LINCOLN GOLD MINING INC.

CONSOLIDATED FINANCIAL STATEMENTS

for the years ended December 31, 2024 and 2023

Table of Contents

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Lincoln Gold Mining Inc.

Opinion

We have audited the accompanying consolidated financial statements of Lincoln Gold Mining Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficiency, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the consolidated financial statements, which indicates the Company has a working capital deficiency of $3,251,303 and total liabilities of $3,811,538 at December 31, 2024. As stated in Note 2, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Assessment of Impairment Indicators of Mineral Properties

As described in Note 5 to the consolidated financial statements, the carrying amount of the Company's mineral properties was $741,973 as of December 31, 2024. As more fully described in Notes 2 and 3 to the consolidated financial statements, management assesses mineral properties for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the mineral properties is a key audit matter is that there was judgment made by management when assessing whether there were indicators of impairment for the mineral properties, specifically relating to the carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate the assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the mineral properties.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Examining the Company's recent expenditure activity.
- Reviewing option agreements and verifying payments to assess compliance with relevant terms and conditions.
- Evaluating, on a test basis, confirmation of title to ensure mineral rights underlying the mineral properties are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Michael MacLaren.

Davidson & Company LLP

Vancouver, Canada | Chartered Professional Accountants

April 30, 2025

LINCOLN GOLD MINING INC.
Consolidated Statements of Financial Position
As at December 31, 2024 and 2023

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

	Notes	December 31, 2024	December 31, 2023
		$	$
Assets			
Current assets			
Cash		295,219	20,804
Receivables		17,532	13,778
Prepaid expenses		8,571	-
		321,322	34,582
Non-current assets			
Deferred acquisition costs		47,528	-
Right-of-use asset	4	44,052	102,789
Deposits		12,250	12,250
Mineral properties	5	741,973	741,973
		845,803	857,012
Total assets		**1,167,125**	**891,594**
Liabilities and shareholders' deficiency			
Current liabilities			
Accounts payable and accrued liabilities	6	1,169,779	1,013,306
Due to related parties and former related parties	12	1,081,418	832,043
Deposits received in advance	11	140,000	-
Lease liability	8	47,980	47,981
Loans payable	9	105,740	102,043
Promissory notes	10	1,027,708	900,925
		3,572,625	2,896,298
Non-current liability			
Lease liability	8	-	61,518
Promissory notes	10	145,384	130,342
Provision for environmental rehabilitation	7	93,529	87,880
Total liabilities		**3,811,538**	**3,176,038**
Shareholders' deficiency			
Share capital	13	32,128,300	30,721,042
Capital reserves	13	6,168,007	6,423,635
Deficit		(40,940,720)	(39,429,121)
Total shareholders' deficiency		**(2,644,413)**	**(2,284,444)**
Total liabilities and shareholders' deficiency		**1,167,125**	**891,594**

Nature of operations (Note 1)
Subsequent events (Note 18)

Approved and authorized by the Board on April 29, 2025.

________________ Director   ________________ Director
Paul Saxton   Ronald Coombes

LINCOLN GOLD MINING INC.
Consolidated Statements of Loss and Comprehensive Loss
For the years ended December 31, 2024 and 2023

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

	Notes	December 31, 2024	December 31, 2023
Exploration expenses	5, 12	**$ (567,572)**	**$ (248,452)**
Administrative expenses			
Advertising and promotion		28,975	-
Consulting and management fees	12	357,440	551,430
Depreciation	4	58,737	67,278
Foreign exchange loss (gain)		118,537	(7,837)
Investor relations and shareholder services		25,545	46,505
Office maintenance		65,658	80,130
Professional fees	12	167,252	162,796
Travel		29,491	16,036
		(851,635)	**(916,338)**
Other items			
Interest income		340	181
Interest expense	6,8,9,10,12	(92,732)	(100,832)
Gain on disposal of equipment		-	8,597
Loss on settlement of debt	10, 13	-	(5,096,165)
Write-off of mineral property	5	-	(144,494)
		(92,392)	**(5,332,713)**
Loss and comprehensive loss for the year		**$ (1,511,599)**	**$ (6,497,503)**
Basic and diluted loss per common share		$ (0.10)	$ (0.73)
Weighted average number of common shares outstanding – basic and diluted		**15,861,653**	**8,945,308**

LINCOLN GOLD MINING INC.
Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023

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

	2024	2023
	$	$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the year	**(1,511,599)**	**(6,497,503)**
Items not affecting cash:		
Accrued interest expense	92,732	100,555
Depreciation	58,737	67,278
Loss on settlement of debt	-	5,096,067
Unrealized foreign exchange	63,460	(8,931)
Write-off of mineral property	-	144,494
Gain on disposal of equipment	-	(8,597)
Changes in non-cash working capital items:		
Increase in accounts payable and accrued liabilities	121,242	420,047
Increase in amount due to related parties	249,375	256,838
Decrease (increase) in prepaid expenses and deposits	(8,571)	1,377
Increase in receivables	(3,754)	(1,549)
Net cash used in operating activities	**(938,378)**	**(429,824)**
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Acquisition of mineral properties	-	(16,087)
Deferred acquisition costs	(12,297)	-
Proceeds from disposal of equipment	-	26,998
Net cash provided by (used in) investing activities	**(12,297)**	**10,911**
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash	862,500	-
Share issue costs	(10,870)	-
Warrants exercised	300,000	-
Loans received	4,000	502,724
Loans paid	(1,000)	(23,700)
Deposits received in advance	140,000	-
Payment for lease liability	(69,540)	(57,586)
Net cash provided by financing activities	**1,225,090**	**421,438**
Net change in cash for the year	274,415	2,525
Cash, beginning of the year	20,804	18,279
Cash, end of the year	**295,219**	**20,804**

Supplemental cash flow information (Note 15)

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

	Number of shares	Share capital	Capital reserves	Deficit	Total
		$	$	$	$
Balance at December 31, 2022	**3,866,324**	**26,964,223**	**3,404,250**	**(32,931,618)**	**(2,563,145)**
Units issued for debt	9,886,364	3,756,819	3,019,385	-	6,776,204
Loss for the year	-	-	-	(6,497,503)	(6,497,503)
Balance at December 31, 2023	**13,752,688**	**30,721,042**	**6,423,635**	**(39,429,121)**	**(2,284,444)**
Private placement	3,450,000	862,500	-	-	862,500
Share issue costs	-	(16,671)	5,801	-	(10,870)
Warrants exercised	857,143	561,429	(261,429)	-	300,000
Loss for the year	-	-	-	(1,511,599)	(1,511,599)
Balance at December 31, 2024	**18,059,831**	**32,128,300**	**6,168,007**	**(40,940,720)**	**(2,644,413)**

1 Nature of operations

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 a precious metals exploration and development company.

The consolidated financial statements of the Company for the year ended December 31, 2024 comprise the Company and its subsidiaries (Note 2(b)). These consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated. The Company is listed on the TSX Venture Exchange ("TSX-V: LMG") and the Frankfurt Stock Exchange ("ZMG2").

2 Basis of Presentation and Material Accounting Policy Information

(a) Basis of preparation

The consolidated financial statements for the year ended December 31, 2024 have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The 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 consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on April 29, 2025.

Going concern assumption

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

The Company has not yet determined whether its mineral properties contain ore reserves and the Company has incurred ongoing losses since inception. Further, the Company has a working capital deficiency of $3,251,303 (2023 - $2,861,716) and total liabilities of $3,811,538 (2023 - $3,176,038). 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.

2 Basis of Presentation and Material Policy Information (continued)

(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., the parent company and the subsidiaries listed below:

	Country of Incorporation	Economic interests	Principal activity
Lincoln Gold US Corp.	United States of America	100%	Mineral exploration
Lincoln Resource Group Corp.	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) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in the Canadian dollar, which is the Company's, and its subsidiaries' functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss.

(e) Mineral properties

The Company accounts for its mineral properties as exploration and evaluation assets in accordance with IFRS 6. The Company capitalizes mineral property interest acquisition costs, which include the cash consideration, option payment under an earn-in arrangement and, the fair value of common shares issued for mineral property interests. The acquisition costs are capitalized until the property is placed into development (when commercial viability and technical feasibility are established), sold or abandoned or determined to be impaired. Before moving acquisition costs into property, plant and equipment upon commencement of development stage, the property is first tested for impairment.

2 Basis of Presentation and Material Accounting Policy Information (Cont'd)

(e) Mineral properties (Cont'd)

A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

Exploration and evaluation expenditures

The Company expenses to operations all exploration and evaluation costs incurred prior to the determination of economically recoverable reserves. Exploration and evaluation expenditure relates costs incurred for investigation and evaluation of potential mineral reserves and resources, including trenching, exploratory drilling, sampling, mapping and other activities in searching for ore bodies under the properties, and evaluate the technical and commercial viability of developing mineral properties identified through exploration. Exploration and evaluation expenditures, net of any recoveries, are recorded on a property-by-property basis.

(f) Equipment

Equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price and any costs directly attributable to bringing the asset into operation.

Depreciation is provided on a straight line basis over the estimated useful lives as follows:

- office and computer equipment: 2-5 years
- vehicles: 4 years
- right-of-use-asset: Lease term

Depreciation expense is allocated based on estimated asset lives. Should the asset life or depreciation rates differ from the initial estimate, an adjustment would be made in the consolidated statements of loss and comprehensive loss.

(g) Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(h) Financial instruments

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

2 Basis of Presentation and Material Accounting Policy Information (Cont'd)

(h) Financial instruments (Cont'd)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transactions costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instrument depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVTPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

2 Basis of Presentation and Material Accounting Policy Information (Cont'd)

(h) Financial instruments (Cont'd)

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognized in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using effective interest method.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Financial liabilities are classified as current liabilities unless the Company has right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(i) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. Proceeds from unit placements are allocated between shares and warrants using the residual value method whereby the shares are recorded at fair value and any residual is allocated to the warrant. The value of the warrants issued to brokers is determined using the Black-Scholes model.

2 Basis of Presentation and Material Accounting Policy Information (Cont'd)

(j) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. For the years ended December 31, 2024 and 2023, there were no "in-the-money" dilutive instruments that impacted the calculation of dilutive earnings per share.

(k) Share-based compensation

The Company operates a share-based compensation plan, under which the Company receives services from directors, officers, employees and consultants as consideration for equity instruments (options) of the Company.

The fair value of stock options granted to directors, officers and employees is measured on the grant date, using the Black-Scholes option pricing model. Equity-settled awards are not re-measured subsequent to the initial grant date. The Company uses accelerated method (also referred to as 'graded' vesting) for attributing stock option expense over the vesting period. Stock option expense incorporates an expected forfeiture rate. The expected forfeiture rate is estimated based on historical forfeiture rates and expectations of future forfeiture rates. The adjustment is made if the actual forfeiture rate differs from the expected rate, when the equity instrument vests.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital. The fair value of exercised options is reclassified from capital reserve – options to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payments. Otherwise, share-based payments are measured at the fair value of goods or services received.

(l) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill and deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 Basis of Presentation and Material Accounting Policy Information (Cont'd)

(m) Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognized when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

(n) Related party transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered a related party transaction when there is a transfer of resources or obligations between related parties.

(o) Right-of-use asset and lease liability

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 right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

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 decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight line method 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 remeasurements 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. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured 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 the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

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

2 Basis of Presentation and Material Accounting Policy Information (Cont'd)

(o) Right-of-use asset and lease liability (Cont'd)

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 or loss on a straight-line basis over the lease term.

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.

Share-based compensation

The Company uses the Black-Scholes option pricing model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can significantly change the fair value estimate and the Company's earnings and equity reserves.

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 and valuation of mineral properties

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. Mineral properties are evaluated at each reporting date to determine whether there are any indicators of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's mineral properties.

4 Right-of-use asset

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

	$
Balance at January 1, 2023	41,954
Addition	117,473
Depreciation	(56,638)
Balance at December 31, 2023	102,789
Depreciation	(58,737)
Balance at December 31, 2024	**44,052**

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

5 Mineral properties

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

	Canada	United States	
	Shawinigan	**Pine Grove**	**Total**
	$	$	$
Balance at January 1, 2023	128,407	741,973	870,380
Additions	16,087	-	16,087
Write-off	(144,494)	-	(144,494)
Balance at December 31, 2023 and 2024	**-**	**741,973**	**741,973**

Exploration expenditures incurred during the year ended December 31, 2024:

	United States		
	Pine Grove	**Bell Mountain**	**Total**
	$	$	$
		(Note 18)	
Contractors	192,749	-	192,749
Drilling and metallurgical	-	11,150	11,150
General administration	37,043	-	37,043
Geochemistry	21,917	-	21,917
Land maintenance	67,942	52,296	120,238
Permitting environment	14,737	20,492	35,229
Property evaluation	1,438	145,411	146,849
Surveying	-	2,397	2,397
Total mineral property expenditures	**335,826**	**231,746**	**567,572**

Exploration expenditures incurred during the year ended December 31, 2023:

	United States
	Pine Grove
	$
Contractors	162,099
General administration	25,556
Permitting environment	1,718
Land maintenance	59,079
Total mineral property expenditures	**248,452**

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.

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

5 Mineral properties (continued)

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") (subsequently acquired by Goldcliff Resource Corporation in June 2016 and re-acquired by the Company in October 2019) 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. As at December 31, 2024 the lease has expired and the Company is in negotiations for a lease extension.

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 7-13 paid by Goldcliff Resource Corporation ("Goldcliff") a company with a common director; Years 11-14 paid by the Company, Year 15 – unpaid).

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

(iii) In August 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 400 common shares of the Company as follows:

- On closing	US$250,000 and 150 shares (paid)
- August 23, 2011	US$150,000 and 150 shares (paid)
- August 23, 2012	US$150,000 and 100 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.

5 Mineral properties (continued)

(a) Pine Grove Property, Nevada (continued)

(iv) In August 2016, the Company entered into an agreement with Goldcliff Resource Corporation ("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, 2019, Goldcliff decided not to proceed with this option and allowed it to lapse.

(v) On October 8, 2019, the Company and Goldcliff entered into a Purchase Option Letter agreement to re-acquire from Goldcliff and its affiliates their interest in the Pine Grove Gold project for the consideration of USD $200,000 cash and 275,000 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 (paid);
- Cash of US$50,000 to be paid on or before March 31, 2020 (US$30,000 paid);
- Cash of US$50,000 to be paid on or before June 30, 2020 (unpaid); and
- Cash of US$50,000 to be paid on or before December 31, 2020 (unpaid).

The Company is behind on payments due under the Purchase Option Letter and is negotiating to formalize amendments.

Shares, 275,000 shares to be issued as follows:

- Shares, 120,000 shares issued following the closing of the first financing (issued with a fair value of $156,000);
- Shares, 80,000 shares to be issued on December 31,2019 (issued with a fair value of $80,000); and
- Shares, 75,000 shares to be issued on March 31, 2020 (issued with a fair value of $150,000).

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.

(vi) On March 19, 2021, the Company signed a non-binding Letter of Intent ("LOI") with Lyon Grove LLC to reduce the royalties on its Wilson property to 1% which comprises a substantial part of the Company's Pine Grove project in Nevada.

Under the terms of the LOI, the Company will buydown the current net smelter returns royalty ("NSR) on the Wilson property from 2.5% to 1.0% on the patented claims and from 5.0% to 1.0% on the claims that fall within the area of interest - for an aggregate consideration of US$450,000 payable in quarterly instalments over six years commencing April 30, 2021 (US$75,000 paid). The Company is behind on payments due under the LOI and is negotiating to formalize amendments.

The LOI is subject to, amongst other things, the execution of a definitive agreement, project financing, and regulatory approval, as applicable.

5 Mineral properties (continued)

(a) Pine Grove Property, Nevada (continued)

(vii) On April 28, 2021, the Company signed a non-binding Letter of Intent ("LOI") with Wheeler on the Wheeler property which comprises a substantial part of the Company's Pine Grove project. Under the terms of the LOI, the Company will buydown the NSR from 7% to 2% for an aggregate consideration of US$5,000,000 over 6 years as follows:

- US$100,000 payable on September 30, 2021 (paid), June 30, 2022 (unpaid) and December 31, 2022 (unpaid);
- US$200,000 payable on September 30, 2023 (unpaid) and April 30, 2024 (unpaid);
- US$500,000 payable on June 30, 2024 (unpaid), September 30, 2024(unpaid) and December 31, 2024 (unpaid);
- US$750,000 payable on April 30, 2025, August 31, 2025 and December 31, 2025; and
- US$550,000 payable on April 30, 2026.

The LOI is subject, amongst other things, the execution of a definitive agreement, project financing and regulatory approval, as applicable. The Company is currently behind on payments pursuant to the LOI and is negotiating to formalize amendments.

(b) Oro Cruz Property, California

In February 2010, the Company's 100% owned U.S. subsidiary, Lincoln Gold US Corp. ("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.

On February 28, 2019, the Company granted to Demerara Gold Corp. ("Demerara") and Bell Mountain Exploration Corp. ("Bell Mountain" – a subsidiary of Eros Resources Corp.) 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$2,100,000 in property payments, exploration and development over the next five years.

In April 2023, Southern Empire exercised the option and acquired the 75% interest.

(c) Shawinigan Property, Quebec

On April 25, 2021, the Company entered into an option agreement ("Agreement") to acquire an undivided 100% interest to the Shawinigan Property, located in the Shawinigan Township, Quebec. For consideration, the Company will make cash payments, issue common shares of the Company and incur exploration expenditures as follows:

Cash payments of $380,000 as follows:

- $20,000 to be paid within 30 days of approval from TSX Venture Exchange (paid)
- $15,000 to be paid on or before October 25, 2021 (paid)
- $15,000 to be paid on or before April 25, 2022 ($5,000 paid)
- $20,000 to be paid on or before October 25, 2022 (unpaid)
- $20,000 to be paid on or before April 25, 2023 (unpaid)
- $20,000 to be paid on or before October 25, 2023 (unpaid)
- $40,000 to be paid on or before April 25, 2024
- $50,000 to be paid on or before October 25, 2024
- $50,000 to be paid on or before April 25, 2025
- $50,000 to be paid on or before October 25, 2025
- $80,000 to be paid on or before April 25, 2026

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

5 Mineral properties (continued)

(c) Shawinigan Property, Quebec (continued)

Issue up to 260,000 common shares as follows:

- 30,000 common shares within 30 days of approval from TSX Venture Exchange (issued with a fair value of $66,000)
- 30,000 common shares on or before the first anniversary of the Agreement (issued with a fair value of $21,000)
- 30,000 common shares on or before the second anniversary of the Agreement (not issued)
- 30,000 common shares on or before the third anniversary of the Agreement
- 40,000 common shares on or before the fourth anniversary of the Agreement
- 50,000 common shares on or before the fifth anniversary of the Agreement
- 50,000 common shares upon the Company filing a NI 43-101 technical report with the applicable Canadian securities regulators that include mineral reserves and resources in the property.

Incur up to $2,000,000 exploration expenditures as follows:

- $250,000 within 12 months period from the date of the Agreement (not incurred)
- $250,000 within two years period from the date of the Agreement (not incurred)
- $500,000 within three years period from the date of the Agreement (not incurred)
- $500,000 within four years period from the date of the Agreement
- $500,000 within five years period from the date of the Agreement

The optionor will retain a 2% NSR of which 1% can be purchased by the Company for $1,500,000.

During the year ended December 31, 2023, the Company returned the property to the owner and exited the option agreement, resulting in the Company recognizing a write-off of mineral property of $144,494.

6 Accounts payable and accrued liabilities

	December 31, 2024	December 31, 2023
	$	$
Accounts payable	1,130,779	974,306
Accrued liabilities	39,000	39,000
Closing balance	1,169,779	1,013,306

On February 25, 2020, the Company negotiated a debt reorganization with certain creditors to defer repayment of accounts payable and accrued liabilities in the total amount of $196,262 (€136,000), for a period of up to three years from the date of the debt settlement agreement with each respective party.

Repayment is due on the following terms:

Third anniversary of debt settlement agreement	$203,021 (€136,000)

The accounts payable and accrued liabilities related to these certain creditors in the debt reorganization is initially measured at the present value of the payments in the amount of $145,575 on the debt settlement date, using a discount rate of 10%. During the year ended December 31, 2024, the Company recognized interest expense of $Nil (2023 - $3,006).

On June 2, 2023, certain creditors entered into debt assignment agreements in which a total of $164,975 was assigned to certain individuals (Note 10).

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

7 Provisions

The Company's recognized a constructive provision for environmental rehabilitation relating to a Pine Grove Property which will require future cleanup costs estimated to be approximately US$65,000. 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 – 2.1%, pre-tax risk-free interest rate – 4.15%.

The closing balance is summarized as follows:

	December 31, 2024	**December 31, 2023**
	$	$
Beginning balance	87,880	88,036
Changes in exchange rates	5,649	(156)
Closing balance	**93,529**	**87,880**

During the years ended December 31, 2024 and 2023, the finance costs in relation to the accretion of the provision are negligible.

8 Lease liability

The Company's lease liability relates to its office space. The lease liability was measured at the present value of the remaining lease payments, discounted using an interest rate of 10%, which is the Company's incremental borrowing rate.

	Total
	$
Balance at January 1, 2022	45,099
Addition	117,473
Interest expense	4,513
Lease payments	(57,586)
Balance at December 31, 2023	109,499
Interest expense	8,021
Lease payments	(69,540)
Balance at December 31, 2024	47,980
Current portion of lease liability	(47,980)
Long-term portion of lease liability	**-**

The Company's future lease commitment as at December 31, 2024 is as follows:

	$
2025	50,002
	50,002

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

9 Loans payable

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

	Year ended December 31, 2024	Year ended December 31, 2023
	$	$
Opening balance	102,043	101,958
Loans (repaid) received during the year	(1,000)	(4,492)
Interest accrued during the year	4,697	4,577
Closing balance	105,740	102,043
Current portion of loans payable	(105,740)	(102,043)
Long-term portion of loans payable	**-**	**-**

The loan of $24,790 is unsecured, bearing interest at 5% per annum including interest, calculated and payable on demand. As at December 31, 2024, the balance outstanding for this loan payable including interest was $55,828 (2023 - $54,600).

The loan of $40,100 is unsecured, bearing interest at 8% per annum including interest, calculated and payable on demand. As at December 31, 2024, the balance outstanding for this loan payable including interest was $48,482 (2023 - $45,198).

The loan of $2,208 is unsecured, bearing interest at 12% per annum including interest, calculated and payable on demand. As at December 31, 2024, the balance outstanding for this loan payable including interest was $1,430 (2023 - $2,245).

On February 25, 2020, the Company negotiated a debt reorganization with respect to this unsecured demand loan to defer repayment in the amount of $60,000 for a period of up to three years from the date of the debt settlement agreement. Repayment of $20,000 is due on the one year anniversary of the debt settlement agreement, $10,000 is due on the second year anniversary of the debt settlement agreement and $30,000 is due on the third anniversary of the debt settlement agreement.

This loan payable related to the debt reorganization is initially measured at the present value of the payments in the amount of $50,446 on the debt settlement date, using a discount rate of 10%. During the year ended December 31, 2024, the Company recognized interest expense of $Nil (2023 - $459).

10 Promissory notes

	Year ended December 31, 2024	Year ended December 31, 2023
	$	$
Opening balance	1,031,267	998,479
Interest accrued during the year	80,014	76,525
Loan received	4,000	498,516
Debt assignment	-	1,161,559
Settlement of promissory notes – Cash	-	(15,000)
Settlement of promissory notes – Shares	-	(1,680,037)
Foreign exchange	57,811	(8,775)
Closing balance	1,173,092	1,031,267
Current portion of promissory notes	(1,027,708)	(900,925)
Long-term portion of promissory notes	**145,384**	**130,342**

10 Promissory notes (continued)

The Company received advances of $440,000 from Mr. Ronald Netolitzky, a previous control person of the Company, and two other companies controlled by Mr. Netolitzky. The advances were unsecured, non-interest bearing and due on demand. On May 20, 2020, the Company entered into a sale and purchase agreement to assign a 25% interest in and to the ADGIS Agreement and an undivided 25% interest in and to the Oro Cruz Property (Note 5) in full and final settlement of the total advances of $440,000. The Company recognized a gain on settlement of debts of $440,000 related to this sale and purchase agreement during the year ended December 31, 2020.

During the year ended December 31, 2015, the Company received $50,000 from an insider of the Company. The loan was unsecured and evidence by promissory notes bearing interest at 6% per annum, calculated and payable on demand. On March 9, 2020, the Company issued 63,000 common shares for settlement of debt in the amount of $63,000 consisting of principal balance of $50,000 and interest of $13,000.

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 6,434 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, May 30, 2019 and April 1, 2021, 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), $53,344 (US$40,000) and $37,695 (US$30,000) from Dragon Hill Creation Limited, respectively, a company controlled by a director of the Company. On December 22, 2021, the Company made a repayment of $100,000 (US$77,730). The loans are unsecured and evidenced by promissory notes bearing interest at 8-10% per annum, calculated and payable on the termination dates of the promissory notes from June 30, 2019 to June 30, 2022. The Company may prepay the principal, in whole or in part, at any time without penalty.

On December 21, 2021, January 18, 2022, February 15, 2022, May 20, 2022 and August 29, 2022, the Company received $100,000, $10,000, $5,000, $5,600 and $12,000, respectively, from an arm's length individual. The loans are unsecured and evidence by a promissory note bearing interest at 8-12% per annum. The Company may prepay the principal, in whole or in part, at any time without penalty.

During the year ended December 31, 2022, the Company received a total of $194,522 from various arm's length individuals and made a repayment of $15,000. The loans are unsecured and evidenced by a promissory note bearing interest at 12% per annum. The Company may prepay the principal, in whole or in part, at any time without penalty.

During year ended December 31, 2023, the Company received a total of $498,516 from various arm's length individuals and made repayments of $15,000. The loans are unsecured and evidenced by a promissory note bearing interest at 12% per annum. Of this total amount, the principal of $125,000 and accrued interest is payable on August 23, 2026. The Company may prepay the principal, in whole or in part, at any time without penalty.

On June 2, 2023, certain creditors entered into debt assignment agreements in which a total of $1,161,559 included in accounts payable and accrued liabilities and due to related parties was assigned to certain individuals (Notes 6 and 12). In doing so, these creditors relinquished all claims they would otherwise have had against the Company related to this amount.

On June 27, 2023, the Company issued 9,886,364 units ("Debt Units") for settlement of debt in the amount of $1,680,037 (Note 13). Each Debt Unit consists of one common share and one share purchase warrant of the Company. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.35 per share for a period of three years.

During the year ended December 31, 2024, the Company received $4,000 from an arm's length individual. The loan is unsecured and evidenced by a promissory note bearing interest at 12% per annum.

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

11 Deposits received in advance

During the year ended December 31, 2024, the Company received deposits in the total amount of $140,000 in advance of the closing of a non-brokered private placement of four convertible debenture units (Note 18).

12 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 years ended December 31, 2024 and 2023 were as follows:

	2024	2023
	$	$
Management fees (accrued)	108,000	108,000
Exploration expenses	164,376	162,099
Professional fees	47,000	42,000
Total	**319,376**	**312,099**

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 December 31, 2024	As at December 31, 2023
	$	$
Executive officers and their controlled companies	1,081,418	823,043
Directors	-	9,000
Total	**1,081,418**	**832,043**

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

12 Related party transactions (continued)

On February 25, 2020, the Company negotiated a debt reorganization with certain related parties to defer repayment in the total amount of $930,000, consisting of $407,000 and US$394,000, for a period of up to three years from the date of the debt settlement agreement with each respective party. Repayment is due on the following terms:

First anniversary of debt settlement agreement	$5,000 payable to the former CFO $7,195 (US$5,000) payable to VP of Operations $21,584 (US$15,000) payable to former VP of Exploration
Second anniversary of debt settlement agreement	$35,000 payable to the President $5,000 payable to the former CFO $30,217 (US$21,000) payable to VP of Operations $60,434 (US$42,000) payable to former VP of Exploration
Third anniversary of debt settlement agreement	$362,000 payable to the President $130,940 (US$91,000) to VP of Operations $316,558 (US$220,000) payable to former VP of Exploration

The balance due to these related parties related to the debt reorganization is initially measured at the present value of the payments in the amount of $865,181 on the debt settlement date, using a discount rate of 10%. During the year ended December 31, 2024, the Company recognized interest expense of $Nil (2023 - $11,934).

On June 2, 2023, certain related parties entered into debt assignment agreements in which a total of $996,584 was assigned to certain individuals (Note 10).

Balance due to/from related parties

	As at December 31, 2024	As at December 31, 2023
	$	$
Balance due (to) from related parties		
Companies with a director in common	-	(710)

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

Loans from related parties
See Notes 9 and 10 and 13 for further details.

Other transactions with related parties

During the year ended December 31, 2024, the Company received $7,154 (2023 - $26,326) from Golden Band Resources Inc., a company with certain former officers and former directors in common and Goldcliff, for office rent.

Goldcliff is a public company with a common director of the Company – See Note 5.

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

13 Share capital and reserves

a) Authorized share capital

As at December 31, 2024 and 2023, 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 December 31, 2024 there were 18,059,831 (2023 – 13,752,688) fully paid common shares issued.

On June 27, 2023, the Company completed debt settlement agreements with various creditors of the Company by issuing 9,886,364 Debt Units with respect to outstanding debt (including principal and interest) totaling $1,680,037 included in promissory notes payable (Note 10). Each Debt Unit consists of one common share and one share purchase warrant of the Company. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.35 per share for a period of three years. The common shares issued had a fair value of $3,756,819 and the share purchase warrants had a fair value of $3,019,385 resulting in a loss on settlement of debts of $5,096,165. The fair value of share purchase warrants was calculated using the Black-Scholes Option Pricing Model with an expected life of three years, interest rate of 3.77%, dividend yield of 0% and expected volatility of 143%.

On May 14, 2024, the Company closed a first tranche of the non-brokered private placement. The Company issued a total of 824,000 units at a price of $0.25 per unit for total gross proceeds of $206,000. Each unit is comprised of one common share of the Company and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.50 per share for a period of twelve months. The Company paid finder's fee of $3,870 and issued 32,680 finder's warrants at a value of $5,801. Each finder's warrant entitles the holder to purchase one additional common share of the Company at a price of $0.25 per share for a period of twelve months. The fair value of the finders' warrants was calculated using the Black-Scholes Option Pricing Model with an expected life of one year, interest rate of 0.97%, dividend yield of 0% and expected volatility of 211%.

On July 4, 2024, the Company closed a second and final tranche of non-brokered private placement, issuing 2,626,000 units at a price of $0.25 per unit for additional gross proceeds of $656,500. Each unit is comprised of one common share of the Company and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.50 per share for a period of twelve months. The Company paid finder's fee of $7,000.

On August 26, 2024, the Company issued 857,143 common shares for proceeds of $300,000 related to the exercising of 857,143 common share purchase warrants at an exercise price of $0.35 per share.

a) Capital reserves

	Capital reserve – options	Capital reserve – warrants	Capital reserve – convertible debenture	Total
	$	$	$	$
Balance as at December 31, 2022	1,757,017	1,431,847	215,386	3,404,250
Debt settlement	-	3,019,385	-	3,019,385
Balance as at December 31, 2023	1,757,017	4,451,232	215,386	6,423,635
Finders' warrants issued	-	5,801	-	5,801
Warrants exercised	-	(261,429)	-	(261,429)
Balance as at December 31, 2024	**1,757,017**	**4,195,604**	**215,386**	**6,168,007**

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

13 Share capital and reserves (continued)

b) Stock options

As at December 31, 2024, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
205,000	$3.00	August 17, 2025
20,000	$3.00	October 7, 2025
225,000		

Stock option transactions for the year ended December 31, 2024 and year ended December 31, 2023 are summarized as follows:

	Year ended December 31, 2024		**Year ended December 31, 2023**	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
		$		$
Balance, beginning of year	225,000	3.00	245,000	3.00
Expired/Cancelled	-	-	(20,000)	3.00
Balance, end of year	225,000	3.00	225,000	3.00
Options exercisable, end of year	225,000	3.00	225,000	3.00

c) Warrants

As at December 31, 2024, the Company had share purchase warrants, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
32,680	$0.25	May 14, 2025
412,000	$0.50	May 14, 2025
9,029,221	$0.35	June 27, 2026
1,313,000	$0.50	July 4, 2025
10,786,901		

Warrants transactions for the year ended December 31, 2024 and 2023 are summarized as follows:

	Year ended December 31, 2024		**Year ended December 31, 2023**	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
		$		$
Balance, beginning of year	10,246,364	0.43	929,834	1.47
Issued	1,757,680	0.50	9,886,364	0.35
Exercised	(857,143)	0.35	-	-
Expired	(360,000)	2.50	(569,834)	0.82
Balance, end of year	10,786,901	0.37	10,246,364	0.43

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

14 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.

Categories of financial instruments

	December 31, 2024	December 31, 2023
	$	$
Financial assets *		
Amortized at cost		
Cash	295,219	20,804
Receivables	184	-
	295,403	20,804
Financial liabilities		
Amortized at cost		
Accounts payable and accrued liabilities	1,169,779	1,013,306
Due to related parties	1,081,418	832,043
Deposits received in advance	140,000	-
Lease liability	47,980	109,499
Loans payable	105,740	102,043
Promissory notes	1,173,092	1,031,267
	3,718,009	3,088,158

* 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, due to related parties, deposits received in advance, loans payable, and promissory notes are measured at amortized cost. 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 $168,000. 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.

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

14 Financial instruments (continued)

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.

15 Supplemental cash flow information

	Year ended December 31, 2024	Year ended December 31, 2023
	$	$
Cash paid for interest	-	-
Cash paid for income taxes	-	-
Deferred acquisition costs included in accounts payable	35,231	-

On June 27, 2023, the Company issued 9,886,364 Debt Units of the Company to settle outstanding debt totaling $1,680,037 (Notes 10 and 13).

During the year ended December 31, 2023, the Company recognized right-of-use asset and a corresponding lease liability of $117,473 related to extending the lease agreement on the Company's existing office space.

16 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, 2023	
United States of America	741,973
Canada	115,039
	857,012
December 31, 2024	
United States of America	789,501
Canada	56,302
	845,803

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

17 Income taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Year ended December 31, 2024	Year ended December 31, 2023
	$	$
Loss for the year	(1,511,599)	(6,497,503)
Expected income tax recovery	(408,000)	(1,754,000)
Change in statutory, foreign tax, foreign exchange rates and other	(116,000)	20,000
Permanent differences	1,000	816,000
Share issue costs	(3,000)	-
Adjustment to prior years provision versus statutory returns	826,000	17,000
Change in unrecognized deductible temporary differences	(300,000)	901,000
	-	-

The significant components of the Company's unrecognized temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	December 31, 2024	December 31, 2023	Expiry Date Range
	$	$	
Temporary differences:			
Mineral properties	4,519,000	3,484,000	No expiry date
Share issue costs	9,000	6,000	2045 to 2048
Lease obligation	48,000	109,000	No expiry date
Right of use asset	(44,000)	(103,000)	No expiry date
Other	151,000	148,000	No expiry date
Non-capital losses available for future periods	21,970,000	23,791,000	2029 to 2044

Tax attributes are subject to review, and potential adjustment by tax authorities.

18 Subsequent events

On November 3, 2023, the Company has entered into an agreement with Lincoln Resource Group Corp., Eros Resources Corp. ("Eros") and Bell Mountain Exploration Corp. ("BMEC" and together with Eros, the "Seller"), a wholly-owned subsidiary of Eros, to acquire all of the assets that comprise the Bell Mountain project located in Churchill County, Nevada (the "Transaction"). Under the terms of the purchase agreement, the Company has agreed to issue to either BMEC or Eros, as directed by Eros, (a) 3,000,000 common shares in the capital of the Company, and (b) 1,500,000 Shares within five business days of the date on which the Company completes any issuance of Shares, the result of which is that there are at least 28,500,000 shares issued and outstanding. The Company will also grant to BMEC a net profits interest of 7.5% of the net returns from gold and silver produced or extracted from the project up to a maximum amount of US$2,000,000. This transaction closed on January 6, 2025 and the Company issued a total of 4,500,000 common shares.

On January 6, 2025, the Company closed a non-brokered private placement of four convertible debenture units ("Note Unit") for gross proceeds of $140,000 (Note 11). Each Note Unit consists of one unsecured convertible debenture ("Note") of the Company and share purchase warrants. A total of 933,333 share purchase warrants were issued. Each share purchase warrant is exercisable into one common share of the Company at an exercise price of $0.35 per share for a period of 24 months from the date of issuance. The Notes have a maturity date of 24 months from the date of issuance and interest at 18% per annum. From the date of issuance until the maturity date, any principal amount can be converted, at the option of the Note holder, into common shares at a conversion price of $0.15 per share.

18 Subsequent events (continued)

On March 19, 2025, the Company cancelled all previously granted and outstanding stock options.

LINCOLN GOLD MINING INC

FORM 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) WHICH HAS BEEN PREPARED ON APRIL 29, 2025 TO ACCOMPANY THE CONSOLIDATED FINANCIAL STATEMENTS OF LINCOLN GOLD MINING INC. (THE "COMPANY" OR "LINCOLN") FOR THE YEAR ENDED DECEMBER 31, 2024.

This Management's Discussion and Analysis ("MD&A"), should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended December 31, 2024. All financial amounts are stated in Canadian currency unless stated otherwise.

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

The 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", the "Company" or "numbered company", we mean Lincoln Gold Mining Inc., the parent company and its wholly-owned subsidiaries, 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, the state of the world's health physically and financially in dealing with Covid-19. 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 investors 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, such as future waves of Covid -19, 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.sedarplus.ca.

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 ("ZMG2").

Lincoln Gold Mining Inc. is an advanced-stage precious metals exploration and development company with one project in permitting for production which is the Pine Grove gold property in Nevada, USA. In the United States, the Company operates under its subsidiaries, Lincoln Gold US Corp. and Lincoln Resource Group Corp. both incorporated in Nevada. 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.

Overview … (continued)

Corporate activities during the year ended December 31, 2024 and subsequent to the quarter end

On November 3, 2023, the Company has entered into an agreement with Lincoln Resource Group Corp., a wholly-owned subsidiary of the Company, Eros Resources Corp. ("Eros") and Bell Mountain Exploration Corp. ("BMEC" and together with Eros, the "Seller"), a wholly-owned subsidiary of Eros, to acquire all of the assets that comprise the Bell Mountain project (the "Project") located in Churchill County, Nevada (the "Transaction"). Under the terms of the purchase agreement, Lincoln has agreed to issue to either BMEC or Eros, as directed by Eros, (a) 3,000,000 common shares in the capital of the Company ("Shares") on the closing date of the Transaction (the "Closing Date"), and (b) 1,500,000 Shares within five business days of the date on which the Company completes any issuance of Shares, the result of which is that there are at least 28,500,000 Shares issued and outstanding. The Company will also grant to BMEC a net profits interest of 7.5% of the net returns from gold and silver produced or extracted from the Project up to a maximum amount of US$2,000,000. The transaction closed on January 6, 2025

On May 14, 2024, the Company closed a first tranche of the non-brokered private placement that was announced on March 21, 2024. The Company issued a total of 824,000 units at a price of $0.25 per unit for total gross proceeds of $206,000. Each unit is comprised of one common share of the Company and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.50 per share for a period of twelve months. The Company paid finder's fee of $3,870 and issued 32,680 finder's warrants. Each finder's warrant entitles the holder to purchase one additional common share of the Company at a price of $0.25 per share for a period of twelve months.

On July 4, 2024, the Company closed a second and final tranche of non-brokered private placement, issuing 2,626,000 units at a price of $0.25 per unit for additional gross proceeds of $656,500. Each unit is comprised of one common share of the Company and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.50 per share for a period of twelve months. The Company paid finder's fee of $7,000.

On January 6, 2025, the Company closed a non-brokered private placement of four convertible debenture units ("Note Unit") for gross proceeds of $140,000. Each Note Unit consists of one unsecured convertible debenture ("Note") of the Company and share purchase warrants equal to the principal divided by the conversion price. Each share purchase warrant is exercisable into one common share of the Company at an exercise price of $0.35 per share for a period of 24 months from the date of issuance. The Notes have a maturity date of 24 months from the date of issuance and interest at 18% per annum. From the date of issuance until the maturity date, any principal amount can be converted, at the option of the Note holder, into common shares at a conversion price of $0.15 per share.

Cash Flow Analysis

Operating Activities

During the year ended December 31, 2024, cash used by operating activities was $938,378 (2023 – $429,824) respectively for activities as described above and below.

Financing activities

During the year ended December 31, 2024, the Company received $862,500 related to the completion of non-brokered private placements consisting of 3,450,000 units of the Company at $0.25 per unit and received loans of $4,000 from an arm's length individual. The loan is subject to interest at 12% per annum and unsecured. In addition, the Company paid $69,540 (2023 - $57,586) for the Company's office building lease and received deposits of $140,000 related to the Company closing a non-brokered private placement of four convertible debenture units subsequent to the year ended December 31, 2024.

(in Canadian dollars, unless otherwise stated)

New Opportunities:

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

2. Summary of Quarterly Results

	4th Quarter 2024	3rd Quarter 2024	2nd Quarter 2024	1st Quarter 2024
	$	$	$	$
Revenue	-	-	-	-
Exploration expenses	189,839	316,429	13,421	47,883
Administrative expenses (incl. interest expense)	307,110	217,424	228,973	190,520
Loss and comprehensive loss	(497,048)	(533,853)	(242,394)	(238,304)
Basic and diluted loss per share	(0.03)	(0.03)	(0.02)	(0.02)
Total assets	1,167,125	1,109,584	1,394,626	854,731
Working capital deficiency	(3,251,303)	(2,730,946)	(2,500,975)	(3,110,379)

	4th Quarter 2023	3rd Quarter 2023	2nd Quarter 2023	1st Quarter 2023
	$	$	$	$
Revenue	-	-	-	-
Exploration expenses	48,436	105,970	46,733	47,313
Administrative expenses (incl. interest expense)	301,666	193,555	303,815	217,953
Loss and comprehensive loss	(356,690)	(444,019)	(5,431,528)	(265,266)
Basic and diluted loss per share	(0.03)	(0.03)	(1.30)	(0.07)
Total assets	891,594	781,897	945,375	1,021,070
Working capital deficiency	(2,861,716)	(2,501,868)	(2,336,412)	(3,681,077)

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

During the quarter ended June 30, 2023, the Company completed debt settlement agreement with various creditors of the Company by issuing 9,886,364 Debt Units with respect to outstanding debt (including principal and interest) totaling $1,680,037 included in promissory notes payable. Each Debt Unit consists of one common share and one share purchase warrant of the Company. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.35 per share for a period of three years. The common shares issued had a fair value of $3,756,819 and the share purchase warrants had a fair value of $3,019,385 resulting in a loss on settlement of debts of $5,096,165.

Results of Operations

Results of Operations – For the year ended December 31, 2024

For the year ended December 31, 2024, the Company incurred an operational loss of $1,511,599 (2023 - $6,497,503).

(in Canadian dollars, unless otherwise stated)

Summary of Quarterly Results … (continued)

Administrative expenses decreased to $855,635 compared to $916,338 in the comparative period mainly related to a decrease of consulting and management fee of $193,990 to $357,440 (2023 - $551,430), depreciation of $8,541 to $58,737 (2023 - $67,278), investor relations and shareholder services of $20,960 to $25,545 (2023 - $46,505) and office maintenance fee of $14,472 to $65,658 (2023 - $80,130). The decrease in administrative expenses were partially offset by an increase of foreign exchange loss of $126,374 to $118,537 (2023 – gain of $7,837) as a result of the translation of US dollar transactions, an increase to advertising and promotion of $28,975 to $28,975 compared to $Nil.

Exploration expenses increased by $319,120 to $567,572 on the properties compared to the prior period mainly consisting of contractor work of $192,749 (2023 – $162,099), general administration of $37,043 (2023 - $25,556), land maintenance of $120,238 (2023 - $59,079), permitting environment of $35,229 (2023 - $1,718) and property evaluation of $146,849 (2023 - $Nil) on the Pine Grove and Bell Mountain property.

During the comparative period, the Company issued 9,886,364 units to settle outstanding debt of $1,680,037 resulting in a loss on debt settlement of $5,096,165 and recognized a write-down of $144,494 related to the Company returning the Shawinigan property to the owner and exited the option agreement.

The significant expenses comprise of the following:

	2024	2023	2022
	$	$	$
Revenues	-	-	-
Exploration expenses	**567,572**	**248,452**	**289,455**
Administrative expenses (top 5 categories):			
Consulting and management fees	357,440	551,430	165,110
Foreign exchange	118,537	(7,837)	130,573
Investor relations and shareholder services	25,545	46,505	23,446
Office maintenance	65,658	80,130	83,518
Professional fees (legal and accounting)	167,252	162,796	105,578
Subtotal	**1,302,004**	**1,081,476**	**508,225**
% to total income/loss	86%	17%	49%
Other administrative expenses			
Other administrative expenses	117,203	83,314	70,979
Interest income	(340)	(181)	-
Interest expense	92,732	100,832	162,684
Gain on disposal of equipment	-	(8,597)	-
Loss on settlement of debt	-	5,096,165	-
Write-down of accounts receivable	-	-	20,921
Write-off of mineral property	-	144,494	-
Net loss for the year	**(1,511,599)**	**(6,497,503)**	**(1,052,264)**
Comprehensive loss for the year	**(1,511,599)**	**(6,497,503)**	**(1,052,264)**
Basic and diluted loss per common share	**(0.10)**	**(0.73)**	**(0.27)**
Total assets	**1,167,125**	**891,594**	**985,510**
Total non-current liabilities	**238,913**	**279,740**	**88,036**
Cash dividends declared per share	**n/a**	**n/a**	**n/a**

(in Canadian dollars, unless otherwise stated)

Results of Operations – For the three months ended December 31, 2024

For the three months ended December 31, 2024, the Company incurred an operational loss of $497,048 (2023 - $356,690).

Administrative expenses increased to $284,858 compared to $279,484 in the comparative period mainly related to a increase advertising and promotion of $27,428 to $27,428 (2023 - $Nil), travel of $6,147 to $6,967 (2023 - $820) and foreign exchange loss of $79,269 to $96,910 (2023 – $17,641) as a result of the translation of US dollar transactions. The increase in administrative expenses were partially offset by a decrease in consulting and management fees of $37,735 to $71,375 (2023 – $109,110) and professional fees of a recovery of $74,978 to $35,045 (2023 – $110,024).

Exploration expenses increased by $141,403 to $189,839 (2023 - $48,436) on the properties compared to the prior period mainly consisting of contractor work of $116,066 (2023 – $40,986), geochemistry of $21,917 (2023 - $Nil), general administration of $8,350 (2023 - $6,378), and property evaluation of $27,888 (2023 - $Nil) on the Pine Grove and Bell Mountain property.

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

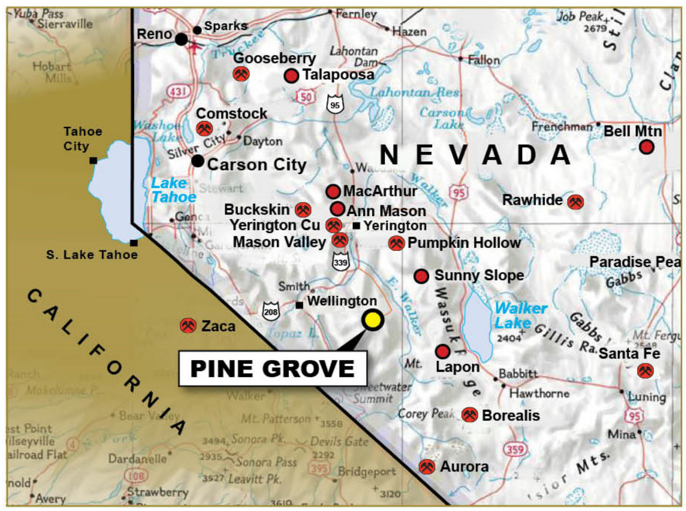
Exploration expenses (recoveries)	**Pine Grove**	**Oro Cruz**	**Bell Mountain**	**La Bufa**	**Other properties (refunds)**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
2024, (IFRS reporting)	335,826	-	231,746	-	-	567,572
2023, (IFRS reporting)	248,452	-	-	-	-	248,452
2022, (IFRS reporting)	288,521	934	-	-	-	289,455
2021, (IFRS reporting)	690,237	3,871	-	-	-	694,108
2020, (IFRS reporting)	384,485	90,335	-	-	-	474,820
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
	8,168,127	**1,796,190**	**1,709,989**	**4,038,203**	**107,756**	**15,820,265**
Less recoveries	**(34,438)**	**(654,453)**	**-**	**(1,051,735)**	**-**	**(1,740,626)**
Total exploration expenses incurred	**8,133,689**	**1,141,737**	**1,709,989**	**2,986,468**	**107,756**	**14,079,639**

3. Projects

Overview

Pine Grove Gold Property, Nevada – The Pine Grove gold project, located in Lyon County, Nevada, is the Company's main project. At the time of writing of this MDA Lincoln continues its permitting studies needed to take the project to production.

The Pine Grove property is a development-stage gold project. The property 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-five 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 US$1,425.

In August 2020, yearly land payments were made to the BLM and Lyon County to keep the property in good standing.

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.

The Agreement was terminated in 2019. Placer is required to carry out reclamation work on the area that it disturbed and to that end some reclamation work was completed at the property in the summer and fall of 2020. The land has been contoured and fenced. The only item left to complete is seeding of the area.

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

Projects … (continued)

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.

By mid-December 2016, Goldcliff had completed a drilling program of 14 holes that 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 9, 2017. No additional exploration work was carried out on the property during 2017 or 2018; however, a number of permitting studies were undertaken.

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).

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").

In January 2022 the Company completed a core drill program of 5 holes on the Wilson side of the property, which had been started in November 2021. All core from the program has been stored in our warehouse in Yerington.

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 ("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.

In August 2018, the Company engaged a team of consultants to guide it through the production permitting process. Stantec has been chosen as the lead contractor for the EIS.

On March 19, 2021, the Company signed a non-binding Letter of Intent ("LOI") with Lyon Grove LLC to reduce the royalties on its Wilson property to 1% which comprises a substantial part of the Company's Pine Grove project in Nevada. See the FS for additional details.

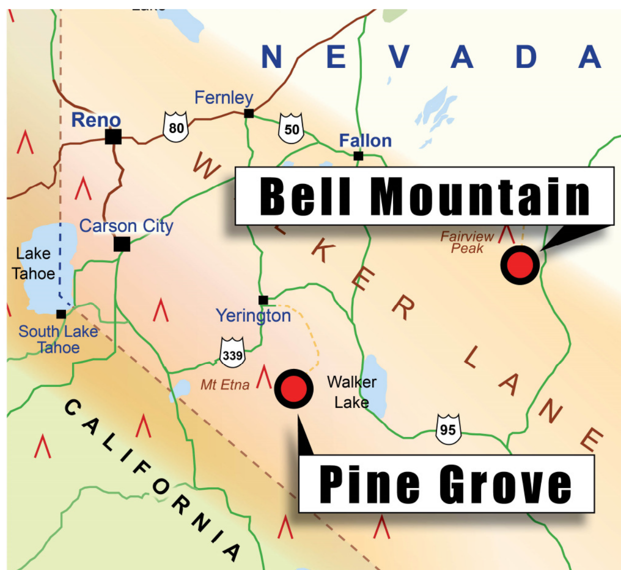
On April 28, 2021, the Company signed a non-binding Letter of Intent ("LOI") with Wheeler on the Wheeler property which comprises a substantial part of the Company's Pine Grove project. Under the terms of the LOI, the Company will buydown the NSR from 7% to 2% for an aggregate consideration of US$5,000,000 over 6 years. See the FS for additional details.

Projects … (continued)

Bell Mountain Gold-Silver Property in Churchill County, Nevada

In November 2023, the Company entered into a purchase agreement with Eros Resources Corp. ("Eros") and Bell Mountain Exploration Corp. ("Bell Mountain" and together with Eros, the "Seller"), a wholly-owned subsidiary of Eros, to acquire all of the assets that comprise the Bell Mountain project (the "Project") located in Churchill County, Nevada (the "Transaction"). Under the purchase agreement, the Company has agreed to issue to either Bell Mountain or Eros, as directed by Eros, 3,000,000 common shares of the Company on the closing date of the Transaction ("Shares") and 1,500,000 common shares of the Company within five business days on the date on which the Company completes any issuance of Shares. The Company will also grant to Bell Mountain a net profits interest of 7.5% of the net returns from gold and silver produced or extracted from the Project up to a maximum of US$2,000,000. The closing of the Transaction remains subject to the satisfaction of customary closing conditions for a transaction of such nature, including acceptance by the TSX Venture Exchange. This transaction was closed on January 6, 2025.

Located in Churchill County in the Fairview mining district, an area of historic mining, which is southeast of Reno, approximately 54 miles (85 kilometers) from Fallon, Nevada, the Bell Mountain project is located in the Basin and Range physio-graphic province and within the Walker Lane Mineral Trend, the major NW-SE trending complex fault system that hosts many major precious metals deposits in Nevada. The project is comprised of 174 unpatented lode claims and surface rights on 6 unpatented mill site claims for a total of 180 claims that cover a land package of approximately 1,463 hectares.



The Bell Mountain project is a fully permitted development-stage project with near-term potential for gold and silver production. The Bell Mountain project has established gold and silver resources and currently has a total measured and indicated gold equivalent of 56,793 ounces and total inferred gold equivalent 30,271 ounces.

At the Bell Mountain deposits, gold-silver mineralization is structurally controlled and the primary control is an east-northeast trending zone of faulting. To date, four main bodies of gold-silver mineralization have been defined by drilling. These are the Spurr, Varga, Sphinx and East Ridge Deposits.

The project has a detailed mining plan in place for an open-pit heap leach operation. The project has a minimal ore waste stripping ratio, excellent access, and an established water supply.

Exploration potential exists beyond current resource.

Lincoln plans to develop Bell Mountain first to production as the project is fully permitted, leading into the final development of the Pine Grove project, which is located in close proximity to Bell Mountain project.

Advancing the development of the Bell Mountain project will be a major focus of Company activities over the coming year. An exploration drill program, work related to water and power and beginning a detailed design of the plant will commence soon.

The Company is currently in negotiations with several companies regarding financing for the mine site construction. This will also be a major focus of Lincoln's activites over the next few months.

(in Canadian dollars, unless otherwise stated)

Shawinigan Property, Southern Quebec

The property is situated in an area that is well known for hosting Nickel Copper mineralization and is a prime area for Ni-Cu and Cobalt deposits. Field and drill testing programs to date have covered only a small area of the property, as most of the previous holes have focused on the area north of the Shawinigan Ni-Cu prospect.

During the year ended December 31, 2023, the Company returned the property to the owner and exited the option agreement. The Company's claims that it staked in 2022 has now lapsed.

New Opportunities

Lincoln continues to evaluate mineral properties that 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.

4. Liquidity and Solvency

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

	December 31, 2024	December 31, 2023
	$	$
Working capital deficiency	(3,251,303)	(2,861,716)
Long-term debt	238,913	279,740

	Year ended December 31, 2024	Year ended December 31, 2023
	$	$
Cash used in operating activities	(938,378)	(429,824)
Cash provided by (used in) investing activities	(12,297)	10,911
Cash provided by financing activities	1,225,090	421,438
Change in cash	274,415	2,525

During the year ended December 31, 2024, the Company received $4,000 from an arm's length individual. The loan is unsecured and evidence by a promissory note bearing interest at 12% per annum.

During year ended December 31, 2023, the Company received a total of $498,516 from various arm's length individuals and made repayments of $15,000. The loans are unsecured and evidence by a promissory note bearing interest at 12% per annum. Of this total amount, the principal of $125,000 and accrued interest is payable on August 23, 2026. The Company may prepay the principal, in whole or in part, at any time without penalty.

Liquidity and solvency… (continued)

On May 14, 2024, the Company closed a first tranche of the non-brokered private placement that was announced on March 21, 2024. The Company issued a total of 824,000 units at a price of $0.25 per unit for total gross proceeds of $206,000. Each unit is comprised of one common share of the Company and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.50 per share for a period of twelve months. The Company paid finder's fee of $3,870 and issued 32,680 finder's warrants. Each finder's warrant entitles the holder to purchase one additional common share of the Company at a price of $0.25 per share for a period of twelve months.

On July 4, 2024, the Company closed a second and final tranche of non-brokered private placement, issuing 2,626,000 units at a price of $0.25 per unit for additional gross proceeds of $656,500. Each unit is comprised of one common share of the Company and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.50 per share for a period of twelve months. The Company paid finder's fee of $7,000.

On August 26, 2024, the Company issued 857,143 common shares for proceeds of $300,000 related to the exercising of 857,143 common share purchase warrants at an exercise price of $0.35 per share.

During the year ended December 31, 2024, the Company received deposits in the total amount of $140,000 in advance of the closing of a non-brokered private placement of four convertible debenture units. Each Note Unit consists of one Note of the Company and share purchase warrants equal to the principal divided by the conversion price. Each share purchase warrant is exercisable into one common share of the Company at an exercise price of $0.35 per share for a period of 24 months from the date of issuance. The Notes have a maturity date of 24 months from the date of issuance and interest at 18% per annum. From the date of issuance until the maturity date, any principal amount can be converted, at the option of the Note holder, into common shares at a conversion price of $0.15 per share.

Capital Resources

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

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

Capital risk management

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

5. 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 three years for similar rates. On September 23, 2021 the Company extended the lease for another two years at an increase of $1.00 per square foot. On September 21, 2023, the Company further extended the lease for another two years.

(in Canadian dollars, unless otherwise stated)

6. Off-Balance Sheet Arrangements

None.

7. Outstanding Share Data

The Company's issued and outstanding common shares are 22,559,831 as at the date of this report.

The Company has a total of 32,680 finder's warrants with an exercise price of $0.25 expiring on May 14, 2025, 412,000 share purchase warrants with an exercise price of $0.50 expiring on May 14, 2025, 9,029,221 share purchase warrants with an exercise price of $0.35 expiring June 27, 2026, and 1,313,000 share purchase warrants with an exercise price of $0.50 per share expiring on July 4, 2025.

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 year ended December 31, 2024 and 2023 were as follows:

	Year ended December 31, 2024	Year ended December 31, 2023
	$	$
Management fees (accrued)	108,000	108,000
Exploration expenses	164,376	162,099
Accounting fees	47,000	42,000
Total	**319,376**	**312,099**

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.

During the year ended December 31, 2024, the Company paid management fees of $18,500 (2023 - $Nil) and accrued management fees of $89,500 (2023 - $81,000) to a company controlled by Mr. Paul Saxton, the Chief Executive Officer, President and a director of the Company.

During the year ended December 31, 2024, the Company paid/accrued accounting fees of $47,000 (2023 - $42,000) to a company controlled by Mr. Dong Shim, the Chief Financial Officer of the Company.

During the year ended December 31, 2024, the Company incurred a consulting fees of $164,376 (2023 –$162,099) included in exploration expenses to Mr. Joseph Sawyer, the President of the Company's US subsidiaries.

Balance due to related parties

	As at December 31, 2024	As at December 31, 2023
	$	$
Executive officers and their controlled companies	1,081,418	823,043
Directors	-	9,000
	1,081,418	**832,043**

(in Canadian dollars, unless otherwise stated)

Balance due to related parties… (continued)

On February 25, 2020, the Company negotiated a debt reorganization with certain related parties to defer repayment in the total amount of $930,000, consisting of $407,000 and US$394,000, for a period of up to three years from the date of the debt settlement agreement with each respective party. Repayment is due on the following terms:

First anniversary of debt settlement agreement	$5,000 payable to the former CFO $7,195 (US$5,000) payable to VP of Operations $21,584 (US$15,000) payable to former VP of Exploration
Second anniversary of debt settlement agreement	$35,000 payable to the President $5,000 payable to the former CFO $30,217 (US$21,000) payable to VP of Operations $60,434 (US$42,000) payable to former VP of Exploration
Third anniversary of debt settlement agreement	$362,000 payable to the President $130,940 (US$91,000) to VP of Operations $316,558 (US$220,000) payable to former VP of Exploration

The balance due to these related parties related to the debt reorganization is initially measured at the present value of the payments in the amount of $865,181 on the debt settlement date, using a discount rate of 10%. This resulted in the Company recognizing a gain on settlement of debt of $223,724 and interest expense of $59,719 during the year ended December 31, 2020. During the year ended December 31, 2024, the Company recognized interest expense of $Nil (2023 - $11,967).

Balance due to/from related parties

	As at December 31, 2024	As at December 31, 2023
	$	$
Balance due (to) from related parties		
Companies with a director in common	-	(710)

Loans

During the year ended December 31, 2022, the Company received $43,100 (2021 - $Nil), unsecured demand loan from the President of the Company. The loans are unsecured and payable on demand. The loan of $24,790, $40,100 and $2,208 bears interest at 5%, 8% and 12% per annum, respectively. The Company may repay the principal, in whole or in part, at any time without penalty. As at December 31, 2024, the total loan payable balance to the President of the Company was $105,740 (2023 - $102,043). On February 25, 2020, the Company negotiated a debt reorganization with respect to this unsecured demand loan to defer repayment in the amount of $60,000 for a period of up to three years from the date of the debt settlement agreement. Repayment of $20,000 is due on the one year anniversary of the debt settlement agreement, $10,000 is due on the second year anniversary of the debt settlement agreement and $30,000 is due on the third anniversary of the debt settlement agreement.

As of December 31, 2024, the Company had received advances totaling $440,000 (December 31, 2023 - $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. On May 20, 2020, the Company entered into a sale and purchase agreement to assign a 25% interest in and to the ADGIS Agreement and an undivided 25% interest in and to the Oro Cruz Property in full and final settlement of the total advances of $440,000. The Company recognized a gain on settlement of debts of $440,000 related to this sale and purchase agreement during the year ended December 31, 2020.

Loans … (continued)
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, May 30, 2019 and April 1, 2021, 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), $53,344 (US$40,000) and $37,695 (US$30,000) from Dragon Hill Creation Limited, respectively, a company controlled by a director of the Company. On December 22, 2021, the Company made a repayment of $100,000 (US$77,730). The loans are unsecured and evidence by promissory notes bearing interest at 8-10% per annum, calculated and payable on the termination dates of the promissory notes from June 30, 2019 to March 31, 2022. The Company may prepay the principal, in whole or in part, at any time without penalty and the terms of the loans are currently being renegotiated.

Other transactions with related parties

During the year ended December 31, 2024, the Company received $7,154 (2023 - $26,326) from Golden Band and Goldcliff for office rent.

Gold Band is a private company with a former director in common and Goldcliff is a public company with a director in common with the Company.

8. Proposed Transactions

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

9. 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

The Company adopted no material new accounting standards during its current fiscal year, and is unaware of any applicable, but not-yet-adopted standards that are expected to materially affect the financial statements of future periods.

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 and development 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.

(in Canadian dollars, unless otherwise stated)

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

Share-based compensation

The Company uses the Black-Scholes option pricing model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can significantly change the fair value estimate and the Company's earnings and equity reserves.

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.

10. Financial Instruments

Categories of financial instruments

	December 31, 2024	December 31, 2023
	$	$
Financial assets *		
Amortized at cost		
Cash	295,219	20,804
Other receivables	184	-
	295,403	20,804
Financial liabilities		
Amortized at cost		
Accounts payable and accrued liabilities	1,169,779	1,013,306
Due to related parties	1,081,418	832,043
Deposits received in advance	140,000	-
Lease liability	47,980	109,499
Loans payable	105,740	102,043
Promissory notes	1,173,092	1,031,267
	3,718,009	3,088,158

* 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, due to related parties, deposits received in advance, loans payable, and promissory notes are measured at amortized cost. The carrying value of lease liability approximated its fair value as it bears interest that approximates current market rates.

11. 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 $168,000. 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 metal and base metal 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 completed a positive PEA on its Pine Grove Property, which currently has NI 43-101 compliant resources of indicated 5,888,107 Tons, grading 0.04 opt, containing 210,962 ounces of gold. Many of the required permits are near completion which the Company plans to address later in the year and early 2024.

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. They 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.

Risks and Uncertainties … (continued)

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.

12. Subsequent Events

On November 3, 2023, the Company has entered into an agreement with Lincoln Resource Group Corp., Eros Resources Corp. ("Eros") and Bell Mountain Exploration Corp. ("BMEC" and together with Eros, the "Seller"), a wholly-owned subsidiary of Eros, to acquire all of the assets that comprise the Bell Mountain project (the "Project") located in Churchill County, Nevada (the "Transaction"). Under the terms of the purchase agreement, the Company has agreed to issue to either BMEC or Eros, as directed by Eros, (a) 3,000,000 common shares in the capital of the Company ("Shares") on the closing date of the Transaction (the "Closing Date"), and (b) 1,500,000 Shares within five business days of the date on which the Company completes any issuance of Shares. The Company will also grant to BMEC a net profits interest of 7.5% of the net returns from gold and silver produced or extracted from the Project up to a maximum amount of US$2,000,000. This transaction closed on January 6, 2025 and the Company issued a total of 4,500,000 common shares.

On January 6, 2025, the Company closed a non-brokered private placement of four convertible debenture units ("Note Unit") for gross proceeds of $140,000. Each Note Unit consists of one unsecured convertible debenture ("Note") of the Company and share purchase warrants equal to the principal divided by the conversion price. A total of 933,333 share purchase warrants were issued. Each share purchase warrant is exercisable into one common share of the Company at an exercise price of $0.35 per share for a period of 24 months from the date of issuance. The Notes have a maturity date of 24 months from the date of issuance and interest at 18% per annum. From the date of issuance until the maturity date, any principal amount can be converted, at the option of the Note holder, into common shares at a conversion price of $0.15 per share.

On March 19, 2025, the Company cancelled all previously granted and outstanding stock options.

13. Trends

Trends in the industry can materially affect how well any junior exploration company is performing. There are two trends that seem to affect the well-being of junior miners.

One is the price of commodities that 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 had fallen and risen in the last month or two of 2024 and has fluctuated between US $1950 and $2750 per ounce. As of the date writing of this MD&A gold has moved up to the range of $2500 to $3380 per ounce as gold has risen significantly due to uncertainties in the economics of the world brought on by trading tariffs being introduced by various countries.

The other aspect is the general stock market conditions. Unfortunately, the junior mining sector, especially for gold explorers and miners, has been under tremendous negative pressure in the market over the last few years and this has continued since the beginning of 2024. Previous to the gold market moving upward significant amounts of investing have occurred in the marijuana, blockchain, medical and technology areas which has taken away from investment in the junior mining industry. Lincoln is committed to advancing its properties to production as quickly as possible to try and take advantage of the upward movement in the price of gold which will get the Company into a positive cash flow position.

14. Outlook

Precious metals prices, especially gold, have been trending flat and slightly downward generally except for the last three or four months of 2024 when the price began to fluctuate in the US $1800 to $2750 range. Subsequent to the end of Q4 the gold price has had a dramatic move upward to over US $2700. These changes can be not only to interest rate changes in the US but the world economy in general. Just prior to the end of Q4 the price gold dropped to close to US $2600 from its highs of close to US $2800 per ounce. 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 little if any 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.