LINCOLN MINING CORPORATION

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the three months ended March 31, 2019

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Notice to Reader

Management has prepared the unaudited condensed interim consolidated financial statements for Lincoln Mining Corporation (the "Company") in accordance with National Instrument 51-102 released by the Canadian Securities Administration. The Company discloses that its auditors have not reviewed the unaudited consolidated financial statements for the period ended March 31, 2019.

LINCOLN MINING CORPORATION
Condensed Interim Consolidated Statements of Financial Position
(Unaudited)
As at March 31, 2019 and December 31, 2018

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

	Notes	As at March 31, 2019	As at December 31, 2018
		$	$
Assets			
Current assets			
Cash		145,039	70,102
Receivables	10	83,910	81,625
Prepaid expenses		12,945	28,560
		241,894	180,287
Non-current assets			
Equipment		1,896	2,709
Right-of-use asset	4	114,018	-
Deposits		14,121	14,160
Mineral properties	5	-	69,171
		130,035	86,040
Total assets		**371,929**	**266,327**
Liabilities and shareholders' deficiency			
Current liabilities			
Accounts payable and accrued liabilities	10	1,837,578	2,013,204
Exploration funding	16	113,586	33,010
Lease liability	7	58,035	-
Loans payable	8	70,842	74,336
Promissory notes	9	988,848	825,529
		3,068,889	2,946,079
Non-current liabilities			
Lease liability		52,984	-
Provision for environmental rehabilitation	6	86,860	88,673
		139,844	88,673
Total liabilities		**3,208,733**	**3,034,752**
Shareholders' deficiency			
Share capital	11	23,399,098	23,399,098
Capital reserves	11	2,877,687	2,877,687
Deficit		(29,113,589)	(29,045,210)
Total shareholders' deficiency		**(2,836,804)**	**(2,768,425)**
Total liabilities and shareholders' deficiency		**371,929**	**266,327**

Nature of operations (Note 1)
Commitment (Note 14)
Subsequent events (Note 16)

Approved and authorized by the Board on May 29, 2019.

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

LINCOLN MINING CORPORATION
Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Unaudited)
For the three months ended March 31, 2019 and 2018

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

	Notes	Three months ended March 31, 2019	Three months ended March 31, 2018
Exploration expenses	5, 10	**26,086**	**91,037**
Administrative expenses			
Consulting and management fees	10	31,440	43,740
Depreciation		11,915	896
Foreign exchange loss (gain)		(42,517)	20,453
Investor relations and shareholder services		9,409	52,324
Office maintenance		13,793	15,562
Professional fees	10	20,000	51,678
Travel		435	14,046
		44,475	**198,699**
Finance expenses (income)			
Interest expense		10,350	2,930
Write-off of accounts payable		(12,532)	-
		(2,182)	**2,930**
Other Income			
Gain on settlement of debts	8, 9, 10	-	(525,291)
		-	**(525,291)**
Net income (loss) and comprehensive income (loss) for the period		**(68,379)**	**232,625**
Basic and diluted earnings (loss) per common share		$ (0.00)	$ 0.00
Weighted average number of common shares outstanding		**75,197,176**	**63,680,745**

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

	Three months ended March 31, 2019	Three months ended March 31, 2018
	$	$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net income (loss) for the period	**(68,379)**	**232,625**
Items not affecting cash:		
Accrued interest expense	10,350	2,930
Depreciation	11,915	896
Unrealized foreign exchange	(8,184)	4,180
Gain on settlement of debts	-	(525,291)
Changes in non-cash working capital items:		
Decrease in accounts payable and accrued liabilities	(175,626)	(255,292)
Decrease in prepaid expenses and deposits	15,654	36,564
Decrease (Increase) in receivables	(2,285)	457
Net cash used in operating activities	**(216,555)**	**(502,931)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Recoveries of mineral properties	69,171	-
Exploration funding	80,576	-
Net cash provided by investing activities	**149,747**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash, net	-	697,750
Promissory notes payable	160,251	-
Loans payable	(4,168)	(4,500)
Payment for lease liability	(14,338)	-
Net cash provided by financing activities	**141,745**	**693,250**
Net change in cash for the period	74,937	190,319
Cash, beginning of the period	70,102	21,899
Cash, end of the period	**145,039**	**212,218**

Supplemental cash flow information (Note 13)

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

	Number of shares	Share capital	Capital reserves	Share subscriptions received in advance	Deficit	Total
		$	$	$	$	$
Balance at December 31, 2017	**40,925,517**	**22,118,931**	**2,588,249**	**38,095**	**(27,706,923)**	**(2,961,648)**
Private placements	14,841,904	579,477	162,618	(38,095)	-	704,000
Debt settlement agreements	13,029,755	521,190	-	-	-	521,190
Share issue costs	-	(6,250)	-	-	-	(6,250)
Net income for the period	-	-	-	-	232,625	232,625
Balance at March 31, 2018	**68,797,176**	**23,213,348**	**2,750,867**	**-**	**(27,474,298)**	**(1,510,083)**
Balance at December 31, 2018	**75,197,176**	**23,399,098**	**2,877,687**	**-**	**(29,045,210)**	**(2,768,425)**
Net loss for the period	-	-	-	-	(68,379)	(68,379)
Balance at March 31, 2019	**75,197,176**	**23,399,098**	**2,877,687**	**-**	**(29,113,589)**	**(2,836,804)**

1 Nature of operations

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

The condensed interim consolidated financial statements of the Company for the three months ended March 31, 2019 comprise the Company and its subsidiaries (Note 2(b)). These condensed interim consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated. The Company is listed on the TSX Venture Exchange ("TSX-V: LMG") and the Frankfurt Stock Exchange ("ZMG").

2 Basis of Presentation

(a) Basis of preparation

The condensed interim consolidated financial statements for the three months ended March 31, 2019 have been prepared in accordance with IAS 34 - Interim Financial Reporting of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company's annual consolidated financial statements as at and for the year ended December 31, 2018.

The accounting policies followed in these condensed interim consolidated financial statements are consistent with those applied in the Company's most recent annual consolidated financial statements for the year ended December 31, 2018.

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

Going concern assumption

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

The Company has not yet determined whether its mineral properties contain ore reserves; therefore, the Company has incurred ongoing losses since inception. Further, the Company has a working capital deficiency of $2,826,995 and total liabilities of $3,208,733. 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.

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

New and amended standards adopted by the Company

IFRS 16 – Leases

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

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

	$
Minimum lease payments under operating leases as of December 31, 2018	161,809
Effect from discounting at the incremental borrowing rate as of January 1, 2019	(36,689)
Lease liabilities recognized as of January 1, 2019	125,120
Right-of-use assets recognized as of January 1, 2019	125,120

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

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

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

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

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

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

(b) Consolidation

Subsidiaries

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

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

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

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

(c) Segment reporting

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

(d) Comparative figures

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

3 Critical accounting estimates and judgements

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

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

Income taxes

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

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

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

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

Special warrants issued in debt settlement
The fair value of the special warrants issued is measured using the Black-Scholes model, taking into account the terms and conditions upon which the special warrants are granted. Changes in assumptions concerning volatilities, interest rates and expected life could have significant impact on the fair valuation attributed to the special warrants.

4 Right-of-use asset

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

	$
Balance at January 1, 2019 (Note 2)	125,120
Depreciation	(11,102)
Balance at March 31, 2019	**114,018**

5 Mineral properties

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

	United States Oro Cruz	**Total**
	$	**$**
Balance at December 31, 2017	-	-
Additions	130,597	130,597
Recoveries	(61,426)	(61,426)
Balance at December 31, 2018	69,171	69,171
Additions	-	-
Recoveries	(69,171)	(69,171)
Balance at March 31, 2019	**-**	**-**

Exploration expenditures (recoveries) incurred during the three months ended March 31, 2019:

	United States		**Total**
	Pine Grove	**Oro Cruz**	
	$	**$**	**$**
Contractors	13,819	41,308	**55,127**
General administration	7,112	-	**7,112**
Geochemistry	-	947	**947**
Land maintenance	-	47,290	**47,290**
Permitting environment	27,400	-	**27,400**
Property evaluation	(9,971)	-	**(9,971)**
Travel and accommodation	-	4,919	**4,919**
Recovery from a joint venture partner	(33,503)	(73,235)	**(106,738)**
Total mineral property expenditures	**4,857**	**21,229**	**26,086**

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

Exploration expenditures (recoveries) incurred during the three months ended March 31, 2018:

	United States Pine Grove	Other Properties	Total
	$	$	$
Contractors	75,552	6,309	**81,861**
Field supplies	112	-	**112**
General administration	10,717	-	**10,717**
Geochemistry	590	-	**590**
Land maintenance	159	-	**159**
Permitting environment	(3,047)	-	**(3,047)**
Travel and accommodation	645	-	**645**
Total mineral property expenditures	**84,728**	**6,309**	**91,037**

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

United States

(a) Pine Grove Property, Nevada

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

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

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

The following non-refundable advance NSR payments must be made by the Company:

- US$10,000 upon signing the agreement (paid); and
- US$30,000 prior to each one year anniversary of the lease (Years 1-6 paid by the Company; Years 7-11 paid by Goldcliff Resource Corporation ("Goldcliff")).

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

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

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

The following lease payments must be made by the Company:

- US$10,000 upon signing the agreement (paid) and
- US$25,000 prior to each one year anniversary of the lease (paid to date).

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

The following work commitments must be made by the Company:

- US$25,000 by August 1, 2008; (incurred)
- US$25,000 by August 1, 2009; (incurred)
- US$50,000 by August 1, 2010; (incurred)
- US$50,000 by August 1, 2011; (incurred)
- US$50,000 by August 1, 2012; (incurred) and each subsequent lease year (incurred to date)

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

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

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

- On closing	US$250,000 and 15,000 shares (paid)	
- August 23, 2011	US$150,000 and 15,000 shares (paid)	
- August 23, 2012	US$150,000 and 10,000 shares (paid)	
- August 23, 2013	US$100,000 (paid)	

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

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

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

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

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

During the year ended December 31, 2017, the Company was informed by the Nevada State Division of Water Resources that it was forfeiting certain water rights at Pine Grove for non-use. This was at the time when the Company was in the process of applying for a point of diversion change.

The Company filed a petition for judicial review of the decision of the Division of Water Resources seeking reinstatement of the water rights and the right to apply for an extension of time to place the water to beneficial use. The District Court entered its written decision in August 2017 granting the Company's petition. Lincoln has applied for an extension of time to place the water to beneficial use and will apply to change the point of diversion of the water to the Company's proposed mine site.

(b) Oro Cruz Property, California

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

- US$50,000 on the execution date of the agreement (paid)
- US$50,000 by February 22, 2011 (paid)
- US$75,000 by February 22, 2012 (paid)
- US$75,000 by February 22, 2013 (paid)
- US$100,000 by February 22, 2014 ($50,000 paid)
- US$100,000 by February 22, 2015 (not paid)
- US$150,000 by February 22, 2016 (not paid)
- US$200,000 by February 22, 2017 (not paid)
- US$200,000 by February 22, 2018 (not paid) and each subsequent anniversary of the effective date

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

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

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

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

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

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

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

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

- US$25,000 by May 15, 2018 (paid)
- US$25,000 by August 1, 2018 (paid)
- US$25,000 by October 1, 2018 (paid)
- US$25,000 by December 1, 2018 (paid)
- US$50,000 by May 15, 2019 (paid) (Note 16)
- US$50,000 by May 15, 2020
- US$100,000 by May 15, 2021
- US$100,000 by May 15, 2022
- US$100,000 by May 15, 2023
- 2% net smelter return royalty from production within the Hercules claim boundaries ("Hercules Royalty")
- 1% net smelter return royalty from production generated by the Company outside the Hercules claim boundaries and within a 1-mile radius of the Hercules claims ("Buffer Royalty")

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

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

In March 2019, the Company granted Demerara Gold Corp. ("Demerara") and Bell Mountain Exploration Corp. ("Bell Mountain") the right to earn up to a 75% interest in the Oro Cruz property (Note 16).

6 Provisions

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

The closing balance is summarized as follows:

	March 31, 2019	**December 31, 2018**
	$	$
Beginning balance	88,673	81,543
Changes in exchange rates	(1,813)	7,130
Closing balance	**86,860**	**88,673**

During the three months ended March 31, 2019, the finance costs in relation to the accretion of the provision are negligible.

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

7 Lease liability

	Total
	$
Balance at January 1, 2019 (Note 2)	125,120
Interest expense	237
Lease payments	(14,338)
Balance at March 31, 2019	111,019
Current portion of lease liability	(58,035)
Long-term portion of lease liability	**52,984**

8 Loans payable

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

	Three months ended March 31, 2019	**Year ended December 31, 2018**
	$	**$**
Opening balance	74,336	86,305
Loans repaid during the period	(4,168)	(15,154)
Interest accrued during the period	674	3,185
Closing balance	**70,842**	**74,336**

During the three months ended March 31, 2019, the Company received $Nil (December 31, 2018 - $Nil), and repaid $4,168 (December 31, 2018 - $15,154), unsecured demand loan from the President of the Company. The remaining balance of the loan is unsecured, bearing interest at 5% per annum, calculated and payable on demand. The Company may repay the principal, in whole or in part, at any time without penalty. As at March 31, 2019, the loan payable balance to the President of the Company is $70,842 (December 31, 2018 - $74,336).

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

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

9 Promissory notes

	Three months ended March 31, 2019	Year ended December 31, 2018
	$	**$**
Opening balance	825,529	604,810
Promissory notes provided during the period	160,251	222,244
Interest accrued during the period	9,439	14,487
Settlement of promissory notes	-	(32,172)
Foreign exchange	(6,371)	16,160
Closing balance	**988,848**	**825,529**

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

On June 9, 2017, the Company completed a debt settlement agreement (the “Settlement”) with two former directors of the Company (the “Creditors”) with respect to outstanding debt (including principal and interest) totaling $4,033,795, of which $2,735,443 was included in promissory notes payable. Under the terms of the Settlement, the Creditors were issued an aggregate of 929,496 common shares of the Company and 16 million special warrants (the “Special Warrants”). Each Special Warrant may be exercised for only fully paid and non-assessable common share (a “Special Warrant Share”) in the capital of the Company without payment of additional consideration for a period of 10 years from the date of issue (Note 8).

As of March 31, 2019, the Company has received advances of $440,000 (December 31, 2018 - $440,000) from Mr. Ronald K. Netolitzky, a control person of the Company. The advances are unsecured, non-interest bearing and due on demand.

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

During the year ended December 31, 2015, the Company received US$66,000 from a company that has an insider in common with Lincoln. During the year ended December 31, 2017, the existing promissory note was terminated and both parties subsequently entered into a new promissory note agreement consisting of the existing principal and interest in the aggregate amount of US$71,000. The loan is secured by the Company’s US properties and evidenced by a promissory note bearing interest at 9% per annum. Principal and accrued interest was payable upon termination of the note on September 15, 2017. On January 3, 2018, the Company issued 643,441 common shares for settlement of debt in the amount of $32,172 (Note 8). The Company is currently in default of this note and is renegotiating the terms of the note.

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

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

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

10 Related party transactions

The following transactions were carried out with related parties:

Key management personnel – services rendered and other compensation

Key management includes offices and directors – executive and non-executive. The compensation paid or payable to key management personnel for the services rendered during the three months ended March 31, 2019 and 2018 were as follows:

	Three months ended March 31, 2019	Three months ended March 31, 2018
	$	$
Management fees	27,000	38,500
Exploration expenses	30,412	42,026
Accounting fees	15,000	15,000
Total	**72,412**	**95,526**

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

Balance due to related parties

	As at March 31, 2019	As at December 31, 2018
	$	$
Executive officers and their controlled companies	878,151	837,315
Directors	15,000	15,000
Total	**893,151**	**852,315**

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

Balance due from related parties

	As at March 31, 2019	As at December 31, 2018
	$	$
Companies with a director in common	2,119	69,357
Total	**2,119**	**69,357**

The balances due from related parties are included in receivables.

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

Other transactions with related parties

During the three months ended March 31, 2019, the Company received $6,000 (2018 - $8,830) from Golden Band Resources Inc., a company with certain officers and directors in common, for office rent.

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

11 Share capital and reserves

a) Authorized share capital

As at March 31, 2019, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares are fully paid.

On January 3, 2018, the Company completed a debt settlement agreement with various creditors of the Company with respect to outstanding debt (including principal and interest) totaling $1,046,481. Of this amount, 11,285,513 common shares were issued to settle indebtedness to certain related parties of $959,269, 1,100,801 common shares were issued to settle indebtedness to creditors of $55,040 and 643,441 common shares were issued to settle promissory notes payable of $32,172 (Notes 8, 9 and 13). The common shares issued resulted in a gain on settlement of debts of $525,291.

On January 26, 2018, the Company closed a non-brokered private placement. The Company issued a total of 13,421,904 units at a price of $0.05 per unit for total gross proceeds of $671,095. The residual value of the warrants of $134,218 was reallocated from share capital to reserves. Each unit is comprised of one common share of the Company and one non-transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.08 per share until April 26, 2022. The Company paid $6,250 in cash commissions.

On February 20, 2018, the Company closed a non-brokered private placement. The Company issued a total of 1,420,000 units at a price of $0.05 per unit for total gross proceeds of $71,000. The residual value of the warrants of $28,400 was reallocated from share capital to reserves. Each unit is comprised of one common share of the Company and one non-transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.08 per share until April 26, 2022.

On May 30, 2018, the Company closed a non-brokered private placement. The Company issued a total of 6,000,000 units at a price of $0.05 per unit for total gross proceeds of $300,000. The residual value of the warrants of $120,000 was reallocated from share capital to reserves. Each unit is comprised of one common share of the Company and one non-transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.08 per share until April 26, 2022. The Company paid $2,250 in share issuance costs.

On November 15, 2018, the Company completed a debt settlement agreement with a creditor of the Company with respect to outstanding debt totaling $20,000 by issuing 400,000 common shares and 400,000 share purchase warrants. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.08 per share until April 26, 2022. The fair value of the share purchase warrants was $6,820 calculated using the Black-Scholes Option Pricing Model using the following assumptions: expected life – 3.45 years; expected volatility – 188%; expected dividend yield – 0%; and risk-free rate – 2.29%. The common shares and share purchase warrants issued resulted in a gain on settlement of debts of $5,180.

b) Capital reserves

	Capital reserve – options	Capital reserve – warrants	Capital reserve – convertible debenture	Total
	$	$	$	$
Balance as at December 31, 2017	1,227,184	1,145,679	215,386	2,588,249
Private placements	-	282,618	-	282,618
Debt settlement agreements	-	6,820	-	6,820
Balance as at December 31, 2018 and March 31, 2019	**1,227,184**	**1,435,117**	**215,386**	**2,877,687**

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

c) Stock options

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

Number of Shares	Exercise Price	Expiry Date
1,689,000	0.15	November 26, 2019
1,689,000		

Stock option transactions for the three months ended March 31, 2019 and year ended December 31, 2018 are summarized as follows:

	Three months ended March 31, 2019			**Year ended December 31, 2018**
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
		$		**$**
Balance, beginning of period	1,809,000	0.15	1,809,000	0.15
Expired	(120,000)	0.15	-	-
Balance, end of period	1,689,000	0.15	1,809,000	0.15
Options exercisable, end of period	1,689,000	0.15	1,809,000	0.15

d) Warrants

As at March 31, 2019, the Company had share purchase warrants, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
3,317,000	$0.10	September 15, 2019
33,285,904	$0.08	April 26, 2022
36,602,904		

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

	Three months ended March 31, 2019			**Year ended December 31, 2018**
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
		$		**$**
Balance, beginning of period	36,602,904	0.08	16,893,500	0.09
Issued	-	-	21,241,904	0.08
Expired	-	-	(1,532,500)	0.10
Balance, end of period	36,602,904	0.08	36,602,904	0.08

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

e) Special warrants

As at March 31, 2019, the Company had special warrants, enabling the holders to acquire further non-assessable common shares as follows:

Number of Shares	Exercise Price	Expiry Date
16,000,000	$Nil	June 9, 2027
16,000,000		

Pursuant to the Settlement (Note 8), the Company is not obligated to issue any common shares from the exercise of the special warrants if immediately following the exercise of such special warrants, the creditors and their affiliates hold in aggregate more than 9% of the issued and outstanding common shares of the Company. In addition, the special warrants have no voting rights and no entitlement to dividends.

f) Share subscriptions received in advance

During the year ended December 31, 2017, the Company received $38,095 related to a private placement that closed on January 26, 2018.

12 Financial instruments

Capital risk management

The Company defines its capital as shareholders' deficiency. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has interests are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds in the future until the production commences. The Company will continue to assess new properties and seek to acquire an interest in additional properties if management consider there is sufficient geologic or economic potential and the Company has adequate financial resources and support from investors. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes to the Company's approach to capital management during the current period.

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

Categories of financial instruments

	March 31, 2019	December 31, 2018
	$	**$**
Financial assets *		
Loans and receivables		
Cash	145,039	70,102
Other receivables	73,327	72,916
	218,366	143,018
Financial liabilities		
Current		
Amortized at cost		
Accounts payable and accrued liabilities	1,837,578	2,013,204
Exploration funding	113,586	33,010
Lease liability	111,019	-
Loans payable	70,842	74,336
Promissory notes	988,848	825,529
	3,121,873	2,946,079

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

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

Fair value

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

Foreign exchange risk

The Company's operations in the United States expose the Company to foreign exchange risk. The Company is subject to currency risk due to the fluctuations of exchange rates between the Canadian and US dollars. The Company does not believe it is exposed to significant foreign exchange risk. A 10% fluctuation in the foreign exchange rate between the Canadian and US dollar will result in a foreign exchange gain/loss of approximately $110,000. The Company does not enter into derivative financial instruments to mitigate foreign exchange risk.

Credit risk

The Company is not exposed to material credit risk.

Interest rate risk

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

Liquidity risk

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

Price risk

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

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

13 Supplemental cash flow information

	Three months ended March 31, 2019	Three months ended March 31, 2018
	$	**$**
Cash paid for interest	-	-
Cash paid for income taxes	-	-

On January 3, 2018, the Company issued 13,029,755 common shares of the Company to settle outstanding debt totaling $1,046,481 (Note 11).

On November 15, 2018, the Company issued 400,000 common shares and 400,000 share purchase warrants of the Company to settle outstanding debt totaling $20,000 (Note 11).

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

14 Commitment

In addition to commitments disclosed elsewhere in the consolidated financial statements, pursuant to a premises lease, the Company's future lease commitment as at March 31, 2019 is as follows:

	$
2019	42,856
2020	58,389
2021	44,557
	145,802

15 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, 2018	
United States of America	73,790
Canada	12,250
	86,040
March 31, 2019	
United States of America	3,767
Canada	126,268
	130,035

16 Subsequent events

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

Subsequent to the three months ended March 31, 2019, the Company paid US$50,000 to ADGIS related to the Purchase Option letter agreement for the Oro Cruz Property (Note 5).

FORM 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) AS OF MAY 29, 2019 TO ACCOMPANY THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF LINCOLN MINING CORPORATION (THE "COMPANY" OR "LINCOLN") FOR THE THREE MONTHS ENDED MARCH 31, 2019.

This Management's Discussion and Analysis ("MD&A"), which has been prepared as of May 29, 2019, should be read in conjunction with the uaudited condensed interim consolidated financial statements of the Company for the three months ended March 31, 2019 and the annual consolidated financial statements of the Company for the year ended December 31, 2018. All financial amounts are stated in Canadian currency unless stated otherwise.

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

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

1. Overview

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

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

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

Activities during the three months ended March 31, 2019:

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

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

Pine Grove Project Status

A summary to cover the last 36 months activities.

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

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

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

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

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

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

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

No additional exploration work was carried out on the property during 2017. However a number of permitting studies were performed. In August the Company engaged a team of consultants to guide it through the permitting process. The Company plans to submit a Plan of Operations (PoO) by August 2018 which will include all pertinent information regarding the overall design, construction plans, operational details, and closure scenario of the proposed mine.

To aid the Company in all this work, Lincoln is pleased to announce 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 consists of the following:

Stantec Consulting Services Inc.

Welsh Hagen Associates

Kappes, Cassiday & Associates

Golder Associates Inc

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 Consulting Services of Reno, Nevada and the U.S. Forest Service to advance the permitting process as quickly as possible. Stantec has been chosen as our Prime Contractor for the EIS.

Oro Cruz Property Status

A summary to cover the last 24 months activities.

The Oro Cruz property has excellent potential for open-pit and underground mining. An Inferred resource for the project was reported in a NI 43-101 Technical Report in September 2010.

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

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

The JV Option is exercisable by Ausgold providing Lincoln US with notice that Ausgold is satisfied with its due diligence investigation of Lincoln US's Oro Cruz Property and has entered into an option with a third party to acquire certain mineral claims referred to as the Hercules claims in Imperial County, California. The joint venture will cover the Hercules claims and the 131 claims held by Lincoln US as well as any mining interests or mineral properties acquired by either party within five miles of the Lincoln US claims.

The JV Option was exercised and the parties agreed to negotiate a formal joint venture agreement which will include the following:

a. periodic payments to Lincoln US from June 30, 2017 until January 15, 2019 totalling US$225,000 plus 200,000 shares of Ausgold (or an additional US$30,000 if Ausgold shares are not publicly traded);
b. expenditures of an aggregate of US$1,000,000 by January 15, 2019 on the claims covered by the joint venture, with Ausgold as the operator;
c. upon the above payments and expenditures being made, Ausgold will hold a 51% joint venture interest and Lincoln US will hold a 49% interest;
d. upon Ausgold earning a 51% joint venture interest, Ausgold shall have the right to increase its interest in the joint venture to 75% by spending an additional US$1,100,000 on the joint venture properties by January 15, 2020.

Lincoln announced in March 2018 that its subsidiary, Lincoln Gold US Corp. ("Lincoln US"), terminated the option it granted to Ausgold Resources Pty. Ltd. ("Ausgold") on May 9, 2017 on Lincoln US' Oro Cruz property as a consequence of Ausgold not satisfying its obligations under the option agreement. Lincoln retains the property in good standing. Lincoln retains the property in good standing and announced on May 11, 2018 that it had re-acquired the Hercules claims by signing a Purchase Option Agreement with ADGIS, the owner of the claims in Imperial Country, California ("JV Option").

On May 1, 2018, the Company entered into a Purchase Option Letter agreement to re-acquire a 100% interest in the Hercules claims from ADGIS, Inc. ("ADGIS") (this agreement replaces the original agreement from February

2010). The Company must make scheduled payments to ADGIS totaling US$500,000 over five years and royalty payments as follows:

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

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

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

On March 4, 2019, the Company granted to Demerara Gold Corp. ("Demerara") and Bell Mountain Exploration Corp. ("Bell Mountain") the right to enter into a formal Option and Joint Venture Agreement until June 30, 2019 for the exploration of the Oro Cruz property. To earn a 75% interest, Demerara and Bell Mountain will have to spend approximately USD$2.1 million in property payments, exploration and development over the next five years. As consideration for granting the due diligence period, Demerara and Bell Mountain will pay the Company US$10,000 and commit to purchasing $35,000 worth of securities in the Company's next private placement.

(in Canadian dollars, unless otherwise stated)

2. Results of Operations

Results of Operations – For the three months ended March 31, 2019

For the three months ended March 31, 2019, the Company incurred an operational loss of $68,379 (2018: income of $232,625). The Company recognized a gain on settlement of debts in the amount of $Nil (2018 - $525,291). Removing this from the results, the Company had an operational loss of $68,379 (2018 - $292,666).

Consulting and management fees decreased by $12,300, or 28.1%. In addition, investor relations and shareholder services decreased by $42,915, professional fees decreased by $31,678 and travel decreased by $13,611 as a result of the private placements that closed in January 2018 and February 2018, and debt settlement agreement in January 2018 during the comparative period.

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

Exploration expenses (recoveries)	**Pine Grove**	**Oro Cruz**	**Bell Mountain**	**La-Bufa**	**Other properties (refunds)**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
March 31, 2019, (IFRS reporting)	4,857	21,229	-	-	-	26,086
2018, (IFRS reporting)	1,022,064	118,887	-	-	6,561	1,147,512
2017, (IFRS reporting)	509,985	(70,594)	-	-	7,546	446,937
2016, (IFRS reporting)	(602)	47,238	-	-	-	46,636
2015, (IFRS reporting)	162,901	83,380	33,104	-	-	279,385
2014, (IFRS reporting)	318,941	157,797	144,295	46,897	7,811	675,741
2013, (IFRS reporting)	326,388	119,081	1,200,383	87,646	32,150	1,765,648
2012, (IFRS reporting)	234,525	247,285	100,461	402,810	7,590	992,671
2011, (IFRS reporting)	610,664	404,483	-	1,240,844	11,288	2,267,279
2010, (IFRS reporting)	1,609,436	310,637	-	472,534	1,645	2,394,252
2009, (Canadian GAAP)	553,319	7,586	-	121,861	(7,898)	674,868
2008, (Canadian GAAP)	509,333	-	-	1,501,906	14,347	2,025,586
2007, (Canadian GAAP)	154,145	-	-	163,705	25,287	343,137
	6,015,956	**1,447,009**	**1,478,243**	**4,038,203**	**106,327**	**13,085,738**
Less recoveries	**-**	**(328,765)**	**-**	**(1,051,735)**	**-**	**(1,380,500)**
Total exploration expenses incurred	**6,015,956**	**1,118,244**	**1,478,243**	**2,986,468**	**106,327**	**11,705,238**

Summary of Quarterly Results:

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

(in Canadian dollars, unless otherwise stated)

	1st Quarter 2018	**4th Quarter 2017**	**3rd Quarter 2017**	**2nd Quarter 2017**
	$	**$**	**$**	**$**
Revenue	-	-	-	-
Exploration expenses (recovery)	91,037	316,968	140,406	(35,694)
Administrative expenses (incl. interest expense)	201,629	136,047	80,087	148,884
Income (loss) and comprehensive earnings (loss)	232,625	(427,523)	(220,493)	2,904,835
Basic and diluted earnings (loss) per share	0.00	(0.01)	(0.01)	0.09
Total assets	346,020	190,921	319,029	384,297
Working deficiency	(1,445,490)	(2,900,170)	(2,513,234)	(2,433,927)

3. Project Summaries and Activities

PROJECTS - Overview

Pine Grove Property, Nevada – The Pine Grove project, located in Lyon County, Nevada, is the Company's most advanced project. At the time of writing of this MDA Lincoln has just submitted a Mining Plan of Operations to the US Forest Service and has hired Stantec Consulting Services of Reno, Nevada to assist the US forest Service in writing the Environmental Impact Statement that is required to be completed to take the project to production.

An amended and restated Preliminary Economic Assessment was issued on February 4, 2015 and filed with the British Columbia Securities Commission and is available for review under the Company's profile on SEDAR (see Lincoln news release February 16, 2015). Lincoln has agreed to Joint Venture the project with Goldcliff Resource Corporation.

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.

Oro Cruz Property, California - The Oro Cruz property has excellent potential for open-pit and underground mining. An Inferred resource for the project was reported in a NI 43-101 Technical Report in September 2010. Lincoln's immediate goal is to increase and advance the 376,600 Inferred ounces gold to Measured and Indicated categories by confirmation drilling. No significant work was completed since early 2013. New funding will be required for the confirmation program. Claim payments were made in late August to the BLM and the County to keep the claims in good standing. Lincoln agreed to Joint Venture the project with Ausgold Resources Pty Ltd. in July 2017. However in On March 26, 2018 the Company terminated the Option Agreement with Ausgold Resources Pty Ltd on the Oro Cruz project in Imperial County, California as a consequence of Ausgold not satisfying its obligations under the option agreement. On May 1, 2018, the Company entered into a Purchase Option Letter agreement to re-acquire a 100% interest in the Hercules claims from ADGIS, Inc.

On March 4, 2019, the Company granted to Demerara Gold Corp. ("Demerara") and Bell Mountain Exploration Corp. ("Bell Mountain") the right to enter into a formal Option and Joint Venture Agreement until June 30, 2019 for the exploration of the Oro Cruz property.

Projects

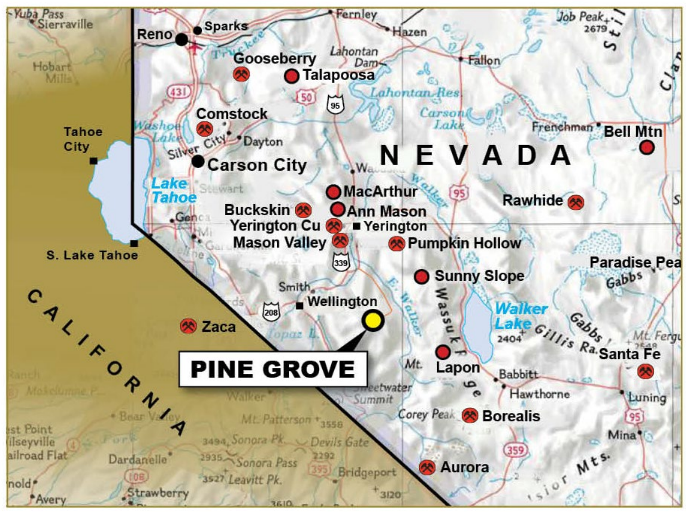
Pine Grove Property, Nevada – The Pine Grove project, located in Lyon County, Nevada, is the Company's most advanced project. At the time of writing of this MDA Lincoln is well underway the permitting studies needed to take the project to production. An amended and restated Preliminary Economic Assessment was issued on February 4, 2015 and filed with the British Columbia Securities Commission and is available for review under the Company's profile on SEDAR (see Lincoln news release February 16, 2015). A prefeasibility study will be undertaken by mid 2018 and should be completed in the final quarter of that same year.

Pine Grove Gold Property, Lyon County, Nevada

Pine Grove – Overview:

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

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



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

A prefeasibility study will be undertaken by mid 2018 and be completed in the final quarter of that same year.

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

The Pine Grove – Preliminary Economic Assessment

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

History and Recent Activities

The Pine Grove project is located south of Reno, Nevada Lincoln Resource, with its joint venture partner Goldcliff Resources, controls 100% of the Pine Grove Gold Project. Historic gold production was 240,000 ozs high-grade gold from underground mining in the late 1800s and early 1900s

By 2007, Lincoln had compiled a 7 sq. mile land package covering the entire mining district. Includes two important private parcels, the Wilson patents and the Wheeler patents. Approximately 90% of the gold resources defined to date occur on the private lands which are surrounded by Forest Service ground.
The drilling of 190 drill holes by Teck Resources in the 1990s and 85 holes drilled by Lincoln in 2010 and 2016 makes up the 275 holes drilled on the property; this includes 6 metallurgical core holes. The metallurgical work has been completed by McClelland Labs and Kappes Cassiday in Reno; good recoveries have been shown. Engineering work has been completed by Welsh-Hagen Associates in Reno and a positive Preliminary Economic Assessment was completed in 2011 & amended in 2015. A pre-feasibility is underway and should be completed by year end 2018. Extensive environmental baseline studies have been completed and others are on-going. The studies are being lead by Stantec Consulting Services in Reno and include Wildlife Studies including sage grouse & raptors studies, botanical studies, seeps & springs studies, hydrologic basin studies, cultural resources surveys, static & kinetic geochemical studies on waste and ore, on-site weather station. A number of other studies are required and underway.

Planned additional work will include expanded archaeological surveys and hydrologic basin analysis. Also, some additional geochemical testing for acid-base accounting and water mobility is planned. As well, permitting for production continued throughout the year.

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

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

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

During the year ended December 31, 2017, the Company was informed by the Nevada State Division of Water Resources that it was forfeiting certain of our water rights at Pine Grove for non-use. This was at the time when the Company was in the process of applying for a point of diversion change. The Company sued the Water Division for a return of its water rights. The Company filed a petition for judicial review of the decision of the Division of Water Resources seeking reinstatement of the water rights and the right to apply for an extension of time to place the water to beneficial use. The District Court entered its written decision in August 2017 granting the Company's petition. Lincoln has applied for an extension of time to place the water to beneficial use and will apply to change the point of diversion of the water to the Company's proposed mine site.

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 Consulting Services of Reno, Nevada and the U.S. Forest Service to advance the permitting process as quickly as possible. Stantec has been chosen as our Prime Contractor for the EIS.

Oro Cruz Gold Property, Imperial County, California

Oro Cruz – Overview:

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

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

(in Canadian dollars, unless otherwise stated)

Oro Cruz – History:

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

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

On May 1, 2018, the Company entered into a Purchase Option Letter agreement to re-acquire a 100% interest in the Hercules claims from ADGIS, Inc.

On March 4, 2019, the Company granted to Demerara Gold Corp. ("Demerara") and Bell Mountain Exploration Corp. ("Bell Mountain") the right to enter into a formal Option and Joint Venture Agreement until June 30, 2019 for the exploration of the Oro Cruz property. To earn a 75% interest, Demerara and Bell Mountain will have to spend approximately USD$2.1 million in property payments and exploration and development over the next five years.

Oro Cruz – Geology & Mineralization:

Oro Cruz Gold Resources – September 2010 – Tetra Tech Report

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

<u>New Opportunities</u>

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

4. Outstanding Share Data

The Company's issued and outstanding common shares are 75,197,176 as at the date of this report.

The Company has a total of 1,689,000 outstanding options with exercise price of $0.15 expiring on November 26, 2019.

The Company has a total of 33,285,904 share purchase warrants with exercise price of $0.08 expiring on April 26, 2022; 3,317,000 share purchase warrants with exercise price of $0.10 expiring on September 15, 2019 and 16,000,000 special warrants expiring on June 9, 2027.

(in Canadian dollars, unless otherwise stated)

5. Related Party Transactions

The following transactions were carried out with related parties:

Key management personnel – services rendered and other compensation

Key management includes officers and directors – executive and non-executive. The compensation paid or payable to key management personnel for the services rendered during the three months ended March 31, 2019 and 2018 were as follows:

	Three months ended March 31, 2019	Three months ended March 31, 2018
	$	$
Management fees	27,000	38,500
Exploration expenses	30,412	42,026
Accounting fees	15,000	15,000
Total	**72,412**	**95,526**

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

Balance due to related parties

	As at March 31, 2019	As at December 31, 2018
	$	$
Executive officers and their controlled companies	878,151	837,315
Directors	15,000	15,000
Total	**893,151**	**852,315**

Balance due from related parties

	As at March 31, 2019	As at December 31, 2018
	$	$
Companies with a director in common	2,119	69,357
Total	**2,119**	**69,357**

On January 3, 2018, the Company issued 11,285,513 common shares for settlement of debt in the amount of $959,269.

Loans

During the three months ended March 31, 2019, the Company received $Nil (December 31, 2018 - $Nil), and repaid $4,168 (December 31, 2018 - $15,154), unsecured demand loan from the President of the Company. The remaining balance of the loan is unsecured, bearing interest at 5% per annum, calculated and payable on demand. The Company may repay the principal, in whole or in part, at any time without penalty. As at March 31, 2019, the loan payable balance to the President of the Company is $70,842 (December 31, 2018 - $74,336).

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

On February 28, 2014, the $2,300,000 convertible debenture held by Procon Mining and Tunneling Ltd. and its affiliates (collectively, "Procon") (plus approximately $175,000 in accrued interest), was repaid in full and discharged using funds through promissory notes maturing February 28, 2019 from companies controlled by two directors of the Company (the "Loans"). The Loans were interest bearing at a rate of 6% per annum, payable monthly commencing April 1, 2014. Concurrent with the transaction, the two directors resigned from the Company.

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

As of March 31, 2019, the Company has received advances of $440,000 (December 31, 2018 - $440,000) from Mr. Ronald K. Netolitzky, a control person of the Company. The advances are unsecured, non-interest bearing and due on demand.

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

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

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

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

Other transactions with related parties

During the three months ended March 31, 2019, the Company received $6,000 (2018 - $8,830) from Golden Band Resources Inc., a company with certain officers and directors in common, for office rent.

(in Canadian dollars, unless otherwise stated)

6. Liquidity and Solvency

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

	March 31, 2019	December 31, 2018
	$	$
Working deficiency	(2,826,995)	(2,765,792)
Long-term debt	139,844	88,673

	Three months ended March 31, 2019	Three months ended March 31, 2018
	$	$
Cash used in operating activities	(216,555)	(502,931)
Cash provided by investing activities	149,747	-
Cash provided by financing activities	141,745	693,250
Change in cash	74,937	190,319

On January 26, 2018, the Company closed a non-brokered private placement. The Company issued a total of 13,421,904 units at a price of $0.05 per unit for total gross proceeds of $671,095. Each unit is comprised of one common share of the Company and one non-transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.08 per share until April 22, 2022. The Company paid $6,250 in cash commissions.

On February 20, 2018, the Company closed a non-brokered private placement. The Company issued a total of 1,420,000 units at a price of $0.05 per unit for total gross proceeds of $71,000. Each unit is comprised of one common share of the Company and one non-transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.08 per share until April 26, 2022.

On May 30, 2018, the Company closed a non-brokered private placement. The Company issued a total of 6,000,000 units at a price of $0.05 per unit for total gross proceeds of $300,000. Each unit is comprised of one common share of the Company and one non-transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.08 per share until April 26, 2022. The Company paid $2,250 in share issuance costs.

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

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

7. Commitment

During the year ended December 31, 2015, the Company signed a new office lease effective October 1, 2015 in the amount of $4,642 per month plus escalation for a period of three years. In April 2018, the Company extended the lease for another 3 years for similar rates.

8. Capital Resources

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

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

Capital risk management

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

9. Off-Balance Sheet Arrangements

None.

10. Proposed Transactions

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

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

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

(in Canadian dollars, unless otherwise stated)

Changes in Accounting Standards

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

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

	$
Minimum lease payments under operating leases as of December 31, 2018	161,809
Effect from discounting at the incremental borrowing rate as of January 1, 2019	(36,689)
Lease liabilities recognized as of January 1, 2019	125,120
Right-of-use assets recognized as of January 1, 2019	125,120

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

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

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

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

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

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

(in Canadian dollars, unless otherwise stated)

Critical Accounting Estimates and Judgments

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

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

Company's title on mineral property interests

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

Income taxes

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

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

12. Financial Instruments

Categories of financial instruments

	March 31, 2019	December 31, 2018
	$	$
Financial assets *		
Loans and receivables		
Cash	145,039	70,102
Other receivables	73,327	72,916
	218,366	143,018
Financial liabilities		
Current		
Amortized at cost		
Accounts payable and accrued liabilities	1,837,578	2,013,204
Exploration funding	113,586	33,010
Lease liability	111,019	-
Loans payable	70,842	74,336
Promissory notes	988,848	825,529
	3,121,873	2,946,079

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

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

Fair value

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

Foreign exchange risk

The Company's operations in the United States expose the Company to foreign exchange risk. The Company is subject to currency risk due to the fluctuations of exchange rates between the Canadian and US dollars. The Company does not believe it is exposed to significant foreign exchange risk. A 10% fluctuation in the foreign exchange rate between the Canadian and US dollar will result in a foreign exchange gain/loss of approximately $110,000. The Company does not enter into derivative financial instruments to mitigate foreign exchange risk.

Credit risk

The Company is not exposed to material credit risk.

Interest rate risk

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

Liquidity risk

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

Price risk

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

13. Risks and Uncertainties

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

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

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

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

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

Exploration of the Company's mineral properties may not result in any discoveries of commercial bodies of mineralization 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.

14. Trends

Trends in the industry can materially affect how well any junior exploration company is performing. There are two trends that seem to affect the well-being of junior miners. One is the price of commodities, which are being produced and the other is the general market condition. Over the last few years the trend in the prices of precious metals, in particular gold, has been mixed on the spot basis as well as the average trailing prices of the metals. The gold price seemed to have stabilized around $1300 per ounce over the last couple of years, but in the last year or so the trend has been mixed downward and gold now trades in and around $1200 to $1300 per ounce. The other aspect is the general stock market conditions. Unfortunately, the junior mining sector has been under tremendous negative pressure in the market over the last few years however this condition appears to be changing and is difficult to predict as markets for junior issurers has been up and down over the last year. Significant amounts of investing have occurred in the marijuana and blockchain areas which has taken away from investment in the junior mining industry. Management believes that the markets will continue to improve for the juniors. Lincoln is committed to advance its properties to production as quickly as possible to get into a positive cash flow position.

15. Outlook

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

Cautionary Statement

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