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The Manager

ASX Announcements

New Exploration License expands Lincoln Minerals' iron ore holdings on SA's central Eyre Peninsula

Emerging iron ore miner, Lincoln Minerals Limited (ASX: LML), is pleased to advise that it has been granted an additional new iron ore prospective Exploration License, EL 4815 or "Nantuma", near Warramboo on South Australia's central Eyre Peninsula.

Nantuma is immediately adjacent Iron Road Limited's 2.1 billion tonne iron ore deposits and adds to Lincoln's strong portfolio of near mining and advanced iron ore deposits and tenements throughout the Peninsula, including proposed maiden production from Gum Flat near Port Lincoln.

Key points:

- NEW iron ore tenement
- 510 sq km area
- Potential iron ore Exploration Target (**) of 0.7 to 1.8 billion tonnes
- Granted for an initial period of 2 years
- Immediately adjacent to Iron Road Limited's Murphy South, Boo Loo, Warramboo and Kopi iron projects
- Occurs within relatively coarse-grained magnetite gneiss of possible Archaean age
- Within 20km of existing railway line and major roads



Figure 1: Location of the Nantuma Project

Nantuma adds to Lincoln Minerals' portfolio of iron ore projects in the highly prospective Gawler Craton where iron ore has been mined for more than 110 years.

Lincoln's current Eyre Peninsula iron holdings comprise more than 120 Mt of JORC classified Inferred and Indicated iron ore resources, with additional high priority iron ore exploration targets (**) in excess of 1 billion tonnes, at Gum Flat, in the Cummins-Wanilla district and at Eurilla. The Company aims to commence mining direct shipping (DSO) hematite iron ore from its Gum Flat project late this year to early 2013 subject to getting all necessary approvals.

The new Nantuma exploration license further enhances Lincoln's iron ore exploration targets on the Peninsula as preliminary modelling of Government aeromagnetic surveys identified a total exploration target (**) at Nantuma of 0.7 to 1.8 billion tonnes of magnetite gneiss at a potential average grade of 14% to 20% Fe.

This is based on higher priority aeromagnetic anomalies as discussed below and outlined in Figure 2.

Lincoln Minerals' Managing Director, Dr John Parker:

"The new exploration license enhances Lincoln's long-term focus on iron ore exploration targets on Eyre Peninsula. While Iron Road's Murphy South and Boo Loo deposits are relatively low grade at an average grade of 16.2% Fe, Iron Road has demonstrated through prefeasibility test work that a high quality concentrate grading 67% iron may be produced using a coarse grind size of -106µm.

"Lincoln Minerals looks forward to undertaking detailed aeromagnetic surveys and analysis at Nantuma in the near future to prioritise exploration targets for drill testing later in 2012.

"With the prospects of a potential new bulk minerals port at Port Spencer, only 120km to the southeast of Nantuma, Eyre Peninsula is shaping up to be a revitalised and substantial modern era iron ore mining district for the future and Lincoln Minerals is keen to be an integral contributor to that new resource profile in the region."

Further inquiries:

Dr John Parker

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*** It is emphasized that Exploration Target tonnage and grade estimates given in this report are entirely conceptual in nature. There has been insufficient or no drilling in the immediate areas of these targets and it is uncertain if exploration will result in the estimation of a Mineral Resource.*

Information in this report that relates to exploration activity and results was compiled under the direction of 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.

Nantuma Exploration Target Estimates

Nantuma exploration target estimates have been generated from interpretation of regional aeromagnetic data extracted from the South Australian State magnetic data available from DMITRE's (Department for Manufacturing, Innovation, Trade, Resources and Energy, South Australia) SARIG website.

In the Nantuma area, the key aeromagnetic surveys are:

Survey ID	Company	Date	Line spacing	Flying Height	Direction
94 SA09	Western Mining Corp	1994	250m	60m agl	N-S
88 SA05	Stockdale/MESA	1988	500m	105m agl	E-W
88 SA04	MESA/BMR	1988	1000m	105m agl	E-W
TEISA A1	PIRSA	1999	400m	80m agl	E-W

Based on these data sets, the strike length of moderate to high intensity magnetic anomalies that can be attributed to magnetite gneiss is greater than 25km but, of that, only 13.5km has been included in Priority 1 exploration target estimates. No detailed magnetic modeling has been undertaken on individual magnetic anomalies but conceptual dips, apparent

thicknesses and depths of cover used to determine exploration targets are shown in the following table. Mineralisation has been projected to 300m below ground level.

The potential average grade of the exploration target is estimated at 14% to 20% Fe based on Iron Road's published results for the Murphy South (16.1% Fe), Boo Loo (17.3% Fe) and Hambidge (15-18% Fe) deposits.

	Kyamba N	Kyamba S	Mallee Downs	Karinga	Malanganie	Chattapa	Total
Thickness – lower estimate	60m	60m	60m	60m	60m	60m	13.5 km
Thickness – upper estimate	150m	150m	150m	150m	150m	150m	
Vertical extent of cover below ground level	50m	50m	50m	50m	50m	50m	
Assumed dip of BIF	70 ⁰	70 ⁰	70 ⁰	70 ⁰	70 ⁰	70 ⁰	
Proposed depth below ground level	300m	300m	300m	300m	300m	300m	
Strike length (based on aeromagnetics)	1200m	2200m	1200m	3500m	3600m	1800m	1,819 Mt
Magnetite gneiss rock density (gm/cc)	3.1	3.1	3.1	3.1	3.1	3.1	
Exploration Target – Lower Estimate	59 Mt	109 Mt	59 Mt	173 Mt	178 Mt	124 Mt	703 Mt
Exploration Target – Upper Estimate	148 Mt	272 Mt	148 Mt	433 Mt	445 Mt	371 Mt	1,819 Mt

Mt = million tonnes

It is again emphasized that information in this table relating to exploration targets should not be misconstrued as an estimate of Mineral Resources or Ore Reserves. Exploration target tonnage and grade estimates are entirely conceptual in nature. There has been insufficient or no drilling in the immediate areas of these targets and it is uncertain if exploration will result in the estimation of a Mineral Resource.

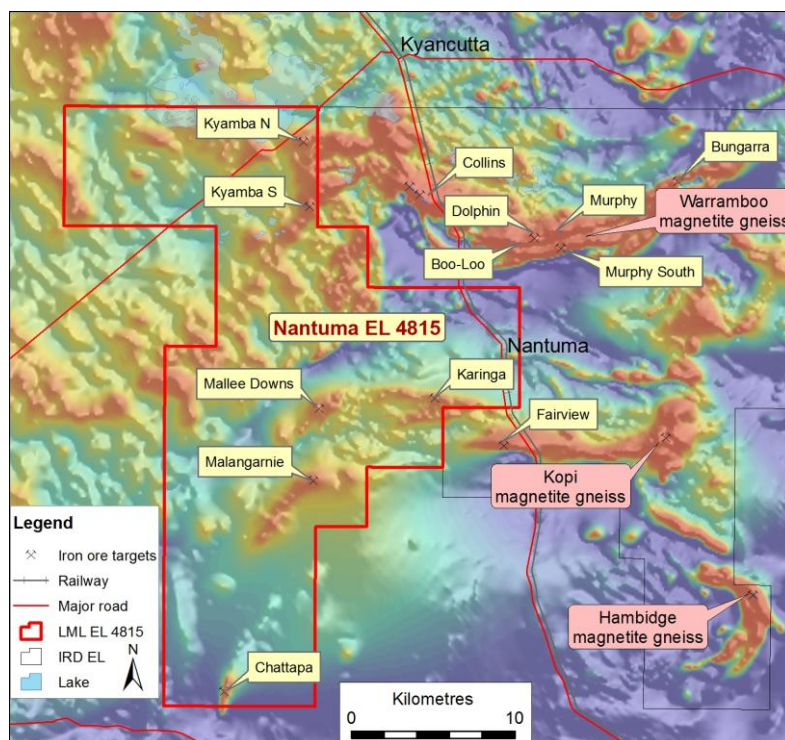


Figure 2: Location of the Nantuma exploration targets and Iron Road Limited's iron ore deposits