

**LINCOLN MINING CORPORATION (the “Company”)  
AUDIT COMMITTEE CHARTER**

**1. MISSION**

Senior management, as overseen by the board of directors, has primary responsibility for the Company's financial reporting, accounting systems and internal controls. The audit committee is a standing committee of the board of directors established to assist the board of directors in fulfilling its responsibilities in this regard.

**2. RESPONSIBILITIES**

The audit committee shall:

**(a) Financial Information**

- (i) Review the annual financial statements and related matters and recommend their approval to the board of directors, after discussing matters such as the selection of accounting policies, major accounting judgements, accruals and estimates with management;
- (ii) be responsible for reviewing the results of the external audit, including:
  - A. the auditor's engagement letter;
  - B. the reasonableness of the estimated audit fees;
  - C. the scope of the audit, including materiality, locations to be visited, audit reports required, areas of audit risk, timetable, deadlines and coordination with internal audit;
  - D. the post-audit management letter together with management's response;
  - E. the form of the audit report;
  - F. any other related audit engagements (e.g. audit of the company pension plan);
  - G. pre-approving non audit services performed by the auditor;
  - H. assessing the auditor's performance;
  - I. recommending the auditor for appointment by the board of directors and the compensation of the auditor;
  - J. meeting with the auditors to discuss pertinent matters, including the quality of accounting personnel;
- (iii) ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements (except for disclosure required to be reviewed by the audit committee), and must periodically assess the adequacy of those procedures;
- (iv) establish procedures for:

- A. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - B. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (v) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;

**(b) Interim Financial Statements**

- (vi) obtain reasonable assurance on the process for preparing reliable quarterly interim financial statements from discussions with management and, where appropriate, reports from the external and internal auditors;
- (vii) review, or engage the external auditors to review, the quarterly interim financial statements if not reviewed by the board of directors;
- (viii) obtain reasonable assurance from management about the process for ensuring the reliability of other public disclosure documents that contain audited and unaudited financial information;

**(c) Accounting System and Internal Controls**

- (ix) obtain reasonable assurance from discussions with and(or) reports from management, and reports from external and internal auditors that the Company's accounting systems are reliable and that the prescribed internal controls are operating effectively;
- (x) direct the auditors' examinations to particular areas;
- (xi) request the auditors to undertake special examinations (e.g., review compliance with conflict of interest policies);
- (xii) review control weaknesses identified by the external and internal auditors, together with management's response;
- (xiii) review the appointments of the chief financial officer and key financial executives;
- (xiv) review accounting and financial human resources and succession planning within the Company.

**(d) Reporting**

- (xv) report to the board of directors following each meeting on the major discussions and decisions made by the audit committee; and
- (xvi) review the audit committee's terms of reference periodically and propose recommended changes to the board of directors.

**3. COMPOSITION AND REGULATIONS**

- (a) The audit committee shall be composed of at least three directors, the majority of whom will be independent in that he or she has no material relationship with the Company that could be reasonably expected to interfere with the exercise of the member's independent judgement.

- (b) All members shall be financially literate in that they are able to understand the level of complexity of the financial statements of the Company and the accounting issues that can reasonably be expected to be raised by the Company's financial statements.
- (c) The members and the chairperson of the audit committee shall be appointed by the board of directors for a one year term and may serve any number of consecutive terms.
- (d) The chairperson of the audit committee shall, in consultation with management and the auditors, establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to members with sufficient time for study prior to the meeting.
- (e) The audit committee shall have the power, authority and discretion delegated to it by the board of directors which shall not include the power to change the membership of or fill vacancies in the audit committee.
- (f) The audit committee shall conform to the regulations which may from time to time be imposed upon it by the board of directors. The board of directors shall have the power at any time to revoke or override the authority given to or acts done by the audit committee except as to acts done before such revocation or act of overriding and to terminate the appointment or change the membership of the audit committee or fill vacancies in it as it shall see fit.
- (g) The audit committee may meet and adjourn, as they think proper. A majority of the members of the audit committee shall constitute a quorum thereof. Questions arising shall be determined by a majority of votes of the members of the audit committee present, and in the case of an equality of votes, the chairperson shall not have a second or casting vote.
- (h) A resolution approved in writing by all of the members of the audit committee shall be valid and effective as if it had been passed at a duly called meeting. Such resolution shall be filed with the minutes of the proceedings of the audit committee and shall be effective on the date stated thereon or on the latest date stated in any counterpart.
- (i) The audit committee shall keep regular minutes of its meetings and record all material matters and shall cause such minutes to be recorded in the books kept for that purpose and shall distribute such minutes to the board of directors.
- (j) The audit committee shall have unrestricted and unfettered access to all Company personnel and documents and shall be provided with the resources necessary to carry out its responsibilities.

Approved by the Board October 15, 2009

**Lincoln Mining Corporation  
(the “Company”)**

**Corporate Disclosure Policy**

**Purpose**

The purpose of the Company’s corporate disclosure policy is:

1. to ensure every shareholder has equal access to information
2. to ensure that material information is disclosed in a timely manner and in compliance with applicable regulatory requirements
3. to assist insiders with determining the materiality of information

**Determination of Material Information**

The determination of whether information is material or not should be evaluated on an individual case basis – with the general guiding principle being whether such information could reasonably be expected to have a significant effect on the market value of the Company’s securities. If there is any doubt as to whether the information is material, the Company will consult with corporate legal counsel to make the appropriate determination. The Company is also aware of Policy 3.3 *Timely Disclosure* of the TSX Venture Exchange (the “Exchange”), in which certain events are deemed to be material for an issuer listed on the Exchange.

The following lists examples of potentially material information:

- Changes in Company securities (e.g. stock splits, private placements, grant of options)
- Change in auditor
- Significant legal issues
- Changes in financial results
- Significant change in assets or business acquisition, merger
- Significant change in capital investments or corporate objectives
- Change in control, senior management or Board

The above list is not exhaustive and will be periodically reviewed and amended as necessary.

**Disclosure of Material Information**

All material changes will be disclosed through the issuance of a press release through a commercial news disseminator plus a material change report will be filed within 10 days of the material change.

In rare instances, delay of disclosure of material information is permitted where immediate release of the information would be unduly detrimental to the Company’s interest (i.e. immediate disclosure would interfere with its ability to complete a transaction). Where the Company has determined to delay the release of the confidential information, it shall consider making a confidential filing with the securities commissions. Should it appear to the Company that the confidential information has been leaked; it will immediately contact the Exchange and request a trading halt prior to issuance of a press release.

### **Limited Disclosure of Material Information**

In some instances, it is necessary to disclose confidential information in the ordinary course of business. National Policy 51-201 *Disclosure Standards* allows for instances where the “necessary course of business” exception would apply.

Exceptions include communications with:

- Vendors, strategic partners, and parties to negotiations
- Legal counsel, auditors, underwriters and other professional advisors to the Company
- Employees, officers and board members

When the Company discloses information in the “necessary course of business”, it will ensure that those receiving such information understand they cannot pass the information along to anyone (except as permitted above) or trade on the information until it has been generally disclosed.

### **Unintentional Disclosure**

In the event that the Company makes an unintentional selective disclosure of material information, it will take immediate steps to ensure that a full public announcement is made. The Company will contact the Exchange and request a trading halt prior to issuance of a press release.

### **Forecasts and Financial Performance**

The Company has adopted a policy not to provide forecasts of financial performance (i.e. earnings per share forecasts); however, “forward looking” statements will be permitted. Such forward looking statements must indicate that the information is “forward looking” and describe the factors that could cause actual results to differ materially from such statements.

### **Market Rumours**

It is the Company’s policy not to comment on market rumours; however, the Company will diligently respond to the Exchange or regulatory inquiries regarding unusual activity in the trading of the Company’s securities.

### **Insider Trading and Tipping**

Any person who has a “special relationship” with the Company is prohibited from trading in the securities of the Company if they have knowledge of previously undisclosed material information.

A person in a “special relationship” with the Company includes:

- Directors, officers, employees
- Persons engaging in professional activities with the Company
- Anyone who learns of material information from a person in a special relationship with the Company

In addition, the Company recommends that a person in a “special relationship” with the Company allow 24 hours to elapse (from the time of general disclosure of material information) before trading in the Company’s securities.

### **Complaint Procedures for Accounting & Related Matters**

The Audit Committee has adopted the following procedures for submission and handling of complaints or concerns:

- a) The Company shall promptly forward to the Chair of the Audit Committee any complaints or concerns regarding accounting, internal accounting controls or auditing matters
- b) Any employee of the company may submit on a confidential, anonymous basis any complaints or concerns regarding accounting, internal controls or auditing matters. Confidential complaints or concerns may be submitted anonymously in writing in a sealed envelope addressed to the Chair of the Audit Committee and labeled confidential submission. The submission should include contact information for further discussion by the Audit Committee as deemed necessary
- c) Following receipt of complaints or concerns, the Chair of the Audit Committee shall determine whether the complaint requires further investigation by the Audit Committee or does not warrant further consideration
- d) The Audit Committee will use reasonable efforts to protect the confidentiality of the submission; however, in order to conduct an effective investigation, it may not be possible to maintain anonymity or confidentiality of the complainant
- e) The Company will not permit discrimination or harassment against any employee filing a complaint; however, intentional filing of a false report may subject the employee to disciplinary action
- f) The Audit Committee will retain complaints as part of its records for a period of 7 years and external auditors will have access to such records
- g) The Audit Committee has the right to amend the procedures herein as deemed necessary for the effective operation of the Audit Committee

### **Hiring Restrictions for External Auditors**

- a) The Company will not employ current or former employees of its external auditor who worked on the Company's audit for any management position for a period of 3 years from the time of the individual(s) assignment to the audit
- b) The Chair of the Audit Committee may grant an exception to the above restriction if deemed appropriate

### **General**

All insiders will be provided with a copy of the Company's disclosure policy and will be required to submit an acknowledgement to the Company stating they have read the policy and agree to comply with its terms.

The Company's Disclosure Policy will be reviewed and revised from time to time as necessary. It is the responsibility of the Chief Executive Officer to implement the policy and to review and authorize disclosure prior to public release.

Approved by the Board October 15, 2009

**LINCOLN MINING CORPORATION**  
**COMPENSATION COMMITTEE CHARTER**

**PURPOSE**

The Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Lincoln Mining Corporation (the "Company"), under the supervision of the Board, shall have the overall responsibility for:

- reviewing and recommending the compensation of the Company's Chief Executive Officer ("CEO"), other executive officers and key employees (collectively, the "Management");
- overseeing the Company's compensation and benefits policies, plans and programs;
- general oversight of the Company's compensation structure; and
- such other additional specific duties and responsibilities as are set out herein.

The term "compensation" shall include salary, incentive and equity compensation, bonuses, severance arrangements and other compensatory benefits or rights received under the Company's benefit plans.

**COMMITTEE COMPOSITION**

The membership of the Compensation Committee shall be as follows:

- The Compensation Committee, appointed annually by members of the Board, shall consist of a minimum of three members of the Board, the majority of whom will be independent.
- The Board will elect, by a majority vote, one Committee member to serve as Chairman of the Committee (the "Chairman") for a one year term.
- Committee members may serve on the Committee for consecutive terms.
- A member may resign from the Committee. Vacancies shall be filled by appointment from among the independent members of the Board.

**MEETINGS**

- The Committee shall meet as often as may be considered necessary or appropriate, in its judgment, and will report regularly to the full Board with respect to its activities.
- The Committee may meet either in person, by teleconferencing, or by videoconferencing, at such times and place as determined by the Chairman.
- A majority of the members of the Committee, present in person, by teleconferencing, or by videoconferencing will constitute a quorum.
- Meetings will be generally conducted without the presence of members of management.
- The CEO may not be present for any portion of any meeting at which the compensation of the CEO is being deliberated or voted upon.



- Minutes of the Committee meetings will be kept, filed in the Company's minute book and distributed to each member of the Committee and the Board.

## **RESPONSIBILITIES**

Subject to the powers and duties of the Board, the Board hereby delegates to the Committee the following powers and duties to be performed by the Committee on behalf of and for the Board:

### **1) Compensation of CEO, Other Executive Officers and Key Employees**

- On an annual basis, or more frequently, if deemed necessary by the Committee or requested by the Board, review and recommend corporate goals and objectives concerning CEO and other executive officers' compensation;
- Evaluate the CEO's, other executive officers' and key employees' performance against these corporate goals and objectives;
- Determine and recommend the CEO's, other executive officers' and key employees' compensation and benefits plans based on this evaluation;
- Review and recommend to the Board the overall compensation of each newly elected executive officer and key employee, including all employment related and severance agreements; and
- Evaluate on a periodic basis the competitiveness of the remuneration packages for Management.

### **2) Board of Directors Compensation**

- Review annually, or more frequently if deemed necessary by the Committee or requested by the Board, and recommend to the Board for its approval, the compensation paid to directors who serve on the Board or its committees, including any retainer, chair fees, and equity compensation, in accordance with regulatory limitations. These recommendations should take into account national and industry-wide compensation practices and trends for comparable companies.

### **3) Company Compensation**

- Oversee and evaluate the Company's general compensation structure and policies to attract, award, develop and retain Management and other employees;
- Review and approve annually the compensation adjustments for non-Management employees; and
- Evaluate on a periodic basis the competitiveness of the compensation plan to non-Management employees.

### **4) Administration of Plans**

- Review and administer the Company's stock option plan and other equity-based and incentive compensation plans (the "Plans") and make recommendations to the Board as appropriate;
- Evaluate on a periodic basis the competitiveness of the Plans established and make recommendations for improvement as appropriate;

- Evaluate the use of the Plans, from time to time, as a form of incentive compensation for external consultants, subject to applicable laws and regulations; and
- Monitor the compliance of these plans with applicable laws and regulations.

#### **5) Public Disclosure of Executive Compensation**

- Review all disclosure of executive compensation, including compensation philosophy, prior to public release; and
- Prepare any executive compensation report required by regulatory requirements for inclusion in the Company's annual report, proxy statement, information circular or other regulatory filings.

#### **6) Committee Assessment**

- Evaluate as required the performance of the Committee in light of the roles and responsibilities outlined in this Charter.

#### **7) Charter Evaluation**

- Review, discuss and assess annually this Charter and recommend changes to the Board for approval.

#### **8) Experts and Advisors**

- The Committee may retain or appoint, at the Company's expense, internal or external legal, accounting or other advisors and consultants to assist it in carrying out its duties. The Committee shall have the authority to terminate such arrangements as appropriate.

#### **9) General Authority**

- The Committee may form and delegate authority to subcommittees as appropriate; and
- The Committee shall also have such other powers and duties as are delegated to it by the Board.

#### **EFFECTIVE DATE**

This Charter was implemented by the Board on October 15, 2009.