LINCOLN GOLD MINING INC

(Formerly - Lincoln Mining Corporation)

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the three months ended March 31, 2020

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Notice to Reader

Management has prepared the unaudited condensed interim consolidated financial statements for Lincoln Gold Mining Inc (formerly – 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 interim financial statements for the three-month period ended March 31, 2020.

LINCOLN GOLD MINING Inc (formerly – Lincoln Mining Corporation)
Consolidated Statements of Financial Position
(Unaudited)
As at March 31, 2020 and December 31, 2019

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

	Notes	March 31, 2020	December 31, 2019
		$	**$**
Assets			
Current assets			
Cash		68,790	56,244
Receivables	10	51,265	28,915
Prepaid expenses		18,429	29,476
		138,484	114,635
Non-current assets			
Equipment		-	-
Right-of-use asset	4	75,517	88,103
Deposits		14,236	14,068
Mineral properties	5	156,000	156,000
		245,753	258,171
Total assets		**384,237**	**372,806**
Liabilities and shareholders' deficiency			
Current liabilities			
Accounts payable and accrued liabilities	10	1,766,288	1,748,233
Lease liability – short term	7	44,377	59,056
Loans payable	8	60,224	59,795
Promissory notes	9	1,063,477	1,064,987
		2,934,366	2,932,071
Non-current liabilities			
Lease liability – long term	7	38,145	36,049
Provision for environmental rehabilitation	6	92,216	84,422
		130,361	120,471
Total liabilities		**3,100,194**	**3,052,542**
Shareholders' deficiency			
Share capital	11	24,383,791	24,163,791
Subscriptions received	11	165,000	-
Capital reserves	11	2,908,994	2,908,994
Deficit		(30,138,275)	(29,752,521)
Total shareholders' deficiency		**(2,680,490)**	**(2,679,736)**
Total liabilities and shareholders' deficiency		**384,237**	**372,806**

Nature of operations (Note 1)
Subsequent events (Note 16)

Approved and authorized by the Board on May 29, 2020.

"Paul Saxton" Director — Paul Saxton

"Andrew Milligan" Director — Andrew Milligan

LINCOLN GOLD MINING INC (formerly – Lincoln Mining Corporation)

Consolidated Statements of Loss and Comprehensive Loss

(Unaudited)

For the three months ended March 31, 2020 and 2019

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

	Notes	2020	2019
Exploration expenses	5, 10	**13,250**	**26,086**
Administrative expenses			
Consulting and management fees	10	40,690	31,440
Depreciation	4	12,586	11,915
Foreign exchange loss (gain)		223,344	(42,517)
Investor relations and shareholder services		10,672	9,409
Office maintenance		28,385	13,793
Professional fees	10	37,514	20,000
Travel		2,954	435
		356,145	**44,475**
Finance expenses (income)			
Interest expense		16,359	10,350
Write-off of accounts payable		-	(12,532)
		16,359	**(2,182)**
Loss and comprehensive loss for the period		**(385,754)**	**(68,379)**
Basic and diluted earnings (loss) per common share		$ (0.02)	$ (0.01)
Weighted average number of common shares outstanding		**16,196,464**	**7,112,025**

LINCOLN GOLD MINING INC (formerly – Lincoln Mining Corporation)
Consolidated Statements of Cash Flows
(Unaudited)
For the three months ended March 31, 2020 and 2019

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

	2020	2019
	$	$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the period	**(385,754)**	**(68,379)**
Items not affecting cash:		
Accrued interest expense	16,359	10,350
Depreciation	12,586	11,915
Unrealized foreign exchange	55,517	(8,184)
Changes in non-cash working capital items:		
Increase (decrease) in accounts payable and accrued liabilities	175,055	(175,626)
Decrease in prepaid expenses and deposits	11,047	15,654
Decrease (Increase) in receivables	(22,350)	(2,285)
Net cash used in operating activities	**(137,540)**	**(216,555)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Recoveries of mineral properties	96,548	69,171
Exploration funding	(96,548)	80,576
Net cash provided by investing activities	**-**	**149,747**
CASH FLOWS FROM FINANCING ACTIVITIES		
Share subscriptions received in advance	165,000	-
Promissory notes issued for cash	-	160,251
Loans paid	(56)	(4,168)
Payment for lease liability	(14,858)	(14,338)
Net cash provided by financing activities	**150,086**	**141,745**
Net change in cash for the period	12,546	74,937
Cash, beginning of the period	56,244	70,102
Cash, end of the period	**68,790**	**145,039**

Supplemental cash flow information (Note 13)

(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, 2018	**7,519,719**	**23,399,098**	**2,877,687**	**-**	**(29,045,210)**	**(2,768,425)**
Loss for the period	-	-	-	-	(68,379)	(68,379)
Balance at March 31, 2019	**7,519,719**	**23,399,098**	**2,877,687**	**-**	**(29,113,589)**	**(2,836,804)**
Balance at December 31, 2019	**15,664,596**	**24,163,791**	**2,908,994**	**-**	**(29,752,521)**	**(2,679,736)**
Subscriptions received in advance	-	-	-	165,000	-	165,000
Shares issued for debt	2,220,000	220,000	-	-	-	220,000
Loss for the period	-	-	-	-	(385,754)	(385,754)
Balance at March 31, 2020	**17,864,596**	**24,383,791**	**2,908,994**	**165,000**	**(30,138,275)**	**(2,680,490)**

On September 24, 2019, the Company consolidated its common shares on the basis of ten pre-consolidated common shares for one post-consolidated common share. The number of common shares outstanding has been retroactively adjusted in these financial statements to reflect the share consolidation. Simultaneously with the share consolidation, the Company also completed a name change to Lincoln Gold Mining Inc. from Lincoln Mining Corporation.

1 Nature of operations

Lincoln Gold Mining Inc. (formerly – 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 condensed interim consolidated financial statements of the Company for the three months period ended March 31, 2020 comprise of the Company and its subsidiaries (Note 2(b)). These condensed interim 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 three months ended March 31, 2020 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, 2019.

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

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 29, 2020.

Going concern assumption

These unaudited condensed interim 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 and the Company has incurred ongoing losses since inception. Further, the Company has a working capital deficiency of $2,795,882 (December 31, 2019 - $2,817,436) and total liabilities of $3,064,727 (December 31, 2019 - $3,052,542). 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 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.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

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

2 Basis of Presentation (Cont'd)

New and amended standards adopted by the Company

IFRS 16 – Leases

The Company adopted IFRS 16 effective on January 1, 2019 using the modified retrospective approach. In accordance with the transition provisions in IFRS 16, the new rules have been adopted retrospectively with the cumulative effect of initially applying the new standard recognized on January 1, 2019. The comparatives for the 2018 reporting period have not been restated and are accounted for under IAS 17 - Leases, and IFRIC 4 - Determining Whether an Arrangement Contains a Lease, as permitted under the specific transitional provisions in the standard. The transitional adjustments arising from the adoption are recognized in the opening deficit on January 1, 2019. Upon adoption of IFRS 16, the Company recognized lease liabilities in relation to a lease for office space which had previously been classified as "operating lease" under the principles of IAS 17 – Leases under which these lease payments were recorded as expenses as they were incurred. Under IFRS 16, these liabilities were measured at the present value of the remaining lease payments as at January 1, 2019, discounted using the Company's incremental borrowing rate. The weighted average incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 10%. An associated right-of-use asset for the lease was measured at the amount equal to the lease liability on January 1, 2019.

As at January 1, 2019, the Company recognized $138,448in right-of-use assets and lease liabilities as summarized below:

	$
Minimum lease payments under operating leases as of December 31, 2018	159,312
Effect from discounting at the incremental borrowing rate as of January 1, 2019	(20,864)
Lease liabilities recognized as of January 1, 2019	138,448
Right-of-use assets recognized as of January 1, 2019	138,448

As a result of the adoption of IFRS 16, the Company has amended its accounting policy for leases, from that disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2018.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of economic benefits from use of the asset during the term of the arrangement and if the Company has the right to direct the use of the asset.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any commissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in our estimated or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

2 Basis of Presentation (Cont'd)

(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 consolidated financial statements include the financial statements of Lincoln Gold Mining Inc. (Formerly - Lincoln Mining Corporation), the parent company and the subsidiaries listed below:

	Country of Incorporation	Economic interests	Principal activity
Lincoln Gold Mining Inc. (formerly – Lincoln Mining 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

(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.

(d) Comparative figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current period.

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.

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

3 Critical accounting estimates and judgements (Cont'd)

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 Right-of-use asset

The following table summarizes the Company's right-of-use asset:

	$
Balance at January 1, 2019 (Note 2)	138,448
Depreciation	(50,345)
Balance at December 31, 2019	88,103
Depreciation	(12,586)
Balance at March 31, 2020	**75,517**

5 Mineral properties

The Company's mineral property interests are comprised of the following properties:

	United States		
	Pine Grove	**Oro Cruz**	**Total**
	$	**$**	**$**
Balance at December 31, 2018	-	69,171	69,171
Additions	156,000	63,089	219,089
Recoveries	-	(132,260)	(132,260)
Balance at December 31, 2019 and March 31, 2020	156,000	**-**	**156,000**

Exploration expenditures (recoveries) incurred during the three months period ended March 31, 2020:

	United States		**Total**
	Pine Grove	**Oro Cruz**	
	$	**$**	**$**
Contractors	48,525	4,613	**53,138**
General administration	6,047	-	**6,047**
Land maintenance	742	3,294	**4,036**
Permitting environment	7,782	38,785	**46,577**
Option payment received	-	(33,623)	**(33,623)**
Recovery from a joint venture partner	-	(62,925)	**(62,925)**
Total mineral property expenditures	**63,096**	**(49,846)**	**13,250**

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

5 Mineral properties (Cont'd)

Exploration expenditures (recoveries) incurred during the year ended December 31, 2019:

	United States		Other	Total
	Pine Grove	Oro Cruz	Properties	
	$	$	$	$
Contractors	134,099	142,316	-	**276,415**
General administration	86,982	1,721	-	**88,703**
Geochemistry	-	945	-	**945**
Land maintenance	4,993	119,557	1,429	**125,979**
Permitting environment	3,783	-	-	**3,783**
Property evaluation	(9,952)	3,589	-	**(6,363)**
Travel and accommodation	217	7,142	-	**7,359**
Recovery from a joint venture partner	(33,438)	(96,962)	-	**(130,400)**
Total mineral property expenditures	**186,684**	**178,308**	**1,429**	**366,421**

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 7-12 paid by Goldcliff Resource Corporation ("Goldcliff") a company with a common director).

(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.

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

5 Mineral properties (Cont'd)

(a) Pine Grove Property, Nevada (Cont'd)

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, 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.

(iii) 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 4,000 common shares of the Company as follows:

- On closing US$250,000 and 1,500 shares (paid)
- August 23, 2011 US$150,000 and 1,500 shares (paid)
- August 23, 2012 US$150,000 and 1,000 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 (received) for the first year and US$6,000 thereafter and a net operating profit royalty of 20% (the "Lease Option").

5 Mineral properties (Cont'd)

(a) Pine Grove Property, Nevada (Cont'd)

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.

(iv) 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 year ended December 31, 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. The District Court entered its written decision in August 2017 granting the Company's petition. Lincoln has applied 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.

(v) On October 8, 2019, the Company and Goldcliff Canada entered into a Purchase Option Letter agreement to re-acquire from Goldcliff Canada and its affiliates their interest in the Pine Grove Gold project for the consideration of USD $200,000 cash and 2,750,000 common shares of the Company as follows:

Cash, USD $200,000 to be paid as follows:

- Cash of US$50,000 to be paid upon completion of the next financing of the Company (not paid);
- Cash of US $50,000 to be paid on or before March 31, 2020 (not paid);
- Cash of US $50,000 to be paid on or before June 30, 2020;
- Cash of US $50,000 to be paid on or before December 31, 2020.

Shares, 2,750,000 shares to be issued as follows:

- Shares, 1,200,000 shares issued following the closing of the first financing – (Issued with a fair value of $156,000);
- Shares, 800,000 shares to be issued on December 31,2019 (Issued subsequently (Note 16));
- Shares, 750,000 shares to be issued on March 31, 2020. (not issued)

There is a "cutback" provision, provided that the Company shall not be required to issue shares to Goldcliff to the extent that such issuance would result in Goldcliff holding 10% or more of the outstanding shares of the Company, to the extent that the cutback reduces the number of shares above, the Company shall issue the shares that were subject to the cutback as soon as practicable after Goldcliff advises the Company that the issuance of such shares will not result in Goldcliff holding 10% or more of the outstanding shares of the Company.

5 Mineral properties (Cont'd)

(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)
- US$200,000 by February 22, 2018 (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)

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.

On March 26, 2018, the Company terminated the option it granted to Ausgold on May 9, 2017 on the Oro Cruz property as a consequence of Ausgold not satisfying its obligations under the option agreement. Lincoln retains the property in good standing and proceeded to reacquire an option on the Hercules claims.

5 Mineral properties (Cont'd)

(b) Oro Cruz Property, California (Cont'd)

On May 1, 2018, the Company entered into a Purchase Option Letter agreement to re-acquire a 100% interest in the Hercules claims from ADGIS, Inc. ("ADGIS") (this agreement replaces the original agreement from February 2010). The Company must make scheduled payments to ADGIS totaling US$500,000 over five years and royalty payments as follows:

- US$25,000 by May 15, 2018 (paid)
- US$25,000 by August 1, 2018 (paid)
- US$25,000 by October 1, 2018 (paid)
- US$25,000 by December 1, 2018 (paid)
- US$50,000 by May 15, 2019 (paid)
- US$50,000 by May 15, 2020
- US$100,000 by May 15, 2021
- US$100,000 by May 15, 2022
- US$100,000 by May 15, 2023
- 2% net smelter return royalty from production within the Hercules claim boundaries ("Hercules Royalty")
- 1% net smelter return royalty from production generated by the Company outside the Hercules claim boundaries and within a 1-mile radius of the Hercules claims ("Buffer Royalty")

0.5% of the Hercules Royalty and the Buffer Royalty together can be repurchased by the Company for US$500,000, which would reduce the Hercules Royalty to 1.5% and the Buffer Royalty to 0.5%.

An additional 0.5% of the Hercules Royalty can be repurchased by the Company for US$500,000 to reduce the Hercules royalty to 1%.

On February 28, 2019, the Company granted to Demerara Gold Corp. "Demerara" and Bell Mountain Exploration Corp. "Bell Mountain" the right to enter into a formal Option and Joint Venture Agreement for the exploration of the Oro Cruz property. To earn a 75% interest, Demerara and Bell Mountain will have to spend approximately USD$2.1 million in property payments, exploration and development over the next five years. As of September 30, 2019, Demerara and Bell Mountain have advanced $252,154 (December 31, 2018 - $33,010) to the Company. With the signing of the formal agreement below, these advances are no longer payable, will be acknowledged as applied towards exploration expenditures and have been recorded as a recovery.

On October 1, 2019, the Company entered into a formal Option and Joint Venture Agreement with Demerara Gold Corp. "Demerara" and Bell Mountain Exploration Corp. "Bell Mountain" collectively the "Optionee", granting the optionee an option to purchase up to an undivided 75% interest in the Oro Cruz Property. (See "Owl" below).

i) **First Option** – 51% interest in the Oro Cruz Property

The Company grants the Optionee the right to acquire a 51% interest in the Oro Cruz Property by paying US$110,000 cash, funding the payments made to maintain the ADGIS Agreement in good standing, and incurring US$1,000,000 in exploration expenditures as follows:

Cash of US$110,000 as follows:

- Cash of US$10,000 paid to the Company – paid March 6, 2019;
- Cash of US$25,000 to be paid to the Company on or before February 15, 2020 (received);
- Cash of US$25,000 to be paid to the Company on or before February 15, 2021;
- Cash of US$25,000 to be paid to the Company on or before February 15, 2022;
- Cash of US$25,000 to be paid to the Company on or before February 15, 2023.

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

5 Mineral properties (Cont'd)

(b) Oro Cruz Property, California (Cont'd)

Cash payments to ADGIS

- Cash of US$50,000 paid to ADGIS – paid May 15, 2019;
- Cash of US$50,000 to be paid to ADGIS on or before April 15, 2020 (paid);
- Cash of US$100,000 to be paid to ADGIS on or before April 15, 2021;
- Cash of US$100,000 to be paid to ADGIS on or before April 15, 2022;
- Cash of US$100,000 to be paid to ADGIS on or before April 15, 2023.

Exploration expenditures of US$1,000,000 as follows:

- Exploration of US$200,000 acknowledged as incurred to October 1, 2019 (incurred);
- Exploration of US$400,000 cumulative to be incurred before October 1, 2020;
- Exploration of US$700,000 cumulative to be incurred before October 1, 2021;
- Exploration of US$1,000,000 cumulative to be incurred before October 1, 2022.

ii) **Second Option** – 75% interest in the Oro Cruz Property (It is 51% plus an additional 24%)

The Company grants the Optionee the right to acquire an additional 24% interest in the Oro Cruz Property by making cash payments, or incurring exploration expenditures in any combination thereof to a total of US$600,000 on or before October 1, 2023.

On March 18, 2020 Owl Capital Corp. ("Owl") closed its previously announced Qualifying Transaction with Eros Resources Corp. ("Eros") and Demerara Gold Corp. ("Demerara") whereby Owl acquired Demerara and Eros and thereby acquired an exclusive optionto acquire a 75% interest in the Oro Cruz Gold Project in California. Southern Empire Resources Corp. (formerly Owl Capital Corp.) was incorporated pursuant to the Business Corporations Act of British Columbia on September 27, 2017. As a result of closing the Qualifying Transaction the company changed its name to Southern Empire Resources Corp. and was listed as a Tier 2 mining issuer on the TSX Venture Exchange under the symbol "SMP" and commenced trading on the TSX Venture Exchange on March 24, 2020.

6 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:

	March 31, 2020	**December 31, 2019**
	$	$
Beginning balance	84,422	88,673
Changes in exchange rates	7,794	(4,251)
Closing balance	**92,216**	**84,422**

During the three month period ended March 31, 2020 and during the year ended December 31, 2019, the finance costs in relation to the accretion of the provision are negligible.

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

7 Lease liability

	Total
	$
Balance at January 1, 2019 (Note 2)	138,448
Interest expense	11,854
Lease payments	(55,197)
Balance at December 31, 2019	95,105
Interest expense	2,275
Lease payments	(14,858)
Balance at March 31, 2020	82,522
Current portion of lease liability	(44,377)
Long-term portion of lease liability	**38,145**

The Company's future lease commitment as at March 31, 2019 is as follows:

	$
2020	44,377
2021	45,058
	89,435

8 Loans payable

The following loans were provided by the President of the Company to support its working capital requirements.

	Period Ended March 31, 2020	**Year ended December 31, 2019**
	$	**$**
Opening balance	59,795	74,336
Loans repaid during the year	(56)	(17,005)
Interest accrued during the year	485	2,464
Closing balance	**60,224**	**59,795**

During the three-month period ended March 31, 2020, the Company received $Nil (Year ended December 31, 2019 - $Nil), and repaid $56 (December 31, 2018 - $17,005), 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. As at March 31, 2020, the loan payable balance to the President of the Company is $60,224 (December 31, 2019 - $59,795).

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

9 Promissory notes

	Three months period ended March 31, 2020	**Year ended December 31, 2019**
	$	**$**
Opening balance	1,064,987	825,529
Promissory notes provided/settled during the period	(63,000)	213,595
Interest accrued during the period	11,172	46,013
Settlement of promissory notes	-	-
Foreign exchange	50,318	(20,150)
Closing balance	**1,063,477**	**1,064,987**

As of March 31, 2020, the Company has received advances of $440,000 (December 31, 2019 - $440,000) from Mr. Ronald K. Netolitzky, a previous control person of the Company, and two other companies controlled by Mr. Ronald K. Netolitzky. 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. On March 9, 2020 the Company issued 630,000 common shares for settlement of debt in the amount of $63,000.

During the year ended December 31, 2015, the Company received US$66,000 from a company that has an insider in common with Lincoln. During the year ended December 31, 2017, the existing promissory note was terminated and both parties subsequently entered into a new promissory note agreement consisting of the existing principal and interest in the aggregate amount of US$71,000. The loan is secured by the Company's US properties and evidenced by a promissory note bearing interest at 9% per annum. Principal and accrued interest was payable upon termination of the note on September 15, 2017. On January 3, 2018, the Company issued 64,344 common shares for settlement of debt in the amount of $32,172.

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 August 24, 2018, September 11, 2018, October 23, 2018, January 23, 2019, March 29, 2019, and May 30, 2019, the Company received $65,180 (US$50,000), $65,070 (US$50,000), $91,994 (US$70,000), $93,436 (US$70,000), $66,815 (US$50,000) and $53,344 (US$40,000) from Dragon Hill Creation Limited, respectively, a company controlled by a director of the Company. The loans are unsecured and evidence by promissory notes bearing interest at 10% per annum, calculated and payable on the termination date of the promissory notes being June 30, 2019. The Company may prepay the principal, in whole or in part, at any time without penalty.

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

10 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 three months period ended March 31, 2020 and 2019 were as follows:

	Three months ended March 31, 2020	Three months ended March 31, 2019
	$	$
Management fees	27,000	27,000
Corporate fees	7,500	-
Exploration expenses	47,625	30,412
Accounting fees	15,000	15,000
Total	**97,125**	**72,412**

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 March 31, 2020	As at December 31, 2019
	$	$
Executive officers and their controlled companies	617,452	499,195
Directors	15,000	15,000
Total	**632,452**	**514,195**

The balances due to related parties are included in accounts payable and accrued liabilities.

Balance due from related parties

	As at March 31, 2020	As at December 31, 2019
	$	$
Companies with a director in common	4,044	2,625
Directors	500	1,799
Total	**4,544**	**4,424**

The balances due from related parties are included in receivables.

Loans from related parties
See Notes 8, 9 and 11 for further details.

Other transactions with related parties

During the three months period ended March 31, 2020, the Company received $9,180 (2019 - $6,000) from Golden Band Resources Inc., a company with certain officers and directors in common, and Goldcliff, for office rent.

Goldcliff is a private company controlled by the President of the Company – See Note 5, 11 and 16.

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

Share capital and reserves

a) Authorized share capital

As at March 31, 2020 and December 31, 2019, 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. As at March 31, 2020 there were 17,864,596 (December 31, 2019 - 15,664,596) fully paid common shares issued

On September 24, 2019, the Company consolidated its common shares on the basis of ten pre-consolidated common shares for one post-consolidated common share. The number of common shares outstanding and per share amounts have been retroactively adjusted in these unaudited condensed interim consolidated financial statements to reflect the share consolidation. Simultaneously with the share consolidation, the Company also completed a name change to Lincoln Gold Mining Inc. from Lincoln Mining Corporation.

In March 2020, the Company entered into various settlement agreements with respect to approximately $1,355,720 of debts. Debts of $220,000 with related parties were settled through the issuance of 2,200,000 common shares of the Company at $0.10 per share for a gross amount of $220,000.

On November 18, 2019, the Company issued 1,200,000 shares at a value of $156,000 to Goldcliff Canada, pursuant to the Pine Grove Property, Nevada mineral interest. See Note 5.

On October 30, 2019, the Company closed a non-brokered private placement. The Company issued a total of 6,400,000 units at a price of $0.10 per unit for total gross proceeds of $640,000. Each unit is comprised of one common share of the Company and one-half common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.14 per share until October 30, 2021. An amount of $64,000 was allocated to reserves in connection with the residual value of warrants issued.

On July 10, 2019 the Company issued 544,877 fully-paid common shares pursuant to the exercise of 544,877 special warrants. On exercise, $32,693 was allocated from capital reserves to share capital.

b) Capital reserves

	Capital reserve – options	Capital reserve – warrants	Capital reserve – convertible debenture	Total
	$	$	$	$
Balance as at December 31, 2018	1,227,184	1,435,117	215,386	2,877,687
Private placement	-	64,000	-	64,000
Exercise of special warrants		(32,693)		(32,693)
Balance as at December 31, 2019 and March 31, 2020	**1,227,184**	**1,466,424**	**215,386**	**2,908,994**

c) Stock options

As at March 31, 2020 and December 31, 2019, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
-	-	-
Nil		

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

11 Share capital and reserves (Cont'd)

c) Stock options (Cont'd)

Stock option transactions for the three months period ended March 31, 2020 and for the year ended December 31, 2019 are summarized as follows:

		Year ended March 31, 2020		**Year ended December 31, 2019**
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
		$		**$**
Balance, beginning of period/year	-	-	180,900	1.50
Expired	-	-	(180,900)	1.50
Options exercisable, end of period/year	-	-	-	-

d) Warrants

As at March 31, 2020, the Company had share purchase warrants, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
3,200,000	$0.14	October 30, 2021
3,328,590	$0.80	April 26, 2022
6,528,590		

Warrants transactions for the year ended December 31, 2019 and year ended December 31, 2018 are summarized as follows:

		Year ended March 31, 2020		**Year ended December 31, 2019**
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
		$		**$**
Balance, beginning of period/year	6,528,590	0.48	3,660,290	0.82
Issued	-	-	3,200,000	0.14
Expired	-	-	(331,700)	1.00
Balance, end of period/year	6,528,590	0.48	6,528,590	0.48

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

11 Share capital and reserves (Cont'd)

d) Special warrants

As at March 31, 2020, the Company had special warrants, enabling the holders to acquire further non-assessable common shares as follows:

Number of Shares	Exercise Price	Expiry Date
1,055,123	$Nil	June 9, 2027
1,055,123		

In June 2017, the Company completed a debt settlement agreement. As part of the debt settlement the Company issued 1,600,000 special warrants with a value of $960,000. Each Special warrant may be exercised for one fully paid and non-assessable common share of the Company without payment of additional consideration for a period of 10 years from the date of issue. The Company is not obligated to issue any common shares from the 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. In addition, the special warrants have no voting rights and no entitlement to dividends.

On July 10, 2019, 544,847 special warrants were exercised into 544,877 common shares leaving 1,055,123 special warrants outstanding at March 31, 2020.

12 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. There were no changes to the Company's approach to capital management during the current period.

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

12 Financial instruments (Cont'd)

Categories of financial instruments

	March 31, 2020	December 31, 2019
	$	$
Financial assets *		
Loans and receivables		
Cash	68,790	56,244
Other receivables	23,914	4,456
	92,704	60,700
Financial liabilities		
Current		
Amortized at cost		
Accounts payable and accrued liabilities	1,766,288	1,748,238
Exploration funding	-	-
Lease liability	82,522	95,105
Loans payable	60,224	59,795
Promissory notes	1,063,477	1,064,987
	2,972,511	2,968,125

* 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, exploration funding, loans payable, and promissory notes approximated their fair value because of the relatively short-term nature of these instruments. The carrying value of lease liability approximated its fair value as it bears interest that approximates current market rates.

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 $150,000. 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)

13 Supplemental cash flow information

	Three months ended March 31, 20120	Year ended December 31, 2019
	$	$
Cash paid for interest	-	-
Cash paid for income taxes	-	-

In March 2020, the Company entered into various settlement agreements with respect to approximately $1,355,720 of debts. Debts of $220,000 with related parties will be settled through the issuance of 2,200,000 common shares of the Company. The remaining debt currently due of approximately $1,135,720 will be restructured and become payable over 3 years.

On November 18, 2019, the Company issued 1,200,000 shares at a value of $156,000 to Goldcliff Canada, pursuant to the Pine Grove Property, Nevada mineral interest. (Note 11)

As at December 31, 2019, accounts payable and accrued liabilities includes $Nil (US$Nil) (December 31, 2018 - $66,104 (US$50,000)) related to mineral property costs capitalized pursuant to the Purchase Option letter agreement for the Oro Cruz Property.

14 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, 2019	
United States of America	157,818
Canada	100,353
	258,171
March 31, 2020	
United States of America	156,000
Canada	89,753
	245,753

15 Subsequent events

On April 08, 2020, the Company has closed a non-brokered private placement offering of 2,200,000 units of the Company at a price of $0.075 per unit to raise gross proceeds of $165,000. Each unit consists of one common share of the Company and one half of a common share purchase warrant. Each warrant entitles the holder, on exercise thereof, to purchase one additional common share at a price of $0.10 per share for a period of 24 months from the closing of the private placement.

On April 17, 2020, the Company issued 800,000 shares with respect to the Pine Grove acquisition - see Note 5(a)(v).

FORM 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) WHICH HAS BEEN PREPARED ON MAY 29, 2020 TO ACCOMPANY THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF LINCOLN GOLD MINING INC. (THE “COMPANY” OR “LINCOLN”) FOR THE THREE MONTHS ENDED MARCH 31, 2020.

This Management’s Discussion and Analysis (“MD&A”), should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the three months ended March 31, 2020 and the annual audited consolidated financial statements of the Company for the year ended December 31, 2019. All financial amounts are stated in Canadian currency unless stated otherwise.

Our financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

Our financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”). All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say “we”, “us”, “our”, the “Company” or “numbered company”, we mean Lincoln Gold Mining Inc., as it may apply.

This management discussion and analysis may contain forward-looking statements in respect of various matters including upcoming events and include without limitation, statements regarding discussions of the Company’s business strategy, future plans, projections, objectives, estimates and forecasts and statements as to management's expectations with respect to, among other things, the development of the Company’s project. These forward-looking statements involve numerous risks and uncertainties and actual results may vary. Important factors that may cause actual results to vary include without limitation, certain transactions, certain approvals, changes in commodity prices, risks inherent in exploration results, timing and success, inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and mineral resources), delays in the receipt of government approvals, and changes in general economic conditions or conditions in the financial markets. In making the forward-looking statements in this MD&A, the Company has applied several material assumptions, including without limitation, the assumptions that: (1) any additional financing needed will be available on reasonable terms.

Additional factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, among other factors: (1) weak commodity prices and general metal price volatility; (2) the state of the global economy and economic and political events, including the deterioration of the global capital markets, affecting supply and demand and economic and political events affecting supply and demand; and (3) securing and the nature of regulatory permits and approvals and the costs of complying with environmental, health and safety laws and regulations.

The Company cannot assure you that any of these assumptions will prove to be correct.

The words “expect,” “anticipate,” “estimate,” “may,” “will,” “should,” “intend,” “believe,” “target,” “budget,” “plan,” “projection” and similar expressions are intended to identify forward-looking statements. Information concerning mineral reserve and mineral resource estimates also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present during operations or if and when an undeveloped project is actually developed.

These factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. The Company believes that the expectations reflected in the forward-looking statements, including future-oriented financial information, contained in this MD&A and any documents incorporated by reference are reasonable, but no assurance can be given that these expectations will prove to be correct. In addition, although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, including future-oriented financial information, there may be other factors that cause actions, events, or results not to be as anticipated, estimated, or intended. The Company undertakes no obligation to disclose publicly any future revisions to forward-looking statements, including future-oriented financial information, to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events, except as expressly required by law.

Additionally, the forward-looking statements, including future-oriented financial information, contained herein are presented solely for the purpose of conveying our reasonable belief of the direction of the Company and may not be appropriate for other purposes.

The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

This MD&A contains certain forward-looking statements based on the best beliefs, and reasonable assumptions of the management of Lincoln Gold Mining Inc. 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 Gold Mining Inc. (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 Gold Mining Inc. is an advanced-stage precious metals exploration and development company with two projects in various stages of exploration which include the Pine Grove gold 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. On September 24, 2019, the Company consolidated its common shares on the basis of ten pre-consolidated common shares for one post-consolidated common share. The Company also completed a name change to Lincoln Gold Mining Inc. from Lincoln Mining Corporation. The TSXV approved this consolidation of stock and name change in September 2019.

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.

Activities during the first quarter 2020

In April 2020, the Company closed a non-brokered private placement offering (the "Private Placement") of 2,200,000 units of the Company (the "Units") at a price of $0.075 per Unit to raise gross proceeds of $165,000. Each Unit consists of one common share in the capital of the Company (a "Common Share") and one half of a Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder, on exercise thereof, to purchase one additional Common Share at a price of $0.10 for a period of 24 months from the closing of the Private Placement.

Overview … (continued)

Subsequent to the closing, the Company issued 800,000 shares to Goldcliff Resource Corporation ("Goldcliff') with respect to the Pine Grove acquisition (see FS note 5(a)(v).

In February 2020 the Company announces that it has engaged Stantec Consulting Services Inc. of Reno, NV as lead consultant to oversee and complete the Environmental Impact Statement (EIS) for the Pine Grove Gold Project. Stantec is working closely with the United States Forest Service (USFS), the lead agency for the Pine Grove project. The USFS is an agency of the US Department of Agriculture managing about 25% of federal lands. The USFS has authorized and is directing the various studies to be conducted by Stantec that will culminate in an EIS. The EIS will be submitted for review under the National Environmental Policy Act (NEPA). Final NEPA approval is necessary for the Pine Grove project to proceed to the construction phase of an open-pit, heap leach operation and onto commercial production.

In March 2020, the Company entered into various settlement agreements with respect to approximately $1,355,720 of debts. Debts of $220,000 with related parties have been settled through the issuance of 2,200,000 common shares of the Company. The remaining debt, currently due of approximately $1,135,720, will be restructured and become payable over 3 years.

<u>Corporate Activities during the year ended December 31, 2019:</u>

On March 4, 2019, the Company granted to Demerara Gold Corp. ("Demerara") and Bell Mountain Exploration Corp. ("Bell Mountain") the right to enter into a formal Option and Joint Venture Agreement until June 30, 2019 for the exploration of the Oro Cruz property. To earn a 75% interest, Demerara and Bell Mountain will have to spend approximately USD$2.1 million in property payments, exploration and development over the next five years. As consideration for granting the due diligence period, Demerara and Bell Mountain will pay the Company US$10,000 and commit to purchasing $35,000 worth of securities in the Company's next private placement. Demerara has advanced $113,586 (US$85,000) to the Company as of March 31, 2019. These funds will become immediately due and payable to Demerara if the Option and Joint Venture Agreement is not entered into by June30, 2019. Upon execution of the Option and Joint Venture Agreement, the funds advanced will be credited towards the ongoing obligations of the property payments to ADGIS.

In 2019 Demerara Gold Corp and Bell Mountain Exploration Corp came together to form Owl Capital Corp. Recently Owl Capital Corp. has changed its name to Southern Empire Resources Corp. and is listed as a Tier 2 mining issuer on the TSX Venture Exchange.

Lincoln announced early in 2019 that the Editorial Board of Mergent, Inc. ("Mergent") has approved the Company for a listing in Mergent Manuals and News Reports™ (the "Manual"). Lincoln's corporate profile in the Manual, which includes descriptive text data as well as news and financial statements, will be accessible via Mergent's online and printed products. As part of Mergent's listing services, Lincoln's new corporate description will be highlighted separately on www.mergent.com with an active hyperlink back to Lincoln's website.

On September 24, 2019, the Company consolidated its common shares on the basis of ten pre-consolidated common shares for one post-consolidated common share. The number of common shares outstanding has been retroactively adjusted in these financial statements and management discussion and analysis to reflect the share consolidation. Simultaneously with the share consolidation, the Company also completed a name change toLincoln Gold Mining Inc. from Lincoln Mining Corporation.

in September 2019 Lincoln announced that following a recent review of all available data regarding the Pine Grove Gold Project (" the Property"), including the results of its most recent surface drill program, the Company has updated the mineral resource estimate for the Property. (See News Release dated Sept 16, 2019). The updated resource estimate will be included in the permitting process as the project advances towards production. The updated mineral resource estimate for the Wheeler and Wilson deposits comprising the Pine Grove Project totals 210,962 ounces gold from 5,888,107 tons at 0.036 ounces/ton Measured and Indicated and 1,324 ounces gold from 43,450 tons at 0.030 ounces/ton Inferred.

Overview … (continued)

On October 30, 2019, the Company closed a non-brokered private placement. The Company issued a total of 6,400,000 units at a price of $0.10 per unit for total gross proceeds of $640,000. Each unit is comprised of one common share of the Company and one-half common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.14 per share until October 30, 2021. Net proceeds will be primarily used towards a prefeasibility study and the final stages of permitting for the Pine Grove project in Nevada. On September September there were 8,064,596 shares issued and outstanding and after the non-brokered financing was completed there were 14,464,596 shares issued and outstanding.

On November 18, 2019, the Company issued 1,200,000 shares to Goldcliff, pursuant to the Pine Grove Property, Wilson deposit mineral interest. See Note 5 of the audited consolidated financial statements for the year ended December 31, 2019.

Cash Flow Analysis

Operating Activities

During the three month periods ended March 31, 2020 and 2019, cash used in operating activities was $137,540 and (2019 – $216,555) respectively for activities as described above and below.

Investing activities

During the three month period ended March 3, 2020, the cash provided by investing activities was $96,548 and used in exploration funding. The cash received by investing activities was from the recovery on mineral properties of $33,623 in the current period. There was also cash received from exploration funding of $62,925 in the current period. Cash spent by investing activities was $96,548 on exploration in the current three months ending March 31, 2020.

Financing activities

During the three month period ended March 31, 2020 the company received net $150,086 (2019 - $141,745) cash from financing activities. There was a net of $165,000 (2019 - $Nil) received from subscriptions during the current period and $Nil (2019 - $160,168) cash received from promissory notes. Loans paid cost the Company $56 (2019 - $4,168) in cash. The Company paid $14,858 (2019 - $14,338) for its lease liability.

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.

2. Results of Operations

Results of Operations – For the three months ended March 31, 2020

For the three months ended March 31, 2020, the Company incurred an operational loss of $385,754 (2019 - $68,379). The Company recorded a recovery of $33,623 for option payment received and $62,925 (2019 - $106,738) from advances received for exploration expenditures. Exploration expenses were $109,798 (2019 - $132,824) before these recoveries were recorded.

(in Canadian dollars, unless otherwise stated)

Results of Operations … (continued)

The significant expenses comprise of the following for the three month periods ending March 31, 2020 and March 31, 2019:

	March 31, 2020	March 31, 2019
	$	$
Revenues	-	-
Exploration expenses	**13,250**	**26,086**
Impairment provision for mineral properties	-	-
Recovery of mineral properties previously impaired	-	-
Impairment provision for reclamation bond	-	-
Administrative expenses (top 5 categories):		
Consulting and management fees	40,690	31,440
Foreign exchange	223,344	(42,517)
Investor relations and shareholder services	10,672	9,409
Office maintenance	28,385	13,793
Professional fees (legal and accounting)	37,514	20,000
Subtotal	**353,855**	**58,211**
% to administration expenses	92%	85%
Other administrative expenses		
Depreciation	12,586	11,915
Other administrative expenses	2,954	435
Interest income	-	-
Interest expense	16,359	10,350
Write-down of accounts receivable	-	-
Write-off of exploration fund liability	-	-
Write-off of accounts payable	-	(12,532)
Gain on settlement of debts	-	-
Net income (loss) for the period	**(385,754)**	**(68,379)**
Comprehensive earnings (loss) for the period	**(385,754)**	**(68,379)**
Basic and diluted earnings (loss) per common share	**(0.02)**	**(0.01)**
Total assets	**384,237**	**372,806**
Total non-current liabilities	**130,361**	**120,471**
Cash dividends declared per share	**n/a**	**n/a**

Other administrative expenses consists of travel of $2,954 (2019 - $435).

Consulting and management fees increased by $9,250 from $31,440 in 2019 to $40,690, Foreign exchange expenses increased by $265,861 to a loss of $223,344 from a gain of $42,517 in 2019 mainly due to exchange rate fluctuations, investor relations and shareholder services increased by $1,263 from $9,409 in 2019 to $10,672 in 2020, and professional fees increased by $17,504 from $20,000 in 2019 to $37,514 in 2020.

During the current period the Company completed private placements and debt settlements with certain creditors during the current period, the Company had increased costs related to investor relations and shareholder services and professional fees compared to 2019.

During the three month period ending March 31, 2020 the company recorded $16,359 as interest expense including the new disclosure of leases, compared to $10,350 for 2019 as a result of the loans and promissory notes.

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:

(in Canadian dollars, unless otherwise stated)

Results of Operations … (continued)

Exploration expenses (recoveries)	Pine Grove	Oro Cruz	Bell Mountain	La-Bufa	Other properties (refunds)	Total
	$	$	$	$	$	$
2020, (IFRS reporting)	63,096	46,702	-	-	-	109,798
2019, (IFRS reporting)	209,507	275,270	-	-	1,429	486,206
2018, (IFRS reporting)	1,022,064	118,887	-	-	6,561	1,147,512
2017, (IFRS reporting)	509,985	(70,594)	-	-	7,546	446,937
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
	6,283,702	**1,747,752**	**1,478,243**	**4,038,203**	**106,327**	**13,654,227**
Less recoveries	**(33,438)**	**(522,275)**	**-**	**(1,051,735)**	**-**	**(1,607,448)**
Total exploration expenses incurred	**6,250,264**	**1,225,477**	**1,478,243**	**2,986,468**	**106,327**	**12,046,779**

3. Summary of Quarterly Results

	1st Quarter 2020	4th Quarter 2019	3rd Quarter 2019	2nd Quarter 2019
	$	$	$	$
Revenue	-	-	-	-
Exploration expenses	13,250	61,727	164,531	103,462
Administrative expenses (incl. interest expense)	372,504	295,286	(2,688)	110,438
Income (loss) and comprehensive earnings (loss)	(385,754)	(263,189)	(161,843)	(213,900)
Basic and diluted earnings (loss) per share	(0.02)	(0.01)	(0.02)	(0.03)
Total assets	384,237	372,806	431,576	297,770
Working capital deficiency	(2,795,882)	(2,817,436)	(2,887,815)	(3,056,222)

	1st Quarter 2019	4th Quarter 2018	3rd Quarter 2018	2nd Quarter 2018
	$	$	$	$
Revenue	-	-	-	-
Exploration expenses (recovery)	26,086	654,122	144,427	257,926
Administrative expenses (incl. interest expense)	54,825	218,845	108,269	184,595
Income (loss) and comprehensive earnings (loss)	(68,379)	(875,695)	(252,696)	(442,521)
Basic and diluted earnings (loss) per share	(0.01)	(0.12)	(0.00)	(0.01)
Total assets	371,929	266,327	212,865	249,207
Working capital (deficiency)	(2,826,995)	(2,765,792)	(1,903,233)	(1,617,592)

The Company had no revenue as the Company has not yet determined whether its mineral properties contain ore reserves; therefore, the Company has incurred ongoing losses since inception.

Summary of Quarterly Results … (continued)

During the quarter ending March 31, 2020, the Company spend $13,250 on exploration expenses which is $12,836 less than the $26,086 spent on exploration expenses for the same quatrer in the previous quarter.

During the quarter ending March 31, 2020, the Company recorded recoveries against exploration expenditures, decreasing the losses made during the quarter with $96,548 compared wth $106,738 for the same quarter during the previous period.

4. Projects

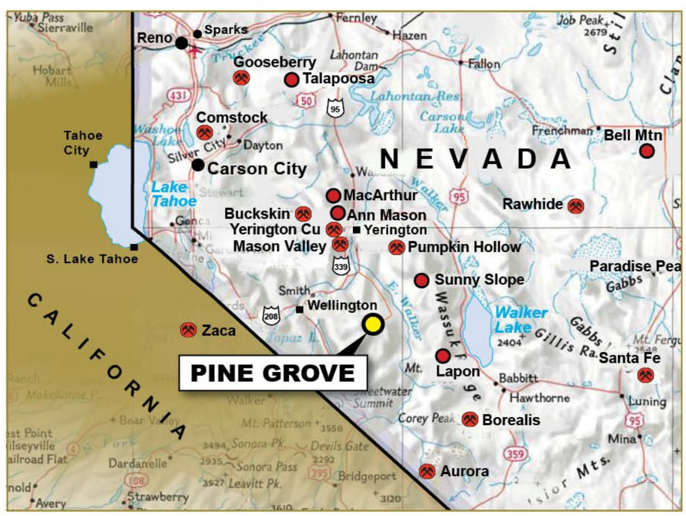
Overview

Pine Grove Property, Nevada – The Pine Grove gold project, located in Lyon County, Nevada, is the Company's most advanced project. At the time of writing of this MDA Lincoln is well underway the permitting studies needed to take the project to production. A prefeasibility study is planned tol be undertaken in 2020 .

Pine Grove Gold Property, Lyon County, Nevada

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.

At the Pine Grove project historic gold production was 240,000 ozs high-grade gold from underground mining in the late 1800s and early 1900s.



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.

It is planned that a prefeasibility study will be undertaken by mid 2020, which will include the new resources that were announced on September 16, 2019.

Yearly land payments have been made to the BLM and Lyon County to keep the property in good standing.

Projects … (continued)

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.

In January 2017, Lincoln received word from Placer that it would carry on with its operation at the Pine Grove property. During the summer, fall and winter months of 2017 and into the early part of 2018 Placer carried out various work programs. The work included seismic refraction surveys, dump sampling, and sonic drilling of the dumps and natural occurring placer materials. Also in early 2018, Placer planned and completed screening operations and dump material stockpiling which was fed through a gravity recovery plant later in the year.

The Agreement was terminated in 2019. Placer is required to carry out reclamation work on the area that it disturbed. This will be done in the summer of 2020.

In June 2016, 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 could 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 completed by Goldcliff 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. No additional exploration work was carried out on the property during 2017 or 2018. However a number of permitting studies were performed.

A Binding Letter of Intent between Goldcliff and Lincoln for the selling back to Lincoln of the lease on the Wilson Patented Claims located in Lyon County, Nevada was signed in October 2019. The Wilson claims are part of the Pine Grove development project and were included in the Pine Grove Joint Venture between the two companies. Goldcliff will receive staged cash and share payments and retain title to the claims until all payments and share issuances are completed. See news Release of October 8, 2019.
In August 2018 the Company engaged a team of consultants to guide it through the production permitting process. The Company submitted a Plan of Operations (PoO) in May 2018 which included all pertinent information regarding the overall design, construction plans, operational details, and closure scenario of the proposed mine.

To aid the Company in all this work, Lincoln announced the engagement of an effective permitting team that will allow it to proceed with permitting of the Pine Grove project towards operation. The consulting team with respective task assignments is headed up by Stantec Consulting Services Inc.("Stantec").

Stantec Consulting Services Inc. – For the collection of environmental baseline data and writing of environmental reports, Stantec has prepared documentation to present the results of acid base accounting ("ABA") and meteoric water mobility procedure ("MWMP") of samples from drill holes intended to test waste rock at Lincoln's proposed Pine Grove Project. This testing was requested by the NDEP's Bureau of Mining Reclamation and Regulation ("BMRR"). Stantec has delivered initial archaeological, botanical and wildlife studies to the USFS. Stantec installed a meteorological station and has collected site-specific weather data since 2010.

On May 15, 2018, the Company through its subsidiary Lincoln Resource Group Corp., submitted a Mine Plan of Operations (**PoO**) to the United States Forest Service, Humboldt-Toiyabe National Forest. The PoO was compiled by Welsh Hagen Associates of Reno, Nevada and incorporated data and information from a number of consulting companies that are working on the project. Submission of the PoO initiates the National Environmental Policy Act

Projects … (continued)

(**NEPA**), which requires the compilation of an Environmental Impact Statement (**EIS**), including public comment. The lead agency is the U.S. Forest Service – Bridgeport Ranger District in Bridgeport, California. Lincoln is working closely with its prime environmental contractor, Stantec and the U.S. Forest Service to advance the permitting process as quickly as possible. Stantec has been chosen as our prime contractor for the EIS.

Oro Cruz Gold Property, Imperial County, California

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.

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 have been made to the BLM andImperial County to keep the property in good standing.

(in Canadian dollars, unless otherwise stated)

Projects … (continued)

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

On October 1, 2019, the Company entered into a formal Option and Joint Venture Agreement with Demerara Gold Corp.("Demerara") and Bell Mountain Exploration Corp. ("Bell Mountain") collectively the "Optionee", granting the Optionee an option to purchase up to an undivided 75% interest in the Oro Cruz Property.

On March 18, 2020 Owl Capital Corp. ("Owl") closed its previously announced Qualifying Transaction with Eros Resources Corp. ("Eros") and Demerara whereby Owl acquired Demerara and Eros and thereby acquired a 75% interest in the Oro Cruz Gold Project in California. with respect to the acquisition of an exclusive option to acquire an aggregate 75% interest in the Oro Cruz Gold Project. As a result of closing the Qualifying Transaction the company changed its name to Southern Empire Resources Corp. and was listed as a Tier 2 mining issuer on the TSX Venture Exchange.

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 has been to increase and advance the 376,600 Inferred ounces gold to Measured and Indicated categories by confirmation drilling. No significant exploration work has been completed since early 2013. New funding will be required for the confirmation program. The Company is considering the possibility of a JV on the project.

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.

5. Liquidity and Solvency

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

	March 31, 2020	December 31, 2019
	$	$
Working capital (deficiency)	(2,795,882)	(2,817,436)
Long-term debt	130,361	120,471

	Three months ended March 31, 2020	Three months ended March 31, 2019
	$	$
Cash used in operating activities	(137,540)	(216,555)
Cash provided by investing activities	-	149,747
Cash provided by financing activities	150,086	141,745
Change in cash	12,546	74,937

Liquidity and Solvency … (continued)

On September 24, 2019, the Company consolidated its common shares on the basis of ten pre-consolidated common shares for one post-consolidated common share. The number of common shares outstanding has been retroactively adjusted in these unaudited interim condensed consolidated financial statements to reflect the share consolidation. Simultaneously with the share consolidation, the Company also completed a name change to Lincoln Gold Mining Inc. from Lincoln Mining Corporation.

On April 17, 2020, the Company issued 800,000 shares to Goldcliff Resource Corporation with respect to the Pine Grove acquisition (see FS note 5(a)(v)).

On April 8, 2020, the Company closed a non-brokered private placement offering (the "Private Placement") of 2,200,000 units of the Company (the "Units") at a price of $0.075 per Unit to raise gross proceeds of $165,000. Each Unit consists of one common share in the capital of the Company (a "Common Share") and one half of a Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder, on exercise thereof, to purchase one additional Common Share at a price of $0.10 for a period of 24 months from the closing of the Private Placement.

In March 2020, the Company entered into various settlement agreements with respect to approximately $1,355,720 of debts. Debts of $220,000 with related parties were settled through the issuance of 2,200,000 common shares of the Company. The remaining debt of approximately $1,135,720 will be restructured and become payable over 3 years.

On November 18, 2019, the Company issued 1,200,000 shares to Goldcliff, pursuant to the Pine Grove Property, Nevada mineral interest. See Note 5 of the unaudited interim condensed consolidated financial statements. On April 17, 2020, the Company issued 800,000 shares to Goldcliff with respect to the Pine Grove acquisition (see FS note 5(a)(v).

On October 30, 2019, the Company closed a non-brokered private placement. The Company issued a total of 6,400,000 units at a price of $0.10 per unit for total gross proceeds of $640,000. Each unit is comprised of one common share of the Company and one-half common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.14 per share until October 30, 2021.

On October 1, 2019, the Company entered into a formal Option and Joint Venture Agreement with Demerara Gold Corp. ("Demerara") and Bell Mountain Exploration Corp. ("Bell Mountain") collectively the "Optionee", granting the Optionee an option to purchase up to an undivided 75% interest in the Oro Cruz Property – See Note 5. As of September 30, 2019, Demerara and Bell Mountain have advanced $252,154 (December 31, 2018 - $33,010) to the Company. With the signing of the formal agreement, these advances are no longer payable, and will be acknowledged as applied towards exploration expenditures and have been recorded as a recovery.

On July 10, 2019 the Company issued 544,877 fully-paid common shares pursuant to the exercise of 544,877 Special Warrants. 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 92,950 common shares of the Company and 1,6 million special warrants (the "Special Warrants"). Each Special Warrant may be exercised for only fully paid and nonassessable 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 (Note 8 & 9). After this transaction there are 1,055,123 special warrants left.

6. 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.

Capital Resources … (continued)

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.

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. In April 2018, the Company extended the lease for another 3 years for similar rates.

8. Off-Balance Sheet Arrangements

None.

9. Outstanding Share Data

The Company's issued and outstanding common shares are 20,864,596 as at the date of this report.

The Company has no outstanding options - all options expired November 26, 2019.

The Company has a total of 3,328,590 share purchase warrants with exercise price of $0.80 expiring on April 26, 2022; 3,200,000 share purchase warrants with exercise price of $0.14 expiring on October 30, 2021 1,100,000 share purchase warrants with exercise price of $0.10 expiring April 8, 2022 and 1,055,123 special warrants expiring on June 9, 2027.

10. Related Party Transactions

The following transactions were carried out with related parties:

Key management personnel – services rendered and other compensation

Key management includes officers and directors – executive and non-executive. The compensation paid or payable to key management personnel for the services rendered during the three month period ended March 31, 2020 and 2019 were as follows:

(in Canadian dollars, unless otherwise stated)

Related Party Transactions … (continued)

	Three months ended March 31, 2020	Three months ended March 31, 2019
	$	$
Management fees	27,000	27,000
Corporate fees	7,500	-
Exploration expenses	47,625	30,412
Accounting fees	15,000	15,000
Total	**97,125**	**72,412**

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 March 31, 2020	As at December 31, 2018
	$	$
Executive officers and their controlled companies	617,452	499,195
Directors	15,000	15,000
Total	**632,452**	**514,195**

The balances due to related parties are included in accounts payable and accrued liabilities

Balance due from related parties

	As at March 31, 2020	As at December 31, 2019
	$	$
Companies with a director in common	4,044	2,625
Directors	500	1,799
Total	**4,544**	**4,424**

During the three month period ended March 31, 2020, the Company received $9,180 (2019 - $6,000) from Golden Band Resources Inc. a private company with one officer in common, for office rent.Golden Band Resources Inc. is a private company. See Note 5, 11 and 16.

On April 17, 2020, the Company issued 800,000 shares to Goldcliff with respect to the Pine Grove acquisition - see Note 5(a)(v).

In March 2020, the Company entered into various settlement agreements with respect to approximately $1,355,720 of debts. Debts of $220,000 with related parties were settled through the issuance of 2,200,000 common shares of the Company. The remaining debt of approximately $1,135,720 will be restructured and become payable over 3 years.

On July 10, 2019 the Company issued 544,877 fully-paid common shares pursuant to the exercise of 544,877 Special Warrants. 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 92,950 common shares of the Company and 1,6 million special warrants (the "Special Warrants"). Each Special Warrant may be exercised for only fully paid and nonassessable 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. After the July 10, 2019 transaction, the remaining Special Warrants outstanding was 1,055,123. [NTD: duplicated below]On January 3, 2018, the Company issued 11,285,513 common shares for settlement of debt in the amount of $959,269.

Related Party Transactions … (continued)

Loans

During the three month period ended March 31, 2020, the Company received $Nil (December 31, 2018 - $Nil), and repaid $56 (December 31, 2019 - $17,005), 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. As at March 31, 2020, the loan payable balance to the President of the Company was $60,224 (December 31, 2019 - $59,795).

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.

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 92,950 common shares of the Company and 1,6 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. On July 10, 2019 544,877 of these special warrants were exercised and the Company issued 544,877 fully-paid common shares.

As of December 31, 2019, the Company had received advances totaling $440,000 (December 31, 2018 - $440,000) from Mr. Ronald K. Netolitzky, a previous control person of the Company, and two other companies controlled by Mr. Ronald K. Netolitzky. The advances are unsecured, non-interest bearing and due on demand.

During the year ended December 31, 2015, the Company received US$66,000 from a company that has an insider in common with Lincoln. During the year ended December 31, 2017, the existing promissory note was terminated and both parties subsequently entered into a new promissory note agreement consisting of the existing principal and interest in the aggregate amount of US$71,000. The loan is secured by the Company's US properties and evidenced by a promissory note bearing interest at 9% per annum. Principal and accrued interest was payable upon termination of the note on September 15, 2017. On January 3, 2018, the Company issued 643,441 common shares for settlement of debt in the amount of $32,172. At March 31, 2020, the Company was in default of this note and busy 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.

On August 24, 2018, September 11, 2018, October 23, 2018, January 23, 2019 March 29, 2019 and May 30, 2019, the Company received $65,180 (US$50,000), $65,070 (US$50,000), $91,994 (US$70,000), $93,436 (US$70,000), $66,815 (US$50,000) and $53,344 (US$40,000) respectively from Dragon Hill Creation Limited, respectively, a company controlled by a director of the Company. The loans are unsecured and evidence by promissory notes bearing interest at 10% per annum, calculated and payable on the termination date of the promissory notes being June 30, 2019. The Company may prepay the principal, in whole or in part, at any time without penaltyand the terms of the loans are currently being renegotiated.

Other transactions with related parties

During the three months ended March 31, 2020, the Company received $9,180 (2019 - $6,000) from Golden Band and Goldcliff for office rent.. These companies have certain officers and directors in common,

Goldcliff is a private company controlled by the President of the Company

(in Canadian dollars, unless otherwise stated)

11. Proposed Transactions

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

12. 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.

Changes in Accounting Standards

IFRS 16 – Leases. The Company adopted IFRS 16 effective on January 1, 2019 using the modified retrospective approach. In accordance with the transition provisions in IFRS 16, the new rules have been adopted retrospectively with the cumulative effect of initially applying the new standard recognized on January 1, 2019. The comparatives for the 2018 reporting period have not been restated and are accounted for under IAS 17 – Leases, and IFRIC 4 – Determining Whether an Arrangement Contains a Lease, as permitted under the specific transitional provisions in the standard. The transitional adjustments arising from the adoption are recognized in the opening balance sheet on January 1, 2019. Upon adoption of IFRS 16, the Company recognized lease liabilities in relation to a lease for office space which had previously been classified as "**operating lease**" under the principles of IAS 17 – Leases under which these lease payments were recorded as expenses as they were incurred. Under IFRS 16, these liabilities were measured at the present value of the remaining lease payments as at January 1, 2019, discounted using the Company's incremental borrowing rate. The weighted average incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 20%. An associated right-of-use asset for the lease was measured at the amount equal to the lease liability on January 1, 2019.

As at January 1, 2019, the Company recognized $125,120 in right-of-use assets and lease liabilities as summarized below:

	$
Minimum lease payments under operating leases as of December 31, 2018	159,312
Effect from discounting at the incremental borrowing rate as of January 1, 2019	(20,864)
Lease liabilities recognized as of January 1, 2019	138,448
Right-of-use assets recognized as of January 1, 2019	138,448

As a result of the adoption of IFRS 16, the Company has amended its accounting policy for leases, from that disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2018.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of economic benefits from use of the asset during the term of the arrangement and if the Company has the right to direct the use of the asset.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any commissioning and restoration costs, less any lease incentives received.

Accounting Policies – International Financial Reporting Standards (IFRS) … (continued)

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in our estimated or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

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)

13. Financial Instruments

Categories of financial instruments

	March 31, 2020	December 31, 2019
	$	**$**
Financial assets *		
Loans and receivables		
Cash	68,790	56,244
Other receivables	23,914	4,456
	92,704	60,700
Financial liabilities		
Current		
Amortized at cost		
Accounts payable and accrued liabilities	1,766,288	1,748,238
Exploration funding	-	-
Lease liability	82,522	95,105
Loans payable	60,224	59,795
Promissory notes	1,063,477	1,064,987
	2,972,511	2,968,125

* 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, exploration funding, loans payable, and promissory notes approximated their fair value because of the relatively short-term nature of these instruments. The carrying value of lease liability approximated its fair value as it bears interest that approximates current market rates.

14. Risks and Uncertainties

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 $150,000. 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.

Risks and Uncertainties … (continued)

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.

Other

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, economical and now health related issues.

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 of property acquisitions and/or 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 planned commitments.

The properties that the Company has an option to earn interests in are in the exploration and permitting stages, 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 that could be developed into operations with positive cash flows. 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.

World health related issues associated with COVID-19 pandemic may impede the Company from completing the permitting process as quickly as first thought possible. At the time of writing this MDA there are numerous issues associated with this pandemic that remain unclear and how this will affect the Company's ability to proceed with funding the Company and carry on with permitting which is ongoing.

15. 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. Both of these trends are very mixed these days because of the Corona virus and the uncertainty that it has brought to the world.

Trends … (continued)

One is the price of commodities, which are 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 mixed on the spot basis as well as the average trailing prices of the metals. The gold price seemed to have stabilized around $1600 to 1700 per ounce.

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. Significant amounts of investing have occurred in the marijuana and blockchain areas which has taken away from investment in the junior mining industry. Lincoln is committed to advance its properties to production as quickly as possible to get into a positive cash flow position.

16. Outlook

The outlook for precious metals prices appears to be mixed on the short term but depending on economic conditions world-wide and world events including the Corona Vius this could change. This relates not only to interest rate changes in the U.S. but also the COVID-19 pandemic which has altered life and financial matters around the world. Lincoln will require significant investment as it transitions into development stage projects. This needed investment may become more difficult to obtain if these world wide conditions persist. 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.