

Wednesday, 30 November 2011

The Manager

ASX Announcements

Chairman's Address

Lincoln Minerals Limited Annual General Meeting

11.00am, 30 November 2011

It is with great pleasure that I, on behalf of the Board of Directors, welcome you to Lincoln Minerals Limited's 2011 Annual General Meeting.

This has been another successful year in the progress of your Company.

During 2010 and 2011, Lincoln Minerals has continued to make progress on a number of its projects with particular emphasis on its 100% owned, flagship Gum Flat iron ore project which is only 20km from Port Lincoln on southern Eyre Peninsula in South Australia.

Subject to regulatory approvals and availability of finance, a review of scoping and metallurgical studies showed that, although small, the direct shipping hematite-goethite Gum Flat Barns deposit iron ore (DSO) can be mined and exported for less than \$40 per tonne operating cost Free on Board (FOB).

On this basis Lincoln Minerals has prepared a Mining Lease proposal (MLP) to mine up to 500,000 tonnes per annum of DSO and export it out through Port Lincoln using a containerised system. The container system has the advantage of reducing capital costs to less than \$20 million and providing an environmentally friendly transport and ship loading operation. Such a system is already in use in South Australia for iron ore exports.

The MLP includes extensive environmental and groundwater studies and in October this year the Company received a decision from the Commonwealth Department of Sustainability, Environment, Water, Population and Communities that the Company's proposed mine is not a Controlled Action under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). Although this decision does not affect any requirement for State or Local Government environmental assessment and approval, it is a significant milestone for the Company in its bid to develop an iron ore mine at the Barns deposit.

A key component of the proposed mining operation is to get groundwater approvals since the project is located within a prescribed wells area. Applications have been lodged for licenses to extract groundwater and re-inject surplus water back into the aquifer system.

Late in 2010, Lincoln Minerals acquired the Barns Estate on which the main Gum Flat iron ore deposits are located. This gives the Company freehold title to the land encompassing the proposed Mining Lease.

Although a final decision to mine has not yet been made, the Company is confident that it could commence mining late next year subject to getting all the prerequisite approvals and finance.

Further details of the Gum Flat project will be given by Managing Director Dr John Parker in his following presentation.

Lincoln Minerals has maintained its extensive tenement holdings on Eyre Peninsula close to infrastructure and within the world class Gawler Craton mineral province. In addition to the

above projects, the Company has significant graphite, vanadium, uranium, nickel-cobalt-scandium and gold-base metal prospects at Koppio, White Flat, Bungalow, Eurilla, Kimba Gap and Cockabidnie. As to be outlined shortly by our Managing Director, these areas will continue to be a focus of the Company's ongoing exploration program in 2012.

Early in 2011, Lincoln Minerals completed a rights issue to raise \$2.46 million less costs. The funds were used to purchase the Barns Estate and for preparation of the MLP and further drilling at Gum Flat.

In making preparations for and undertaking our exploration and proposed development program, we appreciate the significant contribution made by local communities including traditional inhabitants, farmers and pastoralists. We have made good progress in our investigations and the MLP is ready to be lodged with the SA State Government for approval. This process will take at least 6 months once the State authorities accept it for formal lodgement. Nevertheless, I look forward to the Company moving towards developing its first mining operation late in 2012 and successful delineation of further economic mineral deposits.

Finally, I would like to note the retirement of Peter Cox from the Board and thank him for his services to the Company over the period from listing until now. I would like also to thank all our staff and the other directors for their support and enthusiasm during the year.

Richard Ryan AO

Chairman

30 November 2011