

9 January 2012
 The Manager
 ASX Announcements

New base metals discovery for Lincoln Minerals at Minbrie on SA's Eyre Peninsula

Lincoln Minerals Limited (ASX: LML) is pleased to advise a new base metals discovery comprising intersections of significant copper-lead-zinc and silver mineralisation, from a drilling program conducted at Minbrie near Bungalow on the east coast of South Australia's Eyre Peninsula.

Key points:

- NEW base metal discovery
- Visible copper, lead and zinc sulphides (chalcopyrite, galena and sphalerite) observed in association with pyrite-pyrrhotite mineralisation
- Field portable XRF results confirm high grade copper-lead-zinc (\pm silver) mineralisation over a 27m interval from 131m depth
- Includes 7m interval with indicative grades of 1.85% Cu
- Occurs within banded iron formation-marble-calcsilicate host rocks similar to the Menninnie Dam lead-zinc deposit to its northwest

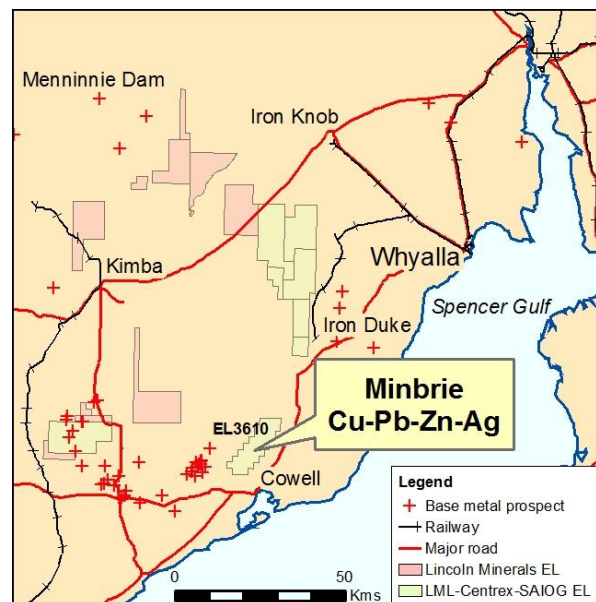


Figure 1: Location of the Bungalow-Minbrie Project

The drilling was undertaken by iron ore developer, Centrex Metals Limited (ASX: "CXM") and one of its Joint Venture partners on Eyre Peninsula, Baotou Iron and Steel Company, within exploration license EL 3610, 100km southwest of Whyalla and 10km north of Cowell. On this and other ELs on Eyre Peninsula under exploration by Centrex and that company's wholly owned subsidiary, South Australian Iron Ore Group Limited (SAIOG), Lincoln Minerals retains 100% of the rights for all minerals and metals - other than iron (see below).

Lincoln advises that the EL 3610 discovery is in its very early stages of exploration. The new results come from diamond core drillhole, BUDD192 (676974mE, 6282951mN, MGA94 Zone 53, angled -60° to 135°) within the interval 131.1m to 158.2m of visible massive sulphide.

Based on field portable XRF results, the interval 131m to 158m contains 27m averaging 0.71% Cu, 2.8% Pb, 1.9% Zn and 8.5g/t Ag (1.9% Cu equivalent) with a 7m interval from 140m to 147m giving indicative grades of 1.85% Cu, 6.9% Pb, 2.9% Zn and 17.3g/t Ag (4.4% Cu equivalent). The best single metre interval for copper is 157m to 158m at 3.2% Cu, 14.8% Pb, 1.7% Zn and 39.1g/t Ag.

Lincoln Minerals' Managing Director, Dr John Parker:

"The discovery of copper-lead-zinc-silver at Minbrie represents an exciting new base metal discovery on the Gawler Craton and Eyre Peninsula. Historical mining of copper, lead and silver in the hills to the west of Minbrie, occurred late in the 1800s through to about 1915 while more recently, Terramin Australia Limited has defined a 7.7 million tonne zinc-lead-silver Inferred Resource (3.1% Zn, 2.6% Pb, 27g/t Ag) at Menninnie Dam to the northwest of Minbrie on northern Eyre Peninsula.

"The results for Minbrie also compare favourably with copper grades at Rex Minerals' Hillside copper deposit on SA's Yorke Peninsula where an Inferred Resource of 217Mt @ 0.7% Cu, 0.2g/t Au, 12.4% Iron has been defined, and Oz Minerals' Prominent Hill deposit well to the north of Eyre Peninsula which contains 272.7Mt at 0.98% Cu, 0.7g/t Au.

"We are very encouraged by this discovery. While this work represents an early stage of base metal exploration on this prospect, Lincoln Minerals will expedite exploration strategies to define the extent of base metal mineralisation and will continue to monitor Centrex drilling and test intervals of base metal and other non-ferrous mineralisation."

The Company stresses that the XRF assay results cited today were derived from individual spot assays at 10cm intervals along the length of the sulphide-rich core using a field portable XRF analyser. These assay points are indicative of the core surface only and are not total core assays. The spot assays were then averaged over 1m intervals. Drill core has been cut and submitted for laboratory assay.

Further inquiries:

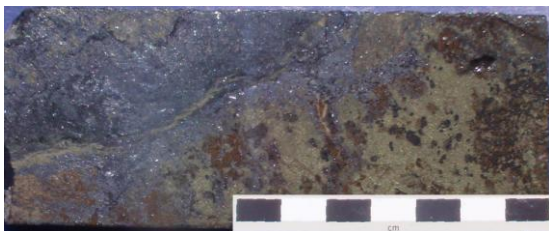
Dr John Parker

Managing Director, Lincoln Minerals Limited

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Visible galena (silvery-grey) and chalcopyrite (yellowish) in drillcore from Bungalow-Minbrie BUDD192, 157.2m



Galena (silvery-grey), chalcopyrite (yellowish) and sphalerite (reddish-brown) in drillcore from Bungalow-Minbrie BUDD192, 141m (bar scale in centimetres)

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

About the Centrex-Lincoln Minerals Coordination Agreement

Lincoln Minerals has the rights for all metals and minerals other than iron ore on the majority of Exploration Licenses on Eyre Peninsula for which Centrex Metals Limited and its subsidiary, South Australian Iron Ore Group Limited, are the licensees.

The original agreements between Centrex and Lincoln Minerals (dated 2005) provide for information exchange between the two companies such that each company has access to all drilling undertaken and data acquired by the other company.

In April 2010, Lincoln Minerals and Centrex Metals formed a Coordination Agreement to re-affirm Lincoln's rights to all non-ferrous metals and minerals on Centrex's ELs on Eyre Peninsula and to set the framework for exploration and co-development of coincident resources.

Centrex has joint ventures with Chinese companies, Wuhan Iron and Steel Group (WISCO) and Baotou Iron and Steel Company (Baogang Group), in which those companies have been assigned or may earn an interest in the respective Eyre Peninsula ELs. Under the terms of its agreements with Centrex, Lincoln Minerals has given its approval for such transfers of interest subject to the Chinese parties signing Deeds of Consent and Assumption to ensure that none of Lincoln's existing rights are diminished in any way.

Under the Joint Venture agreement between Centrex and Baogang, Centrex is undertaking a major drilling program on the Bungalow project, the tenement area hosting the Minbrie drillhole discovery. To date, the Centrex-Baogang JV has drilled in excess of 40,000 metres at Bungalow and Minbrie, mostly diamond core drilling for magnetite iron ore, and to the southwest of the new Minbrie base metals discovery. Previous results that relate to Lincoln's interest in the EL include a small, low-grade vanadium deposit, along with significant intervals of massive sulphide comprising mostly iron sulphides, pyrite and pyrrhotite.

Lincoln Minerals is maintaining an active role in monitoring Centrex drilling programs for other minerals that might be of interest including copper-lead-zinc, silver, gold, tungsten and vanadium.