



LINCOLN MINERALS LIMITED

Iron Ore Update

**Potential to commence mining
at Gum Flat (SA) within 2 years**

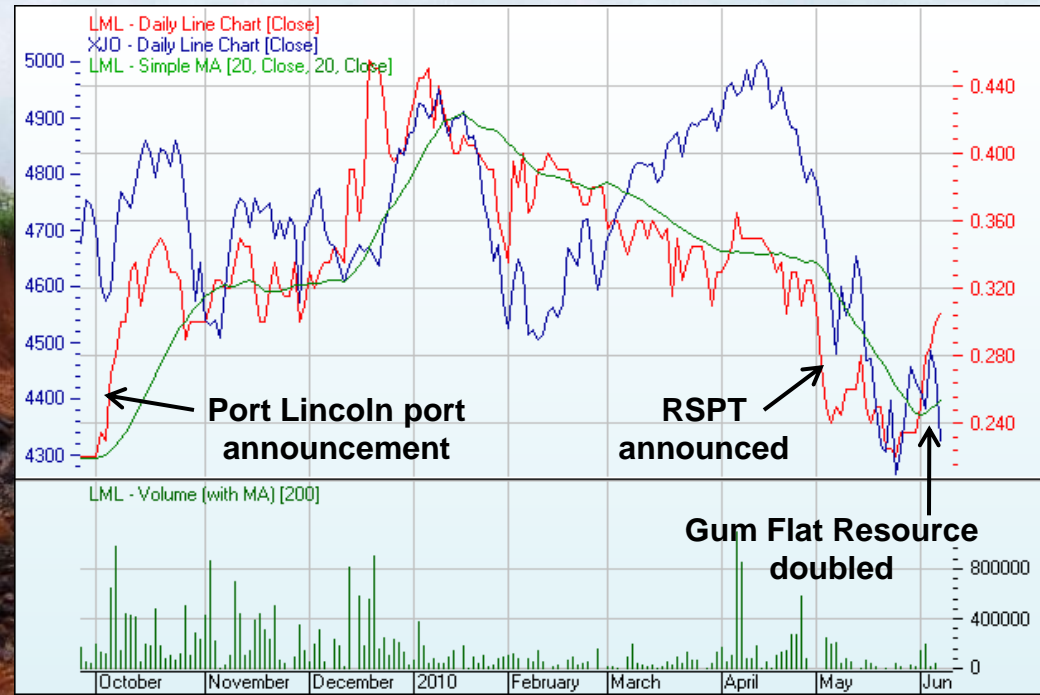
Drilling program starts at Eurilla

22 June 2010



LINCOLN MINERALS LIMITED

- Listed on ASX with 116,585,961 Shares
- 34,887,179 listed Options (expire 30 June 2010) + 4,760,000 unlisted Options
- Market capitalisation approx. \$32 million
- Located in established world class mineral belts (Gawler Craton, South Australia & Indonesia)
- Experienced management and technical team focused on eastern Eyre Peninsula
- Offices in Adelaide and Port Lincoln, South Australia
- **Significant assets in SA 100% owned by Lincoln Minerals:**
 - **Gum Flat Iron Ore** (103⁺Mt hematite-goethite DSO & magnetite near Port Lincoln)
 - **Eurilla Iron Ore & Uranium** (22⁺Mt iron ore near Wilcherry)
 - **Cockabidnie Nickel-Cobalt** (Cleve)
 - **Bungalow Vanadium** (Cowell)



Mt = million tonnes
DSO = Direct Shipping Ore

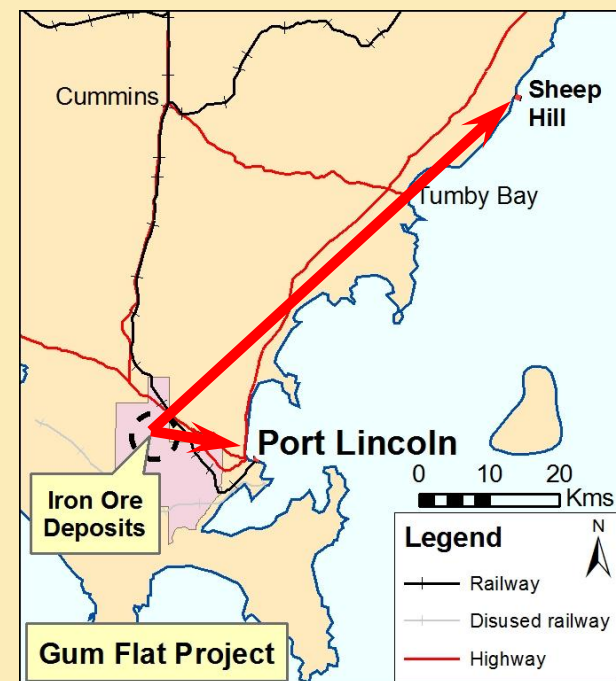
Gum Flat Iron Ore

Lincoln Minerals (100%)

DSO operating cost <\$20 per tonne FOB ex Port Lincoln

- **20km from Port Lincoln** (or 80km from proposed Sheep Hill deep sea bulk commodities port)
- **103+ Mt iron ore resource**
 - Indicated Hematite-Goethite Resource:
1.8 Mt at 51% Fe (54% calcined Fe)
including 0.9 Mt DSO at 54.2% Fe (58% calcined Fe)
 - Inferred Magnetite Resource: 99 Mt @ 24.4% Fe (21% DTR)
- **Off-take agreement** for at least 50% of hematite and magnetite production

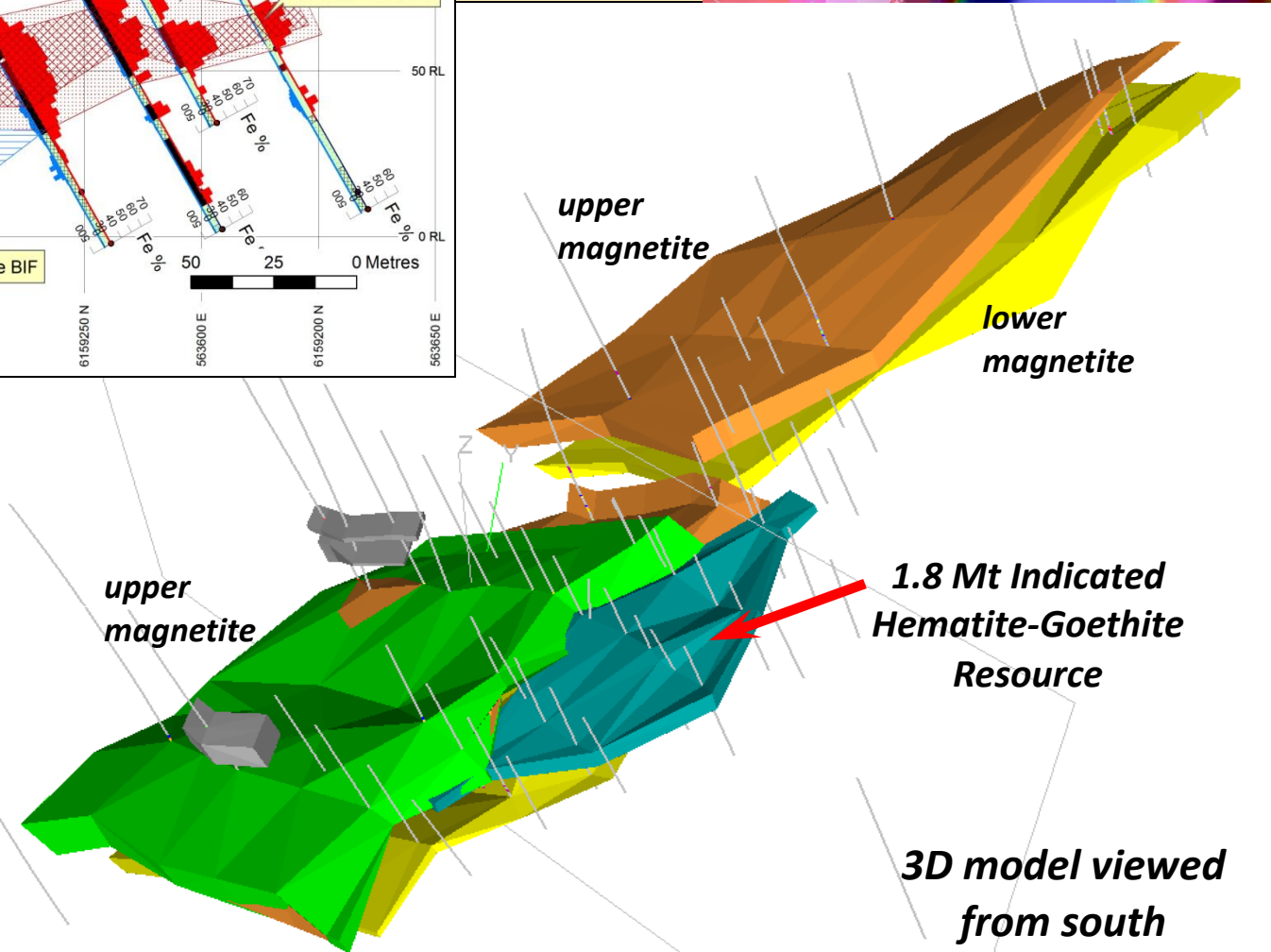
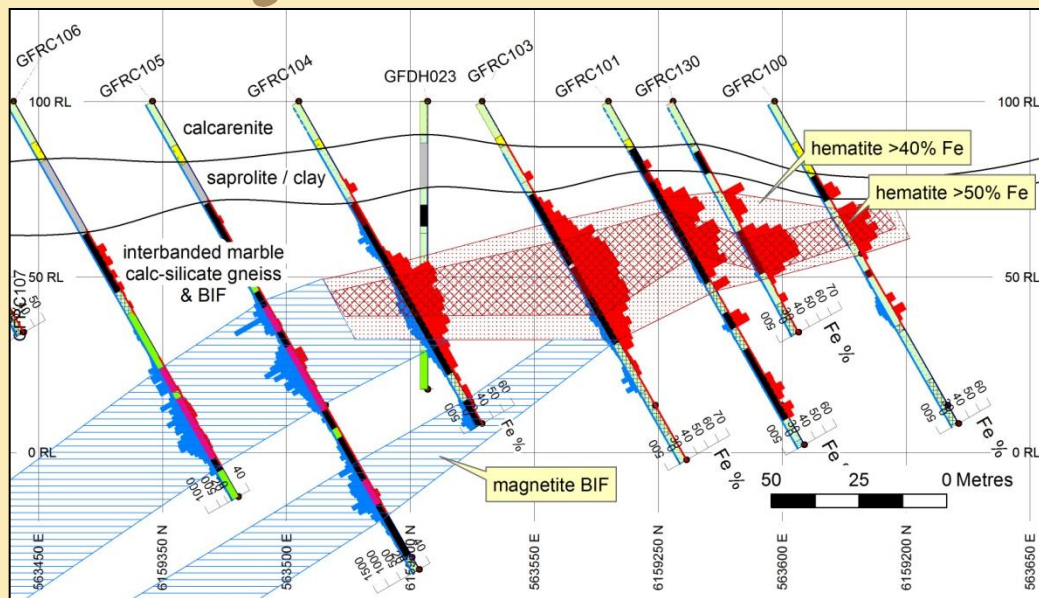
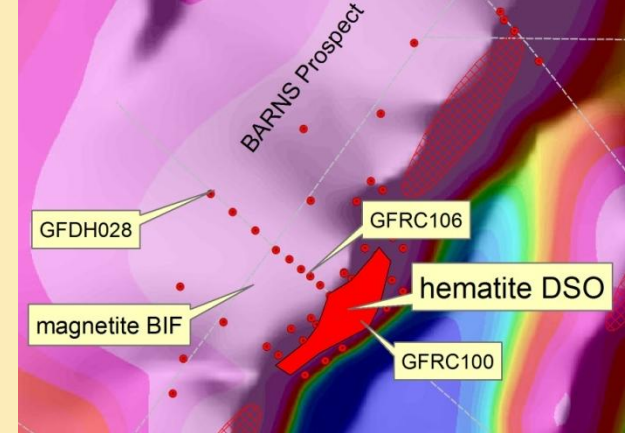
Potential to ship hematite DSO iron ore from Port Lincoln in 2012



FOB = Free on Board or Freight on Board
calcined Fe = Fe after removal of water
DTR = magnetic concentrate
DSO = Direct Shipping Ore

Gum Flat Iron Ore

Barns Prospect Resource



- Shallow dipping $\sim 35^\circ$
- Thin cover sequence of clay & calcarenite (20-25m)
- Hematite down to $\sim 70\text{m}$ depth
- Magnetite down to at least 330m below ground level (and still going deeper)

Gum Flat Iron Ore

Proposed Hematite DSO Mine

Potential to ship hematite DSO iron ore in 2012

- Start-up mining operation targeting 0.5 Mtpa hematite DSO
- Operating cost (**) ~\$16 per tonne (Port Lincoln) or ~\$26 per tonne (Sheep Hill)
- Capital cost \$40-\$50 million including pre-strip of overburden, roads, storage shed at port & other facilities
- Estimated margin \$45-\$55 per tonne FOB before tax
- Positive cashflow after 1st year of operation

- Closest iron ore project in South Australia (& one of closest in Australia) to a shipping port (~20km) & potentially one of lowest operating costs
- Centrex Metals' plans to ship iron ore from Port Lincoln or Sheep Hill may open the door for Lincoln Minerals

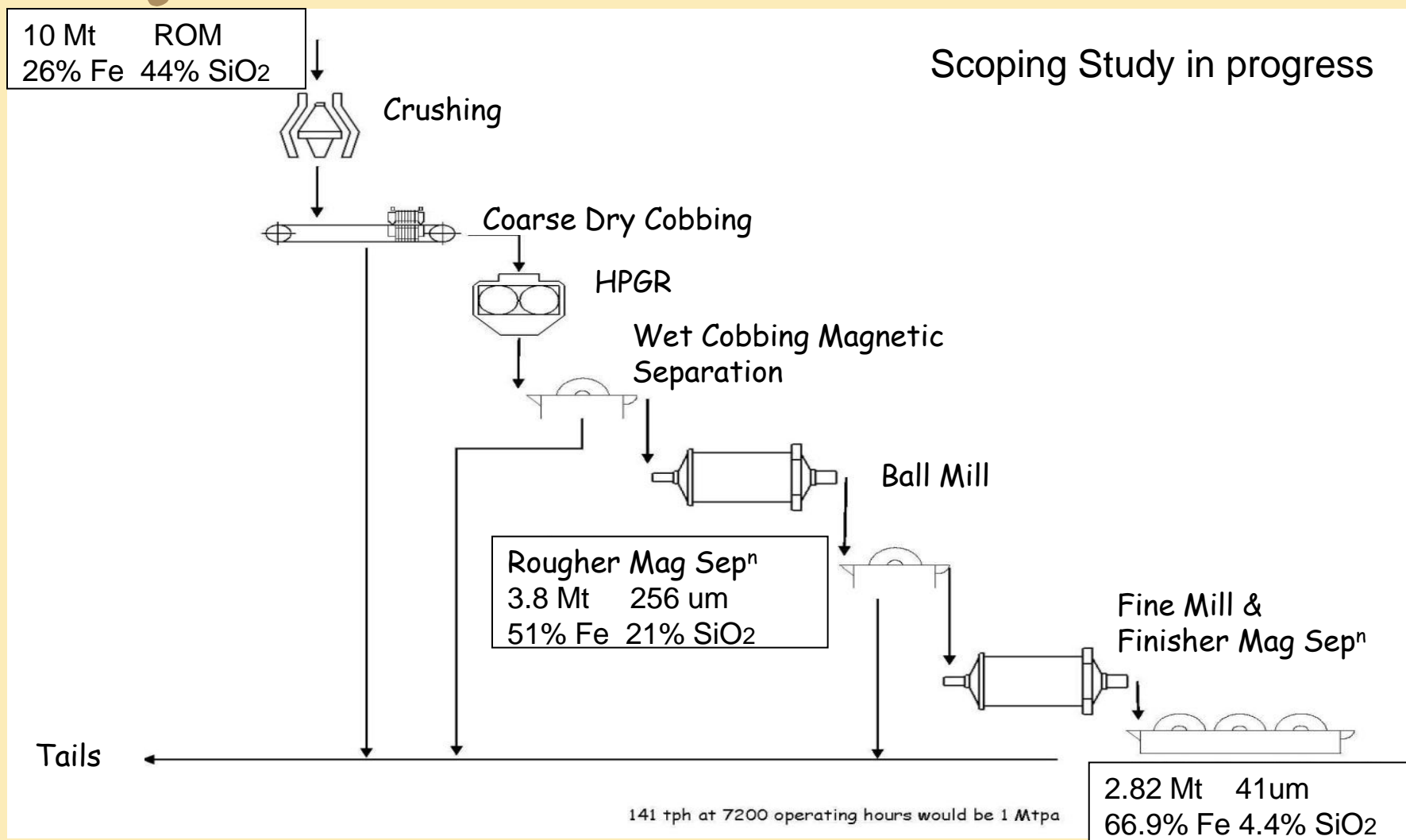
** Based on preliminary figures from a Scoping Study by external consultants.
Includes mining, transport and loading FOB onto Panamax ships
and assumes there is a 3rd party operating ore ship loader at the port

The start-up date is subject to raising suitable finance, Government approvals and port availability

Gum Flat Iron Ore

Barns Prospect - Magnetite Process Flow Sheet

Scoping Study in progress



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

Gum Flat Iron Ore

Barns Prospect

Exploration Upside

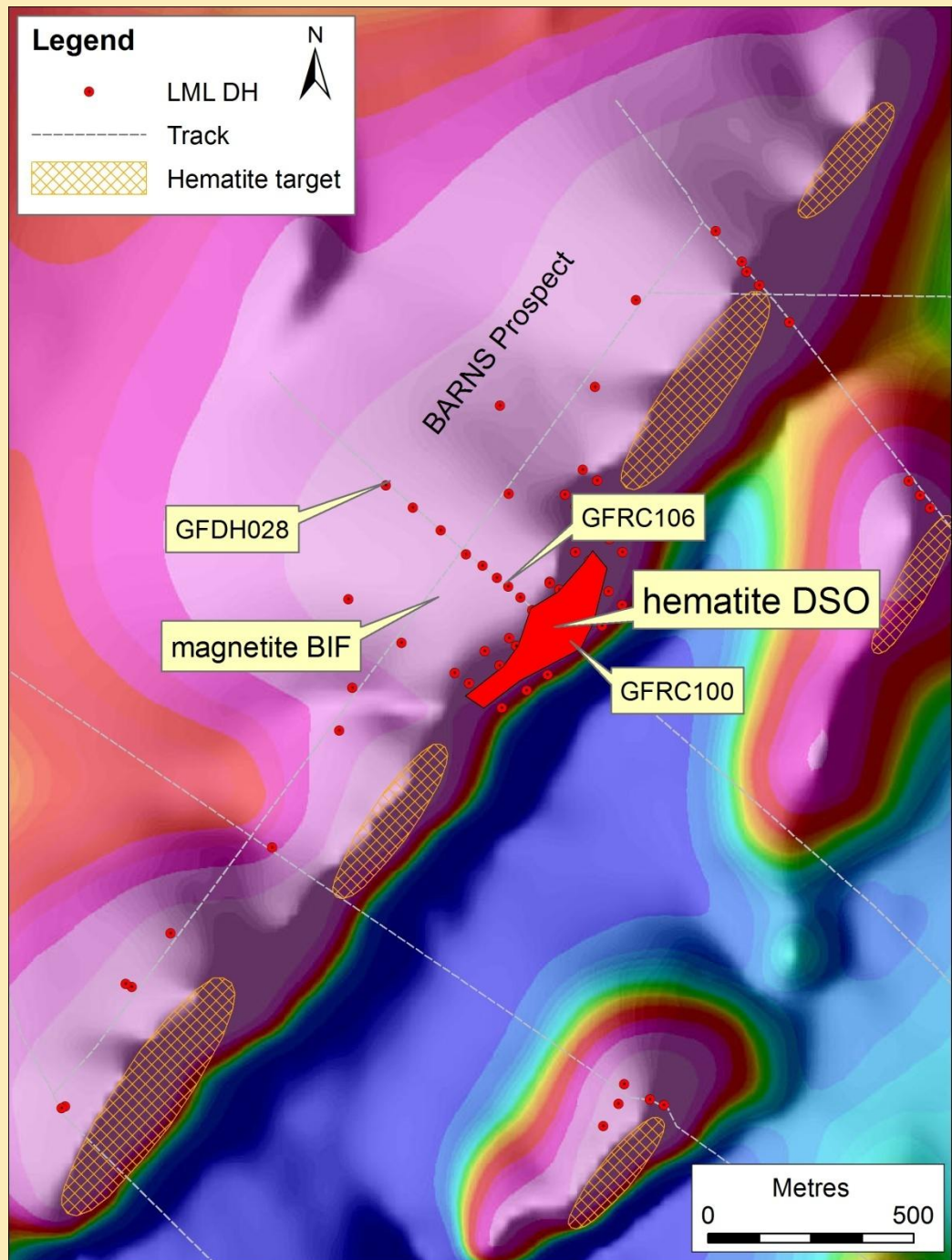
- Drilling has focused on central hematite DSO and magnetite
- Several additional hematite targets
- Scope for expanded DSO operation

Exploration Targets

- 150-250 Mt magnetite ore @ 22-28% Fe (20-25% DTR)
- 3-17 Mt hematite-goethite ore at 45-60% Fe

Exploration Targets include the existing Indicated and Inferred Mineral Resources

It is emphasized that Exploration Target tonnage and grade estimates are entirely conceptual in nature and it is uncertain if further exploration and drilling will result in the estimation of a Mineral Resource.





Gum Flat Iron Ore Offtake Agreement Jiangyin Huaxi Steel Co., Ltd

- Heads of Agreement signed April 2010
- **Direct investment at 55 cents per share**
(\$8.25 million for 15 million shares)
- **Off-take agreement** for at least 50% of Lincoln's share of Gum Flat iron ore production:
 - Hematite DSO and/or magnetite production for up to 5 years subject to availability of mineable reserves
 - Price referenced to the Hamersley Benchmark iron ore price
 - Payment for shipments to be made immediately on delivery Free-on-Board (FOB)

Jiangyin Huaxi Steel is a subsidiary of the Huaxi Group & produces ~3.09 Mt steel per annum

The Huaxi Group is a prestigious & large township enterprise near Shanghai in China

Eurilla Iron Ore & Uranium

Lincoln Minerals 100%
(Wilcherry Hill region)

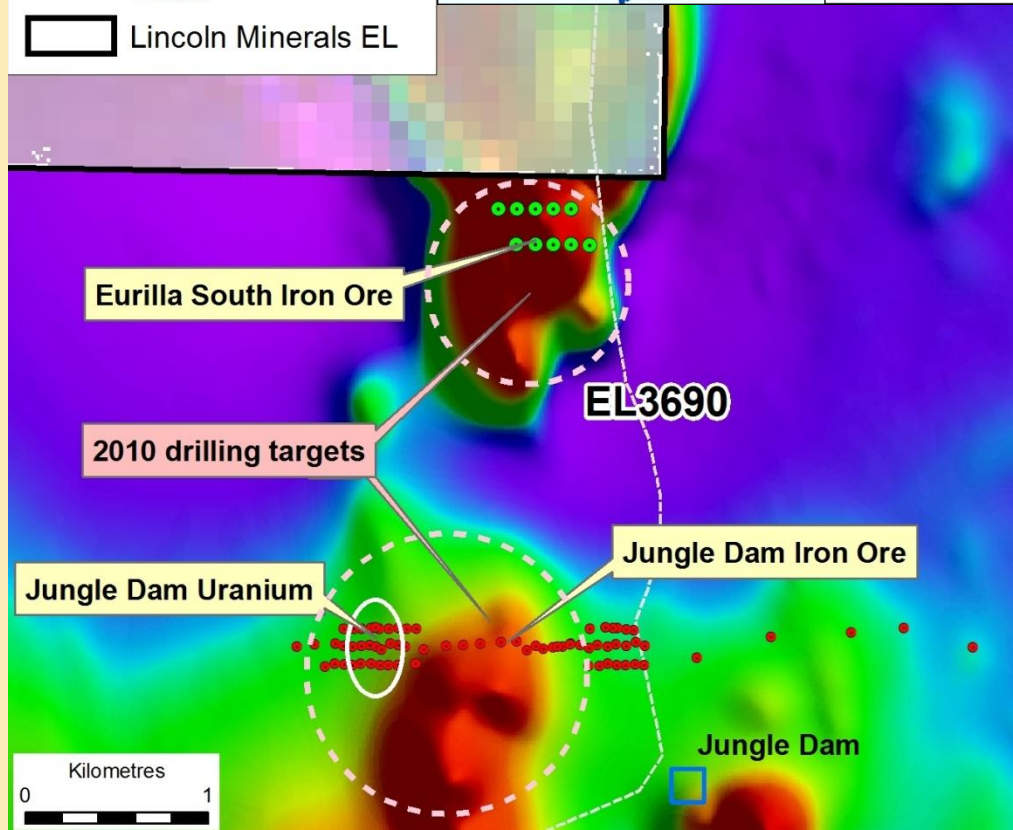
Eurilla South Iron Ore

- Inferred Resource (hematite & magnetite)
21.7 Mt @ 33.3% Fe
- Manganese up to 17.5% Mn
- Priority Exploration Targets (incl. Jungle Dam iron target) 50-100 Mt @ 30-35% Fe

Jungle Dam Uranium

- Up to 0.07% uranium + base metals up to 0.5% copper
- Mineralisation continuous over 5 hectare (>200m strike length) open to N & S

**Iron Ore & Uranium
Drilling program started
21st June 2010**



Summary

Lincoln Minerals Limited

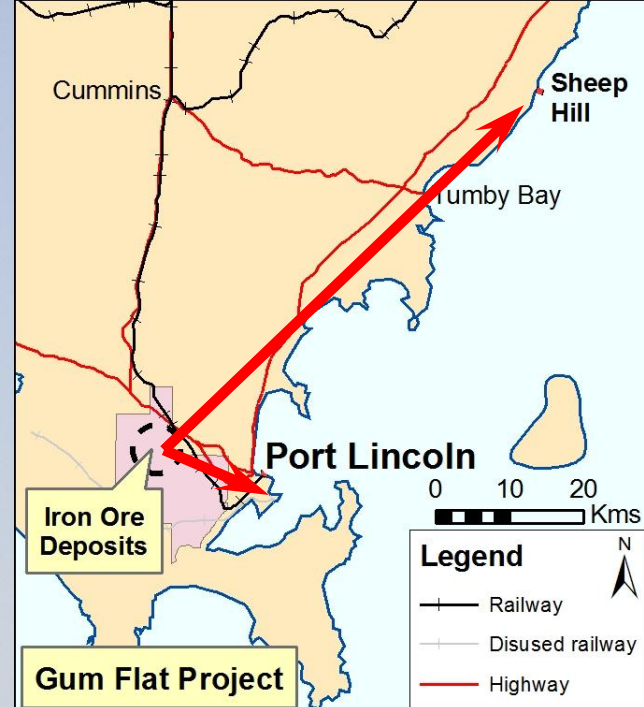
Focussing on development of initial hematite-goethite DSO mine at Gum Flat within 2 years
then continue down into the underlying magnetite ore

Potential to be a low operating cost DSO operation

\$45-\$55 per tonne margin

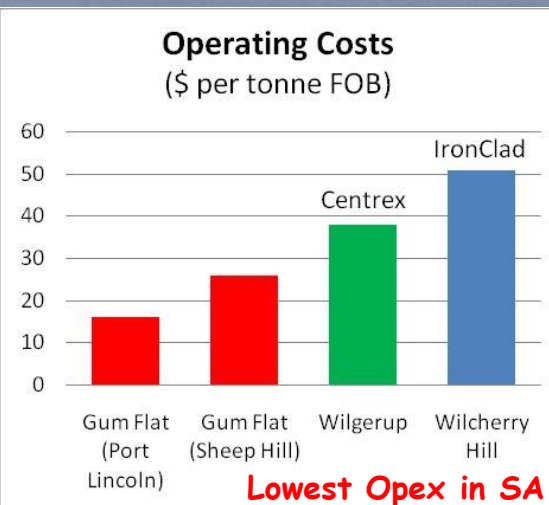
Off-take Agreement with Chinese Steel Mill

Further exploration targets



Drilling program underway at Eurilla to enhance iron ore resource and uranium potential

Maintaining an active exploration program to consolidate other opportunities on Eyre Peninsula and in Indonesia



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