drill holes, Gum Flat

Resource Definition and Scoping Study

Based on the latest round of drilling results received for the Barns Prospect, LML has engaged Australian Mining Consultants (AMC) to assist it with definition of a revised and, what it expects to be an enhanced, Inferred Resource and Exploration Target for the magnetite BIF. This should be completed in the next week.

In conjunction with AMC, Lincoln Minerals has also contracted WorleyParsons Services Pty Ltd to undertake a scoping study on mining, beneficiation and transport options for Gum Flat. This is scheduled for completion by the end of June 2010.

The latest results confirm the potential of the Gum Flat magnetite deposit to produce a valuable high grade BF or even DR grade concentrate with >67% Fe, very low alumina, low silica and very low phosphorous. This augurs well for the future of the Gum Flat project.

Yours truly,

A handwritten signature in blue ink, appearing to read 'John Parker'.

Dr A John Parker
Managing Director

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.

Drillhole	From	To	Interval	Head Fe %	DTR %	Con Fe %	Con SiO ₂ %	Con Al ₂ O ₃ %	Con P %
GFDH022	106	118	12	26.08	29.25	68.47	3.71	0.52	0.01
GFDH024	114	206	92	25.48	24.39	68.36	3.78	0.66	0.01
GFDH026	258	296	38	27.22	22.92	68.56	3.24	0.57	0.02
including	272	288	16	29.20	32.97	70.03	1.82	0.41	0.02
GFDH026	316	344	28	24.96	25.53	68.31	3.70	0.55	0.01
including	322	336	14	28.01	30.79	68.91	3.16	0.49	0.01
Total GFDH026			66	26.26	24.03	68.45	3.44	0.55	0.02
GFDH028*	246	281	35	13.80	14.31	70.17	1.72	0.24	<0.01
GFDH028	316	344	28	26.44	27.88	67.40	3.96	0.51	0.01
including	324	338	14	25.70	33.47	68.67	1.96	0.41	0.01
GFDH028	362	379	17	22.62	24.68	68.01	4.04	0.54	0.01
including	366	378	12	25.37	27.43	68.48	3.52	0.57	0.01
Total GFDH028			45	25.00	26.67	67.63	3.99	0.52	0.01
GFDH029	142	148	6	13.27	15.62	70.10	1.89	0.21	<0.01
GFDH029	186	192	6	21.43	19.44	66.77	4.47	0.24	0.02
GFDH029	201	216	15	21.02	18.47	66.06	5.85	0.42	0.01
GFDH030	254	286	32	23.78	16.94	68.23	3.26	0.55	0.01
GFDH030	308	330	22	20.29	19.47	67.15	4.42	0.53	0.01
Total GFDH030			54	22.36	17.97	67.79	3.73	0.54	0.01
GFDH031	176	192	16	25.25	18.40	68.29	3.61	0.43	0.01
GFDH031	210	270	60	21.88	19.17	68.51	3.21	0.55	0.01
Total GFDH031			76	22.59	19.00	68.46	3.30	0.52	0.01
GFDH032	174	178	4	18.20	14.90	66.30	5.86	0.57	0.01
GFDH032	203	247	44	23.82	22.28	66.10	5.50	0.66	0.01
GFRC165	56	78	22	20.07	69.78	27.23	1.80	0.55	0.01
including	64	74	10	30.38	70.46	30.10	0.98	0.43	0.01
GFRC168	72	85	13	31.78	70.50	30.73	1.33	0.36	0.01

Table 1: Latest assay results from drilling of the Barns Prospect

DTR = Davis Tube Recovery from magnetic separation; Head grade = total rock XRF assay prior to magnetic separation; Con grade = XRF assay of DTR magnetic concentrate; Intervals defined by a lower cutoff grade of 10% DTR except for "included" intervals where cutoff grade of 25% DTR was used

Drillhole	Easting (MGA94 Zone 53)	Northing (MGA94 Zone 53)	Depth (m)	Dip	Azimuth
GFDH022	562363	6158114	225.3	-60	145
GFDH024	562525	6158403	229	-60	135
GFDH025*	563061	6159129	208	-60	120
GFDH026	563051	6159344	373	-60	115
GFDH027*	563208	6159566	352	-60	130
GFDH028	563142	6159620	405.9	-60	135
GFDH029	563441	6159600	255.8	-60	150
GFDH030	563419	6159814	361	-60	115
GFDH031	563750	6160070	306.8	-60	135
GFDH032	562510	6158411	271	-75	130
GFDH033*	562619	6158534	102.5	-60	150
GFDH034*	562625	6158530	253	-60	155
GFRC165	563783	6158131	100	-60	100
GFRC166*	563721	6158168	81	-60	120
GFRC167*	563670	6158066	59	-60	125
GFRC168	563707	6158120	86	-60	125

* Not submitted for assay

Table 2: Locations of drillholes cited in this report

Gum Flat Iron Ore Project

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

Potentially economic iron ore was discovered near Coomunga by Lincoln Minerals in 2007. It is overlain by a thin cover of calcarenite and clay and comprises near surface hematite-goethite mineralisation grading down into magnetite BIF.

Below the hematite-goethite cap, the BIF becomes progressively more magnetite rich and less oxidised. There are two bands of high grade magnetite BIF which have a cumulative thickness of up to 80m (using a 10% DTR cutoff).

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

- Total Magnetite Inferred Resource 55.2 Mt at 20.6% DTR concentrate (23.5% Fe)

Based on the latest round of drilling at Barns, this total and the average grades will be significantly increased.

The combined total hematite Inferred and Indicated Resource overlying the magnetite 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 Exploration Targets for magnetite and hematite (including the above resources) are:

- Magnetite 150-250 Mt at 22-28% Fe
- Hematite 3-17 Mt at 45-60% Fe (incl. 1-2 Mt DSO at 55-60% Fe)

Detailed metallurgical testing of the magnetite resource has shown that an indicative BF concentrate grade would be:

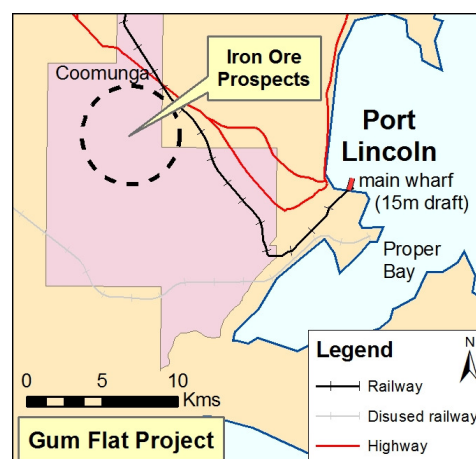
DTR Wt %	%Fe	% SiO ₂	% Al ₂ O ₃	%CaO	%MgO	%P	%S	%Mn
28.2	66.90	4.38	0.49	0.55	0.58	0.01	0.02	0.44

On the basis of ongoing good drilling results, LML is currently undertaking a scoping study to determine the viability of mining both the hematite DSO and magnetite BIF. 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.

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, major highway and high voltage power line 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.

LML has an off-take Heads of Agreement with Chinese steel mill, Jiangyin Huaxi Steel Co., Ltd, to take at least 50% of LML's share of hematite and magnetite production from Gum Flat.



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