LINCOLN MINING CORPORATION

Unaudited condensed interim Consolidated financial statements

for the six months ended June 30, 2017

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Notice to Reader

Management has prepared the unaudited condensed interim consolidated financial statements for Lincoln Mining Corporation (the "Company") in accordance with National Instrument 51-102 released by the Canadian Securities Administration. The Company discloses that its auditors have not reviewed the unaudited consolidated financial statements for the period ended June 30, 2017.

LINCOLN MINING CORPORATION
Condensed Interim Consolidated Statements of Financial Position
(Unaudited)
As at June 30, 2017 and December 31, 2016

(All amounts are in Canadian Dollars, unless otherwise stated)

	Notes	As at June 30, 2017	As at December 31, 2016
		$	$
Assets			
Current assets			
Cash		161,817	47,021
Receivables		29,181	20,259
Prepaid expenses		170,899	93,689
		361,897	160,969
Non-current assets			
Equipment		8,333	10,653
Deposits		14,067	19,880
		22,400	30,533
Total assets		**384,297**	**191,502**
Liabilities and shareholders' deficiency			
Current liabilities			
Accounts payable and accrued liabilities		596,305	753,968
Due to related parties	8	1,508,700	1,446,098
Loans payable	6	93,382	1,392,381
Promissory notes	7	597,437	596,614
		2,795,824	4,189,061
Non-current liabilities			
Promissory notes	7	-	2,735,443
Provision for environmental rehabilitation	5	84,350	87,276
		84,350	2,822,719
Total liabilities		**2,880,174**	**7,011,780**
Shareholders' deficiency			
Share capital	9	21,980,278	21,425,218
Capital reserves	9	2,582,752	1,584,242
Share subscriptions received in advance	9	-	5,000
Deficit		(27,058,907)	(29,834,738)
Total shareholders' deficiency		**(2,495,877)**	**(6,820,278)**
Total liabilities and shareholders' deficiency		**384,297**	**191,502**

Nature of operations (Note 1)
Commitment (Note 12)

Approved and authorized by the Board on August 28, 2017.

"Paul Saxton" Director *"Andrew Milligan "* Director
Paul Saxton Andrew Milligan

LINCOLN MINING CORPORATION

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Unaudited)

For the three and six months ended June 30, 2017 and 2016

(All amounts are in Canadian Dollars, unless otherwise stated)

	Notes	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
		$	$	$	$
Exploration expenses (recovery)	**4**	**(35,694)**	**17,613**	**(10,437)**	**26,261**
Administrative expenses					
Administrative support		1,471	21,137	2,504	51,640
Consulting and management fees		30,815	45,307	60,650	85,427
Depreciation		36	37	1,196	953
Foreign exchange gain		(18,702)	(28,567)	(21,813)	(45,025)
Investor relations and shareholder services		55,294	3,402	99,768	10,424
Office maintenance (recovery)		4,573	(6,097)	15,489	(1,962)
Professional fees		71,012	11,144	86,012	35,400
Travel		1,305	-	2,677	-
		145,804	**46,363**	**246,483**	**136,857**
Finance (income) and expenses					
Interest income		(17)	-	(17)	-
Interest expense		3,097	(59,999)	6,165	6,046
Gain on settlement of debts	**7**	(3,018,025)	-	(3,018,025)	-
		(3,014,945)	**(59,999)**	**(3,011,877)**	**6,046**
Income (loss) and comprehensive income (loss) for the period		**2,904,835**	**(3,977)**	**2,775,831**	**(169,164)**
Basic and diluted earnings (loss) per common share		$ 0.09	$ (0.00)	$ 0.09	$ (0.01)
Weighted average number of common shares outstanding		**33,853,377**	**22,746,021**	**29,697,786**	**22,746,021**

LINCOLN MINING CORPORATION
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)
For the six months ended June 30, 2017 and 2016

(All amounts are in Canadian Dollars, unless otherwise stated)

	Six months ended June 30, 2017	Six months ended June 30, 2016
	$	$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Income (Loss) for the period	**2,775,831**	**(169,164)**
Items not affecting cash:		
Accrued interest expense	6,165	3,419
Depreciation	1,196	953
Gain on settlement of debts	(3,018,025)	-
Unrealized foreign exchange	(5,087)	(1,911)
Changes in non-cash working capital items:		
Decrease in accounts payable, accrued liabilities and due to related parties	(95,061)	118,727
Increase in prepaid expenses and deposits	(71,397)	295
Increase in receivables	(8,922)	(2,531)
Net cash used in operating activities	**(415,300)**	**(50,212)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Private placements	565,000	-
Share issue costs	(32,200)	-
Promissory notes issued for cash	-	33,000
Loans from directors	1,500	9,110
Repayment of loans from directors	(4,204)	-
Net cash provided by financing activities	**530,096**	**42,110**
Net change in cash for the period	114,796	(8,102)
Cash, beginning of the period	47,021	14,929
Cash, end of the period	**161,817**	**6,827**

Supplemental cash flow information (Note 11)

Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency

(Unaudited)

(All amounts are in Canadian Dollars, unless otherwise stated)

	Number of shares	Share capital	Capital reserves	Share subscriptions received in advance	Deficit	Total
		$	$	$	$	$
Balance at December 31, 2015	**22,746,021**	**21,184,769**	**1,565,441**	**-**	**(29,493,271)**	**(6,743,061)**
Loss for the period	-	-	-	-	(169,164)	(169,164)
Balance at June 30, 2016	**22,746,021**	**21,184,769**	**1,565,441**	**-**	**(29,662,435)**	**(6,912,225)**
Balance at December 31, 2016	**25,496,021**	**21,425,218**	**1,584,242**	**5,000**	**(29,834,738)**	**(6,820,278)**
Private placements	11,400,000	570,000	-	(5,000)	-	565,000
Debt settlement agreements	929,496	55,770	960,000	-	-	1,015,770
Share issue costs	-	(70,710)	38,510	-	-	(32,200)
Income for the period	-	-	-	-	2,775,831	2,775,831
Balance at June 30, 2017	**37,825,517**	**21,980,278**	**2,582,752**	**-**	**(27,058,907)**	**(2,495,877)**

1 Nature of operations

Lincoln Mining Corporation (the “Company” or “Lincoln”) is incorporated under the Business Corporations Act, British Columbia. The Company’s head and registered office, principal address and records is Suite 400 – 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2. The Company is a precious metals exploration and development company.

The consolidated financial statements of the Company for the year ended December 31, 2016 comprise the Company and its subsidiaries (Note 2(b)). These consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated. The Company is listed on the TSX Venture Exchange (“TSX-V: LMG”) and the Frankfurt Stock Exchange (“ZMG”).

2 Basis of Presentation

(a) Basis of preparation

The condensed interim consolidated financial statements for the six months ended June 30, 2017 have been prepared in accordance with IAS 34 - Interim Financial Reporting of International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company’s annual consolidated financial statements as at and for the year ended December 31, 2016.

The accounting policies followed in these condensed interim consolidated financial statements are consistent with those applied in the Company’s most recent annual consolidated financial statements for the year ended December 31, 2016.

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measure at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Going concern assumption

These consolidated financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has not yet determined whether its mineral properties contain ore reserves; therefore, the Company has incurred ongoing losses since inception. Further, the Company has a working capital deficiency of $2,433,927 and total liabilities of $2,880,174. The future success of the Company is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon establishing future profitable production, or realization of proceeds on disposal.

Management recognizes that the Company will need to raise additional funds to maintain operations and while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. These condensed interim consolidated financial statements do not give effect to the adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

(All amounts are in Canadian Dollars, unless otherwise stated)

New and amended standards adopted by the Company

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after January 1, 2017 that had a material impact on the Company.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for future periods and have not been applied in preparing these consolidated financial statements. Management is assessing the impact on the Company's consolidated financial statements.

Financial instruments

IFRS 9 – Financial Instruments: Classification and Measurement. IFRS 9 is a new standard that will replace IAS 39. IASB has tentatively decided to require an entity to apply IFRS 9 for annual periods beginning on or after January 1, 2018, with early adoption permitted. IFRS 9 introduces new requirements for the classification and measurement of financial instruments as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value and a debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows in the form of principal and interest. Management anticipates that this standard will be adopted in the Company's financial statements for the period beginning January 1, 2018, and has not yet considered the potential impact of the adoption of IFRS 9.

IFRS 16 – Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019.

(b) Consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions are eliminated. Profits or losses resulting from intercompany transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Company.

The condensed interim consolidated financial statements include the accounts of Lincoln Mining Corporation, the parent company and the subsidiaries listed below:

	Country of Incorporation	Economic interests	Principal activity
Lincoln Gold Corporation	Canada	100%	Holding company
Lincoln Gold US Corporation	United States of America	100%	Mineral exploration
Lincoln Resource Group Corporation	United States of America	100%	Mineral exploration
Minera Lincoln de Mexico, S.A. de C.V.	Mexico	100%	Mineral exploration

(All amounts are in Canadian Dollars, unless otherwise stated)

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The activities undertaken by exploration and evaluation segment are supported by corporate activities. The operating results of the segments are reviewed regularly by the Company's Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance and by the Board of Directors that makes strategic decisions.

3 Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include:

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Company's title on mineral property interests

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry practice for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

4 Mineral properties

Exploration expenditures (recoveries) incurred during the six months ended June 30, 2017:

	United States		Other	Total
	Pine Grove	Oro Cruz	Properties	
	$	$	$	$
Contractors	112,261	2,268	-	**114,529**
Field supplies	929	-	-	**929**
General administration	38,680	350	-	**39,030**
Geochemistry	78,690	-	-	**78,690**
Land maintenance	2,660	-	-	**2,660**
Permitting environment	51,008	-	-	**51,008**
Property evaluation	6,505	1,668	7,546	**15,719**
Vehicle operating	393	-	-	**393**
Recovery from a joint venture partner	(237,145)	(76,250)	-	**(313,395)**
Total mineral property expenditures	**53,981**	**(71,964)**	**7,546**	**(10,437)**

(All amounts are in Canadian Dollars, unless otherwise stated)

Exploration expenditures (recoveries) incurred during the six months ended June 30, 2016:

	United States			Total
	Pine Grove	Oro Cruz	Bell Mountain	
	$	$	$	$
Contractors	22,638	5,321	-	**27,959**
Drilling and metallurgical	100	-	-	**100**
General administration	9,820	-	-	**9,820**
Land maintenance	1,653	-	-	**1,653**
License payments (recovery)	(13,302)	-	-	**(13,302)**
Travel and accommodation	31	-	-	**31**
Total mineral property expenditures	**20,940**	**5,321**	**-**	**26,261**

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties, and, to the best of its knowledge, title to all of its properties, are properly registered and in good standing.

United States

(a) Pine Grove Property, Nevada

During fiscal 2007 the Company entered into three separate agreements with Wheeler Mining Company ("Wheeler"), Lyon Grove, LLC ("Lyon Grove") and Harold Votipka ("Votipka") which collectively comprise the Pine Grove Property. In fiscal 2010, the Company added the Cavanaugh property.

(i) In July 2007 the Company entered into an agreement with Wheeler to lease Wheeler's 100% owned mining claims in Lyon County, Nevada from July 13, 2007 to December 31, 2022 with an exclusive option to renew the lease by written notice to December 31, 2023. If the property is and remains in commercial production by November 1 of each year after 2022, the Company may renew the lease for a period of one year by delivering written notice to the owner prior to November 15 of that year.

The Company was required to produce a bankable feasibility study on the properties by December 31, 2010 and obtain all necessary funding to place the properties into commercial production. The Company has since received an extension as new technical data is being developed. The Company must pay an NSR of 3% - 7% upon commencement of commercial mining production based on gold prices and the Company must pay a 5% NSR on metals or minerals other than gold produced and sold from the properties.

The following non-refundable advance NSR payments must be made by the Company:
- US$10,000 upon signing the agreement (paid); and
- US$30,000 prior to each one year anniversary of the lease (Years 1-6 paid by the Company; Years 7-9 paid by Goldcliff).

(ii) In July 2007 the Company entered into an agreement with Votipka to acquire three claims located within the Pine Grove Mining District in Lyon County, Nevada in return for a payment of US$12,000 (paid in 2007). Upon commencement of commercial production, the Company will pay a 5% NSR to Votipka. The Company retains the right to buy down up to 2.5% of the NSR at any time for US$100,000 per percentage point.

(iii) In August 2007 the Company entered into an agreement with Lyon Grove to lease the Wilson Mining Claim Group located in Lyon County, Nevada from August 1, 2007 to July 31, 2022, with an option to purchase. The Company can extend the term of the lease for up to ten additional one year terms providing the Company is conducting exploration mining activities at the expiration of the term immediately preceding the proposed extension term.

The following lease payments must be made by the Company:
- US$10,000 upon signing the agreement (paid) and
- US$25,000 prior to each one year anniversary of the lease (paid to date).

The lease payment made for any one calendar year may be credited against any NSR due and payable during the same calendar year.

The following work commitments must be made by the Company:
- US$25,000 by August 1, 2008; (incurred)
- US$25,000 by August 1, 2009; (incurred)
- US$50,000 by August 1, 2010; (incurred)
- US$50,000 by August 1, 2011; (incurred)
- US$50,000 by August 1, 2012; (incurred) and each subsequent lease year (incurred to date)

Upon commencement of production the Company must pay an NSR of 2.5% - 5% on various claims and areas of interest. Lyon Grove retains the right to require the Company to purchase the property any time after the Company has made application to permit and develop a mine on the property, subject to the Company's continued obligation to pay the royalties, for US$1,000.

In June 2016, Goldcliff Resource Corporation ("Goldcliff"), a company with a common director, acquired the lease to the Wilson claims from the Company in exchange for Goldcliff assuming the future lease commitments as well as outstanding lease payments and work commitments.

(iv) In August 2010, the Company and its wholly owned subsidiary Lincoln Gold US Corp ("Lincoln US") entered into a purchase agreement for Lincoln US to acquire unpatented mining claims and associated water rights (collectively known as the "Cavanaugh property") situated at the Company's Pine Grove project in Lyon County, Nevada. In consideration for the sale of the Cavanaugh property, the vendors have received a total of US$650,000 and 40,000 common shares of the Company as follows:
- On closing US$250,000 and 15,000 shares (paid)
- August 23, 2011 US$150,000 and 15,000 shares (paid)
- August 23, 2012 US$150,000 and 10,000 shares (paid)
- August 23, 2013 US$100,000 (paid)

The vendors will also retain a 1.5% NSR subject to the Company's option to buy down the royalty at a rate of US$75,000 per one-half percent at any time up until 3 years after the Company's Board of Directors approves mine construction.

During the year ended December 31, 2016, the Company entered into an Exploration License Agreement (the "Agreement") with Placer Solutions LLC ("Placer"), a private company based in Montana, USA, to explore the placer claims on Lincoln's Pine Grover project in Nevada (the "Claim"). The Agreement applies to the Company's Pine Grove placer claims only as it is the Company's intent to develop its lode claims separately.

Under the terms of the Agreement, for a period of 18 months, the Company has granted Placer: i) the exclusive right to explore the Claims for a one-time payment of US$10,000 (received), ii) an exclusive option to enter into a five (5) year mining lease on the Claims for an annual rental fee of US$10,000 for the first year and US$6,000 thereafter and a net operating profit royalty of 20% (the "Lease Option").

Should Placer exercise the Lease Option, Placer has an exclusive right to purchase the Claims (and certain ancillary water rights) plus buyout the royalty for a total consideration of US$1,500,000 for a period of three years form the anniversary of the lease. The Agreement may be terminated at Placer's discretion upon 60 days' written notice to the Company.

(v) In August 2016, the Company entered into an agreement with Goldcliff whereby Goldcliff can earn a 40% interest in the Wheeler and Votipka leases and Cavanaugh property in exchange for incurring US$1,400,000 in exploration expenditure on the properties over three years, and conveying back to the Company a 60% interest in the Wilson lease that previously was acquired by Goldcliff. The Company is the operator for the earn-in.

During the six months ended June 30, 2017, the Company was informed by the Nevada State Division of Water Resources that it was forfeiting certain water rights at Pine Grove for non-use. This was at the time when the Company was in the process of applying for a point of diversion change.

The Company filed a petition for judicial review of the decision of the Division of Water Resources seeking reinstatement of the water rights and the right to apply for an extension of time to place the water to beneficial use. During a hearing before the Nevada District Court on July 26, 2017, the District Court made its oral ruling granting the Company's petition. The District Court has not yet entered its written decision and order. On entry of the District Court's written order, the Company will apply for an extension of time to place the water to beneficial use and will apply to change the point of diversion of the water to the Company's proposed mine site.

(b) Oro Cruz Property, California

In February 2010, the Company's 100% owned U.S. subsidiary, Lincoln US, concluded a lease agreement (the "Lease") to lease certain lode claims covering the Oro Cruz Property in Imperial County, California. The Lease involves advance royalty payments beginning at US$50,000 per year and gradually increasing to US$200,000 per year on the seventh anniversary and each subsequent anniversary of the effective date of February 22, 2010 as follows:

- US$50,000 on the execution date of the agreement (paid)
- US$50,000 by February 22, 2011 (paid)
- US$75,000 by February 22, 2012 (paid)
- US$75,000 by February 22, 2013 (paid)
- US$100,000 by February 22, 2014 ($50,000 paid)
- US$100,000 by February 22, 2015 (not paid)
- US$150,000 by February 22, 2016 (not paid)
- US$200,000 by February 22, 2017 (not paid) and each subsequent anniversary of the effective date

The NSR has been set at 3% for the first 500,000 ounces of gold production and 4% thereafter. An aggregate of 2% of the royalty can be bought down at a rate of US$500,000 per half percent.

Pursuant to this agreement, Lincoln must also incur expenditures in the amounts and during the periods described as follows:

- US$250,000 cumulative amount expended by the end of the second lease year (incurred)
- US$300,000 during the third lease year (incurred)
- US$350,000 during the fourth lease year (not incurred)
- US$400,000 during the fifth lease year (not incurred)
- US$450,000 during the sixth lease year (not incurred)
- US$500,000 during the seventh lease year (not incurred)

(All amounts are in Canadian Dollars, unless otherwise stated)

On May 9, 2017, the Company entered into a letter agreement, through its subsidiary, Lincoln Gold US Corp. ("Lincoln US"), granting Ausgold Resources Pty. Ltd. ("Ausgold") an option until June 30, 2017 to enter into a joint venture agreement for the development of the Oro Cruz Property located in Imperial Country, California ("JV Option"). As consideration for granting the JV Option, Ausgold has paid Lincoln US USD$7,500 and committed to purchasing USD$30,000 worth of securities in the Company's next private placement.

If the JV Option is exercised, the joint venture will cover the Hercules claims and the 131 claims held by Lincoln US as well as any mining interests or mineral properties acquired by either party within five miles of the Lincoln US claims.

If the JV Option is exercised, the parties agree to negotiate a formal joint venture agreement which will include the following:

(i) periodic payments to Lincoln US from June 30, 2017 until January 15, 2019 totalling US$225,000 plus 200,000 shares of Ausgold (or an additional US$30,000 if Ausgold shares are not publicly traded);

(ii) expenditures of an aggregate of US$1,000,000 by January 15, 2019 on the claims covered by the joint venture, with Ausgold as the operator;

(iii) upon the above payments and expenditures being made, Ausgold will hold a 51% joint venture interest and Lincoln US will hold a 49% interest;

(iv) upon Ausgold earning a 51% joint venture interest, Ausgold shall have the right to increase its interest in the joint venture to 75% by spending an additional US$1,100,000 on the joint venture properties by January 15, 2020 on US claims.

As of the date of this report all cash commitments have been received.

5 Provisions

The Company's recognized a constructive provision for environmental rehabilitation relating to a Pine Grove Property road, which will require future cleanup costs estimated to be approximately US$70,000. Management expects that the cleanup costs would be incurred in the future, at the end of the expected useful life of the property, however, as the technical feasibility of Pine Grove Property has not been completed yet, the life of the property is uncertain at the reporting date. The provision represents best management estimates and includes the following assumptions: term - 10 years; inflation rate – 0.7%, pre-tax risk-free interest rate - 2.8%.

The closing balance is summarized as follows:

	June 30, 2017	**December 31, 2016**
	$	$
Beginning balance	87,276	89,960
Changes in exchange rates	(2,926)	(2,684)
Closing balance	**84,350**	**87,276**

During the six months ended June 30, 2017, the finance costs in relation to the accretion of the provision are negligible.

(All amounts are in Canadian Dollars, unless otherwise stated)

6 Loans payable

The following loans were provided by directors, former directors and insiders to the Company to support its working capital requirements.

	Six months ended June 30, 2017	Year ended December 31, 2016
	$	$
Opening balance	1,392,381	1,376,307
Loans provided during the period	1,500	14,310
Loans repaid during the period	(4,204)	(2,200)
Interest accrued during the period	2,057	3,964
Settlement of debt	(1,298,352)	-
Closing balance	**93,382**	**1,392,381**

During the year ended December 31, 2016, the Company received $14,310, and repaid $2,200, unsecured demand loan from the President of the Company. During the six months ended June 30, 2017, the Company received additional $1,500, and repaid $4,204, unsecured demand loan from the President of the Company. The remaining balance of the loan is unsecured, bearing interest at 5% per annum, calculated and payable on demand. The Company may repay the principal, in whole or in part, at any time without penalty.

Effective January 1, 2016, all loans, except for the loans received from the President of the Company, ceased to accrue interest.

On June 9, 2017, the Company completed a debt settlement agreement (the “Settlement”) with two former directors of the Company (the “Creditors”) with respect to outstanding debt (including principal and interest) totaling $4,033,795, of which $1,298,352 was included in loans payable. Under the terms of the Settlement, the Creditors were issued an aggregate of 929,496 common shares of the Company and 16 million special warrants (the “Special Warrants”). Each Special Warrant may be exercised for only fully paid and non-assessable common share (a “Special Warrant Share”) in the capital of the Company without payment of additional consideration for a period of 10 years from the date of issue (Notes 7 and 9).

7 Promissory notes

On February 28, 2014, the $2,300,000 convertible debenture held by Procon Mining and Tunneling Ltd. and its affiliates (collectively, “Procon”) (plus approximately $175,000 in accrued interest), was repaid in full and discharged using funds through promissory notes maturing February 28, 2019 from companies controlled by two directors of the Company (the “Loans”). The Loans were interest bearing at a rate of 6% per annum, payable monthly commencing April 1, 2014. Concurrent with the transaction, the two directors resigned from the Company. Effective January 1, 2016, the Loans ceased to accrue interest. Accrued interest on these Loans at December 31, 2016 was $260,389 (2015 - $260,389).

On June 9, 2017, the Company completed a debt settlement agreement (the “Settlement”) with two former directors of the Company (the “Creditors”) with respect to outstanding debt (including principal and interest) totaling $4,033,795, of which $2,735,443 was included in promissory notes payable. Under the terms of the Settlement, the Creditors were issued an aggregate of 929,496 common shares of the Company and 16 million special warrants (the “Special Warrants”). Each Special Warrant may be exercised for only fully paid and non-assessable common share (a “Special Warrant Share”) in the capital of the Company without payment of additional consideration for a period of 10 years from the date of issue (Notes 6 and 9).

(All amounts are in Canadian Dollars, unless otherwise stated)

During the year ended December 31, 2014, the Company received advances pursuant to a promissory note of $1,029,000 from Golden Dreams Limited Partnership ("GDLP"), the general partner of which is Mr. Ronald K. Netolitzky, a control person of the Company. The advances were unsecured and would not bear interest until November 2014. In October 2014, the Company issued 6,860,000 common shares at a value of $0.15 per share to settle the debt of $1,029,000. During the year ended December 31, 2015, the Company also received advances of $25,000 (2014 - $400,000) from Mr. Ronald K. Netolitzky. During the year ended December 31, 2016, the Company received additional $15,000. The advances are unsecured, non-interest bearing and due on demand.

During the year ended December 31, 2015, the Company received $50,000 from an insider of the Company. The loan is unsecured and evidence by promissory notes bearing interest at 6% per annum, calculated and payable on demand. The Company may prepay the principal, in whole or in part, at any time without penalty.

During the year ended December 31, 2015, the Company received US$66,000 from a company that has an insider in common with Lincoln. The loan is secured by the Company's US properties and evidenced by a promissory note bearing interest at 6% per annum. The Company may prepay the principal, in whole or in part, at any time without penalty. Principal and accrued interest was payable upon termination of the note on December 31, 2015. The Company is currently in default of this note and is renegotiating the terms of the note.

During the year ended December 31, 2016, the Company received $6,527 from a company with certain directors in common. The loan is unsecured, non-interest bearing and due on demand.

8 Related party transactions

The following transactions were carried out with related parties:

Key management personnel – services rendered and other compensation

Key management includes offices and directors – executive and non-executive. The compensation paid or payable to key management personnel for the services rendered during the six months ended June 30, 2017 and 2016 were as follows:

	Six months ended June 30, 2017	Six months ended June 30, 2016
	$	$
Directors fees	-	24,000
Management fees	54,000	54,000
Exploration expenses	53,160	41,075
Accounting fees	15,000	30,000
Total	**122,160**	**149,075**

The amounts disclosed in the table are the amounts recognized as an expense during the reporting year. The Company also reimburses key executive directors for travel and other expenses incurred in the normal course of business.

(All amounts are in Canadian Dollars, unless otherwise stated)

Balance due to related parties

	As at June 30, 2017	As at December 31, 2016
	$	**$**
Executive officers and their controlled companies	1,340,359	1,277,757
Directors	154,269	154,269
Others	14,072	14,072
Total	**1,508,700**	**1,446,098**

Loans from related parties

See Notes 6 and 7 for further details.

Other transactions with related parties

During the six months ended June 30, 2017, the Company received $16,200 (2016 - $15,000) from Golden Band Resources Inc., a company with certain officers and directors in common, for office rent.

9 Share capital and reserves

a) Authorized share capital

As at June 30, 2017, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares are fully paid.

On April 26, 2017, the Company closed a non-brokered private placement. The Company issued a total of 11,400,000 units at a price of $0.05 per unit for total gross proceeds of $570,000. Each unit is comprised of one common share of the Company and one non-transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.08 per share until April 26, 2022. The Company paid $32,200 in cash commissions and issued a total of 644,000 finder's warrants having the same terms as the private placement warrants. The fair value of the finder's warrants was $38,510 calculated using the Black-Scholes Option Pricing Model using the following assumptions: expected life – 5 years; expected volatility – 265.58%; expected dividend yield – 0%; and risk-free rate – 1.07% (Note 11).

On June 9, 2017, the Company completed a debt settlement agreement (the "Settlement") with two former directors of the Company (the "Creditors") with respect to outstanding debt (including principal and interest) totaling $4,033,795. Under the terms of the Settlement, the Creditors were issued an aggregate of 929,496 common shares of the Company and 16 million special warrants (the "Special Warrants"). Each Special Warrant may be exercised for only fully paid and non-assessable common share (a "Special Warrant Share") in the capital of the Company without payment of additional consideration for a period of 10 years from the date of issue (Notes 6, 7 and 11). The Settlement includes, amongst other things, a restriction on the exercise of the Special Warrants such that the Company shall not be obligated to issue any Special Warrant Shares upon the purported exercise of the Special Warrants if immediately following the exercise of such Special Warrants, the Creditors and their affiliates hold in aggregate more than 9% of the issued and outstanding common shares of the Company. The Special Warrants have no voting rights and no entitlement to dividends.

(All amounts are in Canadian Dollars, unless otherwise stated)

b) Capital reserves

	Capital reserve - options	Capital reserve - warrants	Capital reserve – convertible debenture	Total
	$	$	$	$
Balance as at December 31, 2015	**1,227,184**	**122,871**	**215,386**	**1,565,441**
Share issuance costs – finders' warrants	-	18,801	-	18,801
Balance as at December 31, 2016	**1,227,184**	**141,672**	**215,386**	**1,584,242**
Share issuance costs – finders' warrants	-	38,510	-	38,510
Special Warrants	-	960,000	-	960,000
Balance as at June 30, 2017	**1,227,184**	**1,140,182**	**215,386**	**2,582,752**

c) Stock options

As at June 30, 2017, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
1,809,000	$0.15	November 26, 2019
1,809,000		

Stock option transactions for the six months ended June 30, 2017 and for year ended December 31, 2016 are summarized as follows:

	Six months ended June 30, 2017		Year ended December 31, 2016	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
		$		$
Balance, beginning of period	1,809,000	0.15	2,024,000	0.15
Expired	-	-	(215,000)	0.15
Balance, end of period	1,809,000	0.15	1,809,000	0.15
Options exercisable, end of period	1,809,000	0.15	1,809,000	0.15

(All amounts are in Canadian Dollars, unless otherwise stated)

d) Warrants

As at June 30, 2017, the Company had share purchase warrants, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
1,375,000	$0.12	August 16, 2018
157,500	$0.12	August 16, 2018
12,044,000	$0.08	April 26, 2022
13,576,500		

Warrants transactions for the six months ended June 30, 2017 and for year ended December 31, 2016 are summarized as follows:

	Six months ended June 30, 2017		Year ended December 31, 2016	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
		$		$
Balance, beginning of period	1,532,500	0.12	-	-
Issued	12,044,000	0.08	1,532,500	0.12
Balance, end of period	13,576,500	0.08	1,532,500	0.12

10 Financial instruments

Capital risk management

The Company defines its capital as shareholders' deficiency. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has interests are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds in the future until the production commences. The Company will continue to assess new properties and seek to acquire an interest in additional properties if management consider there is sufficient geologic or economic potential and the Company has adequate financial resources and support from investors. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

(All amounts are in Canadian Dollars, unless otherwise stated)

Categories of financial instruments

	June 30, 2017	December 31, 2016
	$	$
Financial assets *		
Loans and receivables		
Cash	161,817	47,021
Other receivables	23,298	19,343
	185,115	66,364
Financial liabilities		
Current		
Amortized at cost		
Accounts payable and accrued liabilities	596,305	753,968
Due to related parties	1,508,700	1,446,098
Loans payable	93,382	1,392,381
Promissory notes	597,437	596,614
Non-current		
Amortized at cost		
Promissory notes	-	2,735,443
	2,795,824	6,924,504

* Sales taxes recoverable do not represent financial instruments and are excluded from the analysis

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Fair value

The carrying value of cash, other receivables, accounts payable and accrued liabilities, loans payable, and promissory notes approximated their fair value because of the relatively short-term nature of these instruments.

Foreign exchange risk

The Company's operations in the United States expose the Company to foreign exchange risk. The Company is subject to currency risk due to the fluctuations of exchange rates between the Canadian and US dollars. The Company does not believe it is exposed to significant foreign exchange risk. A 10% fluctuation in the foreign exchange rate between the Canadian and US dollar will result in a foreign exchange gain/loss of approximately $87,000. The Company does not enter into derivative financial instruments to mitigate foreign exchange risk.

Credit risk

The Company is not exposed to material credit risk.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not hold any financial liabilities with variable interest rates.

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Price risk

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of precious metals. The Company monitors precious metals prices to determine the appropriate course of action to be taken by the Company.

(All amounts are in Canadian Dollars, unless otherwise stated)

11 Supplemental cash flow information

	Six months ended June 30, 2017	Six months ended June 30, 2016
	$	$
Cash paid for interest	-	-
Cash paid for income taxes	-	-

On August 16, 2016, the Company issued a total of 157,500 finder's warrants with a fair value of $18,801 (Note 9).

On April 26, 2017, the Company issued a total of 644,000 finder's warrants with a fair value of $38,510 (Note 9).

On June 9, 2017, the Company issued an aggregate of 929,496 common shares of the Company and 16 million Special Warrants to settle outstanding debt totaling $4,033,795 (Note 9).

12 Commitment

In addition to commitments disclosed elsewhere in the condensed interim consolidated financial statements, pursuant to a premises lease, the Company's future lease commitment as at June 30, 2017 is as follows:

2017	$ 27,852
2018	$ 41,778

13 Segmented information

The Company operates in one reportable operating segment, being the acquisition, exploration and evaluation of mineral properties.

The Company operates within two geographic areas – United States of America and Canada.

	Non-current assets
	$
December 31, 2016	
United States of America	12,339
Canada	18,194
	30,533
June 30, 2017	
United States of America	10,028
Canada	12,372
	22,400

LINCOLN
MINING CORP.

FORM 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) AS OF AUGUST 28, 2017 TO ACCOMPANY THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF LINCOLN MINING CORPORATION (THE "COMPANY" OR "LINCOLN") FOR THE SIX MONTHS ENDED JUNE 30, 2017.

This Management's Discussion and Analysis ("MD&A"), which has been prepared as of August 28, 2017, should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the six months ended June 30, 2017 and the annual consolidated financial statements of the Company for the year ended December 31, 2016. All financial amounts are stated in Canadian currency unless stated otherwise.

This MD&A contains certain forward-looking statements based on the best beliefs, and reasonable assumptions of the management of Lincoln Mining Corporation. There are many risks and uncertainties attached to the mineral exploration business. Given these risks and uncertainties, the reader should not place undo reliance on these forward-looking statements.

Additional information relating to the Company's activities may be found on the Company's website at www.lincolnmining.com and at www.sedar.com.

1. Overview

Lincoln Mining Corporation (the "Company" or "Lincoln") is incorporated under the Business Corporations Act, British Columbia. The Company's head and registered office, principal address and records is Suite 400 - 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2. The Company is listed on the TSX Venture Exchange ("TSX-V: LMG") and Frankfurt Stock Exchange ("ZMG").

Lincoln Mining Corp. is a precious metals exploration and development company with two projects in various stages of exploration which include the Pine Grove property in Nevada, USA, and the Oro Cruz gold property in California, USA. In the United States, the Company operates under its subsidiaries, Lincoln Gold US Corp and Lincoln Resource Group Corp.

The Company's intention and strategies are to continue to advance its projects, with a long term goal of building Lincoln into a mid-tier gold producer.

On April 26, 2017, the Company closed a non-brokered private placement. The Company issued a total of 11,400,000 units at a price of $0.05 per unit for total gross proceeds of $570,000. Each unit is comprised of one common share of the Company and one non-transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.08 per share until April 26, 2022. The Company paid $32,200 in cash commissions and issued a total of 644,000 finder's warrants having the same terms as the private placement warrants.

On May 9, 2017, the Company entered into a letter agreement, through its subsidiary, Lincoln Gold US Corp. ("Lincoln US"), granting Ausgold Resources Pty. Ltd. ("Ausgold") an option until June 30, 2017 to enter into a joint venture agreement for the development of the Oro Cruz Property located in Imperial Country, California ("JV Option"). As consideration for granting the JV Option, Ausgold has paid Lincoln US USD$7,500 and committed to purchasing USD$30,000 worth of securities in the Company's next private placement.

Pine Grove Project Status

During the year ended December 31, 2016, the Company entered into an Exploration License Agreement (the "Agreement") with Placer Solutions LLC ("Placer"), a private company based in Montana, USA, to explore the placer claims on Lincoln's Pine Grove project in Nevada (the "Placer Claims"). The Agreement applies to the Company's Pine Grove placer claims only as it is the Company's intent to develop its lode claims separately.

Under the terms of the Agreement, for a period of 18 months, the Company has granted Placer: i) the exclusive right to explore the Placer Claims for a one-time payment of US$10,000 (received), ii) an exclusive option to enter into a five (5) year mining lease on the Claims for an annual rental fee of US$10,000 for the first year and US$6,000 thereafter and a net operating profit royalty of 20% (the "Lease Option").

Should Placer exercise the Lease Option, Placer has an exclusive right to purchase the Placer Claims (and certain ancillary water rights) plus buyout the royalty for a total consideration of US$1,500,000 for a period of three years from the anniversary of the lease. The Agreement may be terminated at Placer's discretion upon 60 days' written notice to the Company.

In June 2016, Goldcliff Resource Corporation ("Goldcliff"), a company with a common director, acquired the lease to the Wilson claims from the Company in exchange for Goldcliff assuming the future lease commitments as well as outstanding lease payments and work commitments.

In August 2016, the Company entered into an agreement with Goldcliff whereby Goldcliff can earn a 40% interest in the Wheeler and Votipka leases and Cavanaugh property in exchange for incurring US$1,400,000 in exploration expendiuture on the properties over three years, and conveying back to the Company a 60% interest in the Wilson lease that previously was acquired by Goldcliff. The Company is the operator for the earn-in.

The drilling program previously announced on October 27, 2016 was completed by mid-December. The 14 holes totalled 2,132.6 metres (6,9762.5 feet). All assays were received by the first of February and are reviewed in the news release of February 9th, 2017.

Oro Cruz Project Status

No work was carried out on the Oro Cruz project during the quarter.

On May 9, 2017, the Company entered into a letter agreement, through its subsidiary, Lincoln Gold US Corp. ("Lincoln US"), granting Ausgold Resources Pty. Ltd. ("Ausgold") an option until June 30, 2017 to enter into a joint venture agreement for the development of the Oro Cruz Property located in Imperial Country, California ("JV Option"). As consideration for granting the JV Option, Ausgold has paid Lincoln US USD$7,500 and committed to purchasing USD$30,000 worth of securities in the Company's next private placement.

If the JV Option is exercised, the joint venture will cover the Hercules claims and the 131 claims held by Lincoln US as well as any mining interests or mineral properties acquired by either party within five miles of the Lincoln US claims.

If the JV Option is exercised, the parties agree to negotiate a formal joint venture agreement which will include the following:

(i) periodic payments to Lincoln US from June 30, 2017 until January 15, 2019 totalling US$225,000 plus 200,000 shares of Ausgold (or an additional US$30,000 if Ausgold shares are not publicly traded);

(ii) expenditures of an aggregate of US$1,000,000 by January 15, 2019 on the claims covered by the joint venture, with Ausgold as the operator;

(iii) upon the above payments and expenditures being made, Ausgold will hold a 51% joint venture interest and Lincoln US will hold a 49% interest;

(in Canadian dollars, unless otherwise stated)

(iv) upon Ausgold earning a 51% joint venture interest, Ausgold shall have the right to increase its interest in the joint venture to 75% by spending an additional US$1,100,000 on the joint venture properties by January 15, 2020 on US claims.

As of the date of this report all cash commitments have been received

2. Results of Operations

Results of Operations – For the six months ended June 30, 2017

For the six months ended June 30, 2017, the Company incurred an operational loss of $242,194 (2016: $169,164).

Due to market conditions and cash restraint, the Company decreased its costs related to administrative support, and consulting and magement fees compared to 2016.

Administrative support decreased by $49,136, or 95.2%, and consulting and management fees decreased by $24,777, or 29,0%. However, investor relations and shareholder services increased by $89,344 and professional fees increased by $50,612 as a result of the private placement that closed in April 2017 and debt settlement agreement in June 2017.

Results of Operations – For the quarter ended June 30, 2017

For the three months ended June 30, 2017, the Company incurred an operational loss of $113,190 (2016: $3,977).

Due to market conditions and cash restraint, the Company decreased its costs related to administrative support, and consulting and magement fees compared to 2016.

Administrative support decreased by $19,666, or 93.0%, and consulting and management fees decreased by $14,492, or 32.0%. However, investor relations and shareholder services increased by $51,892 and professional fees increased by $59,868 as a result of the private placement that closed in April 2017 and debt settlement agreement in June 2017.

The Company's key projects are Pine Grove, and Oro Cruz. The total costs incurred on all significant projects since 2007 is summarized in the table below:

Exploration expenses (recoveries)	**Pine Grove**	**Oro Cruz**	**Bell Mountain**	**La-Bufa**	**Other properties (refunds)**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
June 30, 2017, (IFRS reporting)	53,981	(71,964)	-	-	7,546	(10,437)
2016, (IFRS reporting)	(602)	47,238	-	-	-	46,636
2015, (IFRS reporting)	162,901	83,380	33,104	-	-	279,385
2014, (IFRS reporting)	318,941	157,797	144,295	46,897	7,811	675,741
2013, (IFRS reporting)	326,388	119,081	1,200,383	87,646	32,150	1,765,648
2012, (IFRS reporting)	234,525	247,285	100,461	402,810	7,590	992,671
2011, (IFRS reporting)	610,664	404,483	-	1,240,844	11,288	2,267,279
2010, (IFRS reporting)	1,609,436	310,637	-	472,534	1,645	2,394,252
2009, (Canadian GAAP)	553,319	7,586	-	121,861	(7,898)	674,868
2008, (Canadian GAAP)	509,333	-	-	1,501,906	14,347	2,025,586
2007, (Canadian GAAP)	154,145	-	-	163,705	25,287	343,137
	4,533,031	**1,305,523**	**1,478,243**	**4,038,203**	**99,766**	**11,454,766**
Less recoveries	**-**	**(328,765)**	**-**	**(1,051,735)**	**-**	**(1,380,500)**
Total exploration expenses incurred	**4,533,031**	**976,758**	**1,478,243**	**2,986,468**	**99,766**	**10,074,266**

(in Canadian dollars, unless otherwise stated)

Summary of Quarterly Results:

	2nd Quarter 2017	1st Quarter 2017	4th Quarter 2016	3rd Quarter 2016
	$	$	$	$
Revenue	-	-	-	-
Exploration expenses (recovery)	(35,694)	25,257	(30,360)	50,735
Administrative expenses (incl. interest expense)	148,884	103,747	71,578	117,215
Loss and comprehensive loss	(113,190)	(129,004)	(4,353)	(167,950)
Basic and diluted loss per share	(0.00)	(0.01)	(0.00)	(0.01)
Total assets	384,297	164,630	191,502	160,060
Working capital deficiency	(2,433,927)	(4,131,604)	(4,028,092)	(4,021,850)

	2nd Quarter 2016	1st Quarter 2016	4th Quarter 2015	3rd Quarter 2015
	$	$	$	$
Revenue	-	-	-	-
Exploration expenses	17,613	8,648	103,091	93,141
Recovery of impairment	-	-	(104,923)	-
Administrative expenses (incl. interest expense)	(13,636)	156,539	638,673	160,231
Loss and comprehensive loss	(3,977)	(165,187)	(363,960)	(253,372)
Basic and diluted loss per share	(0.00)	(0.01)	(0.02)	(0.01)
Total assets	51,957	53,412	58,776	122,178
Working capital deficiency	(4,121,395)	(4,075,832)	(3,947,898)	(3,628,207)

The administrative expenses over the recent quarters decreased as a result of a serious working capital deficiency experienced by the Company.

3. Project Summaries and Activities

PROJECTS - Overview

Pine Grove Property, Nevada – The Pine Grove project, located in Lyon County, Nevada, is the Company's most advanced project. At the time of writing of this MDA Lincoln is beginning the permitting studies needed to take the project to production. An amended and restated Preliminary Economic Assessment was issued on February 4, 2015 and filed with the British Columbia Securities Commission and is available for review under the Company's profile on SEDAR (see Lincoln news release February 16, 2015). Lincoln has agreed to Joint Venture the project with Goldcliff Resource Corporation.

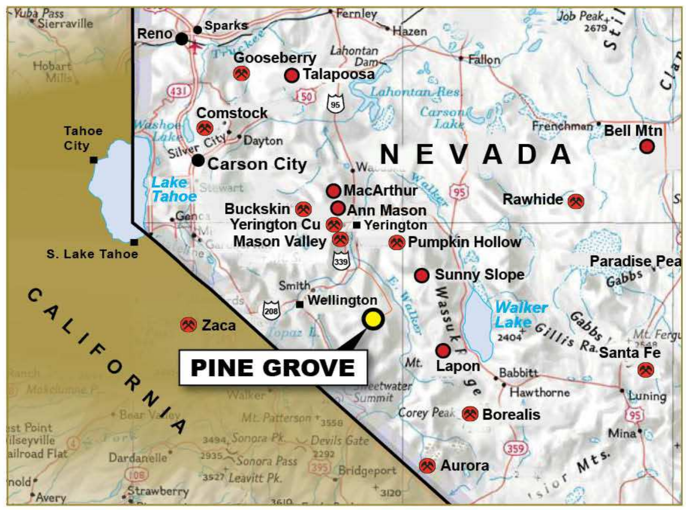
Oro Cruz Property, California - The Oro Cruz property has excellent potential for open-pit and underground mining. An Inferred resource for the project was reported in a NI 43-101 Technical Report in September 2010. Lincoln's immediate goal is to increase and advance the 376,600 Inferred ounces gold to Measured and Indicated categories by confirmation drilling. No significant work was completed since early 2013. New funding will be required for the confirmation program. Claim payments were made in late August to the BLM and the County to keep the claims in good standing. Lincoln has agreed to Joint Venture the project with AusGold Resources Pty Ltd.

Pine Grove Gold Property, Lyon County, Nevada

Pine Grove – Overview:

The Pine Grove Property continues as a development-stage gold project. The project lies approximately 20 miles south of Yerington, in the Pine Grove Hills, Lyon County, Nevada. The Company has mining leases on the Wilson and Wheeler mines (patented claims) and 243 unpatented claims owned directly by Lincoln. The Company's land position covers approximately 7 square miles that encompass the main gold mineralization, exploration targets and adequate land for mine facilities. Two hundred seventy-three holes have been drilled in the district. Eighty-three holes were drilled in 2009 and 2010 by Lincoln.

On December 8, 2011, a Preliminary Economic Assessment (PEA) was issued by Telesto Nevada Inc. of Reno, NV. An amended and restated PEA was issued on February 4, 2015 by Welsh-Hagen Associates (formerly Telesto Nevada Inc.) and their Qualified Persons. (see Lincoln news release February 16, 2015)



The 2015 PEA reports total Measured and Indicated resources at 134,500 ozs gold contained in 3,373,000 tons of mineralized material grading 0.040 opt Au using a cutoff grade of 0.007 opt gold. Inferred resources were reported at 6,600 ozs gold contained in 160,000 tons of mineralized material grading 0.041 opt Au using a cutoff grade of 0.007 opt Au. In order to comply with the CIM definition for resources, only those mineralized blocks contained within a designed pit shell are reported as resources. These resources are contained in two conceptual pits, the Wheeler and the Wilson, based on a gold price of $1,425.

During the year ended December 31, 2016, the Company entered into an Exploration License Agreement (the "Agreement") with Placer Solutions LLC ("Placer"), a private company based in Montana, USA, to explore the Placer Claims on Lincoln's Pine Grove project in Nevada (the "Claims"). The Agreement applies to the Company's Pine Grove placer claims only as it is the Company's intent to develop its lode claims separately.

Under the terms of the Agreement, for a period of 18 months, the Company has granted Placer: i) the exclusive right to explore the Placer Claims for a one-time payment of US$10,000 (received), ii) an exclusive option to enter into a five (5) year mining lease on the Claims for an annual rental fee of US$10,000 for the first year and US$6,000 thereafter and a net operating profit royalty of 20% (the "Lease Option").

Should Placer exercise the Lease Option, Placer has an exclusive right to purchase the Placer Claims (and certain ancillary water rights) plus buyout the royalty for a total consideration of US$1,500,000 for a period of three years from the anniversary of the lease. The Agreement may be terminated at Placer's discretion upon 60 days' written notice to the Company.

In August 2016, the Company entered into an agreement with Goldcliff whereby Goldcliff can earn a 40% interest in the Wheeler and Votipka leases and Cavanaugh property in exchange for incurring US$1,400,000 in exploration expendiuture on the properties over three years, and conveying back to the Company a 60% interest in the Wilson lease that previously was acquired by Goldcliff. The Company is the operator for the earn-in.

Yearly land payments were made to the BLM and the County to keep the property in good standing.

Pine Grove – Preliminary Economic Assessment

On February 16, 2015, Lincoln announced that it had received a positive PEA on the proposed open-pit and heap-leach operations at the Pine Grove gold project. A summary of total Measured and Indicated resources and Inferred resources is presented in the table below. Combined Measured resources (72%) and Indicated resources (28%) total 134,500 ozs gold within designed pit shells containing 3,373,000 tons of mineralized material grading 0.040 opt gold at a 0.007 opt gold cutoff grade. Combined Inferred resources within designed pit shells contain 160,000 tons of mineralized material grading 0.041 opt gold at a 0.007 opt gold cutoff grade. The pits were designed on a gold price of $1425 per oz. The PEA recommends two conventional open pits with a combined stripping ratio of 3.2:1 (Wheeler 2.2:1; Wilson 4.4:1). Contract mining would be employed with a goal of producing 1 million tons of leachable ore per year. Mining operations would be conducted 5 days per week, one shift per day. Crushing operations reducing the ore to 3/8-inch would be conducted 5 days per week, 2 shifts per day with 1 weekend maintenance shift. A gold recovery value of 75% is estimated if the crushed ore is agglomerated. The mine life is presently estimated at 5 years with gold production over a 4-year period ranging from approximately 23,000 to 27,000 ozs gold per year. Capital costs are estimated at approximately $29.8 million. At $1425 per oz gold, the project has an IRR of 23% after royalties, reclamation costs, and the Nevada net Proceeds Tax.

Recent Activities

Planned additional work will include expanded archaeological surveys and hydrologic basin analysis. Also, some additional geochemical testing for acid-base accounting and water mobility is planned. As well, permitting for production is planned to begin early in 2017.

Lincoln plans to advance the Pine Grove project to an open-pit mine with heap-leach gold recovery. In that regard the Company has hired a senior permitting consultant to help it acquire all necessary permits for production. While a number of studies have been completed that are needed for permitting completion there are a few studies left to complete.

The Company announced on April 19th, 2017 that it has hired a Director of Permitting and Environmental Compliance. Mr. Del Fortner, who from 2003 to 2006 directed the Federal mining program for Nevada as Deputy State Director of the Bureau of Land Management (BLM), will assist the joint venture in developing the most cost effective and timely strategies for all exploration and mine development permit issues. He will also provide guidance for all communication with environmental consultants, local, state and federal agencies and local stakeholders.

In November 2016, the Company along with its JV partner, Goldcliff Resource Corporation began a 14 hole drill program on the north side of its Wilson patented ground. The drilling was completed by mid December 2016. All assays were received by the beginning of February 2017. A news release issued on February 9 2017 summarizes the assay results.

The Company was informed by the Nevada State Division of Water Resources that it was forfeiting certain of our water rights at Pine Grove for non-use. This was at the time when the Company was in the process of applying for a point of diversion change.

The Company filed a petition for judicial review of the decision of the Division of Water Resources seeking reinstatement of the water rights and the right to apply for an extension of time to place the water to beneficial use. During a hearing before the Nevada District Court on July 26, 2017, the District Court made its oral ruling granting the Company's petition. The District Court has not yet entered its written decision and order. On entry of the District Court's written order, the Company will apply for an extension of time to place the water to beneficial use and will apply to change the point of diversion of the water to the Company's proposed mine site.

Oro Cruz Gold Property, Imperial County, California

Oro Cruz – Overview:

The Oro Cruz Property is located in the Tumco Mining District of southeastern California. The project is approximately 14 miles southeast from the operating Mesquite gold mine (New Gold Inc.) and adjacent to the past producing American Girl and Padre-Madre gold mines. Acquired in February 2010, Oro Cruz consists of 151 lode claims covering approximately 3,000 acres. Oro Cruz is a pre-development stage gold project.

In September 2010, Lincoln filed a NI 43-101 technical report. Oro Cruz has an Inferred resource estimate of 376,600 ozs gold, grading 0.050 opt gold at a 0.01 opt cutoff grade. The existing pit and underground decline expose gold mineralization. Previous work has identified multiple exploration targets and Lincoln has identified several satellite gold zones, which offer potential for increasing gold resources.

Oro Cruz – History:

The Tumco district was first discovered by the Spaniards and mined as early as 1780-81. The district is believed to have produced the first gold in California. Most recent production was by the American Girl Joint Venture whereby MK Gold Company produced 61,000 ozs gold in one year (1995-96) from open-pit and underground operations. Ore was hauled 2 miles to the southeast where it was milled and heap leached on the American Girl mine site. MK Gold ceased mining when gold prices dropped. Prior to cessation of mining, MK Gold was in the process of a pit wall push back to access additional "ore" in the pit. Gold mineralization remains exposed in the open pit and also in the underground workings.

Claim payments were made in August to the BLM and County to keep the property in good standing.

(in Canadian dollars, unless otherwise stated)

Oro Cruz – Geology & Mineralization:

Oro Cruz Gold Resources – September 2010 – Tetra Tech Report

Category	Cutoff Grade (opt gold)	Short Tons	Average Grade (opt gold)	Contained Ozs Gold
Inferred	0.02	4,835,000	0.070	341,800
Inferred	0.01	7,860,000	0.050	376,600

There was no work carried out on the property after the year end. However it was decided by the board of Directors that the Company should look for a JV partner to advance the project. The Company is talking to various company in that regard.

On May 9, 2017, the Company entered into a Letter Agreement, through its subsidiary, Lincoln Gold US Corp. ("Lincoln US"), granting Ausgold Resources Pty. Ltd. ("Ausgold") an option until June 30, 2017 to enter into a joint venture agreement for the development of the Oro Cruz Property located in Imperial Country, California ("JV Option"). As consideration for granting the JV Option, Ausgold has paid Lincoln US USD$7,500 and committed to purchasing USD$30,000 worth of securities in the Company's next private placement.

If the JV Option is exercised, the joint venture will cover the Hercules claims and the 131 claims held by Lincoln US as well as any mining interests or mineral properties acquired by either party within five miles of the Lincoln US claims.

If the JV Option is exercised, the parties agree to negotiate a formal joint venture agreement which will include the following:

i) periodic payments to Lincoln US from June 30, 2017 until January 15, 2019 totalling US$225,000 plus 200,000 shares of Ausgold (or an additional US$30,000 if Ausgold shares are not publicly traded);

ii) expenditures of an aggregate of US$1,000,000 by January 15, 2019 on the claims covered by the joint venture, with Ausgold as the operator;

iii) upon the above payments and expenditures being made, Ausgold will hold a 51% joint venture interest and Lincoln US will hold a 49% interest;

iv) upon Ausgold earning a 51% joint venture interest, Ausgold shall have the right to increase its interest in the joint venture to 75% by spending an additional US$1,100,000 on the joint venture properties by January 15, 2020 on US claims.

As of the date of this report all cash commitments have been received.

New Opportunities

Lincoln continues to evaluate mineral properties which contain significant drilled gold resources. Evaluations are focused on deposits in the western United States. Gold properties with economic merit and good logistics will be considered for acquisition.

(in Canadian dollars, unless otherwise stated)

4. Outstanding Share Data

The Company's issued and outstanding common shares are 37,825,517 as at the date of this report.

The Company has a total of 1,809,000 outstanding options with exercise price of $0.15 expiring on November 26, 2019.

The Company has a total of 1,532,500 share purchase warrants with exercise price of $0.12 expiring on August 16, 2018; 12,044,000 share purchase warrants with exercise price of $0.08 expiring on April 26, 2022; and 16,000,000 special warrants expiring on June 9, 2027.

5. Related Party Transactions

The following transactions were carried out with related parties:

Key management personnel – services rendered and other compensation

Key management includes offices and directors – executive and non-executive. The compensation paid or payable to key management personnel for the services rendered during the six months ended June 30, 2017 and 2016 were as follows:

	Six months ended June 30, 2017	Six months ended June 30, 2016
	$	$
Directors fees	-	24,000
Management fees	54,000	54,000
Exploration expenses	53,160	41,075
Accounting fees	15,000	30,000
Total	**122,160**	**149,075**

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period. The Company also reimburses key executive directors for travel and other expenses incurred in the normal course of business.

Balance due to related parties

	As at June 30, 2017	As at December 31, 2016
	$	$
Executive officers and their controlled companies	1,340,359	1,277,757
Directors	154,269	154,269
Others	14,072	14,072
Total	**1,508,700**	**1,446,098**

Loans

During the year ended December 31, 2014, the Company received a $24,300 unsecured demand loan from the President of the Company to fund the Company's current working capital requirements. During the year ended December 31, 2015, the Company received additional $7,200 unsecured demand loan from the President of the Company. During the year ended December 31, 2016, the Company received additional $14,310, and repaid $2,200, unsecured demand loan from the President of the Company. During the six months ended June 30, 2017, the Company received additional $1,500, and repaid $4,204, unsecured demand loan from the President of the Company. The loan is unsecured, bearing interest at 5% per annum, calculated and payable on demand. The Company may repay the principal, in whole or in part, at any time without penalty.

During the year ended December, 2015, the Company received a $50,000 loan from an arm's length party. The loan is unsecured, bearing interest at 10% per annum, calculated and payable on demand. The Company may repay the principal, in whole or in part, at any time without penalty.

(in Canadian dollars, unless otherwise stated)

Effective January 1, 2016, all loans, except for the loans received from the President of the Company, ceased to accrue interest.

In February 2014, the $2,300,000 convertible debenture held by Procon (plus approximately $175,000 in accrued interest), was repaid in full and discharged using funds advanced to Lincoln through unsecured, non-convertible loans from companies controlled by two former directors of Lincoln (the "Loans"). The Loans bear interest at a rate of 6% per annum, payable monthly commencing April 1, 2014 for a term of five years at which point the principal amount owing under the Loans is due. Concurrent with the transaction, the two directors resigned from the Company. Effective January 1, 2016, the Loans ceased to accrue interest. Accrued interest on these Loans at December 31, 2016 was $260,389 (2015 - $260,389).

During the year ended December 31, 2014, the Company received advances pursuant to a promissory note of $1,029,000 from Golden Dreams Limited Partnership ("GDLP"), the general partner of which is Mr. Ronald K. Netolizky, a control person of the Company at the time. The advances were unsecured and did not bear interest until November 2014. In October 2014, the Company issued 6,860,000 common shares at a value of $0.15 per share to settle the debt of $1,029,000. The Company also received advances of $425,000 from Mr. Ronald K. Netolitzky. During the year ended December 31, 2016, the Company received additional $15,000. The advances are unsecure non-interest bearing and due on demand.

During the year ended December 31, 2015, the Company received loans totaling CDN$100,000 ($50,000 of which was received from an insider) and US$66,000 from Eros Resource Corp., a company with an insider in common with Lincoln (see news releases dated August 10 and 24, 2015 for details).

During the year ended December 31, 2016, the Company received $6,527 from a company with certain directors in common. The loan is unsecured, non-interest bearing and due on demand.

On June 9, 2017, the Company completed a debt settlement agreement (the "Settlement") with two former directors of the Company (the "Creditors") with respect to outstanding debt (including principal and interest) totaling $4,033,795, of which $1,298,352 was included in loans payable and $2,735,443 was included in promissory notes payable. Under the terms of the Settlement, the Creditors were issued an aggregate of 929,496 common shares of the Company and 16 million special warrants (the "Special Warrants"). Each Special Warrant may be exercised for only fully paid and non-assessable common share (a "Special Warrant Share") in the capital of the Company without payment of additional consideration for a period of 10 years from the date of issue.

Other transactions with related parties

During the six months ended June 30, 2017, the Company received $16,200 (2016 - $15,000) from Golden Band Resources Inc., a company with certain officers and directors in common, for office rent.

6. Liquidity and Solvency

The following table summarizes the Company's cash on hand, working capital and cash flow:

	June 30, 2017	**December 31, 2016**
	$	**$**
Working capital (deficiency)	(2,433,927)	(4,028,092)
Long-term debt	84,350	2,822,719

	Six months ended June 30, 2017	**Six months ended June 30, 2016**
	$	**$**
Cash used in operating activities	(415,300)	(50,212)
Cash used in investing activities	-	-
Cash provided by financing activities	530,096	42,110
Change in cash	114,796	(8,102)

On August 16, 2016, the Company closed a non-brokered private placement. The Company issued a total of 2,750,000 units at a price of $0.10 per unit for total gross proceeds of $275,000. Each unit is comprised of one common share of the Company and one-half of one non-transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.12 per share until August 16, 2018. The Company paid $15,750 in cash commissions and issued a total of 157,500 finder's warrants having the same terms as the private placement warrants.

On April 26, 2017, the Company closed a non-brokered private placement. The Company issued a total of 11,400,000 units at a price of $0.05 per unit for total gross proceeds of $570,000. Each unit is comprised of one common share of the Company and one non-transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.08 per share until April 26, 2022. The Company paid $32,200 in cash commissions and issued a total of 644,000 finder's warrants having the same terms as the private placement warrants.

The Company is dependent on the sale of shares to finance its exploration activities, property acquisition payments and general and administrative costs. The Company will have to raise additional funds in the future to continue its operations. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of financing cannot be obtained, then the Company will be forced to curtail its activities.

7. Commitment

During the year ended December 31, 2015, the Company signed a new office lease effective October 1, 2015 in the amount of $4,642 per month plus escalation for a period of three years.

8. Capital Resources

The Company's primary sources of funding are equity financing through the issuance of stock and debt financing. The Company has no operations that generate cash flows and its long term financial success is dependent on discovering properties that contain mineral reserves that are economically recoverable.

The Company exercises its best effort to seek and utilize its capital resources in an efficient manner in order to meet its business commitments including exploration and mineral property development, acquisitions and working capital.

Capital risk management

The Company defines its capital as shareholders' deficiency. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has interests are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds in the future until the production commences. The Company will continue to assess new properties and seek to acquire an interest in additional properties if management consider there is sufficient geologic or economic potential and the Company has adequate financial resources and support from investors. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

9. Off-Balance Sheet Arrangements

None.

10. Proposed Transactions

There are no proposed transactions that will materially affect the performance of the Company.

11. Accounting policies - International Financial Reporting Standards (IFRS)

The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations, and may require management to make judgements or rely on assumptions about matters that are inherently uncertain. The Company's results of operations are reported using policies and methods in accordance with IFRS. In preparing financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, and expenses for the period.

Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Company's title on mineral property interests

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry practice for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Management reviews its estimates and assumptions on an ongoing basis using the most current information available.

(in Canadian dollars, unless otherwise stated)

12. Financial Instruments

Categories of financial instruments

	June 30, 2017	December 31, 2016
	$	$
Financial assets *		
Loans and receivables		
Cash	161,817	47,021
Other receivables	23,298	19,343
	185,115	66,364
Financial liabilities		
Current		
Amortized at cost		
Accounts payable and accrued liabilities	596,305	753,968
Due to related parties	1,508,700	1,446,098
Loans payable	93,382	1,392,381
Promissory notes	597,437	596,614
Non-current		
Amortized at cost		
Promissory notes	-	2,735,443
	2,795,824	6,924,504

* Sales taxes recoverable do not represent financial instruments and are excluded from the analysis

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Fair value

The carrying value of cash, other receivables, accounts payable and accrued liabilities, loans from directors, and promissory notes approximated their fair value because of the relatively short-term nature of these instruments.

Foreign exchange risk

The Company's operations in the United States expose the Company to foreign exchange risk. The Company is subject to currency risk due to the fluctuations of exchange rates between the Canadian and US dollars. The Company does not believe it is exposed to significant foreign exchange risk. A 10% fluctuation in the foreign exchange rate between the Canadian and US dollar will result in a foreign exchange gain/loss of approximately $87,000. The Company does not enter into derivative financial instruments to mitigate foreign exchange risk.

Credit risk

The Company's cash is largely held in large Canadian financial institutions. The Company maintains cash deposits with Schedule A financial institutions, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not hold any financial liabilities with variable interest rates.

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Price risk

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of precious metals. The Company monitors precious metals prices to determine the appropriate course of action to be taken by the Company.

13. Risks and Uncertainties

The Company's principal activity is mineral property development and exploration. Companies in this industry are subject to many and varied kinds of risk, including but not limited to, environmental, metal prices, political and economical.

The mineral exploration business is risky and most exploration projects will not become mines. The Company may offer an opportunity to a mining company to acquire an interest in a property in return for funding all or part of the exploration and development of the property. For the funding property acquisitions and exploration that the Company conducts, the Company depends on the issue of shares from the treasury to investors. These stock issues depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management.

The Company has no significant source of operating cash flow and no revenues from operations. The Company has not yet determined whether its mineral properties contain mineral reserves that are economically recoverable. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves.

There is no guarantee that the Company will be able to contribute or obtain all necessary resources and funds for the exploration and exploitation of its permits, and may fail to meet its exploration commitments.

The properties that the Company has an option to earn interests in are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, that are explored, are ultimately developed into producing mines.

Exploration of the Company's mineral properties may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

14. Trends

Trends in the industry can materially affect how well any junior exploration company is performing. There are two trends that seem to affect the well-being of junior miners. One is the price of the commodity, which is being produced and the other is the general market condition. Over the last few years the trend in the prices of precious metals, in particular gold, has been downward on the spot basis as well as the average trailing prices of the metals. The gold price seems to have stabilized over the last year or so, and generally in the last few months the trend has been upward. The other aspect is the general stock market conditions. Unfortunately, the junior mining sector has been under tremendous negative pressure in the market over the last few years however this condition appears to be changing and is difficult to predict as markets for junior issurers has been up and down over the last year. Management believes that the markets will start to slowly improve for the juniors. Lincoln is committed to advance its properties to production as quickly as possible to get into a cash flow position.

15. Outlook

The outlook for precious metals appears to be slightly positive on the short term but depending on economic conditions world-wide and world events this could change especially as it relates to interest rate changes in the U.S. Lincoln will require significant investment as they transition into development stage projects. Staff and contractor requirements are expected to increase as Lincoln fast-tracks these properties to production. Lincoln management's objective is to become a new junior gold-silver producer in the United States, where there is no threat to mineral tenure or repatriation of mining profits.

Cautionary Statement

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans and our other future plans and objectives are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, (i) estimates of exploration investment and scope of exploration programs, and (ii) estimates of stock-based compensation expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statement. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date of statements are made, and the Company endeavours to update corporate information and material facts on a timely basis. Forward-looking statements are subject to risks, uncertainties and other actors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks.