

## **Chairman's Address**

### **Lincoln Minerals Limited Annual General Meeting**

**10am, 27 November 2008**

***It is with great pleasure that I, on behalf of the Board of Directors, welcome you to Lincoln Mineral's second Annual General Meeting as an ASX listed company.***

Lincoln Minerals Limited was listed on the ASX on 9<sup>th</sup> March 2007 after a successful IPO in which \$7 million was raised through public subscription.

Since then the Company has continued its mission to provide capital growth and value for its shareholders through exploration, discovery and delineation of economic mineral deposits. In the November edition of Resource Stocks journal, Lincoln Minerals was rated third in their "Best of Best" People's Choice award for companies with market capital less than \$200 million that deserved recognition based on performance over last 12 months.

Unfortunately, in the current financial climate most mineral exploration companies have had their share values slashed, heavily discounting their potential for capital growth. Nevertheless, our share price has held reasonably well due to the strong support shown by our shareholders and in particular by our Indian iron ore joint venture partner, Mineral Enterprises Limited and its Australian subsidiary Mineral Enterprises Australia Pty Ltd.

The Mineral Enterprises group has entered into two Joint Ventures with Lincoln whereby they can earn up to 40% of the Company's Gum Flat and Wanilla iron ore projects. With respect to Gum Flat, in September 2008 Mineral Enterprises achieved its first 20% entitlement by contributing more than \$1 million in expenditure and should reach the 40% milestone by contributing a further \$1.5 million before the end of this year – about 2 years ahead of the target date of December 2010. Mineral Enterprises has indicated that they will continue funding beyond that point on a pro-rata basis. The Wanilla project is still in its early stages as Dr Parker will explain.

The joint venture with the Mineral Enterprises group has enabled Lincoln Minerals to fast-track exploration at Gum Flat and maximise the iron ore potential of the project for its investors. RC and diamond drilling have been in progress since July this year and Mineral Enterprises has recently provided one of these drilling rigs. Drilling will continue throughout the remainder of 2008 with the objective of defining a JORC standard iron ore resource at Gum Flat.

During its first 21 months of operation, the Company has also had success with its exploration program on other projects. In that time the Company has:

- Discovered and outlined a lateritic nickel-cobalt deposit near Cleve on central Eyre Peninsula;
- Discovered uranium near Wilcherry on north-eastern Eyre Peninsula; and
- Successfully gained a SA Government Plan for Accelerated Exploration (PACE) grant of \$100,000 for the Torrens copper project. Drilling on that project was completed recently.

As you will be aware, Lincoln Minerals has extensive tenement holdings on Eyre Peninsula close to infrastructure and within the world class Gawler Craton mineral province. Since

listing, we have increased our tenement holdings by more than 40%, including a joint venture with Internet Resources Limited subsidiary, International Metals Pty Ltd, in the Wanilla area. This area contains priority iron ore targets and exploration is being jointly funded by the Company and the Mineral Enterprises group.

Results of the various drilling programs will be described in more detail in the following presentation by Dr John Parker, Lincoln Minerals' Managing Director.

The ongoing funding of these exploration programs is clearly a concern for the Company.

In May 2008 the Board initiated a partly underwritten rights issue at 26 cents per share to raise up to \$4.88m and concurrently extend the Gum Flat joint venture to fund an additional \$2m of exploration expenditure. These processes were effectively terminated when a Substantial Shareholder requisitioned an extraordinary general meeting to change the composition of the Board. As a result of those actions, which were defeated in the July extraordinary general meeting, the underwriting agreement was nullified and the Company missed an opportunity to bolster its reserves at a time when market conditions were much more favourable than at present.

The Directors are now very conscious of preserving the Company's existing capital but are also mindful of the need to maintain an ongoing exploration program to advance our projects. Therefore, we will be looking for opportunities to fund those projects while preserving cash reserves. At the end of October 2008 the Company had net cash of just over \$4.6 million.

In making preparations for and undertaking its exploration program, the Company appreciates the significant contribution made by the local community including traditional inhabitants (the Barngarla, Nauo, Kokatha and Nukunu people), farmers and pastoralists. In our first 21 months of operation, the Company has made a strong start in its investigations and I look forward to moving the Company towards successful delineation of economic mineral deposits.

Finally, I would like to thank all our staff and my fellow directors for their ongoing support and enthusiasm during the year. I would also like to thank all our shareholders for their continuing support.