Oro Cruz Gold Project Resource Estimate Imperial County, California, USA

NI 43-101 Technical Report

Prepared for:

Lincoln Mining Corporation

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Tetra Tech Project No. 114-311022

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1.0 SUMMARY

Tetra Tech Inc. (Tt) was retained by Lincoln Mining Corporation (Lincoln) to prepare a NI 43-101 resource estimate and Technical Report on the Oro Cruz Gold Project, located in Imperial County, California (see FIGURE 4-1). The Oro Cruz Gold Project is a property that was previously mined for gold and closed in the 1990s. Because the project and supporting data predate the creation of the National Instrument 43-101, none of the original assay data meet current NI 43-101 and Canadian Institute of Mining (CIM) requirements for reporting of measured and indicated resource classes. Therefore, all of the reported resources are classified as inferred resources. The purpose of the report is to report an inferred resource and to establish the presence of a sufficient quantity of metal that the expenditure of additional funds is warranted to attempt to convert the inferred resources into the measured and indicated classes.

1.1 Location and Access

The Property is located in the Tumco mining district in the Cargo Muchacho Mountains, 14 miles southeast of the operating Mesquite gold mine (New Gold Inc.) and is also adjacent to the American Girl gold mine (past producer, 428,000 ozs gold). Access to the Property is via paved highway, approximately 35 minutes from Yuma, Arizona.

1.2 Ownership

Lincoln Gold US Corp., has concluded a Lease Agreement ("Lease") to acquire 20 lode claims covering the Oro Cruz gold deposit in Imperial County, California. The Lease involves advance royalty payments beginning at US$50,000 per year and gradually increasing to $200,000 US per year in the 7th year. The NSR royalty 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 $500,000 per half point. The Company has staked an additional 68 claims (1,400) acres surrounding the Property.

1.3 Permitting and Environmental

A multi-agency regulatory process will be needed to obtain all required federal, state and local agency permits and approvals necessary to construct, operate and ultimately close the Oro Cruz mine and ore processing operations. The project site is located in the southeast corner of Imperial County, California, on federal public lands administered by the El Centro Field Office of the U. S. Department of the Interior, Bureau of Land Management (BLM). The BLM is expected to be the lead agency for the regulatory process, ensuring all required federal, state and local permits and approvals are obtained.

The Imperial County Planning and Development Services Department (PDSD) will be the co-lead agency for the overall mine permitting and approval process. The PDSD will issue a Special Use Permit for the mine and ore processing operations in accordance with the Imperial County Code of Ordinances, Title 9, Land Use Code, Division 20, Surface Mining and Reclamation. Other County departments, along with various State and Federal agencies will issue appropriate permits, approvals or concurrences for various mine operations and activities in accordance with applicable County, State and Federal ordinances, guidelines, regulations and laws.

The proposed mine project constitutes both federal and state actions. The federal action will be assessed for potential environmental impacts as required by the National Environmental Policy Act of 1969 (NEPA). The project will also be assessed in accordance with the California Environmental Quality Act of 1970 (CEQA), to ensure state regulatory requirements in regards

to environmental assessment and protection are met. A multi-resource baseline study program would be implemented to collect the data required to support the completion of the NEPA/CEQA process.

1.4 Geology

The Oro Cruz Property is located in the Cargo Muchacho Mountains of southeastern California. The range is comprised of well-foliated gneiss and schist of the Jurassic (?) Tumco Formation which has been metamorphosed to amphibolite facies. Mesozoic biotite granite and associated pegmatite dikes cut the Tumco Formation and also cut Mesozoic hornblende-biotite quartz monzonite. The granite and monzonite form large intrusive bodies in the range. The principal structural fabric in the range is west-northwest. Low-angle faults are cut by northwest trending faults.

1.5 Deposit Type and Mineralization

The Oro Cruz gold deposit is believed to be a detachment-fault-related gold deposit consisting of replacement mineralization along a low-angle detachment (listric) fault related to an extensional fault system in the Cargo Muchacho Mountains. Previously, Texasgulf believed that the Oro Cruz gold deposit was an exhalite. Mineralization is hosted wholly within the Tumco Formation.

Mesothermal mineralization occurs in multiple brown to brownish gray siliceous zones containing hematite, magnetite, quartz, mica, feldspar, chlorite, and blue copper oxides. Native gold containing very low silver is associated with iron oxides. Most gold is very fine with ±64% <1 to 5 microns in size. No significant toxic elements are present as are found in epithermal deposits. The “ore” is considered inert.

The main Oro Cruz (aka *Cross, Golden Cross*) mineralized zone has an elongate tabular shape that is generally concordant to foliation (assumed bedding) and dips approximately 25° to the southeast (120°). The deposit at ± 0.01 opt gold cutoff grade is approximately 580 ft wide, 350 ft thick, and has a known down-dip length of about 2,800 ft, including a portion mined out by the existing pit. Abundant high-grade stringers (>0.1 opt gold) occur within a lower grade envelope grading 0.01 to 0.05 opt gold. Continuity of mineralization appears good to excellent. Isolated stringers occur above and below the principal zone of Oro Cruz mineralization. The deposit remains open down dip.

Multiple satellite deposits or mineralized zones have been identified in proximity to the Oro Cruz deposit. The nearby Queen deposit was mined by open-pit methods and backfilled. Low-grade gold resources remain buried in the Queen pit floor.

1.6 Exploration, Drilling, and Sampling

As of the date of this Technical Report, Lincoln has not completed any exploration mapping, geochemical sampling, or exploration drilling. These programs are anticipated to be part of the proposed work plan for the project.

1.7 Metallurgy

As of the date of this report, Lincoln Mining Corporation has not collected any metallurgical samples and/or completed any metallurgical testwork. However, there is a history of both testing and production from the site and certain inferences can be reasonably made with respect to expected process and metallurgical performance. Historical production techniques and prior testing by reputable, independent, third-party laboratories shows the ore to be

amenable to cyanide leach technology, and depending on the crush size has shown gold recoveries by straight forward heap leaching in excess of 70 percent. Crushing and grinding to finer sizes increases recovery at an increase in cost. Further study will be required to define the appropriate process to maximize recovery while minimizing costs.

1.8 Mineral Resource Estimate

Tt has prepared an independent resource estimate based on the historic drillhole data, current topographic map, and underground workings provided by Lincoln and/or the underlying property owner. As the underlying data are not able to meet current NI 43-101 and Canadian Institute of Mining (CIM) basic criteria for an indicated or measured resource estimate with regard to documentation of the drilling, collection of samples, assaying, assay QA/QC, sample security, etc, the estimated resources have been classified as inferred.

The sole purpose of preparing this resource estimate was to:

1. Prove that sufficient data exist and the tenor of the mineralization is such that a "prudent man" would continue to invest in the project to develop measured and indicated resource estimates, and
2. Provide a development plan for the work plan that will, assuming that results are as expected, convert the inferred resources into the indicated and measured categories and examine potential additions to the known mineralization.

With respect to the inferred resource reported in this technical report, Tt would like to point out that a significant amount of information formed the basis of the estimate. The information has come from a number of different sources, some of which are independent third-party companies, and has formed a coherent, well-founded indication of the remaining mineralization on the Oro Cruz property. TABLE 1-1 details the sources of the information and the relative quantity of data. TABLE 1-2 details the information that was used as the basis of the individual resource estimation areas. In the process of preparing this Technical Report, Tt has undertaken a significant amount of check work in order to verify, where possible, the accuracy of the data and ensure that is forms an internally-consistent database that accurately reflects the tenor and quantity of mineralization present at the Oro Cruz property.

Where identifiable and verifiable, any surface and underground workings have been removed from the estimated tonnage.

TABLE 1-1: Input Data Types and Sources
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

Type of Data	Number of Data	Source of Data	Total Length (ft)	Total No. of Assays
Surface Drillholes	491	Various	196,654	37,709
Underground Drillholes	60	MK Gold	1,350	338
Underground Channel Samples	2,960	MK Gold	14,960	2,960
Surface Blastholes		MK Gold		
Cross Pit	6,770		67,770	6,770
Queen Pit	6,858		68,580	6,858
Underground Workings	1	MK Underground Mining Contractor	-NA-	-NA-
Surface Soil Samples	1,058	M. Tornabene & Texasgulf Minerals	-NA-	1,058
Surveyed Topography	1	The Orthoshop-Tucson	-NA-	-NA-

TABLE 1-2: Model Area Data Sources
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

Model Area (See FIG 17-1)	Geostatistical Model Designation[1]	Types of Data	No. of Data	No. of Samples
Oro Cruz Deposit a.k.a. Cross Deposit	1000 & 2000[2]	Surface Drillhole	207	
		Underground Drillhole	60	338
		Underground Channel Sampling	2,960	2,960
		Blastholes	6,770	6,770
Queen Deposit	6000	Surface Drillholes	69	
		Blastholes	6,858	6,858
Zone A	7000	Surface Drillholes	34	
Zone B	8000	Surface Drillholes	23	
Zone C	4000	Surface Drillholes	12	
Zone D	5000	Surface Drillholes	18	
Zone E	3000	Surface Drillholes	3	
Area outside of wireframes	9000	Surface Drillholes	125	

(1) Also referred to as "Block Code", "Code", "Rock Type", and "Zone"

(2) Model Designation 1000 = low-grade mineralization (Au < 0.01 oz Au/ton) and Model Designation 2000 = high-grade mineralization (Au >= 0.1 oz Au/ton).

TABLE 1-3 details the estimated inferred resources for the Oro Cruz gold project at a base case cutoff grade of 0.02 oz Au/ton.

TABLE 1-3: Resource Summary Table
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

Class	Tons*	Avg. Grade Au oz/ton	Avg. Grade g Au/ton	Contained Ounces
Total Inferred* (all deposits)	4,835,000	0.070	2.20	341,800

***Tonnages, grades, and contained ounces are rounded for significant figures

1.9 Mineral Reserve Estimate

As of the date of this report, the Oro Cruz Gold Project does not have any CIM definable mineral reserves.

1.10 Conclusions

It is Tt's opinion that the Oro Cruz Gold Project warrants additional study and evaluation. There are sufficient historic data to have produced an inferred resource estimate that is of sufficient tenor that a "prudent man" would continue to invest in the exploration and development of the project. The next step in Lincoln's work plan involves the completion of twin-hole confirmation

drilling in order to produce a resource estimate that can be classified in the indicated and measured categories and an exploration program designed to expand the known resources.

1.11 Proposed Work Plan

Lincoln's future plans include twin-hole drilling, reducing drillhole spacing, bulk density testing, preliminary metallurgical testwork, location of a suitable water source and baseline environmental studies, continued surface geologic mapping, and securing adequate supplies of water and power. Because the Oro Cruz (Cross) and the Queen deposits contain the majority (+90 percent) of the known gold mineralization, only these deposits will be concentrated on for the initial compliance programs. The remaining deposits represent potential additions to the Oro Cruz (Cross) and Queen deposits and will likely be subject to additional exploration in the future. These items are required for the project to proceed toward feasibility.

TABLE 1-4 details the anticipated work plan and major categories of expenditure.

TABLE 1-4: Proposed Budget for Plan of Work
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

Task	Estimated Completion Date*	Estimated Cost (US$) to Complete*	Notes
Exploration EA Permit	4/1/2011	50,000	
Twin-hole Drilling Program**			
Surface Drilling	8/1/2011 – 10/1/2011	530,000	28 core holes @ 350 ft each
Underground Drilling	8/1/2011 – 10/1/2011	78,000	6 core holes @ 200 feet each
Bulk Density Testing Program	10/1/2011	10,000	
Metallurgical Testing Program	12/31/2011	25,000	
Identify/Locate Water Source	12/31/2011	7,500	
Update Resources & TR	12/31/2011	70,000	
Total – Overall Budget		**770,500**	

* Subject to funding and results of individual programs and/or studies.
** Approximately 10 percent of the drillhole data for the Cross (Oro Cruz) and Queen deposits will be twinned.

Tt has reviewed these costs and timelines and believes that they represent the next logical progression in the redevelopment of the Oro Cruz Gold Project and that they reflect realistic estimates of the costs to complete the work plan identified.

1.12 Potential Limitations

Tt is not aware of any potential limitations to the project that would materially change any of the data, resource estimates, environmental considerations, socio-economic factors, or conclusions presented within this report that are outside of the normal factors that may impact mining projects, such as price variability, exchange rates, permitting time, etc. With respect to the Oro Cruz Gold Project, there are no existing environmental liabilities, potential new environmental issues are part of this and future studies and are not anticipated to materially impact the path forward. Exploration and development drilling, as well as metallurgical testing and analyses are expected to continue in 2010.

2.0 INTRODUCTION

2.1 General

Tetra Tech Inc. (Tt) was retained by Lincoln Mining Corporation (Lincoln) to prepare a NI 43-101 resource estimate and Technical Report on the Oro Cruz Gold Project, located in Imperial County, California (see FIGURE 4-1). The Oro Cruz Gold Project is a property that was previously mined for gold and closed in the 1990s. Because the project and supporting data predate the creation of the National Instrument 43-101, none of the original assay data meet current NI 43-101 and Canadian Institute of Mining (CIM) requirements for reporting of measured and indicated resource classes and therefore all of the reported resources are classified as inferred. The purpose of the report is to report an inferred resource and to re-establish the presence of a sufficient quantity of metal that the expenditure of additional funds is warranted to attempt to convert the inferred resources into the indicated and measured categories.

2.2 Purpose of Report

The purpose of this report was to prepare an inferred mineral resource estimate for the Oro Cruz Gold Project based on the available historic exploration drillhole and production blasthole data. This resource estimate will be subsequently used to develop the strategy to move the project forward to include the development of indicated and measured resource estimates.

2.3 Effective Date

The effective date of the mineral resource statements in this report is September 21, 2010.

2.4 Sources of Information

This report is based on data supplied by Lincoln, as well as previous technical reports by third parties. Tt has prepared this report exclusively for Lincoln. The information presented, opinions and conclusions stated, and estimates made are based on the following information:

- Source documents used for this report are summarized in the Reference Section of this report;
- Assumptions, conditions, and qualifications as set forth in the report;
- Data, reports, and opinions from prior owners and third-party entities; and
- Personal inspection and review.

Tt has not independently conducted any title or other searches, but has relied upon Lincoln and G.I.S. Land Services of Reno, Nevada for information on the status of the claims, property title, agreements, permit status and other pertinent conditions. In addition, Tt has not independently conducted any sampling, mining, processing, economic studies, permitting or environmental studies on the property.

2.5 Qualifications of Consultant

This report has been prepared based on technical work performed by consultants sourced from Tt's Golden, Colorado office. These consultants are specialists in the fields of geology, mineral resource estimation, mineral reserve estimation and classification, mining, mineral processing and mineral economics.

John Rozelle and Andrew Schissler (all representing Tt) visited the property from April 10 through 14, 2010. During the site visit, the surface conditions were examined, locations of historic facilities and infrastructure, and the existing underground openings and ventilation shaft were reviewed.

Neither Tt nor any of its employees and associates employed in the preparation of this report has any beneficial interest in Lincoln or in the assets of any affiliated company. Tt will be paid a fee for this work in accordance with normal professional consulting practice.

The individuals who have provided input to this Technical Report are listed in TABLE 2-1.

TABLE 2-1: Key Project Personnel
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

Company	Name	Title
Lincoln Gold US Corp.	Jeffrey Wilson	Executive Vice President
	Micheal Attaway	Chief Operating Officer & V.P. Operations
Lincoln Mining Corp.	Paul Saxton	President
Tetra Tech, Inc.	John Rozelle	Principal Geologist
	Steve Krajewski, Ph.D.	Sr. Geologist
	Rex Bryan, Ph.D.	Sr. Geostatistician
	Andrew Schissler, Ph.D.	Principal Mine Engineer
	William Reich	Principal Scientist
	Richard Buckmaster	Project Geologist

2.6 Units and Abbreviations

Unless explicitly stated otherwise, all units presented in this report are in English units (i.e. short tons, miles (mi), feet (ft), percent (%), troy ounces (oz), and parts per million (ppm)). All references to economic data are in U.S. dollars.

TABLE 2-2 sets forth certain standard conversions from Standard Imperial units to the International System of Units (or metric units).

TABLE 2-2: Standard Conversion Factors
LINCOLN MINING CORP. – ORO CRUZ GOLD PROJECT
September 2010

To Convert from Imperial Units	To Metric	Multiply by:
Acres	Hectares	0.404687
Feet	Meters	0.30480
Miles	Kilometers	1.609344
Tons	Tonnes	0.907185
Troy Ounces	Grams	31.1035
Troy Ounces/ton	Grams/tonne	34.2857

Abbreviations of technical terms used in this report:

AA	atomic absorption
Ag	silver
Au	gold
As	arsenic
ACu	acid soluble copper
cm	centimeter
CNCu	cyanide soluble copper
Cu	copper
CV	coefficient of variation
g	gram(s)
g/t	grams per tonne
GIS	geographic information system
GPS	global positioning system
ha	hectare(s)
Hg	mercury
ICP	inductively coupled plasma
IP	induced polarization (geophysical survey)
kg	kilogram(s)
km	kilometer(s)
lb	pound
m	meter(s)
mm	millimeter
Mo	molybdenum
masl	meters above sea level
NSR	Net Smelter Return
oz	ounce
Pb	lead
ppb	parts per billion
ppm	parts per million
QA/QC	quality assurance / quality control
RQD	rock quality designation
RVC	reverse circulation drilling
Sb	antimony
SX/EW	solvent extraction / electro winning
TCu	total copper
tonne	metric tonne (2,204.6 pounds)
tpd	tonnes per day
VLF-EM	very low frequency electromagnetic (survey)
Zn	zinc

3.0 RELIANCE ON OTHER EXPERTS

Tt did not rely on any other geological and/or mining experts in the preparation of this report. Tt has relied on certified professional land experts for the verification of the claim information which are not considered to be Qualified Persons under the definitions of a Qualified Person but are experts in their respective field.

4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 Location

The Property is located (FIGURE 4-1) in the Tumco mining district in the Cargo Muchacho Mountains, 14 miles southeast of the operating Mesquite gold mine (New Gold Inc.) and is also adjacent to the American Girl gold mine (past producer, 428,000 ozs gold). Access to the Property is via paved highway, approximately 35 minutes from Yuma, Arizona. Gold mining occurred in the area during 1890-1916 and 1932-1941, producing greater than 150,000 ozs gold. In the mid 1990's, the property was developed as the "Golden Cross" mine by MK Gold Company. MK Gold produced 61,000 ozs of gold in one year from both open-pit and underground mining. Mining ceased in 1996 due to low gold prices, (average of $380.00 per ounce). Prior to cessation, MK Gold was conducting a significant pit wall push back to reach in-place "ore." Gold mineralization remains exposed in the open pit and in underground workings.

4.2 Mineral Title in the US

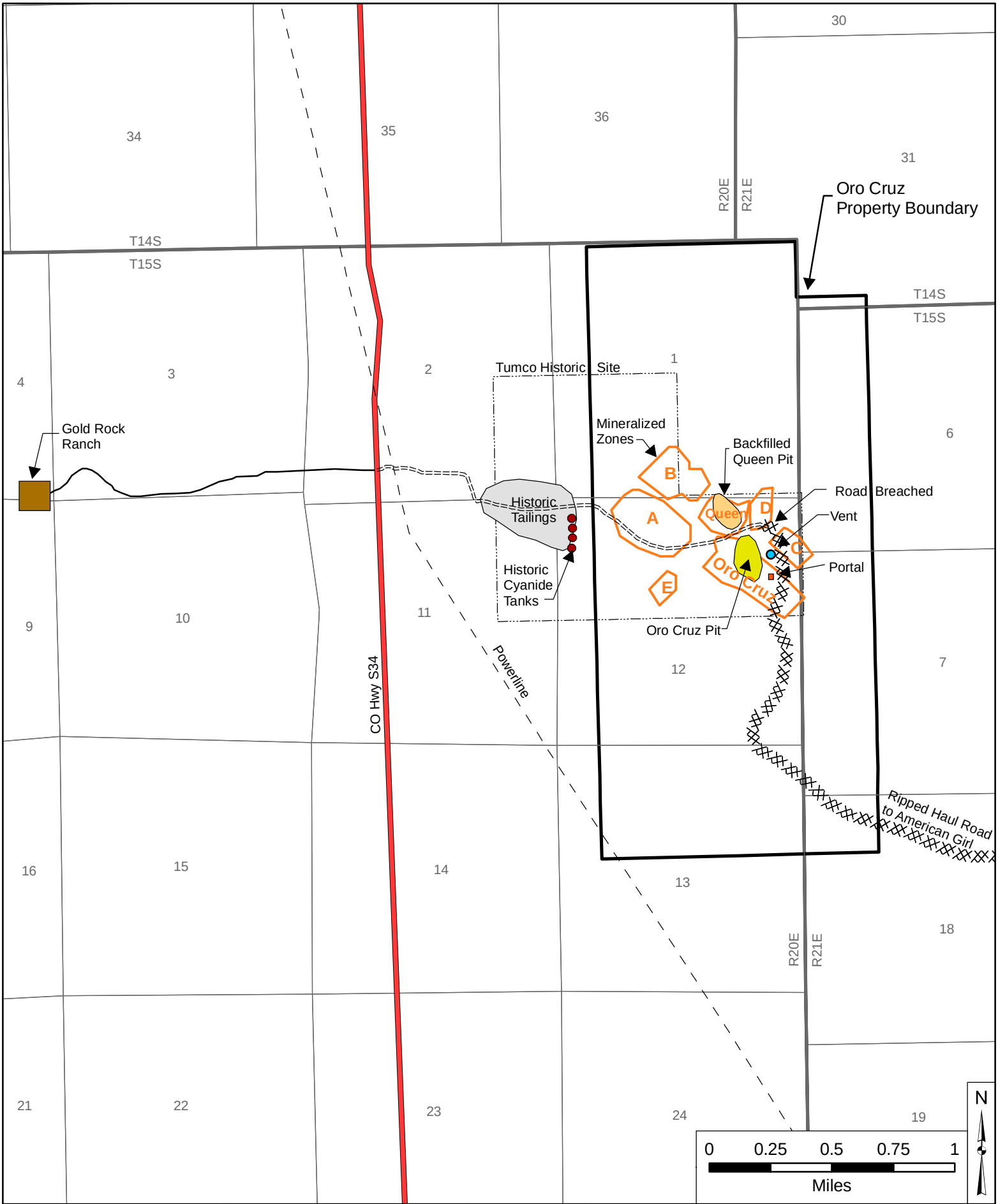
Mineral titles can be held by a number of methods in the US. Typically, these are by either patented or unpatented lode mining claims. In the case of the Oro Cruz Gold Project, all of the mining claims are unpatented lode mining claims that are located on Bureau of Land Management (BLM) administered lands. Under US Law, title to mineral claims do not expire as long as payment of the annual fee per mineral claim is made.

4.2.1 Property Title

The claim ownership associated with the Oro Cruz Gold Project is a mixture of leased claims from the underlying owner of the mineral deposit and claims that have been staked by Lincoln. TABLES 4-1 and 4-2 detail the ownership, respectively.

TABLE 4-1 describes the contiguous unpatented lode mining claims that are located in the Tumco/Cargo Muchacho Mining District, San Bernardino Base and Meridian, Imperial County, California. These claims are owned by ADGIS, Inc. 210 South Rock Blvd., Reno, Nevada 89502. They are under contract to Lincoln Gold US Corp. (a wholly owned subsidiary of Lincoln Mining Corp.) as part of the Oro Cruz Gold Project as defined in the executed Mining Lease Agreement dated February 23, 2010.

Issued by: TETRA TECH, 350 Indiana Street, Suite 500, Golden, Colorado 80401, (303) 217-5700 (303) 217-5705 fax	Prepared for: ***Lincoln Mining***	File Name: Fig4-1.mxd	Figure 4-1
	Project: Oro Cruz Gold Project	Project Number: 114-311022	General Location Map Oro Cruz Gold Project
	Project Location: Imperial County, California, USA	Date of Issue: 08/09/2010	



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Prepared for: ***Lincoln Mining***	File Name: Fig4-2.mxd
Project: Oro Cruz Gold Project	Project Number: 114-311022
Project Location: Imperial County, California, USA	Date of Issue: 08/27/2010

Figure 4-2

Property and Surrounding Area Oro Cruz Gold Project

TABLE 4-1: Oro Cruz Claims held by Agreement
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

Claim Name	Location Date	Section	Township	Range	Book	Page	BLM Ser. No.
Hercules 10	1/23/1981	Sec 12	15S	20E	1463	1498	CAMC-79798
Hercules 10 Amendment	1/27/1985				1535	722	
Hercules 10 Amendment	1/24/1988				1601	925	
Hercules 11	1/23/1981	Sec 12	15S	20E	1463	1499	CAMC-79799
Hercules 11 Amendment	1/27/1985				1535	721	
Hercules 11 Amendment	1/24/1988				1601	927	
Hercules 12	1/23/1981	Sec 1	15S	20E	1463	1500	CAMC-79800
Hercules 12 Amendment	1/27/1985				1535	720	
Hercules 12 Amendment	1/24/1988				1601	929	
Hercules 132	10/23/1998	Sec 7	15S	21E	1954	59	CAMC-274928
Hercules 133	10/23/1998	Sec 6 and 7	15S	21E	1954	60	CAMC-274927
Hercules 26	1/23/1981	Sec 1	15S	20E	1463	1631	CAMC-79814
Hercules 26 Amendment	1/24/1988				1601	957	
Hercules 27	1/23/1981	Sec 1	15S	20E	1463	1553	CAMC-79815
Hercules 27 Amendment	1/24/1988				1601	959	
Hercules 28	1/23/1981	Sec 1	15S	20E	1463	1501	CAMC-79816
Hercules 28 Amendment	1/24/1988				1601	961	
Hercules 29	1/23/1981	Sec 1	15S	20E	1463	1503	CAMC-79817
Hercules 29 Amendment	1/27/1985				1535	725	
Hercules 29 Amendment	1/24/1988				1601	963	
Hercules 30	1/23/1981	Sec 12	15S	20E	1463	1504	CAMC-79818
Hercules 30 Amendment	1/27/1985				1535	726	
Hercules 30 Amendment	1/24/1988				1601	965	
Hercules 31	1/23/1981	Sec 12	15S	20E	1463	1506	CAMC-79819
Hercules 31 Amendment	1/27/1985				1535	724	
Hercules 31 Amendment	1/24/1988				1601	967	
Hercules 32	1/23/1981	Sec 12	15S	20E	1463	1508	CAMC-79820
Hercules 32 Amendment	1/27/1985				1535	719	
Hercules 32 Amendment	1/24/1988				1601	969	
Hercules 33	1/23/1981	Sec 12	15S	20E	1463	1509	CAMC-79821
Hercules 33 Amendment	1/24/1988				1601	971	
Hercules 53	1/23/1981	Sec 1	15S	20E	1463	1520	CAMC-79841
Hercules 53 Amendment	1/25/1988				1601	1011	
Hercules 54	1/23/1981	Sec 1	15S	20E	1463	1521	CAMC-79842
Hercules 54 Amendment	1/25/1988				1601	1013	
Hercules 55	1/23/1981	Sec 1	15S	20E	1463	1536	CAMC-79843
Hercules 55 Amendment	1/25/1988				1601	1015	
Hercules 6	1/23/1981	Sec 12	15S	20E	1463	1542	CAMC-79794
Hercules 6 Amendment	1/24/1988				1601	917	
Hercules 7	1/23/1981	Sec 12	15S	20E	1463	1495	CAMC-79795

Hercules 7 Amendment	1/24/1988				1601	919	
Hercules 8	1/23/1981	Sec 12	15S	20E	1463	1496	CAMC-79796
Hercules 8 Amendment	1/24/1988				1601	921	
Hercules 9	1/23/1981	Sec 12	15S	20E	1463	1497	CAMC-79797
Hercules 9 Amendment	1/27/1985				1535	723	
Hercules 9 Amendment	1/24/1988				1601	923	

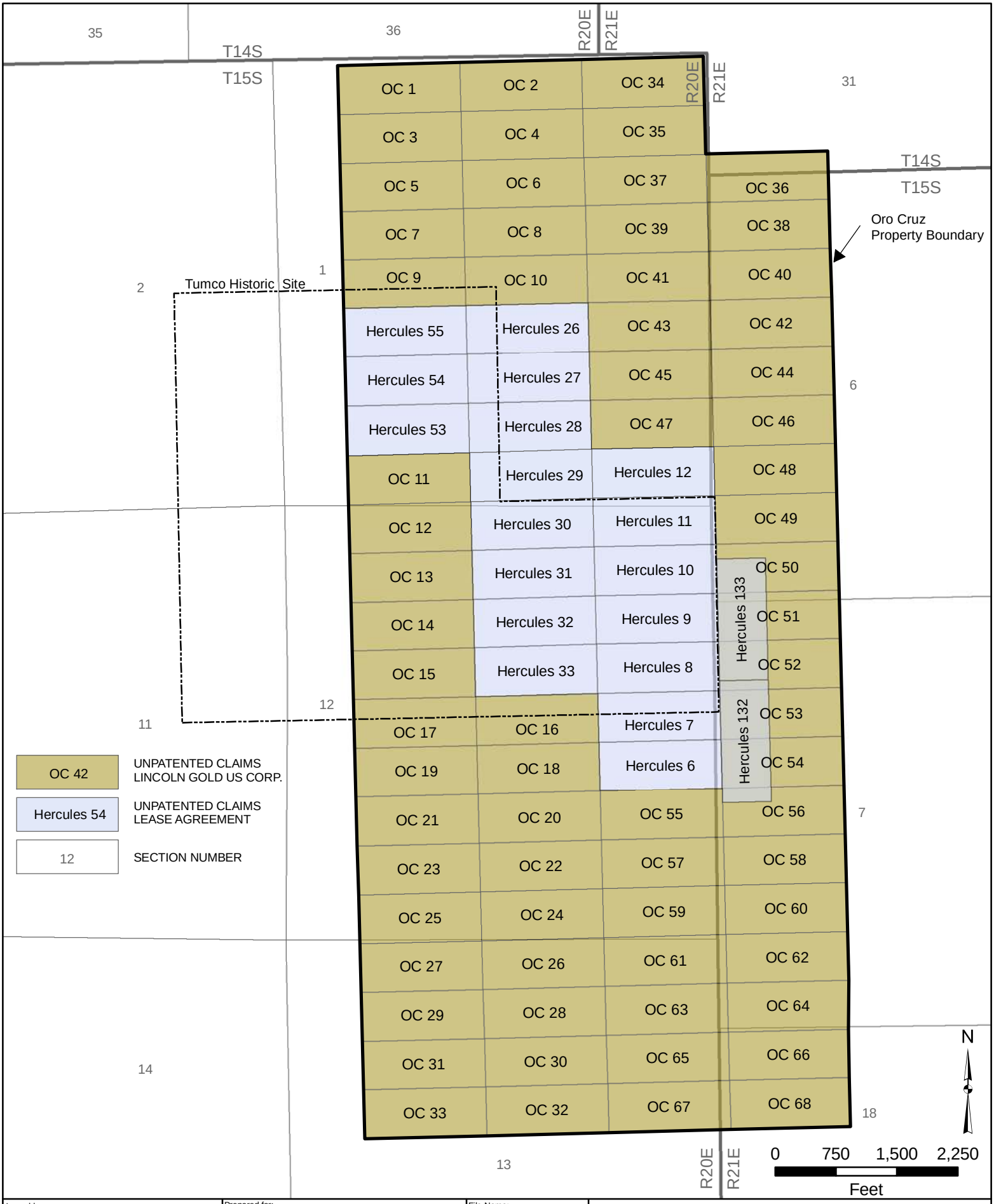
TABLE 4-2: Lincoln Gold US Corp. Unpatented Claims
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

	CLAIM NAME	LOCATION DATE	BLM CAMC NUMBER	BLM FILING DATE	IMPERIAL CO. DOC. NO.*	COUNTY FILING DATE
1	OC 1	11/12/09	296320	02/03/10	2010-003173	02/02/10
2	OC 2	11/12/09	296321	02/03/10	2010-003174	02/02/10
3	OC 3	11/12/09	296322	02/03/10	2010-003175	02/02/10
4	OC 4	11/12/09	296323	02/03/10	2010-003176	02/02/10
5	OC 5	11/12/09	296324	02/03/10	2010-003177	02/02/10
6	OC 6	11/12/09	296325	02/03/10	2010-003178	02/02/10
7	OC 7	11/12/09	296326	02/03/10	2010-003179	02/02/10
8	OC 8	11/12/09	296327	02/03/10	2010-003180	02/02/10
9	OC 9	11/12/09	296328	02/03/10	2010-003181	02/02/10
10	OC 10	11/12/09	296329	02/03/10	2010-003182	02/02/10
11	OC 11	11/13/09	296330	02/03/10	2010-003183	02/02/10
12	OC 12	11/13/09	296331	02/03/10	2010-003184	02/02/10
13	OC 13	11/13/09	296332	02/03/10	2010-003185	02/02/10
14	OC 14	11/13/09	296333	02/03/10	2010-003186	02/02/10
15	OC 15	11/13/09	296334	02/03/10	2010-003187	02/02/10
16	OC 16	11/13/09	296335	02/03/10	2010-003188	02/02/10
17	OC 17	11/13/09	296336	02/03/10	2010-003189	02/02/10
18	OC 18	11/13/09	296337	02/03/10	2010-003190	02/02/10
19	OC 19	11/13/09	296338	02/03/10	2010-003191	02/02/10
20	OC 20	11/13/09	296339	02/03/10	2010-003192	02/02/10
21	OC 21	11/13/09	296340	02/03/10	2010-003193	02/02/10
22	OC 22	11/13/09	296341	02/03/10	2010-003194	02/02/10
23	OC 23	11/13/09	296342	02/03/10	2010-003195	02/02/10
24	OC 24	11/13/09	296343	02/03/10	2010-003196	02/02/10
25	OC 25	11/13/09	296344	02/03/10	2010-003197	02/02/10
26	OC 26	11/13/09	296345	02/03/10	2010-003198	02/02/10
27	OC 27	11/13/09	296346	02/03/10	2010-003199	02/02/10
28	OC 28	11/13/09	296347	02/03/10	2010-003200	02/02/10
29	OC 29	11/13/09	296348	02/03/10	2010-003201	02/02/10
30	OC 30	11/13/09	296349	02/03/10	2010-003202	02/02/10
31	OC 31	11/13/09	2963350	02/03/10	2010-003203	02/02/10

32	OC 32	11/13/09	2963351	02/03/10	2010-003204	02/02/10
33	OC 33	11/13/09	2963352	02/03/10	2010-003205	02/02/10
34	OC 34	11/12/09	2963353	02/03/10	2010-003206	02/02/10
35	OC 35	11/12/09	2963354	02/03/10	2010-003207	02/02/10
36	OC 36	11/12/09	296355	02/03/10	2010-003208	02/02/10
37	OC 37	11/12/09	296356	02/03/10	2010-003209	02/02/10
38	OC 38	11/12/09	296357	02/03/10	2010-003210	02/02/10
39	OC 39	11/12/09	296358	02/03/10	2010-003211	02/02/10
40	OC 40	11/12/09	296359	02/03/10	2010-003212	02/02/10
41	OC 41	11/12/09	296360	02/03/10	2010-003213	02/02/10
42	OC 42	11/12/09	296361	02/03/10	2010-003214	02/02/10
43	OC 43	11/12/09	296362	02/03/10	2010-003215	02/02/10
44	OC 44	11/12/09	296363	02/03/10	2010-003216	02/02/10
45	OC 45	11/12/09	296364	02/03/10	2010-003217	02/02/10
46	OC 46	11/12/09	296365	02/03/10	2010-003218	02/02/10
47	OC 47	11/12/09	296366	02/03/10	2010-003219	02/02/10
48	OC 48	11/13/09	296367	02/03/10	2010-003220	02/02/10
49	OC 49	11/13/09	296368	02/03/10	2010-003221	02/02/10
50	OC 50	11/13/09	296369	02/03/10	2010-003222	02/02/10
51	OC 51	11/13/09	296370	02/03/10	2010-003223	02/02/10
52	OC 52	11/13/09	296371	02/03/10	2010-003224	02/02/10
53	OC 53	11/13/09	296372	02/03/10	2010-003225	02/02/10
54	OC 54	11/13/09	296373	02/03/10	2010-003226	02/02/10
55	OC 55	11/14/09	296374	02/03/10	2010-003227	02/02/10
56	OC 56	11/14/09	296375	02/03/10	2010-003228	02/02/10
57	OC 57	11/14/09	296376	02/03/10	2010-003229	02/02/10
58	OC 58	11/14/09	296377	02/03/10	2010-003230	02/02/10
59	OC 59	11/14/09	296378	02/03/10	2010-003231	02/02/10
60	OC 60	11/14/09	296379	02/03/10	2010-003232	02/02/10
61	OC 61	11/14/09	296380	02/03/10	2010-003233	02/02/10
62	OC 62	11/14/09	296381	02/03/10	2010-003234	02/02/10
63	OC 63	11/14/09	296382	02/03/10	2010-003235	02/02/10
64	OC 64	11/14/09	296383	02/03/10	2010-003236	02/02/10
65	OC 65	11/14/09	296384	02/03/10	2010-003237	02/02/10
66	OC 66	11/14/09	296385	02/03/10	2010-003238	02/02/10
67	OC 67	11/14/09	296386	02/03/10	2010-003239	02/02/10
68	OC 68	11/14/09	296387	02/03/10	2010-003240	02/02/10

NOTE: Original Imperial County filing 2010-001681 was on January 26, 2010 and was amended due to wrong Base and Meridian designation on the Notices of Location. The amended Notices were filed with the County on February 2, 2010.

FIGURE 4-3 details the locations of the various unpatented lode claim boundaries detailed in the tables above in relation to the known mineral deposits.



Issued by: TETRA TECH, 350 Indiana Street, Suite 500, Golden, Colorado 80401, (303) 217-5700 (303) 217-5705 fax	Prepared for: ***Lincoln Mining***	File Name: Fig4-3.mxd
	Project: Oro Cruz Gold Project	Project Number: 114-311022
	Project Location: Imperial County, California, USA	Date of Issue: 08/12/2010

Figure 4-3

Claim Block and Land Status
Oro Cruz Gold Project

TABLE 4-3 details the annual holding costs for the claims associated with the Oro Cruz Gold Project.

TABLE 4-3: Oro Cruz Annual Claim Holding Costs
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

Unpatented Lode Claims	Number of Claims	BLM US$/claim	Total BLM Fees (US$)	Imperial Co. Annual Filing Fees (US$)	Total (US$)
"OC"	68	$140.00	$9,520.00	$26.00	$10,234.00
"Hercules"	20	$140.00	$2,800.00	$26.00	$3,010.00
Totals	**88**		**$12,320.00**	**$52.00**	**$13,244.00**

In addition to the above fees that are paid to governmental agencies, Lincoln also has holding costs to be paid to ADGIS Inc. The Lease involves advance royalty payments beginning at US$50,000 per year and gradually increasing to $200,000 US per year in the 7th year. The NSR royalty 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 $500,000 per half point.

Lincoln contracted G.I.S. Land Services of Reno, Nevada to complete the Title Review. G.I.S. Land Services provides certified professional land services (MS RPL #32306) that provide independent third-party surface and mineral title abstracts and geologic compilations.

In addition to the claim information, G.I.S. Land Services did find other claims in the general area that is potentially owned by another entity. This claim is referred to as the "Block 13 Sovereign Claim". It is not sufficiently close to the envisaged exploration and/or development area to hinder continued exploration and development work, but will need to be investigated further. According to G.I.S. Land Service:

> *"Michael G. Tornabene transferred these claims by Quitclaim Deed 0n August 26, 2002 to Paul D. Hartley. The deed from Michael G. Tornabene to Paul D. Hartley contains language that he is "part owner thereof' concerning the Hercules 31 and 32 Lode claims, as conveyed. However the exact portion of ownership being transferred is not stated and the owner of the remaining portion is not named.*
>
> *Mr. Hartley transferred his interest by Quitclaim Deed on November 3, 2008 to Adgis, Inc. The deed from Paul D. Hartley to Adgis, Inc. does not mention any proportionate ownership of the Hercules 31 and 32 Lode claims.*
>
> *Adgis, Inc. has entered into a purchase agreement for the subject claims with Lincoln Gold US Corp. for some time in 2010. No documents were recorded concerning the agreement with Lincoln Gold US Corp. as of January 8, 2010, according to our search of the computerized records at the Imperial County Recorder's office.*
>
> ***Block 13 Sovereign Claim**: According to the BLM LR2000 report of closed claims run on January 13, 2010, a Sovereign claim did exist with the last assessment year as 1980 and a closed date of April 17, 1986. A search of the closed claims listing did not find Brigham Young University listed as owners of any claims. A run of the active claims in this same township did not list any claims as owned by Brigham Young University. A Block 13 (1 acre) of Sovereign Lode claim is not listed in any of the on line LR2000 records; however, the book and page referenced for the Certificate of Location do*

match, indicating that they are one and the same referenced claim. The Serial Register page for the Sovereign claim indicates that the owners according to the BLM are Michael Tornabene and Joseph P. Lastella. A memorandum from the BLM dated October 1, 1982 responded to the Proof of Annual Labor dated December 11, 1981 filed by Brigham Young University. The memo states that the BLM records indicate that Brigham Young University is ***not*** *a claimant for the Hercules No. 31 and 32 Lode mining claims. In addition, the BLM does not have any record of the Block 13 of Sovereign Lode claim as being recorded with the Sacramento BLM office."*

G.I.S. Land Services recommended that "…*the issues and questions involving the BYU Block 13 parcel be discussed with your legal counsel. The validity of the BYU parcel in light of the Quiet Title suit and subsequent transfers not naming this possible interest, necessitate a legal opinion to determine the potential validity of ownership."*

4.3 Permits

A multi-agency regulatory process will be completed to obtain all required federal, state and local agency permits and approvals necessary to construct, operate and ultimately close the Oro Cruz mine and ore processing operations. The project site is located in the southeast corner of Imperial County, California, on federal public lands administered by the El Centro Field Office of the U. S. Department of the Interior, Bureau of Land Management (BLM). The BLM is expected to be the lead agency for the regulatory process, ensuring all required federal, state and local permits and approvals are obtained. The BLM would issue federal approval for the operations in accordance with their Surface Management Regulations contained Title 43 of the Code of Federal Regulations, Part 3809 (43 CFR 3809). The BLM will require the submittal of a mine Plan of Operations and Reclamation Plan, prepared in accordance with 43 CFR 3809, that details the proposed mine operations, along with reclamation and closure activities. The BLM will also require the placement of a financial guarantee (reclamation bond) to ensure reclamation is completed in accordance with the approved plan.

The Imperial County Planning and Development Services Department (PDSD) will be the co-lead agency for the overall mine permitting and approval process. The PDSD will issue a Special Use Permit for the mine and ore processing operations in accordance with the Imperial County Code of Ordinances, Title 9, Land Use Code, Division 20, Surface Mining and Reclamation. Division 20 ensures the operations are regulated in accordance with the applicable State of California laws and regulations affecting mining and ore processing operations.

Other County departments, along with various State and Federal agencies will issue appropriate permits, approvals or concurrences for various mine operations and activities in accordance with applicable County, State and Federal ordinances, guidelines, regulations and laws. Other County Departments include the Air Pollution Control District; the Public Works Department; and the Public Health Department. Other State agencies include the California State Water Resources Control Board (WRCB), Division of Water Rights; the Colorado River Regional Water Quality Control Board (RWQCB); the California Department of Toxic Substances Control (DTSC); the California Department of Fish and Game (CDFG); and the California State Historic Preservation Office (SHPO). Additional Federal agencies include the U.S. Fish and Wildlife Service (USFWS); the U.S. Army Corps of Engineers (USCOE); and the Bureau of Alcohol, Tobacco and Firearms (BATF). Coordination with the Lower Colorado River Water Authority (LCRWA), assisted by the City of Needles, California as federal water manager, could be required for the drilling of new water wells in the vicinity of the mine site.

The proposed mine project constitutes both federal and state actions. The federal action will be assessed for potential environmental impacts as required by the National Environmental Policy Act of 1969 (NEPA). The project will also be assessed in accordance with the California Environmental Quality Act of 1970 (CEQA), to ensure state regulatory requirements in regards to environmental assessment and protection are met. NEPA and CEQA are not permit or approval actions. They are assessment programs which analyze and disclose to the public the potential impacts to the environment that could result from the proposed action and or alternatives; assess the level of significance for each identified impact; and propose mitigation measures to reduce the potential impact from the selected proposed action to a less than significant level. It is expected the environmental documentation program would be completed as a joint NEPA/CEQA action coordinated by the BLM and Imperial County PDSD. A multi-resource baseline study program would be implemented to collect the data required to support the completion of the NEPA/CEQA process.

4.3.1 List of Permits and Approvals

TABLE 25-2 presents a summary list of the key federal, state and local permits and approvals, by agency that would be required for the Oro Cruz mine project. Note that consultation with the BLM and the PDSD at Imperial County would assist in determining a complete list of all required permits and approvals for the project.

TABLE 4-4: List of Key Permits and Approvals by Agency
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

Agency	Permit or Approval
Federal Agencies	
Bureau of Land Management, El Centro Field Office	Approval for mine and ore processing operations under 43 CFR 3809. Includes posting of a reclamation surety bond.
U.S. Army Corps of Engineers	Individual or Nationwide dredge and fill permit issued under Section 404 of the Clean Water Act.
Lower Colorado River Authority and City of Needles, California	Permit to drill water wells within USGS Lower Colorado River Accounting Area. Permit issued by the City of Needles as Federal Water Manager.
Department of Justice, Bureau of Alcohol, Tobacco, Firearms and Explosives.	Permit to obtain, store and use explosives issued in accordance with 27 CFR 555, Commerce in Explosives
U.S. Fish and Wildlife Service	Consultation on potential impacts for TEC Species under Section 7 of the Endangered Species Act.

Imperial County Departments	
Planning and Development Services	Special Use Permit for the mine and ore processing operations in accordance with the Imperial County Code of Ordinances, Title 9, Land Use Code, Division 20, Surface Mining and Reclamation; SMARA; and the State Mining and Geology Board Regulations. Includes posting a reclamation surety bond. Water well drilling permit.
Air Pollution Control District	Air Quality Permit in accordance with County, State and Federal regulations including the Clean Air Act to ensure compliance with State and Federal Ambient Air Quality Standards.
Public Works	Plan checks for structures and facilities.
Public Health	Permits to operate a public water system; sewage disposal system; and solid waste landfill.
State of California Agencies	
Department of Fish and Game	Streambed Alteration Permit issued under Sections 1600 to 1616 of the State Fish and Game Code. Permit for an Incidental Take of State Listed Species under Sections 2080 and 2081(b)(c) of the State Fish and Game Code
Colorado River Regional Water Quality Control Board	Waste Discharge Permit issued under Title 27, Division 2 of the CCR. Meets Federal regulations for the Clean Water Act.
Division of Water Rights	Filing application to appropriate and beneficially use groundwater for mine and ore processing operations via new water wells.
Department of Toxic Substances Control	Permits for the storage and use of hazardous materials; and the disposal of hazardous waste.
State Historic Preservation Office	Section 106 consultation process with the BLM for assessing potential impacts to cultural resources. Coordinate the Native American government to government consultation process with the BLM.

4.4 Potential Environmental and Socio-Economic Impacts and Issues

The lifecycle of a mining project, from exploration through mine construction, operations and finally, reclamation and closure can have significant impacts, both positive and negative on the

socio-economic and environmental and resources within the local and regional mine project area. A successful, environmentally aware mining company is committed to understanding the extent of these impacts and implements measures to mitigate them at every stage of the mining lifecycle. This is accomplished through a multi-stage planning, environmental review and permitting process that includes prudent and sensible planning and design, and conscientious implementation of exploration, mining and related activities. The end result is a project that contributes to the long-term, positive environmental and social legacy of the mining project on the local and regional environment.

Starting with exploration, a mineral exploration/mining company normally makes a substantial capital investment in a mineral exploration program. Should the results of this program prove positive, the company then makes another substantial investment in a developmental drilling and feasibility study to evaluate whether the potential mine site would be an economically feasible operation. Once a decision is made to develop a mine and bring it on line, the time and costs to permit the site, along with the actual construction costs require another substantial capital investment. All told, a company invests millions of dollars into the project, before it produces one single ounce of economic mineral.

The positive financial impacts of these activities on the local and regional area and economy would be substantial in terms of the number of jobs created and the associated salaries; increases in local and regional sales/use tax; increased demand for services and supplies from local and regional sources such as restaurants/cafes, motels, gas stations, grocery stores, equipment/automobile repair shops, and equipment/supply sources, etc.; increases in County property taxes and net proceeds taxes; and possibly charitable donations. Note that under current economic conditions, mining companies and their financial backers do not make substantial capital investments in “short-term” projects. Projects and their financial impacts should be viewed as “long-term”, most likely in the range of 10 years or more.

Development of a mine project would result in minor impacts to the public infrastructure services sector. There would be increased demands for housing, both permanent and rental; and key community services including law enforcement, fire protection, medical aid, and schools. However, the workforce is expected to be drawn from regional communities including El Centro, Brawley, Niland and the greater Palm Springs, California area; and the greater Yuma, Arizona area. The public infrastructure for these areas is already in place, and therefore these impacts would be minimal in nature.

All mining projects have a finite “economic life”. Depending on the size and availability of the mineral resource, along with national and international market conditions, a project eventually reaches the reclamation and closure stage. At this point, there would be a gradual reduction in employment, along with associated salaries and the need for services and supplies. However, this reduction in workforce and need for services would have been assessed during the planning/permitting and environmental review process, with appropriate mitigation measures ready for implementation. One of the key mitigation activities would be the conversion of the mine site infrastructure to alternative, suitable use that would provide for a sustainable, positive economic impact to the local and regional area. Converting the mine site to a compatible alternative use allows the owner/operator to realize continued economic benefits from the site and its infrastructure, whether it is through continued ownership and operation of the new facility, or income through a lease or a direct sale of the site to a new and different type of operating company. Development of the mine site to another sustainable economic use would also provide continued financial support to current employees who may be retained by the new operation and the surrounding community in general.

Depending on the age and size of the facility, the existing site infrastructure site location and ease of access, a mine site can be converted to several post-mining sustainable uses. Examples include various types of industrial facilities, research and development (R&D), a renewable energy facility (wind or solar power), a landfill for the disposal of municipal solid waste or hazardous materials, or a source of aggregate and construction materials. These activities are consistent with similar projects in Imperial County.

Conversion of the site to another sustainable use can potentially reduce or eliminate several potential environment liabilities. For example, experience indicates that spent leach ore can possibly be used for aggregate/construction materials. If this type of use is approved by the appropriate regulatory agencies, the processing of the spent leach ore into an aggregate/construction material, and the subsequent sale and removal of the ore off a mine site eliminates a heap leach facility as a long-term environmental liability. In summary, the implementation of a viable post-mining sustainable development program could result in the following positive benefits to Imperial County:

- Provide for additional economic income to the original operating company from a property scheduled for closure. The original company can realize the income by continued ownership and operation of the converted site, or by lease or direct sale to a new company.
- Eliminate potential environmental liabilities associated with a particular property.
- Diversify operations at an existing site that could extend the economic life of the property.
- Assist in maintaining the economic viability of the surrounding community(s).

The lifecycle of a mining project can also impact natural, environmental and biological resources within the general mine site area. These resources could include, but are not limited to, air quality; surface and groundwater water quality and quantity; soils; and vegetation and wildlife resources including special status species. As discussed above, a successful, environmentally aware mining company is committed to understanding the extent of these impacts and implements measures to mitigate them at every stage of the mining lifecycle. This starts with the initial planning/permitting and environmental review program; and follows through the entire lifecycle, from the implementation of exploration and mining activities, through reclamation and closure. With proper implementation and management, the result is a mining lifecycle that provides for the multiple uses of natural, environmental and biological resources while minimizing impacts.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, AND PHYSIOGRAPHY

5.1 Access

The Oro Cruz Gold Project is located about 23.5 miles northwest of the city of Yuma, Arizona. Access to the property is by US Interstate 8 west from Yuma to north bound County Highway S34 for approximately 8.4 miles, then east on the gravel road to the historic Tumco Gold Mine Town site.

5.2 Climate

The climate of the Oro Cruz Gold Project area is arid, with high temperatures in the summer generally in the 100-110°F range and winter highs generally in the 70-80°F range. Winter temperatures are rarely below 32°F. Based on data collected and reported by the Yuma weather station, the average annual temperature is 73°F. The lowest minimum average temperatures occur during January and are typically in the range of 41 to 44^{o}F. Precipitation can occur throughout the year, but is most common during the late-summer months (August, September) or during the winter months of January through March. Annual precipitation for the area surrounding the Oro Cruz Gold Project totals less than three inches per year. The majority of a year's precipitation typically occurs in one or two short-duration storm events. Annual evaporation as measured and reported by the Yuma weather station is approximately 98 inches per year.

The combination of low precipitation and high evaporation results in a situation where surface runoff from the area is uncommon. Washes in the area are dry and will channel runoff only during severe storm events. On average, this may occur once per year, although it is not uncommon to have one to two year periods with no surface flows. When surface flows do occur, washes will typically flow for periods of less than one hour

5.3 Local Resources and Infrastructure

Power Supply

A 92 kV power line administered by the Imperial Irrigation District Power Company is located less than 1 mile west of the Oro Cruz Property. At the present time, no issues with regard to electrical power availability are anticipated.

Water Supply

At the present time, there is no water available at the project site. In order to restart mining operations, water will need to be developed and pumped to the site. Water could possibly be purchased from the Gold Rock Ranch and pumped to the site, however it is expected the wells supplying this water would not meet the required demand for a mine and ore processing operation. Lincoln Gold could also drill new water wells. As discussed in Section 4.3.2.1 of this report, the Imperial County Planning and Development Services Department would issue a permit for the drilling and operation of water wells. This activity would be coordinated with the California WRCB, Division of Water Rights which regulates all activities related to water rights, from the initial filing of applications to appropriate groundwater, to the issuance of the water rights permit or license. As discussed in Section 4.3.3 of this report, drilling of new water wells should also be coordinated with the City of Needles, which serves as the federal water manager for the Lower Colorado River Water Authority (LCRWA). This coordination would ensure there

are no regulatory issues associated with groundwater that falls under the jurisdiction of the LCRWA and is designated for agriculture use in the Imperial Valley.

New water wells drilled on private land could be subject to environmental assessment under CEQA; however the need to complete this type of assessment would be determined by the Imperial County Planning and Development Services Department. Wells drilled on BLM managed public land would be subject to various federal permitting requirements, including right of way uses, and possibly NEPA environmental documentation. Transmission lines that would deliver power to new well site(s) would be subject to local, state, and federal permitting and environmental documentation activities as determined by the Imperial County Planning and Development Services Department and the BLM.

Transportation Facilities

Access to the site from Yuma Arizona is currently by a US Interstate highway and a California paved county road. From the county road, the site is accessible by gravel roads. Should mining operations be restarted, the access from the county road to the mine facilities will need to be improved.

Buildings and Ancillary Facilities

At the present time, there are no facilities at the project site other that the portal and vent shaft that provided access and fresh air, respectively to the MK Gold underground mine area. In addition, there are some historic foundations and remnants of the mining operations from the early 1900s, however, they are located sufficiently far from the planned mining area they are not anticipated to be an issue should sufficient mineralization be developed to support re-starting of commercial mining operations.

Manpower

Accommodations, supplies, and labor are available in either Brawley, California, population 22,000 (2000 census), or Yuma, Arizona, population 77,500 (2006 census). At the present time, no issues with the availability of labor are anticipated.

5.4 Physiography

The Oro Cruz Gold Project is located in the Cargo Muchacho Mountains, within the Mojave Desert and the Colorado Desert physiographic provinces, at an elevation ranging between 500 ft and 2,000 ft above sea level. Roughly 75 percent of the property is steep and mountainous, with the remainder being a level sloping alluvial fan. Vegetation in the immediate area generally consists of very sparse desert vegetation with creosote bush, brittle brush, barrel cactus, cholla cactus and octillio cactus.

6.0 HISTORY

6.1 Early History

The following introductory history of the general area where the Oro Cruz Gold Project is located is from “Desert Fever – An Overview of Mining History of the California Desert Conservation Area – Imperial County," by Larry M. Vredenburgh, Gary L. Shumway, and Russell D. Hartill (1980).

“CALIFORNIA'S FIRST SPANISH MINERS

Soldiers, settlers, and laborers, part of two mission colonies under the administration of Francisco Garces, mined placer gold in the southeastern Chocolate Mountains in 1780 and 1781. Their mining methods were simple. Placer gold was recovered by winnowing (tossing the lighter materials away by gently shaking a blanket in the wind). Dry washers may also have been used. Their mining endeavors, almost recreational in nature (as they were not mining gold for a living) ended abruptly when the Yuma Indians attacked the two missions on July 17, 1781, killing at least 50 men and taking 67 women and children captive. Mining activity was resumed in this area only after the establishment of the Mexican Republic in 1823.

Also worked in the 1780's were the placer grounds of Jackson Gulch and the oxide ores of Padre Madre Valley in the Cargo Muchacho Mountains. The Padre y Madre Mine, located 13 miles northwest of Yuma and 3 miles northwest of Ogilby, was one of the most extensively developed early mines. The mine enjoyed a modest production from the 1780's until 1894 with few interruptions.

Even the name of the mountain range speaks of the early interest in mining in the area. Reportedly in the early 1800s two young lads playing at prospecting in imitation of their fathers came into camp with their shirts loaded with gold ore. Their antics resulted in the name of Cargo Muchacho, for the mountains where they had made their find. Although it is difficult to estimate the area's gold production during the Spanish and Mexican eras (1780-1848) it was probably not more than half a million dollars.

William P. Blake, a geologist with Lt. Williamson's Pacific Railroad exploration party, was the first Anglo-American to visit the southern portion of the Cargo Muchacho Mountains with an eye toward mining. In 1853 he reported seeing several quartz veins from three inches to a foot or two in thickness. His observations were recorded in official government reports, but no one acted upon this evidence of possible mineralization until the Southern Pacific Railroad between Yuma and the coast was completed in 1877. With a safe means of transporting bullion to market now at hand, prospectors and developers flooded into the area.

CARGO MUCHACHO MINE

One of the first deposits to be commercially developed on a large scale in the Cargo Muchacho Mountains was the Cargo Muchacho Mine. Located by Thomas Porter Neet in 1877, within 5 years 14,000 tons of ore had been mined, yielding $168,000 in gold. The ore averaged $12 per ton. The mine was surveyed for patent in 1892, but two years later it was idle. A six year renewal of activity began in 1936 when ore left on the mine dump was cyanided. Total production figures for the Cargo Muchacho Mine are estimated at more than 25,700 ounces of gold valued at $852,000.

TUMCO MINE

Peter Walters discovered the Gold Rock Mine (located 4 miles northwest of the Cargo Muchacho Mine) in 1884, and shortly thereafter sold out to developers for $75,000. The developers renamed the mine the Golden Cross in 1892. The Golden Cross Mining and Milling

Company immediately embarked upon a development program, and the flourishing town that sprang up around the mines was named Hedges, in honor of the firm's vice president.

The company paid $3 a day wages. This was reasonable in those days, but the successful camps as a rule always paid $4. This caused one irate miner to write to the Arizona Sentinel suggesting the company's name be changed to the "White Man's Slavery Company of California."

In 1910 a new company took over and the mine was renamed Tumco, (an acronym for The United Mines Company). The Tumco mine was also known as the Hedges, Gold Rock, Golden Cross, Golden Crown, Golden Queen, Good Luck, King, Sovereign, Sovereign East, and Sovereign West mines.

Ore from both the Cargo Muchacho and Golden Cross mines was at first treated by the Yuma Mill and Mining Company's twenty-stamp mill located at EI Rio, 6 miles south of Yuma. Later, the Golden Cross Mining and Milling Company began construction of a forty-stamp mill when their ore production overloaded the twenty-stamp mill in the early 1890's. By 1896 they had increased their milling facilities to 100 stamps, but were experiencing considerable difficulty with recovering the gold from their low grade ore.

The company discovered in the spring of 1896 that finer crushing of the ore was needed to release the free milling gold from the matrix. Finer screens were installed as well, resulting in a greater percentage of gold saved. A 12-mile pipeline from the Colorado River supplied the mill reservoir with 250,000 gallons of water at a cost of about ten cents per ton of ore crushed. Worked continually from 1892 until 1917, and again from 1937 until 1942, the Tumco mines have produced 45 percent of the total county gold production, or some $2,863,000.10

In 1896, the shaft at the Golden Queen Mine was 550 feet deep on a 40 percent incline, and the Golden Cross and Golden Crown shafts were 250 feet and 350 feet deep respectively. By 1914, the Golden Cross shaft had been extended to 1,100 feet, and at that time the Tumco mines were said to be the second largest mine in the United States producing gold from low grade ore. Its underground workings total more than 8 miles. The town of Hedges (also renamed Tumco in 1910) supported a population of several thousand in the late 1800s. By 1900 there were several dozen buildings, two cemeteries, a dance hail, a volunteer fire department, and a miner's union. The population was reduced to 30 by 1942.

PASADENA MINE

Between the discovery of Peter Walter's Gold Rock Mine in 1884 and the American Girl Mine in 1892, Thomas Grimes of Pasadena located the Pasadena Mine. Its ore ran 16 dollars to the ton in gold and was milled on the Colorado River. The Pasadena and the Guadalupe Mine (discovered in 1887) comprise with the Cargo Muchacho the easternmost mines of the Cargo Muchacho District.

AMERICAN GIRL MINE

Johnson and Lohman discovered the American Girl Mine, located 2 miles north of the Cargo Muchacho Mine, in 1892. By 1900 it had produced 30,000 tons of ore that averaged $8 per ton in gold. Inactive from 1900 until 1913, during the next 3 years the mine went on to produce 20,000 tons of ore that averaged $6.50 per ton in gold. A cloudburst during the second week of November, 1914, flooded the lower workings, occasioning a 4 month delay while workers dewatered the mine and reopened the shaft.

Inactive for 20 years starting in 1916 the mine was again worked from July, 1936, until 1939 and during that time delivered 150,000 tons of ore valued at $900,000. Total estimated production of the American Girl Mine is 205,000 tons of ore valued at $1,285,000. Although mined primarily

for gold, other minerals found at the American Girl include silver, galena and copper. Former state governor H. H. Markham owned shares in this mine.

Other important mines in the vicinity of the American Girl include the Blossom (known as early as 1894) the American Boy (an extension of the American Girl), Desert King, and La Colorado. The Blossom, also known as the Salamanca Consolidated, had 3 shafts 70, 240 and 280 feet deep, and several hundred feet of workings. It was in operation in the late 1890's. The La Colorado Mine, discovered in 1914, consisted of 400 feet of underground workings and has a recorded production of several hundred tons of ore. Some traces of sheelite (tungsten ore) is found at this gold mine.

CARGO MUCHACHO DISTRICT

The Cargo Muchacho, Tumco, Pasadena and American Girl Mines comprise the major gold producers of the Cargo Muchacho District. This district is believed to be the northwestern extension of the famous gold belt of the Altar District of Sonora, Mexico. Although essentially a gold mining district some copper was produced as a byproduct of gold mining here, mainly at the American Girl Mine 16.

Ore in this district contains free-milling gold or gold in disseminated pyrite. Gold alone and in association with silver and copper, and some sericite and kyanite are the only minerals extracted from the Cargo Muchachos, the latter two minerals have been produced mainly since 1930. All of the mineral deposits lie on the west side of the mountain range and strike westerly. The quartz veins are up to 8 feet thick in this region and contain the highest grade of gold ore found in Imperial County."

6.2 Recent History (1980 -2010)

(From Mr. Robert Towner)

In the early 1980's Newmont acquired the rights to the claims in the American Girl Canyon area and began an exploration program. The program discovered multiple small ore bodies that were both open pit and underground targets. Eastmaque Gold Mines, Ltd. of Vancouver, Canada, formed the American Girl Mining Corporation and purchased the American Girl property from Newmont. Mining activity began with the open pit, heap leach operation in the Padre-Madre west pit. During 1987 and 1988 the first underground deposit was accessed via a decline with the use of a contractor.

In 1989, Eastmaque Gold Mines, Ltd. joint ventured the property with Morrison Knudsen who became the operating partner in January of 1990. In 1993 Morrison Knudsen's gold mining activities were formed into a publicly traded company known as MK Gold Company.

In 1990, the mining rights in Tumco Canyon to the north of the American Girl Canyon were acquired. A second joint venture was formed to mine the Oro Cruz surface and underground deposits. The Oro Cruz Joint Venture was merged into the American Girl Mining Joint Venture in 1994 concurrent with Hecla Mining Company acquiring Equinox Resource which was the successor to Eastmaque Gold.

The development of the B-Zone mine began in February of 1990 and reached full production in July of 1991. The mill was completed in May of 1990 and reached sustainable production in June of 1990. Production had taken place in four distinct ore bodies: B-Zone, American Boy, Southwest Extension (American Girl vein) and C-Zone. The C-Zone mine was developed from the abandoned C-Zone open pit starting in 1993 by MK Gold crews. The American Boy deposit was believed to have been exhausted in early 1995. The development of the Oro Cruz mine

was begun in early 1995 with production commencing during the second half of 1995. The B-Zone, Southwest Extension and the C-Zone deposits were exhausted in early 1996.

Since the start up of underground mining in 1990, 800,000 tons of ore at 0.25 ounces gold per ton and 100,000 tons of waste has been mined producing 200,000 ounces of gold.

After the Oro Cruz Mine closed in September, 1996, MK Gold completed rudimentary reclamation and the claims reverted back to Mr. Mike Tornabene. In 1999, Mr. Tornabene contracted Mine Development Associates (MDA) to complete an evaluation of the property (see Section 6.4). Paul Hartley, working as an associate of MDA, supervised the work. Mr. Hartley had been Exploration Manager for Texasgulf during the 1980's and supervised the Texasgulf work on Oro Cruz during that time period. He also reviewed the AGMJV work for Mr. Tornabene from 1993 through 1996.

In 2002, Mr. Tornabene quit claimed all of the claims that were in good standing to Mr. Hartley. The intention was for Mr. Hartley to maintain the claims, and find a mining company who would be interested in developing the property. In exchange, any proceeds to Mr. Hartley from a future agreement would be shared with a charity selected by Mr. Tornabene.

From 2001 through 2008, Mr. Hartley maintained the claims but reduced the holdings to 20 core claims. During this time, all pertinent information was organized into a digital database and re-evaluated with the intention of finding an interested party to advance the property. In November of 2008, the 20 core claims were quit-claimed to ADGIS, Inc. This company is wholly owned by Mr. Hartley. A mining lease agreement was reached between Lincoln and ADGIS, Inc. in March, 2010.

6.3 Past Exploration and Development

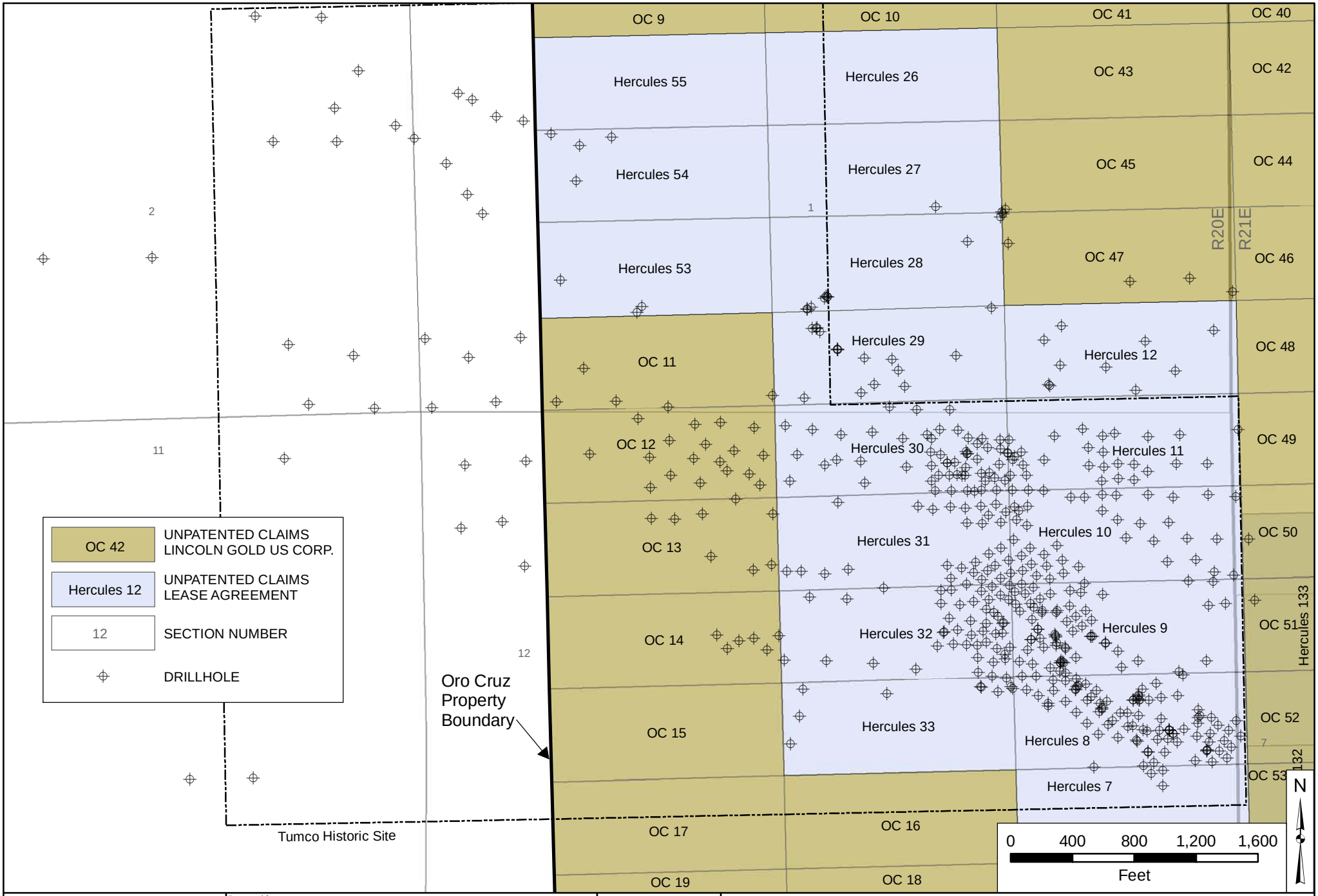
Texasgulf Minerals conducted exploration during the late 1980's, which included district-wide geologic mapping, airborne and ground magnetic, surface sampling and the drilling. The previous owner of the property and the American Girl Mining Joint Venture also conducted exploration programs. There are over 400 drillholes in the Oro Cruz Property. Since 1981, there was 196,324 ft of drilling of which 6,818 ft was core drilling. A total of 79,805 ft have been drilled outside of the main resource area.

Ten exploration targets have been identified on the property and good potential exists for extension of known gold mineralization and discovery of new gold zones. Pan concentrates and gravel samples suggest potential for placer deposits. Magnetic anomalies are thought to be associated with elevated magnetite in the siliceous, gold-bearing zones. FIGURE 6-1 is a drillhole location map of the known, existing drillholes on the property.

Between 1943 and 1981 the project area was withdrawn from mining and exploration activity by an act of the US government. There was no significant exploration work on the property during this time period.

In January, 1981 the area was reopened by the Federal government and a land rush by several competing groups occurred. One of the competing groups was led by Mr. Mike Tornabene. He consolidated the land position between 1981 and 1985 and during that time period his group collected:

- 232 chip channel samples from surface pits and prospects
- 417 rock chip samples, and
- 202 gravel and soil samples



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TETRA TECH
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(303) 217-5700 (303) 217-5705 fax

Prepared for: ***Lincoln Mining***

Project: Oro Cruz Gold Project

Project Location: Imperial County, California, USA

File Name: Fig6-1.mxd

Project Number: 114-311022

Date of Issue: 08/16/2010

Figure 6-1

Drillhole Location Map
Oro Cruz Gold Project

During this time, ten separate targets were indentified, presented in TABLE 6-1 and FIGURE 6-2. This work was directed by Mr. Joe Owens, an experienced consulting geologist from Salt Lake City, Utah.

TABLE 6-1: List of Primary Targets
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

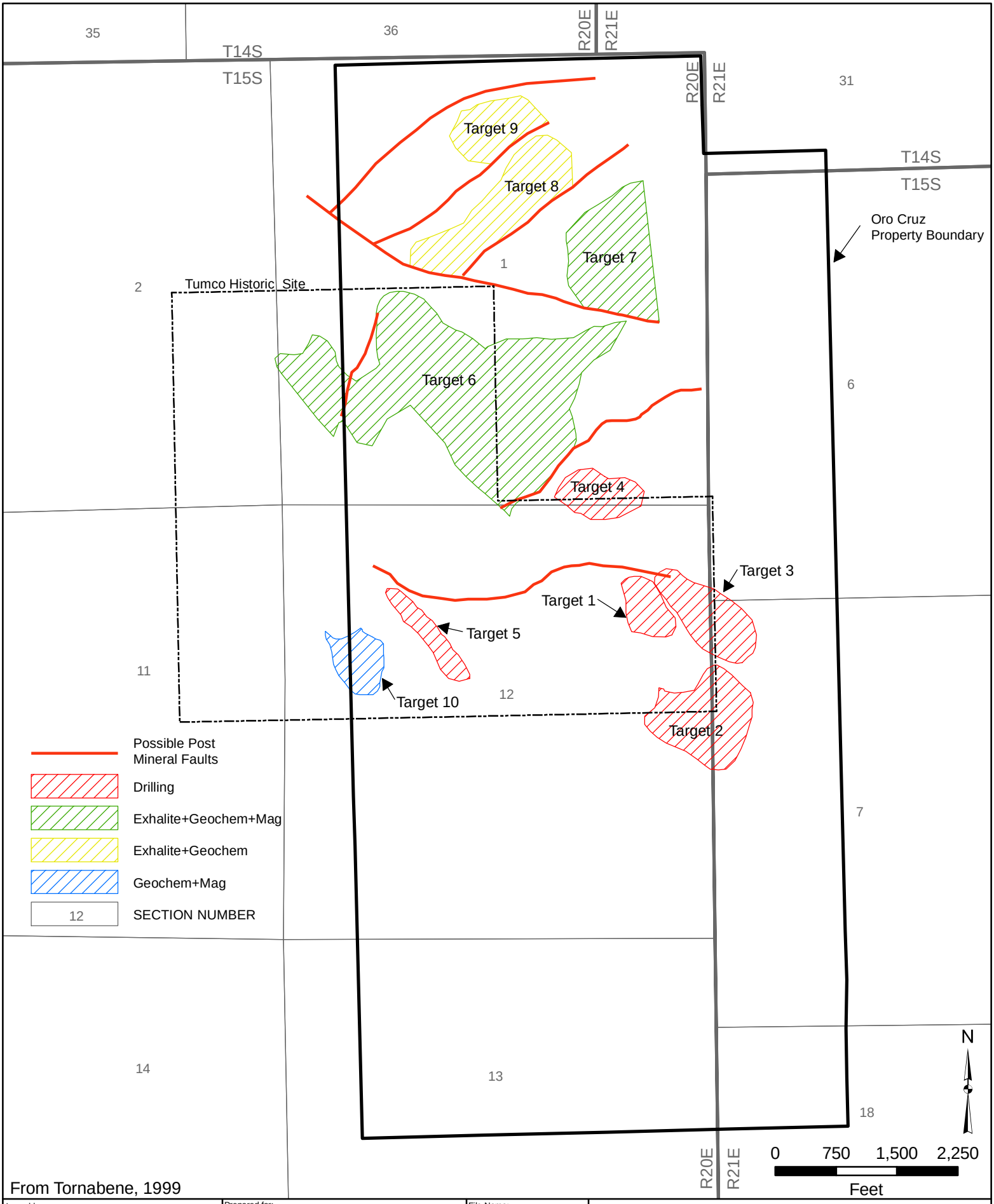
Target	Name	Silica & Magnetite	Anomalous Surface Gold (opt)	Magnetic Anomaly	Drilling
1	East of Cross	-	-	X	Peripheral drilling encouraging
2	Cross Down Dip	-	-	-	High grade zone at 700 ft
3	East Zone	-	-	-	7 holes; best hit 35 ft @ 0.079 opt Au
4	East of Queen	-	-	X	Several intercepts Queen may extend
5	West of Cross	-	-	X	Best hit 10 ft @ 0.070 opt Au
6	Ridge-King	X	X	X	Shallow low grade 45 to 60 ft thick zone @ 0.014 opt Au
7	No Name	X	X up to 0.458	X	No drilling
8	No Name	X	X up to 0.497	-	No drilling
9	No Name	X	-	-	No drilling
10	No Name	-	X	X	No drilling

In 1986, Texasgulf Minerals and Metals acquired a lease from Mr. Tornabene and over the next 4 years spent approximately $785,000 in mapping, sampling, permitting, and drilling the property. The project geologist was Mr. Karl Kanbergs and Mr. Paul Hartley was the regional exploration manager.

During this time period Texasgulf collected 107 rock chip samples. In addition, 72 panned concentrate samples were collected of the gravels west of Tumco valley. Texasgulf drilled a total of 76 RC exploration holes (23,584 ft) between 1985 and 1988. Thirty-six of these holes were in the Cross area. The early holes were primarily along existing access, but once a plan of operations was approved new access roads were constructed to explore the down rake projection of the Cross zone.

In addition, Mr. Kanbergs completed a geological map of the property. The compiled scale is 1" to 500'. The only geophysical surveying by Texasgulf was a ground magnetic survey of Tumco Valley.

In 1989, the assets of Texasgulf Minerals & Metals were sold to Nerco Minerals and the Oro Cruz property reverted back to Mr. Tornabene.



From Tornabene, 1999

Issued by: TETRA TECH, 350 Indiana Street, Suite 500, Golden, Colorado 80401, (303) 217-5700 (303) 217-5705 fax	Prepared for: ***Lincoln Mining***	File Name: Fig6-2.mxd	Figure 6-2
	Project: Oro Cruz Gold Project	Project Number: 114-311022	**Primary Exploration Targets**
	Project Location: Imperial County, California, USA	Date of Issue: 09/01/2010	**Oro Cruz Gold Project**

In the early 1990's the property was leased by the American Girl Mining Joint Venture. The exploration work during their tenure included collecting 239 soil samples, 63 samples of the pre-1943 tailings, and 511 rock chip samples. They drilled 422 holes of which 235 (102,360 ft) were development drill holes in the vicinity of the Cross and Queen areas. Thirteen of the 422 holes were core holes, and all the others were reverse circulation. All of the core holes were in the development drilling area. Total footage cored was 6818 feet. Total RC footage was 165,922.

6.4 Historic Mineral Resource and Reserve Estimates

Prior to NI 43-101 requirements, **historical non-compliant NI 43-101 mineral resource estimates** were prepared and reported by Mine Development Associates of Reno, Nevada in 1999. Non-compliant resources were estimated at 3,365,000 tons grading 0.058 oz gold per ton containing 196,000 ounces gold in the "indicated" category using a 0.01 oz gold per ton cutoff grade. In addition, 2,684,000 tons of "inferred" resources were estimated with no grade assignment. Old mill tailings are present on the property that contain gold values that could be recovered on a leach pad. The tailings are summarized in TABLE 6.2. The Eastern Tails are between 3 and 8 feet thick ranging in grade from 0.029 to 0.111 opt Au. The Western Tails are between 2 and 6 feet thick ranging in grade from 0.018 to 0.026 opt Au.

> *Neither the QP nor Lincoln have done sufficient work to classify the historical estimate as current mineral resources or mineral reserves, and the QP and Lincoln are not treating the historical estimate as current mineral resources or mineral reserves as defined in Section 1.2 and 1.3 of NI43-101, hence the historical estimate should not be relied on.*

Tt is of the opinion that the historic estimates are generally reliable and indicative of the mineral resources present on the property. To support this statement, Tt compared the cumulative historic indicated and inferred estimated tonnage at a 0.01 oz Au/t cutoff grade of 6,049,000 tons with the Tt estimate in TABLE 17-15 of 7,860,000. As can be seen, the quantities are quite similar. Tt is unable to compare the average grades, as the historic inferred resources referenced above do not have a grade assigned.

TABLE 6-2: Historic Tailings Resources
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

Area	Tonnage	Grade opt Au	Contained Ozs Au
Western Tails	307,490	0.022	6,765
Eastern Tails	86,330	0.057	4,921
Total	393,820	0.030	11,686

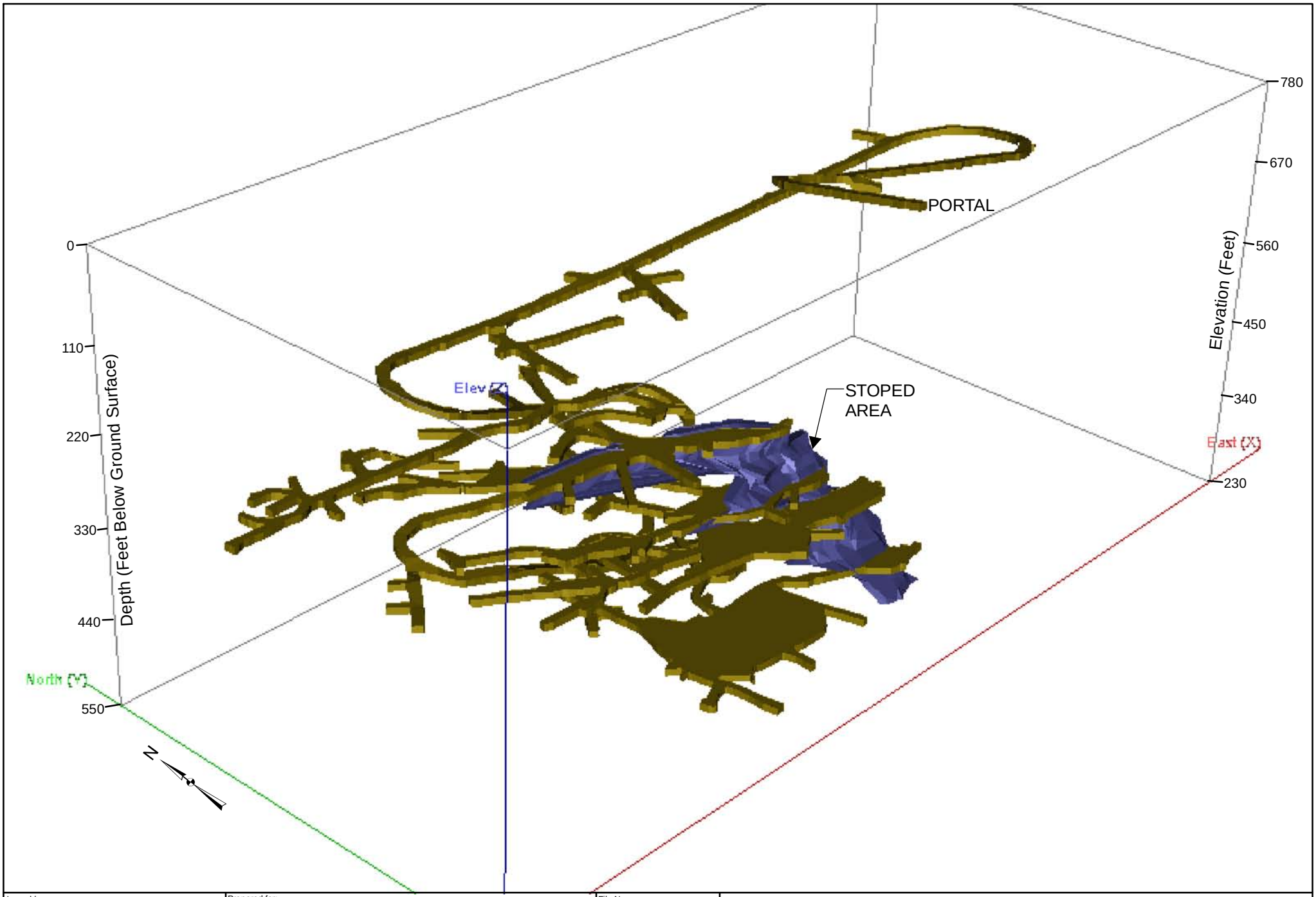
6.5 Historic Production

The Cargo Muchacho-Tumco district was discovered by the Spaniards and mined as early as 1780-81. The district is believed to have produced the first gold mine in California. Americans began mining the district at the end of the Mexican-American War in 1848. Mining was firmly established in 1877 with completion of the Southern Pacific Railroad to Yuma. Large-scale mining at Oro Cruz (Golden Cross) occurred during 1890-1916 and 1932-1941, producing greater than 150,000 ozs gold. Gold-bearing tailings from these operations remain on the Oro Cruz property. Texasgulf Minerals explored the property from 1985-1989 and conducted some column leach tests. In the early 1990's, the property was leased by the American Girl Mining

Joint Venture and was mined under the JV from 1995-1996 by MK Gold. MK Gold produced approximately 61,000 ozs gold from open-pit and underground operations. FIGURE 6-3 illustrates the extent of the MK Gold underground mine openings. FIGURE 6-4 details the known underground working from the historic Golden Queen underground mine. There has been no additional production from the site since its closure on 1996.

6.6 Historic Reclamation

Historic reclamation has generally consisted of removal of buildings and surface facilities, closure of the vent shaft and access portal (by means of metal grates), and “ripping” of the access roads to prohibit access of the property by automobiles and/or trucks. Very little, if any, actual revegetation or modern reclamation has occurred. In the case of the historic Tumco mill to the west, the historic tailings have washed out onto the gravel plain and no system has been used to limit the extent of the tailings flows and/or subsequent environmental damages.



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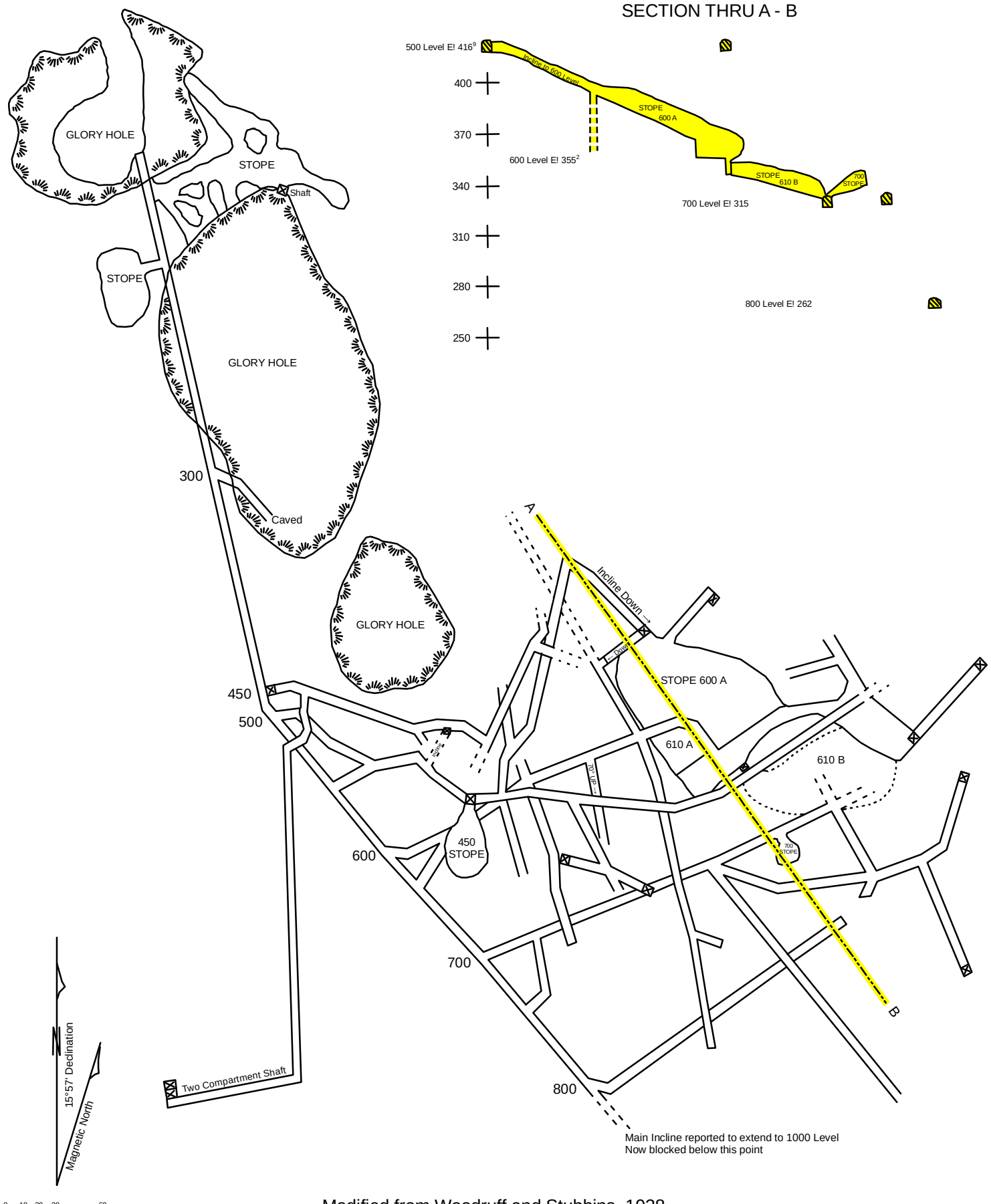
	Project: Oro Cruz Gold Project	Project Number: 114-311022	MK Gold Historic Underground Mine Map
	Project Location: Imperial County, California, USA	Date of Issue: 08/17/2010	Oro Cruz Gold Project



Modified from Woodruff and Stubbins, 1938

Issued by: TETRA TECH, 350 Indiana Street, Suite 500, Golden, Colorado 80401, (303) 217-5700 (303) 217-5705 fax	Prepared for: ***Lincoln Mining***	File Name: Fig6-4.mxd	Figure 6-4 Golden Queen Historic Underground Mine Map Oro Cruz Gold Project
	Project: Oro Cruz Gold Project	Project Number: 114-311022	
	Project Location: Imperial County, California, USA	Date of Issue: 08/18/2010	

7.0 GEOLOGY

Information concerning the tectonic setting was obtained from Alles (2007). The description of geologic units and structure has been summarized largely from J.T. Dillon's (1975) Ph.D dissertation on the *Geology of the Chocolate and Cargo Muchacho Mountains, Southeasternmost California* supplemented by information from P.C. Henshaw's (1940) thesis on the *Geology and Mineral Deposits of the Cargo Muchacho Mountains, Imperial County, California.* Property geology was summarized from Texasgulf Minerals' geologist, Karl Kanbergs', geologic map (1986) of a portion of the Oro Cruz property.

7.1 Regional Geology

Tectonic Setting

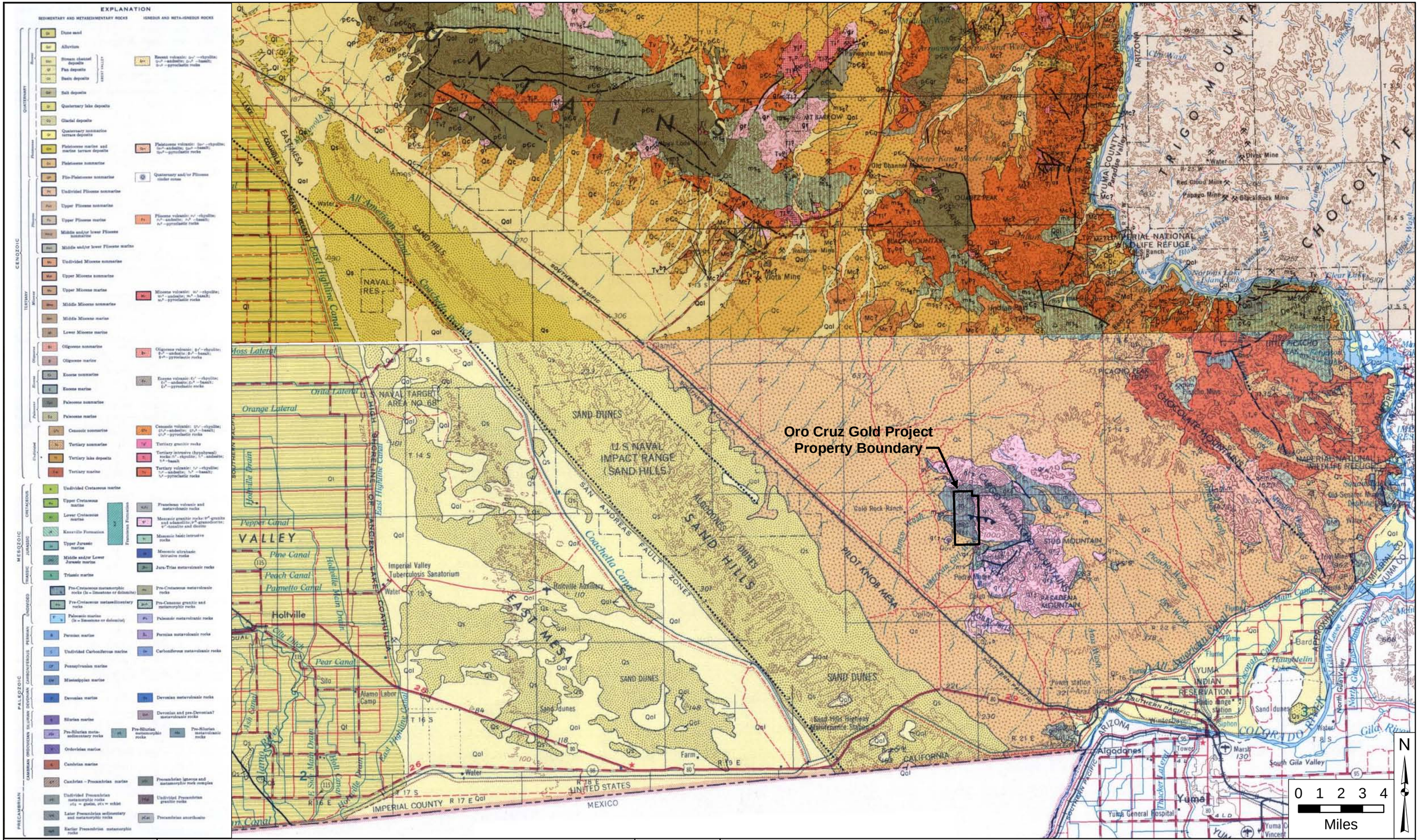
The Oro Cruz Property is located on the eastern margin of the northwest-trending Salton Trough which is a complex transition zone between the right-lateral motion of the San Andreas transform fault and the northwest spreading ridge segment of the East Pacific Rise. The East Pacific Rise is the spreading center that separates the Pacific and North American plates. The Trough extends southward through the Coachella and Imperial Valleys into the Gulf of California in Mexico. The Salton Trough is essentially a rift valley or graben which has subsided and filled with sediments. The eastern "wall" of the Salton Trough is the San Andreas fault. Eastern terrain includes the Chocolate Mountains and the Cargo Muchacho Mountains (Oro Cruz location) and is inferred to have Precambrian and related basement rocks. The western "wall" of the Salton Trough is comprised of the San Jacinto and Elsinore faults in the U.S. and the Laguna Salada and Sierra Juarez faults in Mexico. Western terrain includes the Peninsular Ranges which are the inferred extension of the Southern California batholith and related basement rocks. The northwest-tending Imperial fault occurs between the east and west "walls" and runs down the axis of the Imperial Valley. This fault is the loci of East Pacific Rise spreading centers. (After Alles, 2007).

Geology

The regional geology of the Oro Cruz area is best described by two California Division of Mines and Geology maps, the *San Diego-El Centro* and *Salton Sea* map sheets. FIGURE 7-1 is a compilation of these sheets. The primary mountain ranges in the region are the Chocolate Mountains and the Cargo Muchacho Mountains (Oro Cruz location).

The Chocolate Mountains dominate the region and form the axis of a west-northwest-trending antiform. The range is comprised of Precambrian granitic and metamorphic rocks, Mesozoic metamorphic and plutonic units, early to mid-Tertiary volcanic and plutonic rocks, and Tertiary to Recent sedimentary units. The Precambrian rocks consist of amphibolite- to greenschist-grade gneiss and schist. The Mesozoic terrain is a structurally complicated package of gneiss, schist, phyllite, and plutons. Mesozoic thrust faults are folded. Tertiary Quechan Volcanics and Quaternary alluvial deposits over the older rocks.

The Cargo Muchacho Mountains form an isolated range surrounded on all sides by dissected pediment and a vast area of various alluvial deposits. The range is comprised of remnants of Jurassic (?) gneiss and schist which have been intruded by two large Mesozoic granite and monzonite bodies. The prevailing structural fabric through the range is west-northwest. Low-angle thrust faults (or listric faults) are present. The Oro Cruz Property covers the northwestern portion of the range which contains well-foliated metasedimentary gneiss and schist. These rocks are metamorphosed to amphibolite facies.



Issued by: TETRA TECH, 350 Indiana Street, Suite 500, Golden, Colorado 80401, (303) 217-5700 (303) 217-5705 fax	Prepared for: ***Lincoln Mining***	File Name: Fig7-1.mxd	Figure 7-1
	Project: Oro Cruz Gold Project	Project Number: 114-311022	Regional Geologic Map Oro Cruz Gold Project
	Project Location: Imperial County, California, USA	Date of Issue: 08/13/2010	

The Sand Hills or *Algodones Dunes* occupy a well-defined, northwest trending zone west of the Oro Cruz Property. In the U.S., the eolian deposits occupy a zone 40 miles long and up to 6 miles wide, forming a conspicuous dune field. The San Andreas fault zone forms the western boundary of the dune field. The dunes extend southward across the border into Mexico.

Both the Chocolate Mountains and Cargo Muchacho Mountains have been affected by the right-lateral slip movement on the San Andreas fault system (8-10 million years ago). FIGURE 7-2 shows the regional tectonics, which demonstrate the extensive faulting and active plate boundary surrounding the Pacific Plate and the North American Plate. This area transitions from the transform fault of the San Andreas into active divergent plate boundaries with multiple transform faults in between the spreading centers.

7.2 Local Geology

The local geology in the vicinity of Oro Cruz is best described by J. T. Dillon (1975) in his Ph.D. dissertation on the Geology of the Chocolate and Cargo Muchacho Mountains, Southeasternmost California. Dillon's mapping was at a scale of 1:24,000 (1 inch = 2000 ft) and covered the entire Cargo Muchacho Mountains. That portion of his mapping that covers the Oro Cruz property and adjacent areas is presented in FIGURE 7-3.

The general geology can be described as a strongly foliated metasedimentary package of gneiss and schist which is intruded by strongly foliated quartz monzonite and biotite granite with associated pegmatite dikes and sills. The gneiss and schist are altered to amphibolite facies. Lesser intrusive rocks are also present. This geology is cut by older low-angle faults which are subsequently cut by northwesterly-trending, high-angle faults with right separation.

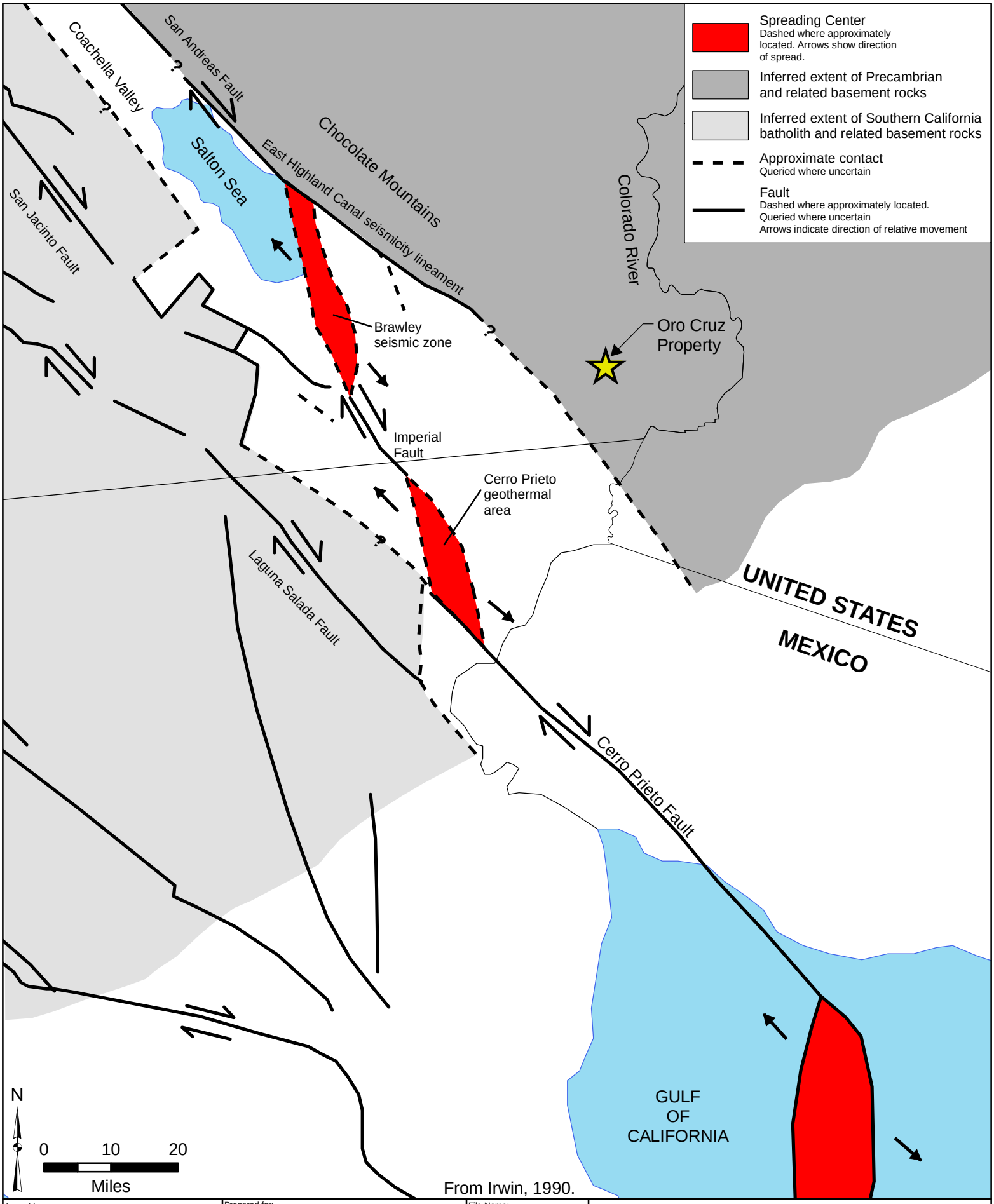
7.2.1 Lithology

In the vicinity of Oro Cruz property the principal rock units consists largely the Tumco Formation, biotite granite orthogneiss, hornblenede-biotite quartz monzonite orthogneiss, meta-diorite and minor outcrops of Tertiary volcanics and various Quaternary alluvial units.

Tumco Formation (Jurassic?)

The Tumco Formation is the most important rock unit on the Oro Cruz Property because it is the host rock for all gold mineralization. The rock unit consists of laminated, well-foliated quartzofeldspathic gneiss and hornblende schist with minor interbeds of quartzite, marble and amphibolite. The formation origin is likely sedimentary with some volcanic contribution which have been metamorphosed to amphibolite facies. The gneiss has a strong foliation and lineation defined by all minerals. Amphibolite may occur as dikes or sills and is probably of volcanic origin. Very conspicuous, light-colored pegmatite dikes cut the Tumco Formation throughout the local area. Exposures of the Tumco Formation are excellent in the vicinity of the Oro Cruz Property. Strong foliation strikes mostly to the west-northwest with dips to the south-southwest.

The "Vitrifax Formation," defined by Henshaw in 1942, is actually a leached facies of the Tumco Formation and was reassigned to the Tumco Formation by Dillon in 1975.



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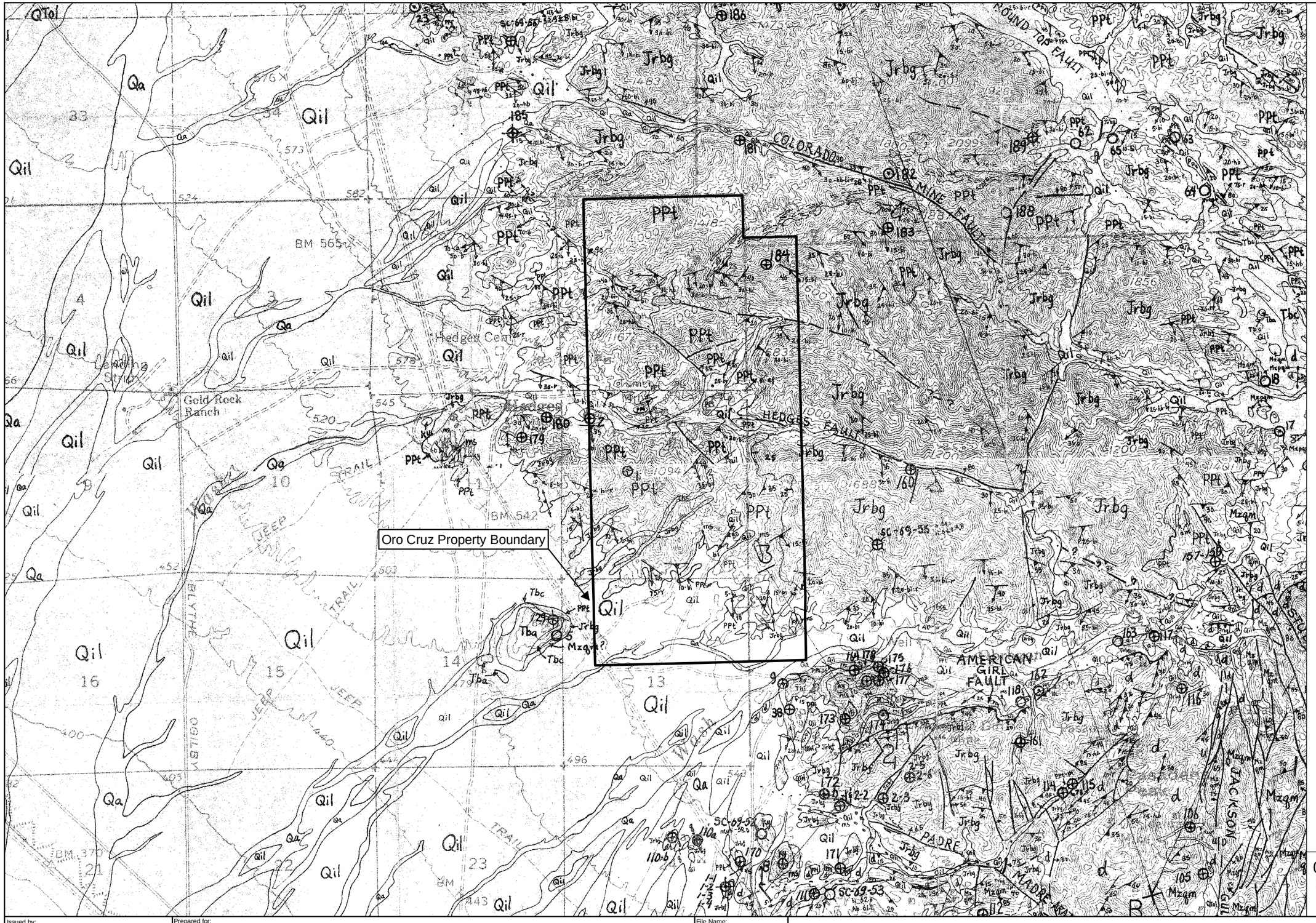
	Project: Oro Cruz Gold Project	Project Number: 114-311022
	Project Location: Imperial County, California, USA	Date of Issue: 09/02/2010

Figure 7-2

Regional Tectonics
Oro Cruz Gold Project



Explanation of Units

Qa — Alluvial sands and gravels in active washes.

Qil — Unconsolidated, locally derived alluvial detritus forming lowest terrace levels above active washes. Desert pavement and desert varnish poorly developed.

Tbc / Tba — Moderately consolidated brown breccias and conglomerates composed predominantly of basement rock clasts with subordinate clasts of volcanic rocks. Locally represents coarse breccias shed from fault scarps. This unit has been faulted, tilted, and locally folded; dips are mostly between ten and thirty degrees.

Interbedded blocky, vesicular, olivine basalt flows, 3-20 m thick.

Jrbg — Coarse to medium-grained leucocratic biotite granite orthogneiss; 145 m.y.

Mzqm — Coarse grained, coarsely to slightly blastoporphyritic hornblende-biotite quartz monzonite orthogneiss.

PPt — Tumco Formation: laminated quartzofeldspathic gneiss with relict structures and/or compositions suggestive of a sedimentary or volcanic protolith.

d — Meta-diorite to quartz diorite with small areas of amphibolite and meta-gabbro.

From Dillon, 1975

N

0 0.25 0.5 0.75 1

Miles

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Golden, Colorado 80401
(303) 217-5700 (303) 217-5705 fax

Prepared for:	***Lincoln Mining***
Project:	Oro Cruz Gold Project
Project Location:	Imperial County, California, USA
File Name:	Fig7-3.mxd
Project Number:	114-311022
Date of Issue:	08/26/2010

Figure 7-3
Local Geologic Map
Oro Cruz Gold Project

Biotite granite orthogneiss (Jurassic – 145 ma)

This intrusive rock unit, along with its associated pegmatite and aplite dikes and sills, occurs as a large intrusive body encompassing about 15 square miles of the northern Cargo Muchacho Mountains. This rock unit is well exposed and is found along the eastern margin of the Oro Cruz Property and occurs to the north. The intrusive body cuts the Tumco Formation and the older hornblende-biotite quartz monzonite (173 ma). The biotite granite has three facies, 1) Interior Facies – large K-feldspars, 2) North Marginal Facies – hundreds of pegmatite and aplitie sills intrude the Tumco Formation, and 3) South Marginal Facies – pink microcline in fine-grained groundmass.

Hornblende-biotite quartz monzonite orthogneiss (Jurassic – 173 ma)

This intrusive rock unit occupies at least 16 square miles to the southeast of the Oro Cruz Property. The coarse-grained intrusive body is cut by the pegmatite and aplite dikes of the younger biotite orthogneiss (145 ma). The quartz monzonite has three facies, 1) Slightly Blastoporphyritic, 2) Coarsely Blastoporphyritic, and 3) Migmatite. This rock unit is not an important unit in the vicinity of the Oro Cruz Property.

Metadiorite (age ?)

This rock unit has limited exposure in the vicinity of the Oro Cruz Property. The fine-grained metadiorite typically crops out within or near greenschist.

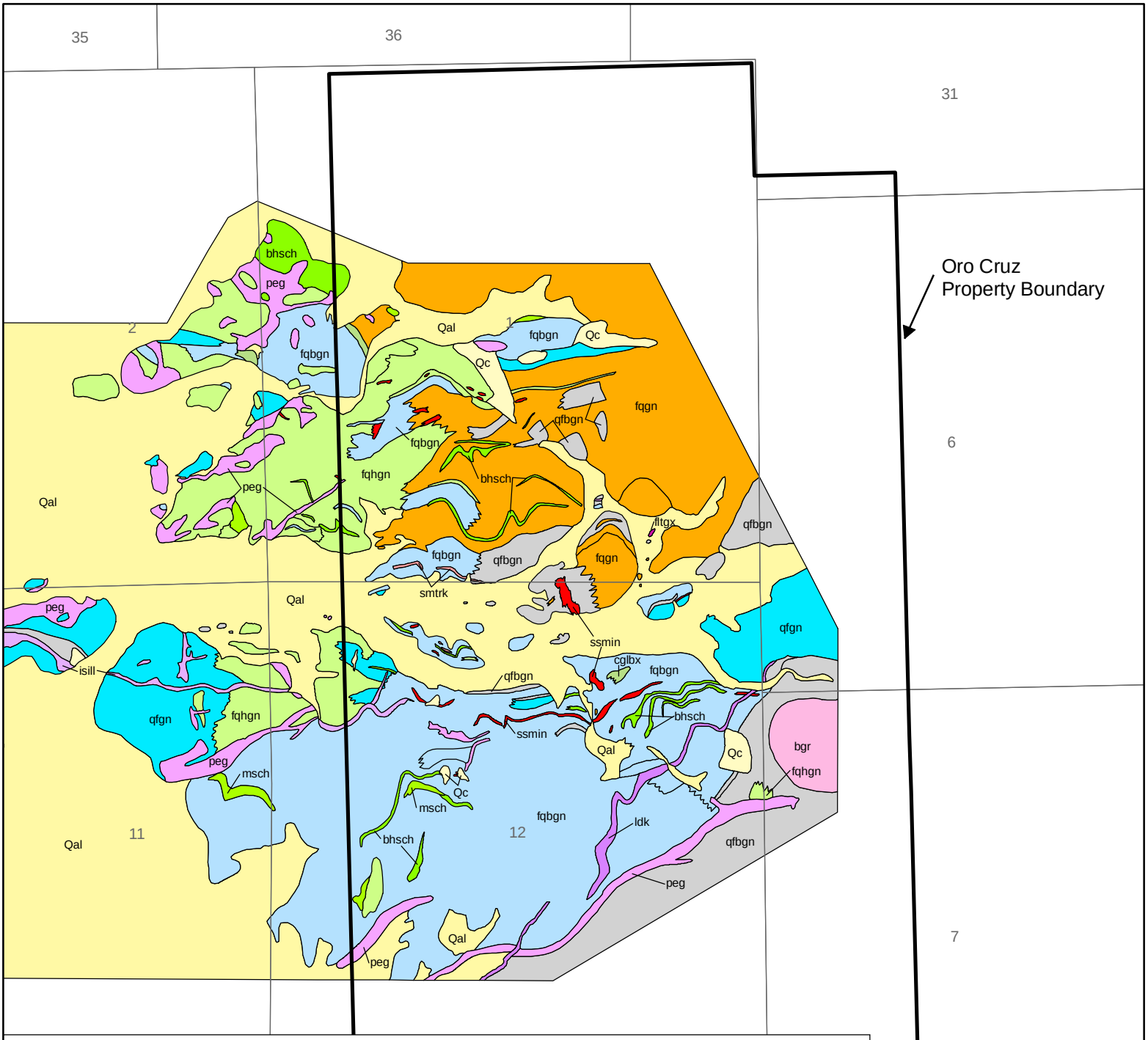
7.2.2 Structure

According to Dillon (1975), the oldest Cenozoic faults of the Cargo Muchacho Mountains consist of the low-angle Pasadena Mountain and American Girl faults, and the north-trending high-angle Jackson Gulch fault zone. Undescribed low-angle faults on the Oro Cruz Property are probably also in this category of older faults. The low-angle and high-angle faults are cut by the northwesterly-trending, steeply-dipping Padre-Madre-Araz, Hedges, Colorado, and Round Top faults which have predominantly right-lateral slips or separations of up to 0.5 mile. The Hedges fault bisects the Oro Cruz Property and appears to displace or offset gold mineralization in older, low-angle faults. The northwest-trending, right-lateral San Andreas fault system, approximately 6 to 12 miles west of the Oro Cruz Property, was active by late Miocene time and it seems likely that the northwest-trending faults in the Cargo Muchacho Mountains are part of the San Andreas fault system.

7.3 Property Geology

Bedrock exposures on the Oro Cruz Property are excellent. In 1986, approximately 50% of the Property was mapped at a scale of 1 inch = 100 ft and compiled at 1 inch = 500 ft by Karl Kanbergs, Texasgulf project geologist. Texasgulf mapping was biased towards a siliceous, stratabound exhalite target model whereby the exhalites are metamorphosed and faulted. Other geologists believe that the gold deposits are structurally controlled. Kanbergs' geologic compilation map is the most detail map available on the property and is presented in FIGURE 7-4. His map is essentially a geologic map of rock units without formational designation. The map lacks faults and foliation attitudes which are clearly shown by Dillon (1975; see Local Geology). All of the metamorphic (metasedimentary) units mapped by Kanbergs belong to the Tumco Formation (Jurassic ?). Numerous, light-colored pegmatite dikes conspicuously cut the metamorphic package of gneiss and schist. The Tumco strata largely dip south-southeastward as a homocline on the Oro Cruz Property.

During mine production by MK Gold (American Girl Joint Venture), no geologic mapping was conducted in the Queen pit, Oro Cruz pit, and Oro Cruz underground workings.



From Kanbergs, 1986

- Qal - Quaternary alluvium
- Qc - Quaternary colluvium
- Qtg - Quaternary terrace gravels
- bgr - Biotite granite
- bhsch - Biotite hornblende schist
- cglbx - Conglomerate and breccia
- fltbx - fault breccia
- fqbgn - Feldspar quartz biotite gneiss
- fqgn - Feldspar quartz and quartz feldspar gneiss
- fqhgn - Feldspar quartz hornblende biotite gneiss
- isill - Intrusive sill
- ldk - Latite to dacite dike
- msch - Mica schist
- peg - Pegmatite
- qcrk - Quartz chlorite rock
- qfbgn - Quartz feldspar biotite gneiss and quartzite
- qfgn - Quartz feldspar and feldspar quartz mica schist
- qkmpsch - Quartz kyanite muscovite pyrophyllite schist
- smtrk - Silica tourmaline magnetite rock
- ssmin - Siliceous stratabound mineralized zones

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Project: Oro Cruz Gold Project		Project Number: 114-311022
Project Location: Imperial County, California, USA		Date of Issue: 08/27/2010

Figure 7-4

Property Geology
Oro Cruz Gold Project

8.0 DEPOSIT TYPE

The Oro Cruz Property is located within the Mojave-Sonora mineral trend (FIGURE 8-1). Gold mineralization at Oro Cruz is presently believed to be detachment-fault-related mineralization which was proposed as a distinct deposit type in the mid to late 1980's by various workers in southern California, western Arizona, and southernmost Nevada. In later years, detachment-fault-related gold mineralization was also recognized at various gold deposits south of Oro Cruz in northern Sonora State, Mexico. Detachment deposits have characteristic mineral assemblages, alteration patterns, ore fluid types, and structural controls that differ considerably from other deposit types found in the western United States. Examples near Oro Cruz include the nearby American Girl, Madre-Padre and Picacho mines and also the Copperstone mine in Arizona. Examples in Mexico are La Choya, Quitovac, Noche Buena, and La Herradura.

Detachment faults are low-angle normal faults (listric faults) of regional extent that have accommodated significant regional extension by upward movement of the footwall. The detachment fault and structurally higher normal faults may host massive replacements, stockworks, and veins. Mineralization at Oro Cruz appears to be mostly massive, mesothermal replacement. Detachment deposits typically contain iron (hematite/magnetite), copper oxides (chrysocola) and gold. These deposits are generally lacking the toxic element signature (As, Sb, Hg) of epithermal deposits. Chloritic, potassium, and oxide alteration are related to detachment fault deposits.

Texasgulf, a previous worker at Oro Cruz, believed that gold mineralization occurred in exhalites, perhaps because the Oro Cruz deposit and its satellites are mostly concordant with the well foliated schist and gneiss of the Tumco Formation (Jurassic?). Geologic mapping by Texasgulf proceeded on the property with an interpretive bias towards exhalites. However, historic underground mining reported that the mineralization is related to low-angle (± 25°) hanging wall or footwall faults, but never both. Modern open-pit mining at the nearby American Girl mine, 2 miles to the southeast of the Oro Cruz deposit, was conducted along a low-angle (± 25°) fault in Jurassic biotite granite. The ores of Oro Cruz and American Girl and very similar gold ores with associated magnetite and copper oxides and both are presently interpreted by Lincoln Mining as occurring in detachment faults.

Issued by: TETRA TECH, 350 Indiana Street, Suite 500, Golden, Colorado 80401, (303) 217-5700 (303) 217-5705 fax	Prepared for: ***Lincoln Mining***	File Name: Fig8-1.mxd	Figure 8-1
	Project: Oro Cruz Gold Project	Project Number: 114-311022	Mojave-Sonora Mineral Trend Oro Cruz Gold Project
	Project Location: Imperial County, California, USA	Date of Issue: 09/08/2010	

9.0 MINERALIZATION

Ore-grade gold mineralization from the Oro Cruz deposit and its various satellites is hosted and concordant within the Jurassic (?) Tumco Formation (gneiss and schist). The massive brown- to gray-colored replacement mineralization contains 5 to 8% coarse-grained quartz and minor to moderate amounts of iron oxide consisting of well-crystallized magnetite and hematite. Noticeable amounts of hematite and magnetite have been oxidized to earthy hydrous iron oxides of limonite and goethite. Major gangue minerals consist of quartz, mica, and feldspar. The siliceous gangue may contain trace amounts of pyrite and pyrrhotite. Also, traces of pyrrhotite occur as inclusions in magnetite. Substantial amounts of the micas have been bleached and/or are intensively affected by hematitization. Minor amounts of chlorite and specular hematite are also present. Approximately 4 to 7% carbonate minerals are present. The “ore” is said to be “clean” with no significant arsenic, antimony, mercury or other toxic elements. Sulfides are largely absent. Mineralization is essentially inert.

The brown mineralized zones are conspicuously cut by abundant, irregular-shaped, light-colored pegmatite or aplite dikes that are barren of mineralization. An excellent photograph of the mineralization as exposed in the eastern Oro Cruz pit wall is presented in Photo 9-1.

Photo 9-1: Eastern Pit Wall Mineralization

Gold is primarily associated with iron oxides (magnetite, hematite, limonite, goethite). Examination of various drill logs reveals that significant gold mineralization is associated with

the presence of 0.5 to 2+% magnetite and/or 0.5 to 5+% limonite. Minor amounts of gold are found as inclusions in silica gangue and carbonates. Gold occurs as native gold which contains very low silver (<5%) and iron. Particle size analysis show that the gold is most very fine with 64% at <1 to 5 microns, 8% > 5 to 10 microns, and 28% >10 microns in diameter with a few coarse particles up to 50 microns.

9.1.1 Oro Cruz Deposit

The main mineralized body is the Oro Cruz deposit (aka "Cross", "Golden Cross") which is defined by drilling on 70 to 100 ft centers. Using a cutoff grade of 0.01 opt gold, the following paragraphs describe the physical distribution of mineralization.

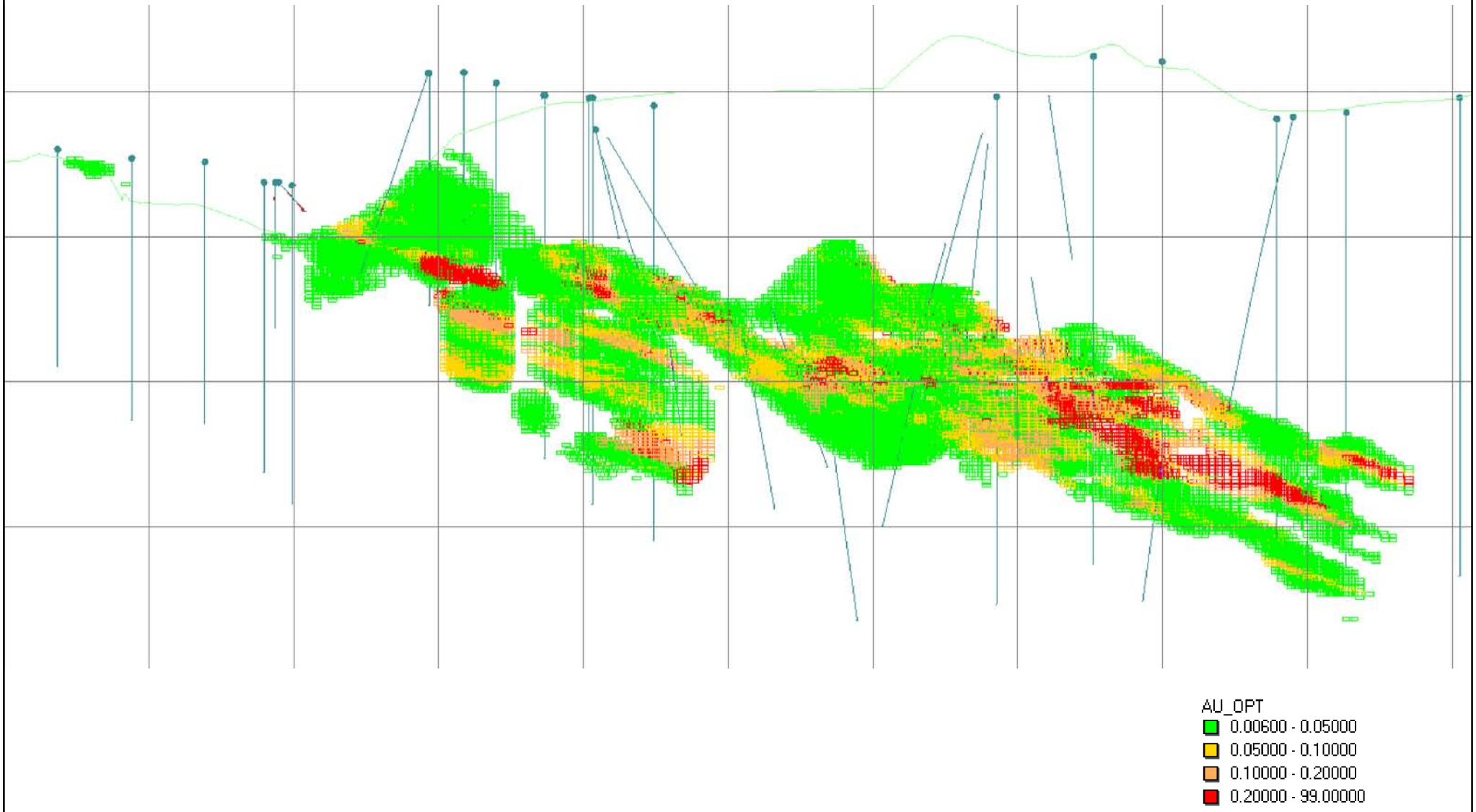
> *"The Oro Cruz deposit is a long, mineralized body with a somewhat rectangular expression in plan view and a tabular form in long section. Various "stringer" zones occur above and below the principal deposit. In plan view, the deposit's widest dimension is 1,200 ft and its average width is approximately 580 ft. The edges of the deposit are somewhat "ragged" owing to the lack drillhole information. In long section the deposit is comprised of coalescing, stacked, irregular lenses that collectively dip 25° with a general azimuth of 120° (southeast), as shown in FIGURE 9-1. In cross section the deposit is approximately the same width throughout with the irregular lenses defining the downward dip. This mineralization forms a tabular envelope (all grades) that is 350 to 370 ft in true thickness with a known down-dip length of approximately 2,800 ft, including a portion mined out by the existing pit.*
>
> *The main mineralized body is comprised largely of material grading from 0.01 to 0.05 opt Au with abundant internal lenses >0.05 opt Au and up to >1.0 opt Au. Lenses grading >0.1 opt Au are common. Larger mineralized lenses range from 5 to 25+ ft in true thickness and may reach up to 50 ft in true thickness with down-dip lengths ranging from 145 to 330 ft. Similar, smaller internal lenses range from 5 to 10 ft in true thickness and extend down-dip for 50 to 60 ft within lower grade material. Distribution of higher grade gold lenses appears to form a persistent core within an envelope or halo of lower grade material. Overall, the continuity of mineralization appears good to excellent."*

Owing to insufficient copper assay data, no copper zoning or copper-gold correlation can be made at this time.

9.1.2 Satellite Deposits

A least six satellite zones of mineralization are present on the Oro Cruz property to include the Queen. The structural relationship between these various satellite zones remains uncertain at this time. The Queen deposit shares similar characteristics with the nearby Oro Cruz deposit. The Queen was mined by open methods in the 1980s and backfilled; low-grade gold mineralization remains in the buried pit floor.

No information concerning mineralization is available from the historic workings on the western portion of the Oro Cruz property.



Issued by: TETRA TECH, 350 Indiana Street, Suite 500, Golden, Colorado 80401, (303) 217-5700 (303) 217-5705 fax	Prepared for: ***Lincoln Mining***	File Name: Fig9-1.mxd	Figure 9-1
	Project: Oro Cruz Gold Project	Project Number: 114-311022	Deposit Long Section Oro Cruz Gold Project
	Project Location: Imperial County, California, USA	Date of Issue: 09/01/2010	

10.0 EXPLORATION

As of the date of this Technical Report, Lincoln has not completed any new exploration work on the project area. A summary of historical exploration is included in section 6.3.

11.0 DRILLING

As of the date of this Technical Report, Lincoln has not completed any drilling within the project area. A summary of historical drilling is included in section 6.3.

12.0 SAMPLING METHOD AND APPROACH

As of the date of this Technical Report, Lincoln has not completed any sampling and therefore, has not developed any documented sampling protocols and/or approach to sample collection. A summary of historical sampling is included in section 6.4.

13.0 SAMPLE PREPARATION, ANALYSIS, AND SECURITY

As of the date of this Technical Report, Lincoln has not completed any sampling, sample preparation, analysis, and/or needed to prepare a security procedure for sample handling. A summary of historical sampling is included in section 6.4.

14.0 DATA VERIFICATION

While a significant amount of exploration and operational data exist for the Oro Cruz gold project and the nearby American Girl Mine, none of these data meet the requirements for development of a CIM compliant resource estimate in the indicated or measured category. Because of this, Tt was unable to completely, independently verify the original geologic logs, assay certificates, bulk density measurements, topography, etc. Tt has independently checked the data available for internal consistency and has found it to be good quality and indicative of the databases generated at the time the original data was collected. In order to advance the project, Lincoln will need to complete the following programs in order to validate the existing database.

- Develop and implement a geologic logging protocol for the planned exploration
- Develop and implement an assay QA/QC protocol for sample collection, sample preparation, sample security, and development of internal checking programs
- Develop a systematic program for collection and analyses of bulk density data
- Have the topographic map verified by re-flying the area at a two-foot contour interval
- Resurvey the open underground workings to validate the maps provided by the previous contractor

15.0 ADJACENT PROPERTIES

Several properties (FIGURE 15-1) have been mined within a mineralized belt running between the Chocolate Mountains to the north and the southern slopes of the Cargo Muchacho Mountains to the south. The belt extends from the Mesquite Mine, currently operating by New Gold, to about 20 miles to the southeast. Properties that have been mined include the Picacho Mine, American Girl and Boy Mine, Oro Cruz Mine, Tumco Mine, Pasadena, and Padre and Madre Mine.

On a larger scale, the mineralized belt is thought to continue south into northern Mexico. Newmont is a joint venture partner with Penoles on La Herradura Mine located 250 miles southeast of Mesquite in Northern Mexico. Information regarding mineralization at adjacent properties is not necessarily indicative of mineralization at Oro Cruz Gold Project.

At present, there are no significant properties adjacent to the Oro Cruz Property. Within a 3 to 4 mile radius, there are 10 active lode claims, 16 active association placer claims, and 21 patented lode claims (private property). TABLE 15-1 lists these claims and their owners. Most of the owners are individuals or groups of individuals from California. One junior mining company, USA Uranium Corp (OTC:USAU pinksheets), a Nevada corporation, controls a group of patented lode claims covering the “Pasadena/Occidental Mine” on Pasadena Mountain, approximately 2 miles to the southeast of the Oro Cruz Property claim block.

The nearest operating gold mine to the Oro Cruz Property is the Mesquite (New Gold Inc.) open-pit gold mine located approximately 14 miles to the northwest of Oro Cruz. Production in 2009 was 143,509 ozs gold. Expected production in 2010 is between 145,000 to 155,000 ozs gold.

Issued by: TETRA TECH, 350 Indiana Street, Suite 500, Golden, Colorado 80401, (303) 217-5700 (303) 217-5705 fax	Prepared for: ***Lincoln Mining***	File Name: Fig15-1.mxd	Figure 15-1 Locations of Adjacent Mineral Properties Oro Cruz Gold Project
	Project: Oro Cruz Gold Project	Project Number: 114-311022	
	Project Location: Imperial County, California, USA	Date of Issue: 08/16/2010	

TABLE 15-1: Active Mining Claims in the Vicinity of the Oro Cruz Property
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

CLAIM NAME	TYPE CLAIM	LOCATION (SBBM)	OWNER
Friendly Fox Placer	Association Placer	Sec. 26, T14S, R20E	Jerry D. Farris et. al 920 Chablis Lane Vista, CA 92083-5570
ALI-20, 26, 39, 41, 57, 59, 60, 61, 62, & 76	Lode	Sec. 20, 21, 28, 29, T14S, R21E	AM Exploration & Investment 1111 Hawkins Blvd., Suite 5A El Paso, TX 79925-6400
Lazy Dude #1 Placer	Association Placer	Sec. 19 & 30, T15S, R21E	David M. Allen et. al 7994 Lakeport Rd. San Diego, CA 92126-3124
Lazy Dude #2 Placer	Association Placer	Sec. 13, T15S, R20E Sec. 18 and 19, T15S, R21E	
Lazy Due #3 Placer	Association Placer	Sec. 29 & 20, T15S, R21E	
Sassy Girl Placer	Association Placer	Sec. 19, 20, 29, & 30, T15S, R21E	Gary Lee Brown 3203 53rd Street San Diego, CA 92105-3707
OPG#1	Association Placer	Sec. 29 & 30, T15S, R21E	Dean D. Bogart et. al 3718 Fairlomas Rd. National City,CA 91950-8220
OPG#2	Association Placer	Sec. 30, T15S, R21E	
Jackson 1 Placer	Association Placer	Sec. 29, T15S, R21E	Roland W. Harris et. al 2266 Gill Village Way San Diego, CA 92108-5578
Jackson 2 Placer	Association Placer	Sec. 20, T15S, R21E	
Jackson 3 Placer	Association Placer	Sec. 21, T15S, R21E	
Jackson 4 Placer	Association Placer	Sec. 21, T15S, R21E	
Jackson 5 Placer	Association Placer	Sec. 21, T15S, R21E	
Jackson 6 Placer	Association Placer	Sec. 21, T15S, R21E	
Jackson 7 Placer	Association Placer	Sec. 22, T15S, R21E	
Jackson 8 Placer	Association Placer	Sec. 27 & 28, T15S, R21E	
S.P.M.A. Araz #2	Association Placer	Sec. 21, T15S, R21E	Marge Atwood et. al 11565 Kirby Place San Diego, CA 92126-1551

Lot 38	Patented Lode Claim MS 3146; Pat. 27105	Sec. 19, T15S, R21E	American Girl Joint Venture c/o MK Gold Company 529 E. South Temple Salt Lake City, UT 84102
Lot 39	Patented Lode Claim MS 3146; Pat. 27105	Sec. 19, T15S, R21E	
Lot 40	Patented Lode Claim MS 3147; Pat. 26254	Sec. 20, T15S, R21E	
Lot 41	Patented Lode Claim MS 3242; Pat. 24976	Sec. 20, T15S, R21E	William & Irene Undine 1078 36th Place Yuma, AZ 85665
Lot 42	Patented Lode Claim MS 3246; Pat. 25726	Sec. 16, T15S, R21E	Lot 42 Mining Inc. 10405 W. Windsor Ave. Avondale, AZ 85323
Pasadena	Patented Lode Claim MS 5765; Pat. 983969	Sec. 17, T15S, R21E	USA Uranium Corp. A Nevada corporation OTC: USAU (pinksheets) 52-week high = $0.02 John Perez - President 40318 Barington Drive Palm Desert, CA 92211-0491 *Underlying Owner* *Daniel & Judy Massagli* *Trustees*
Robert E Lee	Patented Lode Claim MS 5765; Pat. 983969	Sec. 17, T15S, R21E	
Oriental	Patented Lode Claim MS 4266; Pat. 43426	Sec. 17 & 20, T15S, R21E	
Occidental	Patented Lode Claim MS 4266; Pat. 43426	Sec. 17 & 20, T15S, R21E	
Tip Top	Patented Lode Claim MS 4266: Pat. 43426	Sec. 17 & 20, T15S, R21E	
Latona	Patented Lode Claim MS 4266; Pat. 43426	Sec. 16, 17, 20, & 21, T15S, R21E	
Delphi	Patented Lode Claim MS 4266; Pat. 43426	Sec. 20, T15S, R21E	
Henrietta	Patented Lode Claim MS 4266; Pat. 43426	Sec. 20, T15S, R21E	
Mother	Patented Lode Claim MS 4266; Pat. 43426	Sec. 20 & 21, T15S, R21E	
Aliso	Patented Lode Claim MS 5098; Pat. 726106	Sec. 17, T15S, R21E	Everglade, LLC c/o Norton Townsley 300 S. Clark Dr. Beverly Hills, CA 90211
Western	Patented Lode Claim MS 5098; Pat. 726106	Sec. 17, T15S, R21E	
American Girl	Patented Lode Claim MS 5098; Pat. 726106	Sec. 17, T15S, R21E	
Black Rock	Patented Lode Claim MS 5098; Pat. 726106	Sec. 17, T15S, R21E	
Homestake	Patented Lode Claim MS 5098; Pat. 726106	Sec. 17, T15S, R21E	
American Girl Ext	Patented Lode Claim MS 5098; Pat. 726106	Sec. 17, T15S, R21E	
Annex	Patented Lode Claim MS 5098; Pat. 726106	Sec. 17, T15S, R21E	

16.0 MINERAL PROCESSING AND METALLURGICAL TESING

As of the date of this report, Lincoln Mining Corporation has not collected any metallurgical samples and/or completed any metallurgical testwork. However, there is a history of both testing and production from the site and certain inferences can be reasonably made with respect to expected process and metallurgical performance.

The Oro Cruz property has an intermittent history of producing gold from as early as 1890 through about 1996 when the most recent operation ceased due to the prevailing low gold price. Prior owners-operators conducted significant metallurgical process studies on selected drill core samples and on a bulk/surface sample from the deposit, including a mineralogical characterization of that surface whole ore and a column (heap) leach residue. These studies resulted in consistent and understandable metallurgical response data relatable to head grade, mineralogy, and the beneficiation/extraction process employed.

The current owners are relying on historical report documents primarily developed in the early 1990's as a basis for their proposed process, i.e., they (Lincoln) have not conducted their own metallurgy studies. Reports and report summaries from this historical period were provided to Tt for review and to provide a process basis for the current owners to use in their economic evaluation. The provided documents were originally produced by companies and professional employees generally known to Tt and are considered to be reputable, independent, third-party references.

The referenced reports and documents show a site history of gold recovery in production and/or by test studies using gravity concentration, amalgamation, flotation, and cyanide leaching in both bottle roll and column (heap leach) systems. Virtually all of the testwork showed that gold was recoverable by all of the various processes. Furthermore, finer grinding tended to increased gold recovery as the result of better liberation.

Testwork conducted by Kappes, Cassidy & Associates for American Girl Mining and reported in the referenced documents (1990-1991), focused on heap leach processing. Column cyanide leach tests were conducted on two samples; a bulk surface sample grading 0.083 oz Au per Ton reportedly taken from the western portion of the Oro Cruz zone, and a mineralized drill core interval covering 85 feet (reportedly through the entire ore zone) and grading 0.039 oz Au per Ton. Portions of both samples were crushed to pass 3/4 –inch (coarse crush) and 3/8 –inch (fine crush) and subjected to standard column leach tests. Complete data are presented in the referenced report documents and summarized here.

The surface sample produced 55.6% and 64.8% Au recovery after 64 days of leaching for the coarse and fine crushed material, respectively. The underground (core) sample produced 67.6% and 75.0% Au recovery after 60 days of leaching for the coarse and fine crushed material, respectively. Concurrent mineralogical examination of both whole ore and column leach residue material concluded that with fine enough grinding (more liberation) virtually all the contained gold is recoverable at some cost. Consideration of a grind/agglomeration heap leach should increase gold recovery at some increase in reagent consumption, hence increased operating cost. It can generally be concluded that the Oro Cruz ore is amenable to low cost heap leach processing. Such processing is practiced commercially at many locations and is considered low risk.

Further testing is recommended on samples that represent a mine plan as well as different (and extreme) ore rock types within the deposit. Eventually, trade off studies are warranted to explore the cost of finer comminution (crushing and grinding) for liberation to produce higher gold recovery and the resultant more complicated and costly processing scenarios.

17.0 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

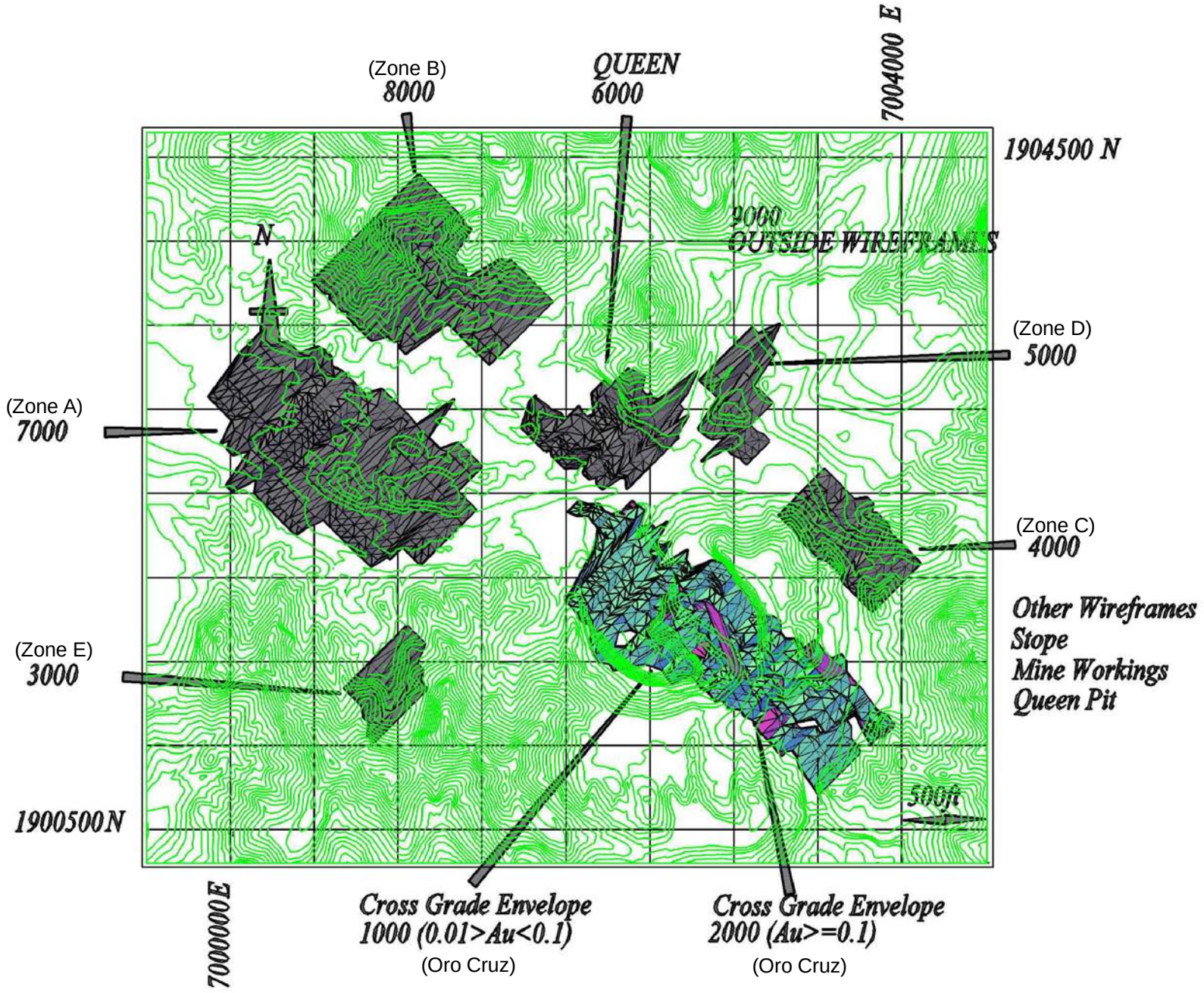
The Oro Cruz Project located in the southeastern California, near the town of Yuma, Arizona has several significant gold deposits. Tt has produced an independent evaluation of the contained inferred gold resources within several deposits. All of the work completed is according to current CIM guidelines and requirements; however, the resource cannot be classified as measured and indicated because of the lack of verifiable quality controls, assurance, and sample security procedures. It is near several significant gold deposits, including the Mesquite deposit (New Gold). Before the 1995 joint venture of American Girl Mining in 1995, the Oro Cruz property has produced possibly as much as 150,000 ounces of gold, primarily from the historic workings. After 1995, the joint venture produced nearly 61,000 ounces from Oro Cruz and the Golden Queen until it ended mining operations.

FIGURE 17-1 shows the resource model area, with eight “wireframe” zones. The wireframes represent inclusionary volumes in which gold resources have been estimated. These zones are described in greater detail within this chapter.

The mineral resource estimate has been generated from drillhole, trench and blasthole assay, along with an interpretation of a geologic model which relates to the spatial distribution of gold in eight Oro Cruz deposits. The locations of the deposits are shown in FIGURE 17-1. Interpolation characteristics have been defined based on the geology, drill hole spacing and geostatistical analysis of the data. The mineral resources have been classified by a combination of their proximity to the sample locations and kriging error and are reported, as required by NI 43-101, according to CIM standards on Mineral Resources and Reserves. This chapter presents:

- Tetra Tech coded drillhole assays and 5 foot composites inside and outside of three-dimensional wireframes received from the project exploration geologist.
- Statistics for surface samples, drillhole assay and composite data were generated
- Log, Indicator and relative variograms where generated using composite data. Model validation (jackknifing) was used to determine the geostatistical ranges, direction and search parameters in estimating grade values.
- Ordinary kriging was used to estimate gold grades in 10x10x5 foot blocks.
- The kriged grade values were visually inspected in section and plan and compared to the composite data.
- A resource classification of inferred was developed and assigned based on a combination of jackknifing and kriging error analyses.
- Validation of the kriged model was performed using statistics and visual inspection.

Grade-tonnage tables and graphs were developed from the block model at various cutoff grades and resource classification code.



Issued by: TETRA TECH, 350 Indiana Street, Suite 500, Golden, Colorado 80401, (303) 217-5700 (303) 217-5705 fax	Prepared for: **Lincoln Mining**	File Name: Fig17-1.mxd	Figure 17-1 Inclusion Wireframes Deposits and Grade Envelopes Oro Cruz Gold Project
	Project: Oro Cruz Gold Project	Project Number: 114-311022	
	Project Location: Imperial County, California, USA	Date of Issue: 08/18/2010	

Three exclusion wireframes are shown in FIGURE 17-2. These wireframes represent 3D volumes that have been mined. The Queen pit with a code of 6010 has been backfilled with low-grade and waste material. Zones 1001, 1010, 1011, 2001, 2010, and 2011 represent underground areas that were previously mined.

FIGURE 17-3 shows the general location of drillhole, trench and blasthole sample locations. Some classes of samples such as the Queen blast holes (BH) and Cross underground channel samples (UG) have been mined. Because these data represent real values that were part of the mineralizing event, information from these samples have been used to estimate the potential remaining resources; however, the volume of the areas historically mined have been removed and are not included in the resource estimate.

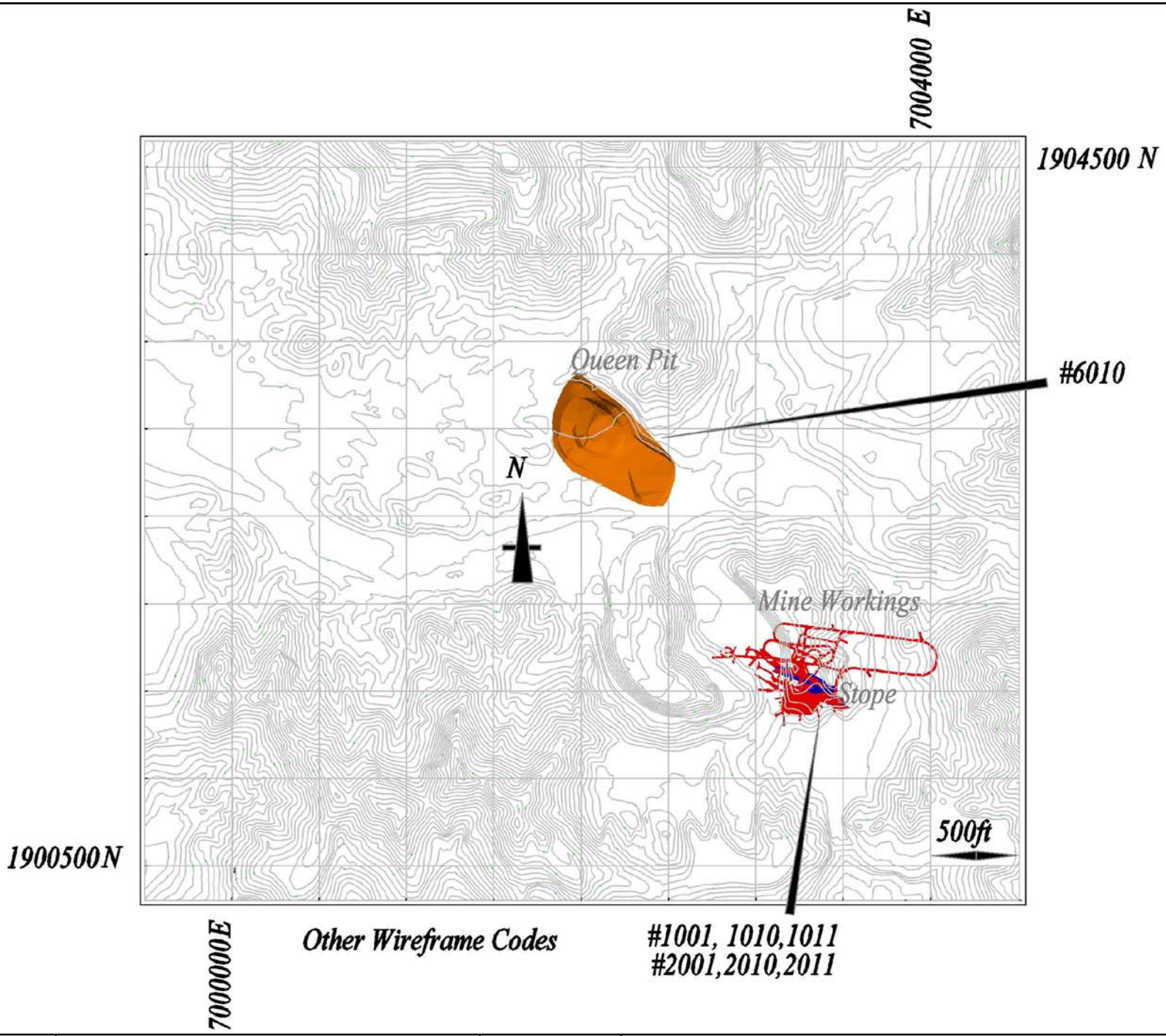
17.1 Block Model

TABLE 17-1 shows the block model parameters for the Oro Cruz resource. The model block size has been chosen to respect the complex shapes of the wireframes.

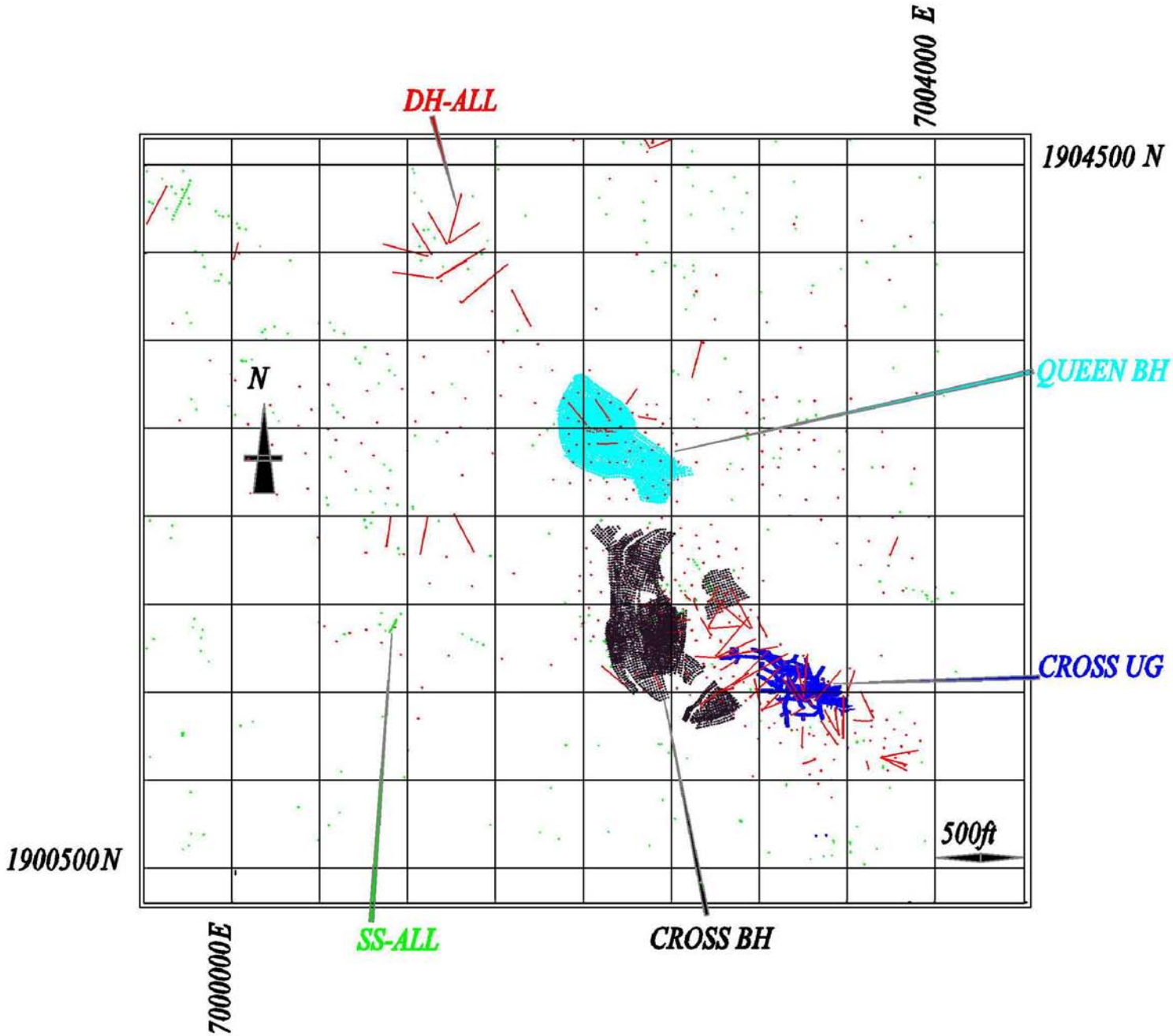
TABLE 17-1: Block Model Parameters
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

Oro Cruz Model Parameters	X (columns)	Y (rows)	Z (levels)
Origin (lower left corner):	6999500	1900300	-110
Block Size (feet):	10	10	5
Number of Blocks:	501	435	341
Rotation:	0 degrees (no rotation)		
Composite Length:	5		

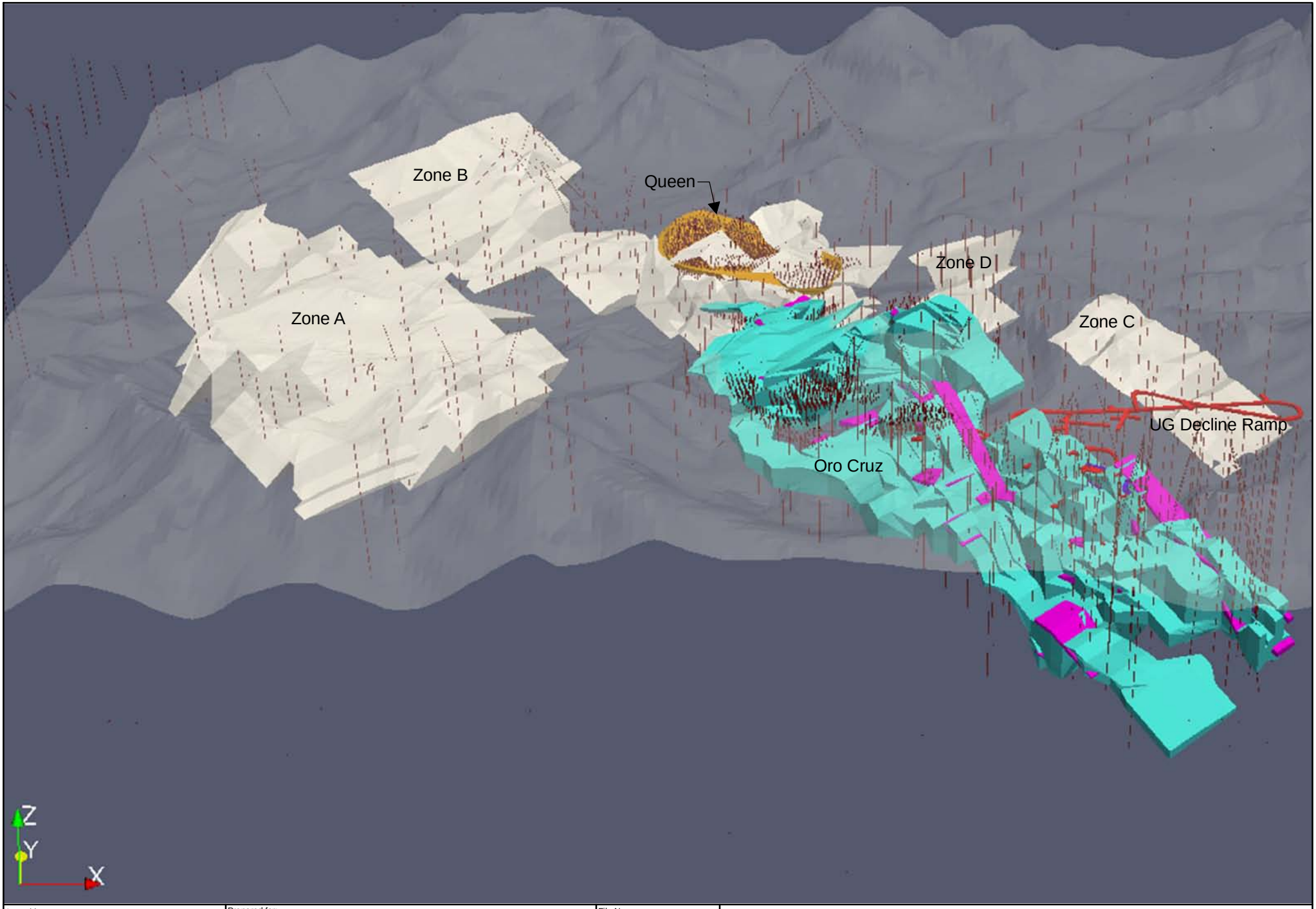
The eight mineralized areas termed deposits in this study are shown as a 3D view on in FIGURE 17-4. These are three-dimensional shapes modeled as wireframes by Tt.



Issued by: TETRA TECH, 350 Indiana Street, Suite 500, Golden, Colorado 80401, (303) 217-5700 (303) 217-5705 fax	Prepared for: **Lincoln Mining**	File Name: Fig17-2.mxd	Figure 17-2
	Project: Oro Cruz Gold Project	Project Number: 114-311022	Exclusion (Mined) Wireframes Oro Cruz Gold Project
	Project Location: Imperial County, California, USA	Date of Issue: 08/18/2010	



Issued by: TETRA TECH, 350 Indiana Street, Suite 500, Golden, Colorado 80401, (303) 217-5700 (303) 217-5705 fax	Prepared for: **Lincoln Mining**	File Name: Fig17-3.mxd	Figure 17-3
	Project: Oro Cruz Gold Project	Project Number: 114-311022	Sample Locations (Color by Type) Oro Cruz Gold Project
	Project Location: Imperial County, California, USA	Date of Issue: 08/18/2010	



Issued by: TETRA TECH, 350 Indiana Street, Suite 500, Golden, Colorado 80401, (303) 217-5700 (303) 217-5705 fax	Prepared for: ***Lincoln Mining***	File Name: Fig17-4.mxd	Figure 17-4
	Project: Oro Cruz Gold Project	Project Number: 114-311022	3D View To North Oro Cruz Gold Project
	Project Location: Imperial County, California, USA	Date of Issue: 08/18/2010	

17.2 Drillhole Assay and Composite Data

The drillholes had sample lengths that varied, but were nominally 5-feet long. TABLE 17-2 shows the drillhole and assay statistics. The "drillhole" designation in this table also includes the five foot long channel samples in the underground workings.

TABLE 17-2: Drillhole, Surface, and Underground Sample Statistics
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

	NORTHING	EASTING	ELEVATION	AZIMUTH	DIP	DEPTH
MINIMUM	1900416.0	6999515.0	298.0	0.0	-90.0	0.0
MAXIMUM	1904631.4	7004120.5	1077.0	357.5	90.0	1000.0
AVERAGE	1902266.7	7002427.4	623.7	1.1	89.4	18.3
RANGE	4215.4	4605.5	779.0	357.5	180.0	1000.0

TOTAL COUNT 17586
TOTAL LENGTH 322105.3

SUMMARY OF STATISTICAL DATA FOR DRILLHOLES 1 THROUGH 18229
DRILLHOLE CLASS LIMITS ARE IN FORCE
STATS ARE FOR THE FOLLOWING CLASSES:

OROCRUZ
SS-DATA
CROSS PIT BH
QUEEN PIT BH
UG-MINE

TOTAL DRILLHOLES = 17586

AVERAGE VALUES OF SELECTED DATA

LABEL	NUMBER	AVERAGE	STD DEVIATION	MIN. VALUE	MAX. VALUE	# MISS.
Auopt	49305	0.02307	0.50975	0.00000	100.00000	351

TABLE 17-3 shows the detailed zone codes that were used to develop the resource estimate by individual area. Each area was individually examined for drillhole data and consistency, statistics, geostatistics, and potential resources present.

TABLE 17-3: Detailed Zone Codes
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

Code	Description
0	Above Current Topography
1000	Cross Deposit Low Grade (0.05 to 0.1 opt grade envelope)
1001	Cross Deposit Low Grade (Underground works)
1010	Cross Deposit Low Grade (Mined out Stope)
1011	Cross Deposit Low Grade (In both UG and Stope)
2000	Cross Deposit High Grade (Greater than 0.1 opt grade envelope)
2001	Cross Deposit High Grade (Underground works)
2010	Cross Deposit High Grade (Mined out Stope)
2011	Cross Deposit High Grade (In both UG and Stope)
3000	Wireframe of Deposit 3000
4000	Wireframe of Deposit 4000
5000	Wireframe of Deposit 5000
6000	Wireframe of Queen Deposit
6100	Queen Deposit within Mined Out Pit
7000	Wireframe of Deposit 7000
8000	Wireframe of Deposit 8000
9000	Outside of All Deposit Wireframes
9001	Outside Deposits but within Undeground Works
9010	Outside Deposits but within Stope
9011	Outside Depsosits but inside UG and Stope
9999	Below Topo with no coding from GEMS

TABLE 17-4 details the statistical block count of the individual zoned codes.

TABLE 17-4: Statistical Data Count by Zone Code
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

ROCK COUNT FOR BLOCK MODEL (R200)
SEARCH LIMITS SPECIFIED:

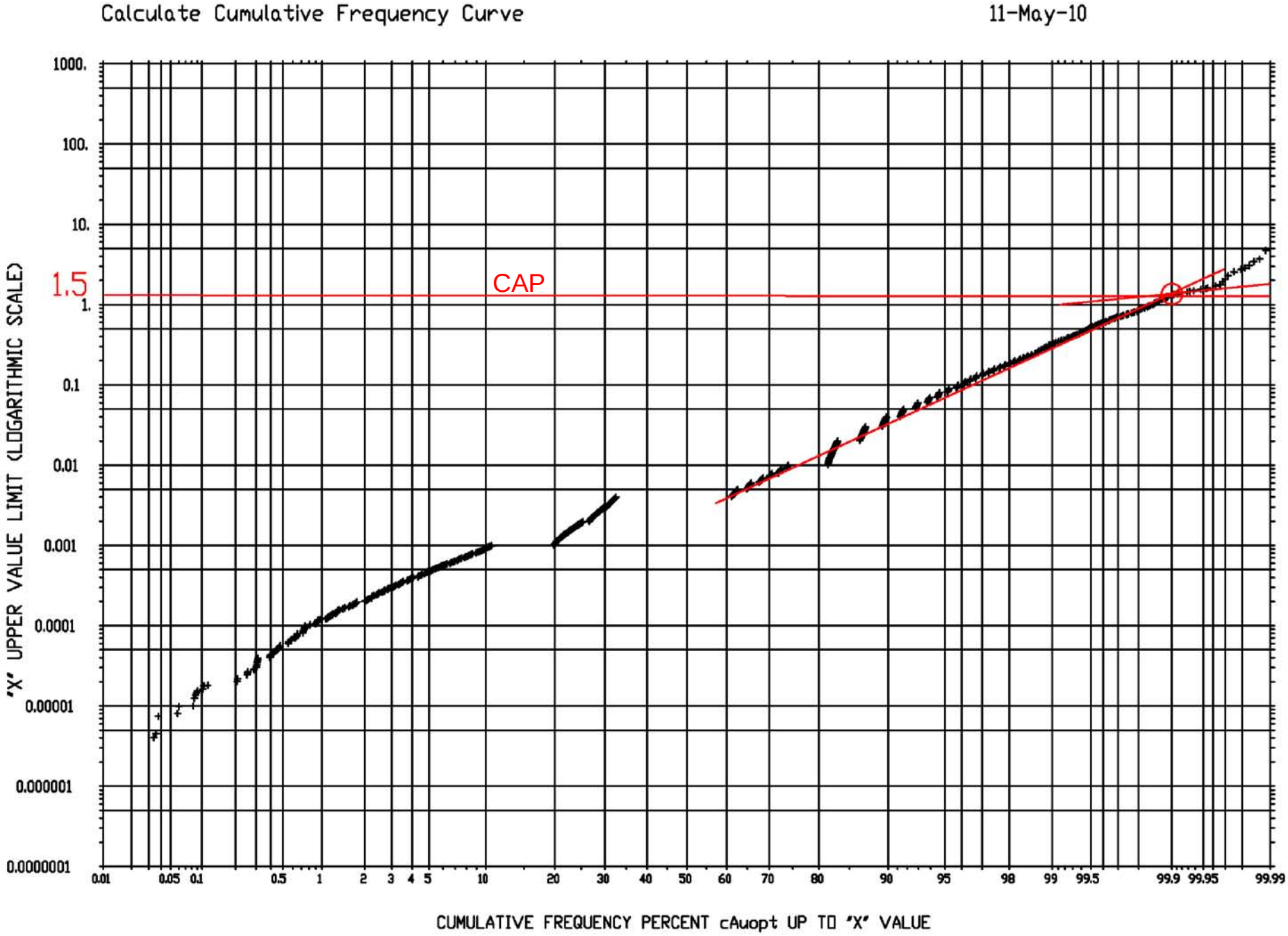
MINIMUM COLUMN: 1
MAXIMUM COLUMN: 501
MINIMUM ROW: 1
MAXIMUM ROW: 435
MINIMUM LEVEL: 1
MAXIMUM LEVEL: 341

NUMBER OF ROCK TYPES FOUND = 21

CODE	COUNT	MINCOL	MAXCOL	MINROW	MAXROW	MINLEV	MAXLEV
0	34692569	1	501	1	435	2	341
1000	205837	251	444	42	216	6	184
1001	1774	330	404	101	149	82	126
1010	357	360	401	109	133	75	116
1011	93	361	397	118	134	103	116
2000	35179	261	446	65	216	27	180
2001	1095	333	401	106	146	83	126
2010	697	361	404	109	133	75	114
2011	172	366	401	112	134	83	116
3000	8214	120	167	74	141	140	174
4000	16517	378	460	151	234	80	146
5000	9891	331	377	239	321	90	128
6000	50267	225	327	224	294	81	175
6100	5023	238	302	229	277	138	165
7000	316151	38	200	178	318	31	157
8000	101159	100	241	298	410	67	167
9000	38169670	2	501	2	435	2	265
9001	3177	325	454	104	160	68	179
9010	9	385	401	115	123	90	111
9011	12	383	388	126	129	116	116
9999	697972	1	501	1	435	1	266
TOTAL	74315835						

FIGURE 17-5 shows a probability plot of the composited gold values log transformed. There is break in a linear fit above gold grades of 1.5 opt. All composite gold values have been capped at 1.5 opt.

FIGURE 17-6 shows box-and-whisker plots of the log transformed composite gold grades, broken out by Zone class. The box-and-whisker plots show the median value as a small box, the quartile range (25 to 75% deciles) as a larger box, and lines extending to the max and min values.



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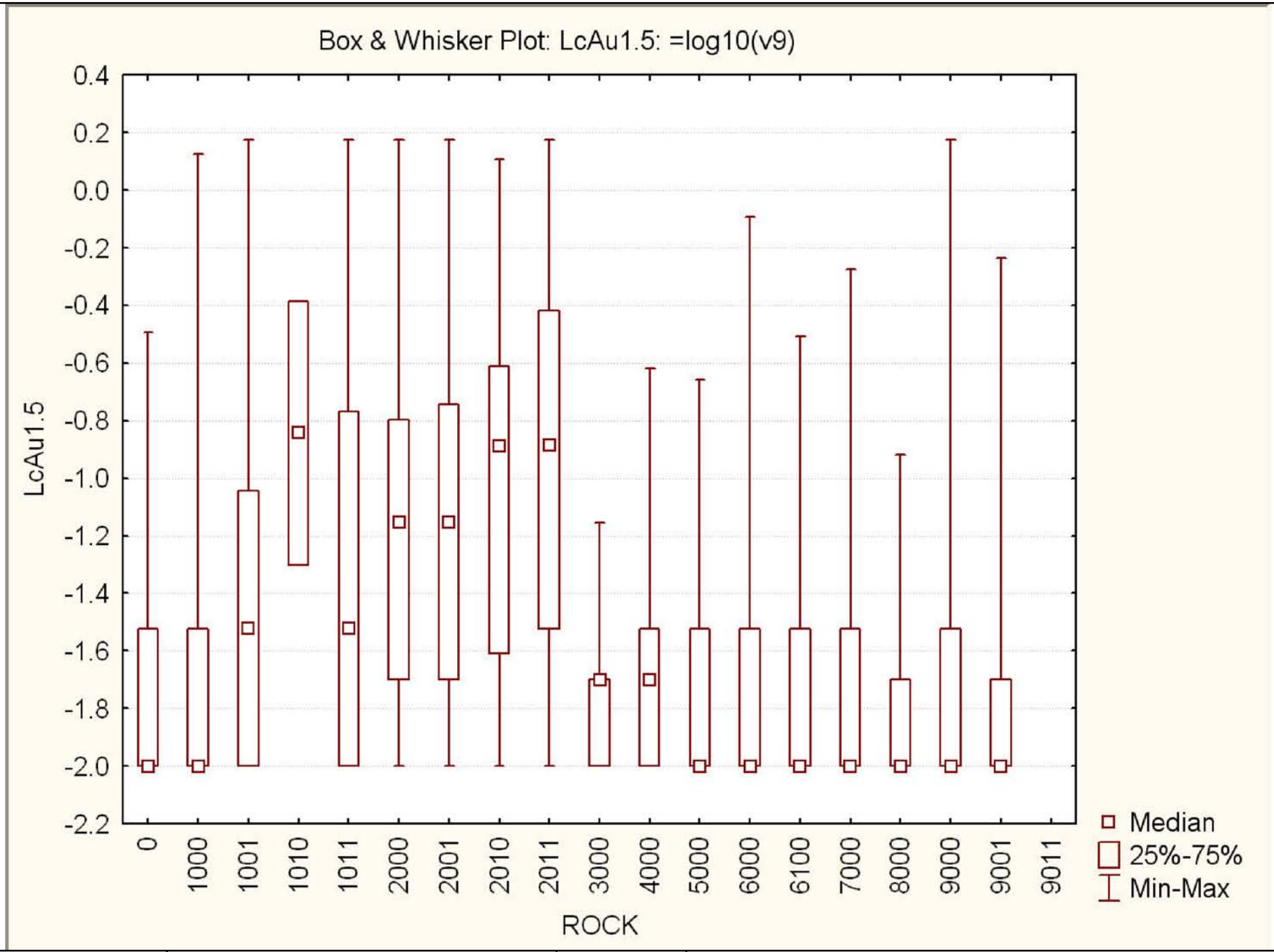
	Project: Oro Cruz Gold Project	Project Number: 114-311022	Capping Gold Values at 1.5 ounces per ton (opt) Oro Cruz Gold Project
	Project Location: Imperial County, California, USA	Date of Issue: 08/18/2010	



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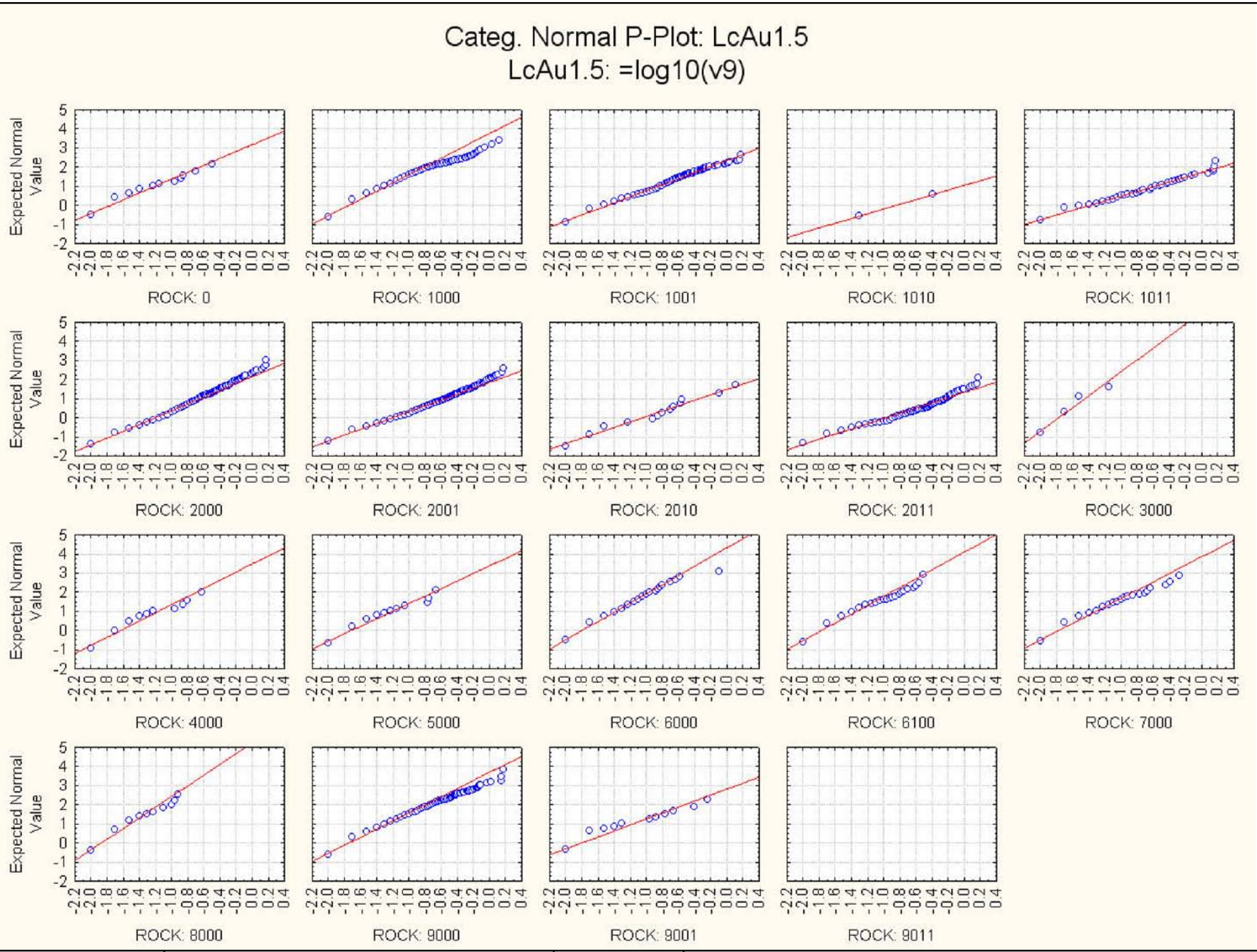
	Project: Oro Cruz Gold Project	Project Number: 114-311022	Composite Log10 Gold Grades by Zone Oro Cruz Gold Project
	Project Location: Imperial County, California, USA	Date of Issue: 08/19/2010	

FIGURE 17-7 shows probability plots for the log transformed composite gold grades, broken out by Zone class. There is a similarity in the distribution of gold grades for the majority of codes.

TABLE 17-5 details the statistics for the composites broken out by Zone class. The variable cAu1.5 represents the gold grade of composites capped at 1.5 ounces per ton.

TABLE 17-5: Composite Gold Grades by Zone
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

ROCK	cAu1.5 Means	cAu1.5 N	cAu1.5 Minimum	cAu1.5 Maximum	cAu1.5 Std.Dev.	cAu1.5 Q25	cAu1.5 Median	cAu1.5 Q75
0	0.007	234	0.00	0.320	0.029	0.000	0.000	0.000
1000	0.021	3487	0.00	1.330	0.061	0.000	0.010	0.020
1001	0.082	1230	0.00	1.500	0.186	0.010	0.020	0.080
1010	0.115	4	0.00	0.410	0.198	0.000	0.025	0.230
1011	0.165	126	0.00	1.500	0.323	0.010	0.030	0.160
2000	0.117	954	0.00	1.500	0.181	0.010	0.060	0.140
2001	0.151	1074	0.00	1.500	0.241	0.010	0.060	0.170
2010	0.193	19	0.00	1.280	0.324	0.010	0.060	0.220
2011	0.274	296	0.00	1.500	0.365	0.020	0.125	0.380
3000	0.016	16	0.00	0.070	0.017	0.005	0.010	0.020
4000	0.025	48	0.00	0.240	0.046	0.000	0.010	0.020
5000	0.026	50	0.00	0.220	0.046	0.000	0.010	0.020
6000	0.014	1189	0.00	0.810	0.034	0.000	0.010	0.010
6100	0.014	1355	0.00	0.310	0.033	0.000	0.000	0.010
7000	0.013	712	0.00	0.530	0.038	0.000	0.000	0.010
8000	0.007	292	0.00	0.120	0.016	0.000	0.000	0.010
9000	0.007	55829	0.00	1.500	0.034	0.000	0.000	0.000
9001	0.025	92	0.00	0.580	0.078	0.000	0.010	0.010
9011	0.000	1	0.00	0.000		0.000	0.000	0.000
All Grps	0.015	67008	0.00	1.500	0.071	0.000	0.000	0.010



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Prepared for: ***Lincoln Mining***		File Name: Fig17-7.mxd
Project: Oro Cruz Gold Project		Project Number: 114-311022
Project Location: Imperial County, California, USA		Date of Issue: 08/19/2010

Figure 17-7
Probability Plots (side-by-side) of
Composite Log10 Gold Grades by Zone
Oro Cruz Gold Project

TABLE 17-6 shows the statistics for the gold composites for Zone 1000, with a cap at 1.5 opt. Note that the distribution are plotted with log transformed grades. Apparently the distribution becomes more lognormal with compositing. The median gold grade for the composites inside the Zone 1000 wireframes is 0.01 This value has been used to generate indicator variograms for Zone 1000, as a powerful way to explore the spatial structure of gold.

TABLE 17-6: Gold Composite Statistics for Zone 1000
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

```
 RUNTIME TITLE : Calculate Statistics 1000
 PROJECT TITLE : OroCruz 10x10x5 ft

     DATA TYPE IS COMPOSITE
     STATISTICS FOR LABEL : cAu1.5
```

ROCK TYPE	COMPOSITE COUNT MISSING	BELOW LIMITS	ABOVE LIMITS	INSIDE LIMITS	UNTRANSFORMED STATISTICS MINIMUM	MAXIMUM	MEAN	VARIANCE	STD. DEV.	COEF. OF VAR	LOG-TRANSFORMED STATS LOG MEAN	LOG VAR.	LOG STD.DEV	LOG-DERIVED MEAN	COEF. OF VAR.
1000	57	120	0	3367	0.000010	1.3300	0.02269	0.00375	0.06126	2.7002	-4.7873	1.8209	1.3494	0.0207	2.2754
1001	3	22	0	1208	0.00100	1.5000	0.08376	0.03490	0.18682	2.2305	-3.5862	1.9913	1.4111	0.0750	2.5150
1010	1	1	0	3	0.00400	0.41428	0.15757	0.05006	0.22374	1.4200	-3.1045	3.6074	1.8993	0.2723	5.9891
1011	0	1	0	125	0.00200	1.5000	0.16623	0.10525	0.32442	1.9516	-3.1658	2.6811	1.6374	0.1612	3.6879
ALL	61	144	0	4703	0.000010	1.5000	0.04228	0.01558	0.12481	2.9522	-4.4346	2.2067	1.4855	0.0357	2.8436

ROCK TYPE	COMPOSITE COUNT MISSING	BELOW LIMITS	ABOVE LIMITS	INSIDE LIMITS	MEDIAN STATISTICS MINIMUM	5TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	95TH PERCENTILE	MAXIMUM
1000	57	120	0	3367	0.000010	0.00100	0.00400	0.00811	0.02000	0.08000	1.3300
1001	3	22	0	1208	0.00100	0.00500	0.01000	0.02000	0.08000	0.31650	1.5000
1010	1	1	0	3	0.00400	0.00904	0.02921	0.05443	0.23435	0.37829	0.41428
1011	0	1	0	125	0.00200	0.00820	0.01000	0.03000	0.16000	0.80800	1.5000
ALL	61	144	0	4703	0.000010	0.00100	0.00471	0.01000	0.03000	0.17000	1.5000

```
    LOWER BOUND   UPPER BOUND         200       400       600       800       1000      1200      1400      1600      1800      2000
         >=            <      +---------+---------+---------+---------+---------+---------+---------+---------+---------+---------+
         0.0000         0.0000|
         0.0000         0.0000|
         0.0000         0.0001|
         0.0001         0.0001|
         0.0001         0.0002|*
         0.0002         0.0004|*
         0.0004         0.0006|**
         0.0006         0.0012|***********
         0.0012         0.0021|************
         0.0021         0.0039|***************
         0.0039         0.0070|****************************************
         0.0070         0.0128|************************************************************
         0.0128         0.0231|************************
         0.0231         0.0420|************************
         0.0420         0.0762|*****************
         0.0762         0.1383|************
         0.1383         0.2510|*********
         0.2510         0.4555|***
         0.4555         0.8267|**
         0.8267         1.5001|*
                               +---------+---------+---------+---------+---------+---------+---------+---------+---------+---------+
                               0       200       400       600       800       1000      1200      1400      1600      1800      2000
```

TABLE 17-7 shows the statistics for the gold composites for Zone 2000. The median gold grade for the composites inside the Zone 2000 wireframes is 0.065 Again the median value has been used to generate indicator variograms for Zone 2000

TABLE 17-7: Gold Composite Statistics for Zone 2000
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

```
 RUNTIME TITLE : Calculate Statistics 2000
 PROJECT TITLE : OroCruz 10x10x5 ft

     DATA TYPE IS COMPOSITE
     STATISTICS FOR LABEL : cAu1.5
-------------------------------------------------------------------------------------------------------------------------------
    |     COMPOSITE COUNT         |         UNTRANSFORMED STATISTICS                    |   LOG-TRANSFORMED STATS |   LOG-DERIVED   |
ROCK|          BELOW  ABOVE  INSIDE|                                        STD.    COEF.|    LOG     LOG      LOG |            COEF. |
TYPE|MISSING LIMITS LIMITS  LIMITS| MINIMUM  MAXIMUM    MEAN  VARIANCE    DEV.   OF VAR|    MEAN    VAR.  STD.DEV|   MEAN   OF VAR.|
-------------------------------------------------------------------------------------------------------------------------------
2000      11     18      0     936 0.000012   1.5000  0.11900  0.03312  0.18200  1.5294  -3.0894   2.6953  1.6417   0.1752   3.7162
2001       2     14      0    1060  0.00100   1.5000  0.15267  0.05832  0.24151  1.5819  -2.8835   2.2709  1.5070   0.1741   2.9476
2010       2      0      0      19  0.00200   1.2793  0.19178  0.10510  0.32419  1.6905  -3.0652   3.8623  1.9653   0.3217   6.8245
2011       2      4      0     292  0.00100   1.5000  0.27721  0.13409  0.36619  1.3210  -2.3310   2.8169  1.6784   0.3975   3.9656
-------------------------------------------------------------------------------------------------------------------------------
 ALL      17     36      0    2307 0.000012   1.5000  0.15510  0.06039  0.24574  1.5844  -2.8986   2.5814  1.6067   0.2003   3.4950
-------------------------------------------------------------------------------------------------------------------------------

    |     COMPOSITE COUNT         |                                MEDIAN STATISTICS                                |
ROCK|          BELOW  ABOVE  INSIDE|                5TH         25TH        50TH        75TH        95TH                |
TYPE|MISSING LIMITS LIMITS  LIMITS|  MINIMUM    PERCENTILE  PERCENTILE  PERCENTILE  PERCENTILE  PERCENTILE   MAXIMUM  |
-------------------------------------------------------------------------------------------------------------------------
2000      11     18      0     936     0.000012     0.00200     0.01715     0.06069     0.14041     0.44416      1.5000|
2001       2     14      0    1060      0.00100     0.00600     0.01000     0.06000     0.18000     0.67000      1.5000|
2010       2      0      0      19      0.00200     0.00200     0.01300     0.06200     0.20855     0.85376      1.2793|
2011       2      4      0     292      0.00100     0.00700     0.02750     0.13000     0.38000      1.1820      1.5000|
-------------------------------------------------------------------------------------------------------------------------
 ALL      17     36      0    2307     0.000012     0.00500     0.01724     0.06520     0.17000     0.64700      1.5000|
-------------------------------------------------------------------------------------------------------------------------

   LOWER BOUND   UPPER BOUND          40        80        120       160       200       240       280       320       360       400
        >=            <      +---------+---------+---------+---------+---------+---------+---------+---------+---------+---------+
        0.0000        0.0000|*
        0.0000        0.0000|
        0.0000        0.0001|*
        0.0001        0.0001|
        0.0001        0.0002|
        0.0002        0.0004|
        0.0004        0.0007|**
        0.0007        0.0013|******
        0.0013        0.0024|*********
        0.0024        0.0043|********
        0.0043        0.0078|************************
        0.0078        0.0139|*************************************************************************************************
        0.0139        0.0250|*******************************************
        0.0250        0.0449|************************************************************
        0.0449        0.0806|*************************************************************************************
        0.0806        0.1446|*******************************************************************************************
        0.1446        0.2596|*************************************************************************
        0.2596        0.4658|**************************************************
        0.4658        0.8359|******************************
        0.8359        1.5001|*****************
                            +---------+---------+---------+---------+---------+---------+---------+---------+---------+---------+
                            0        40        80        120       160       200       240       280       320       360       400
```

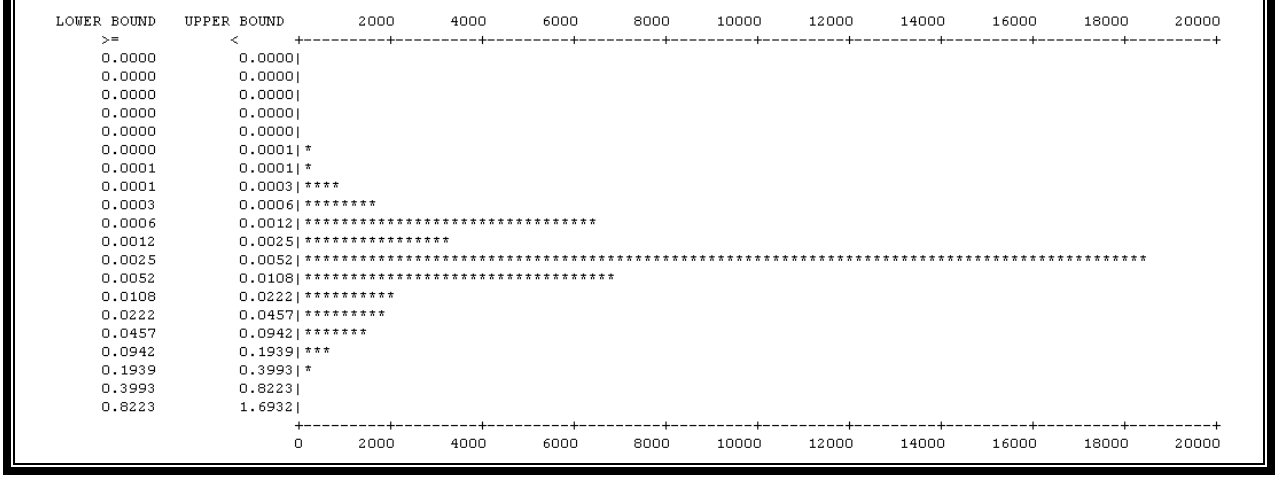
TABLE 17-8 shows the statistics for the gold composites for the remaining zones 3000 through 9000. The mean of all remaining zones is 0.022 oz Au/t. The distribution of these remaining data is similar to the Zone 1000, lower grade envelope.

TABLE 17-8: Gold Composite Statistics for Zones 3000 - 9000
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

DATA TYPE IS COMPOSITE
STATISTICS FOR LABEL : cAuopt

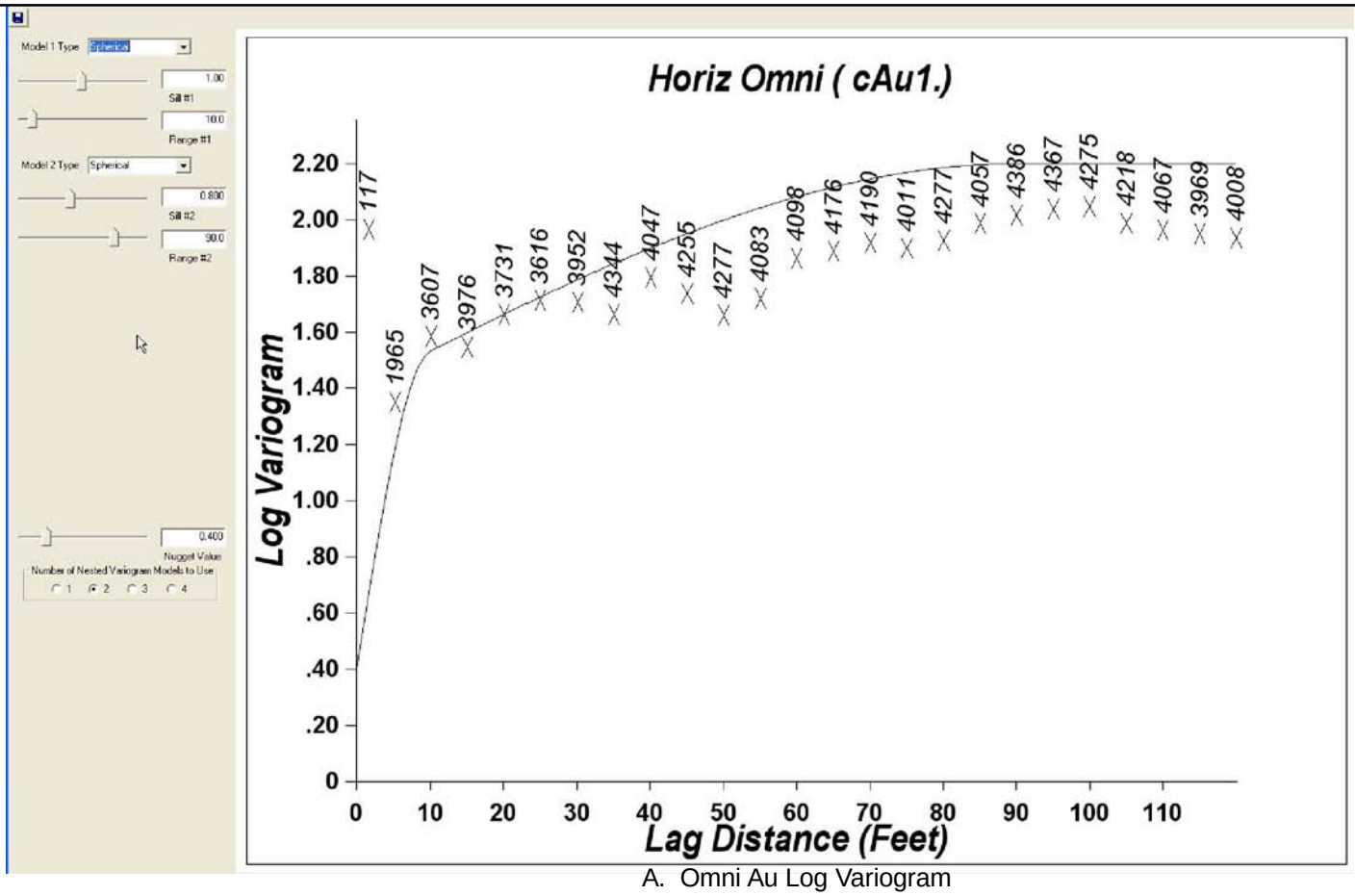
ROCK TYPE	COMPOSITE COUNT MISSING	BELOW LIMITS	ABOVE LIMITS	INSIDE LIMITS	UNTRANSFORMED STATISTICS MINIMUM	MAXIMUM	MEAN	VARIANCE	STD. DEV.	COEF. OF VAR	LOG-TRANSFORMED STATS LOG MEAN	LOG VAR.	LOG STD.DEV	LOG-DERIVED MEAN	COEF. OF VAR.
3000	0	1	0	15	0.00282	0.06908	0.01578	0.000274	0.01656	1.0491	-4.5230	0.7157	0.8460	0.0155	1.0226
4000	0	4	0	44	0.000280	0.23840	0.02695	0.00223	0.04722	1.7521	-4.6620	2.3235	1.5243	0.0302	3.0350
5000	0	4	0	34	0.00209	0.18268	0.02416	0.00119	0.03456	1.4305	-4.3187	1.0704	1.0346	0.0227	1.3844
6000	13	28	0	1151	0.000008	0.81308	0.01514	0.00114	0.03373	2.2275	-5.0315	1.6477	1.2836	0.0149	2.0482
6100	1	2	0	1353	0.001000	0.31000	0.01609	0.00106	0.03250	2.0194	-4.8087	0.9263	0.9624	0.0130	1.2349
7000	2	73	0	630	0.000040	0.52936	0.01465	0.00157	0.03958	2.7019	-5.4368	2.1936	1.4811	0.0130	2.8227
8000	0	19	0	202	0.000176	0.11746	0.00869	0.000223	0.01493	1.7173	-5.5628	1.7114	1.3082	0.0090	2.1300
9000	2758	10481	0	40171	0.000001	1.6930	0.01137	0.00159	0.03982	3.5012	-5.5933	1.8774	1.3702	0.0095	2.3530
ALL	2774	10612	0	43600	0.000001	1.6930	0.01168	0.00155	0.03939	3.3725	-5.5492	1.8771	1.3701	0.0099	2.3526

ROCK TYPE	COMPOSITE COUNT MISSING	BELOW LIMITS	ABOVE LIMITS	INSIDE LIMITS	MEDIAN STATISTICS MINIMUM	5TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	95TH PERCENTILE	MAXIMUM
3000	0	1	0	15	0.00282	0.00314	0.00559	0.01000	0.01815	0.03944	0.06908
4000	0	4	0	44	0.000280	0.00100	0.00300	0.01104	0.02352	0.13207	0.23840
5000	0	4	0	34	0.00209	0.00280	0.00680	0.01000	0.02950	0.07611	0.18268
6000	13	28	0	1151	0.000008	0.00100	0.00400	0.00620	0.01000	0.06000	0.81308
6100	1	2	0	1353	0.001000	0.00400	0.00400	0.00526	0.01000	0.05000	0.31000
7000	2	73	0	630	0.000040	0.000478	0.00157	0.00400	0.01000	0.06167	0.52936
8000	0	19	0	202	0.000176	0.000442	0.00156	0.00431	0.00900	0.03043	0.11746
9000	2758	10481	0	40171	0.000001	0.000440	0.00166	0.00400	0.00600	0.04983	1.6930
ALL	2774	10612	0	43600	0.000001	0.000460	0.00182	0.00400	0.00700	0.05000	1.6930

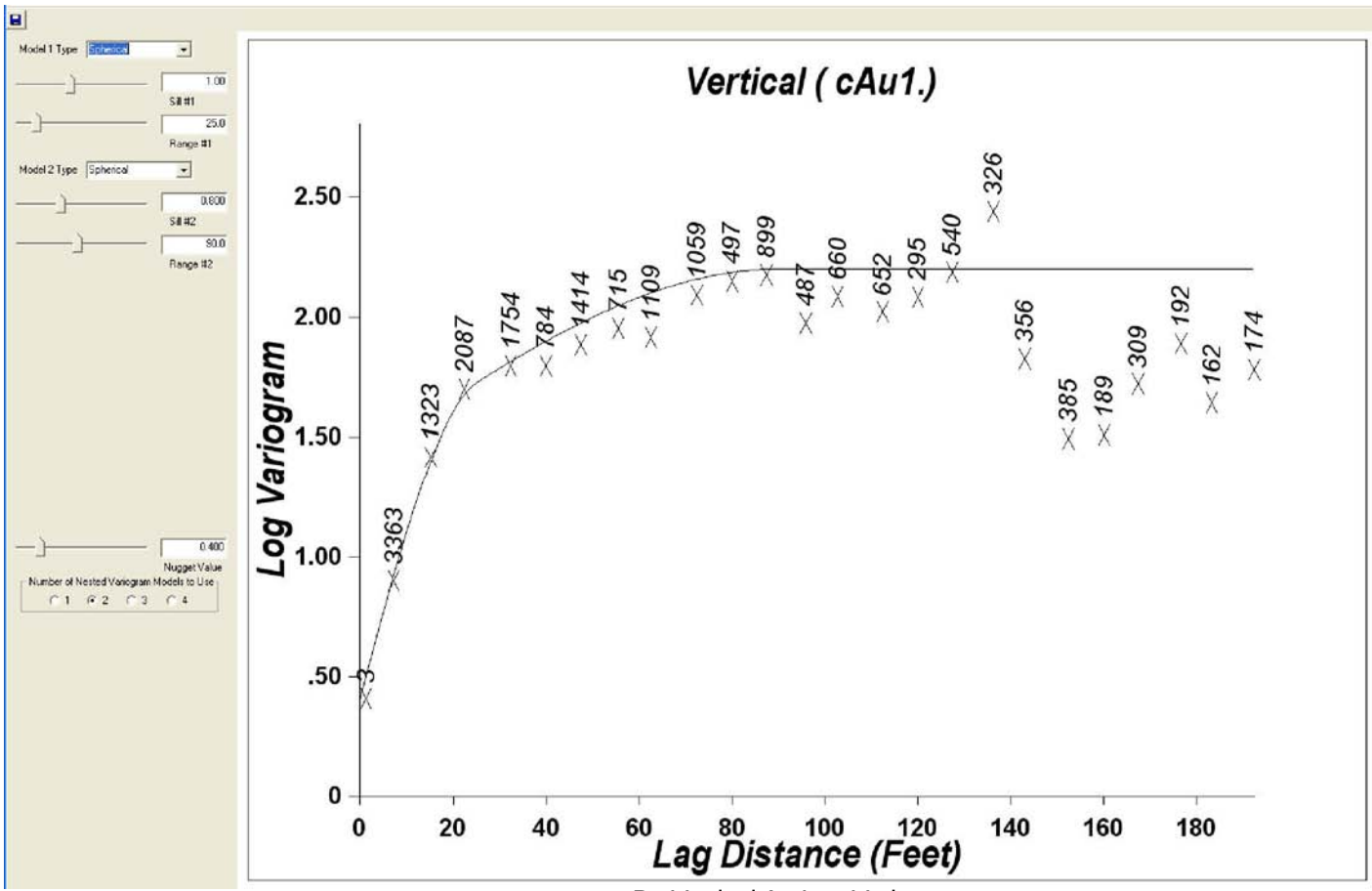


17.3 Variography and Kriging Parameters

Numerous log-variograms, relative and indicator variograms were generated and interpreted. These variograms were calculated in 14 directions such that all directions in three-dimensional space were explored. FIGURE 17-8 shows two directional indicator variograms that follow the deposit structures. Panel A shows an omni log variogram and panel B is looks vertically. The experimental variograms were modeled with two spherical structures and a nugget. These ranges and variances are used as kriging parameters listed in TABLE 17-9. Ordinary kriging was used to estimate blocks 10x10x5 feet in size. The kriging was constrained to estimate blocks within the wireframes, with composites also within the wireframes. Due the scarcity of data and the similarity in distribution, data outside of the wireframes but within the search ranges (9000 codes) were also used in the estimation of Zones 3000 through 8000.



A. Omni Au Log Variogram



B. Vertical Au Log Variogram

Issued by: TETRA TECH, 350 Indiana Street, Suite 500, Golden, Colorado 80401, (303) 217-5700 (303) 217-5705 fax	Prepared for: **Lincoln Mining**	File Name: Fig17-8.mxd	Figure 17-8 Au Log Variograms at a 1.5 OPT cut. Zone 1000 & 2000 (Cap 1.5 OPT) Oro Cruz Gold Project
	Project: Oro Cruz Gold Project	Project Number: 114-311022	
	Project Location: Imperial County, California, USA	Date of Issue: 08/12/2010	

The result of this estimation is not classifiable by 43-101. Blocks outside of the wireframes (Zone 9000) were not estimated or reported.

TABLE 17-9: Estimation Search and Kriging Parameters
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

Matching Codes[6]			Anisotropy				Search Ranges					Variogram Parameters						
Au (Gold Values in ounces per ton -- opt -- composited to 5 ft with a 1.5 opt cap)																		
Composite Code	Block Codes	Zone Name	Axis	Anisotropy Axis Length (m)	Anisotropy Rotation	Type[3]			Maximum Search Range	MaxPts / Sector / Pts Single Drillhole	Min Pts Required to Estimate	Rotation	Length	Nugget[1]	Nested	Model Type[4]	Sill[1]	Range (m)
1000, 1001, 1010, 1011	1000	.01-.1 envelope	Primary	70	140	Az			20	4/2	6	140	70	0.4	1	Sph	1	25
			Second	50	-25	Dip			70	4/2	4	-25	50		2	Sph	0.8	90
			Tertiary	20	0	Tilt			140	4/2	3	0	20		3			
2000, 2001, 2010, 2011	2000	> .1 envelope	Primary	70	140	Az			20	4/2	6	140	70	0.4	1	Sph	1	25
			Second	50	-25	Dip			70	4/2	4	-25	50		2	Sph	0.8	90
			Tertiary	20	0	Tilt			140	4/2	3	0	20		3			
3000, 9000	3000		Primary	70	140	Az			20	4/2	6	140	70	0.4	1	Sph	1	25
			Second	50	-25	Dip			70	4/2	4	-25	50		2	Sph	0.8	90
			Tertiary	20	0	Tilt			140	4/2	3	0	20		3			
4000, 9000	4000		Primary	70	140	Az			20	4/2	6	140	70	0.4	1	Sph	1	25
			Second	50	-25	Dip			70	4/2	4	-25	50		2	Sph	0.8	90
			Tertiary	20	0	Tilt			140	4/2	3	0	20		3			
5000, 9000	5000		Primary	70	140	Az			20	4/2	6	140	70	0.4	1	Sph	1	25
			Second	50	-25	Dip			70	4/2	4	-25	50		2	Sph	0.8	90
			Tertiary	20	0	Tilt			140	4/2	3	0	20		3			
6000, 9000	6000	Queen	Primary	70	140	Az			20	4/2	6	140	70	0.4	1	Sph	1	25
			Second	50	-10	Dip			70	4/2	4	-10	50		2	Sph	0.8	90
			Tertiary	20	0	Tilt			140	4/2	3	0	20		3			
7000, 9000	7000		Primary	70	140	Az			20	4/2	6	140	70	0.4	1	Sph	1	25
			Second	50	-25	Dip			70	4/2	4	-25	50		2	Sph	0.8	90
			Tertiary	20	0	Tilt			140	4/2	3	0	20		3			
8000, 9000	8000		Primary	70	140	Az			20	4/2	6	140	70	0.4	1	Sph	1	25
			Second	50	-25	Dip			70	4/2	4	-25	50		2	Sph	0.8	90
			Tertiary	20	0	Tilt			140	4/2	3	0	20		3			
All measurements in feet, all directions in degrees azimuth																		
Au uses three passes																		

Notes
1 Log variogram nugget and sill values used
2 Kriging Error is used to adjust preliminary class 1,2,3 to 1,2,3 & 4 by post-kriging filter
3 Az=Azimuth is clockwise (CW) from North, Dip is positive when downward, Tilt rotates CW around primary axis.

17.4 Classification of Resource Blocks

FIGURE 17-9 shows Tt's normal two-pass protocol used to classify blocks for resource estimation. Normally, they would have difference resource classes; however, since we are unable to assign measured and indicated designations to any of the estimated resources, all blocks have been classified as inferred. The top portion of the FIGURE (panel A) shows the variogram being used to establish the first pass search ranges. This panel shows the results of the jackknife studies at increasing search ranges. Finally, the bottom part (part B) shows how kriging error break-points are used. FIGURE 17-10 shows the enlarged version of 17-9a 0.77 correlation.

Pass 1:

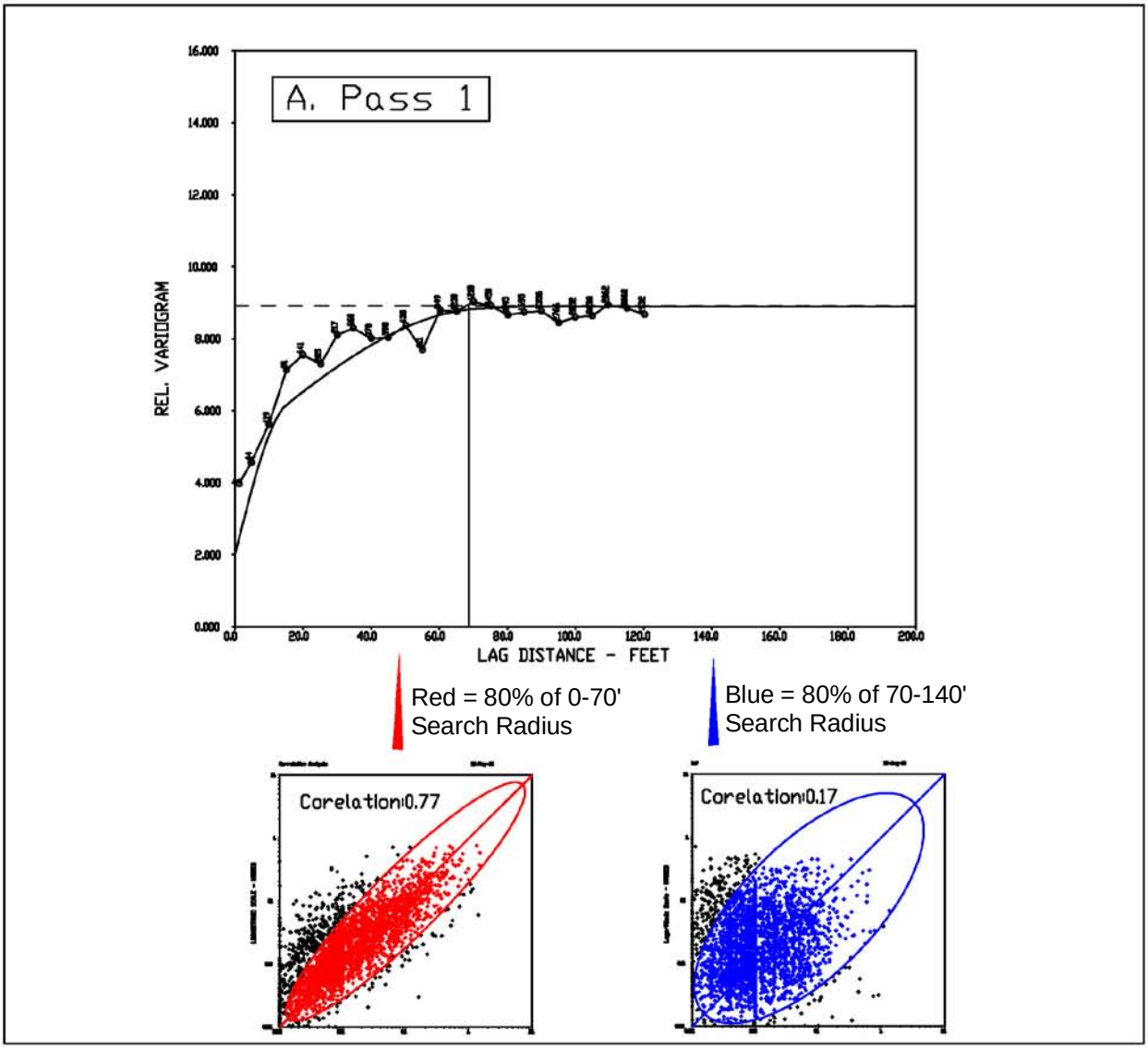
The first pass utilized jackknifing of composite values. Jackknifing or model validation is a computer technique that removes samples one at a time and then predicts what its value is using samples that utilize the search and variogram parameters being investigated. The estimate is then compared to the real value. FIGURE 17-9a shows a plotted original composite Au values versus the estimated value based on estimates using a maximum 70 foot search. Note that if the estimate were perfect, then points would fall on the 45-degree line. This 70 foot search jackknife study produced a correlation between the target and the estimated gold values of 0.77. The figure has a reference ellipse plotted which is wide enough to contain approximately 80% of the points falling adjacent to the 45-degree line. This jackknifing technique has been done for one shorter range of 20-ft and larger search range of data falling within 70 to 140 feet. Note that the shorter range of 20 feet produces a correlation of 0.66. At a search distance from 70 to 140 feet the correlation is 0.17. TABLE 17-10 lists the results of the jackknife studies.

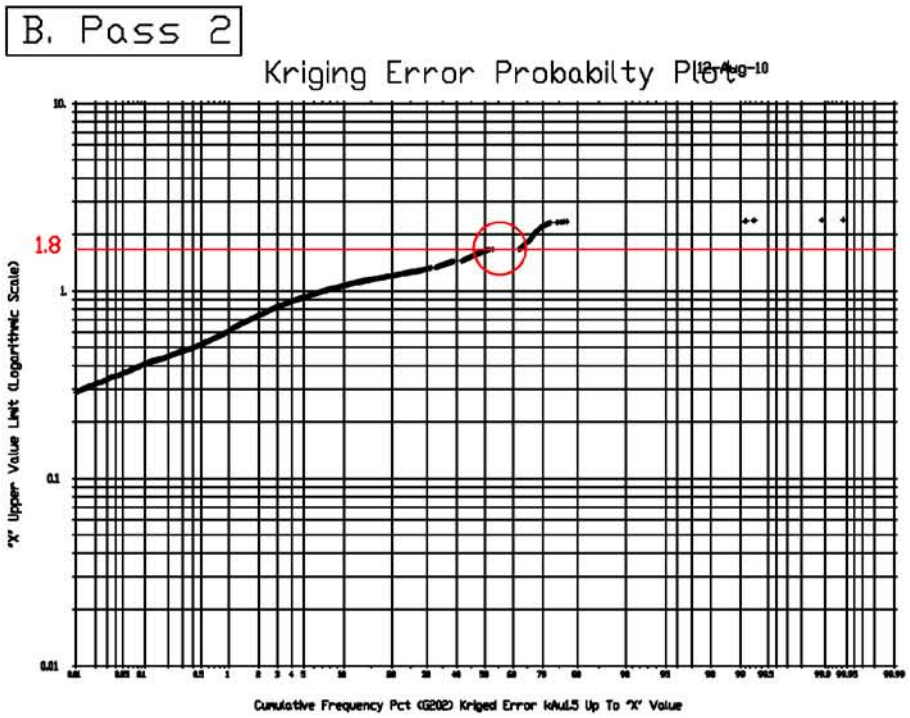
TABLE 17-10:Resource Classification – First Pass
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

Search Range	Search Criteria Sector Max. composites per Sector/DH / Min Required	Correlation	Initial Class Index	Initial Class Designation
0-20 ft	4/6/2	.66	1	inferred
0-70 ft	4/3/2	.70	2	inferred
70-140 ft	4/2/2	.2	3	inferred

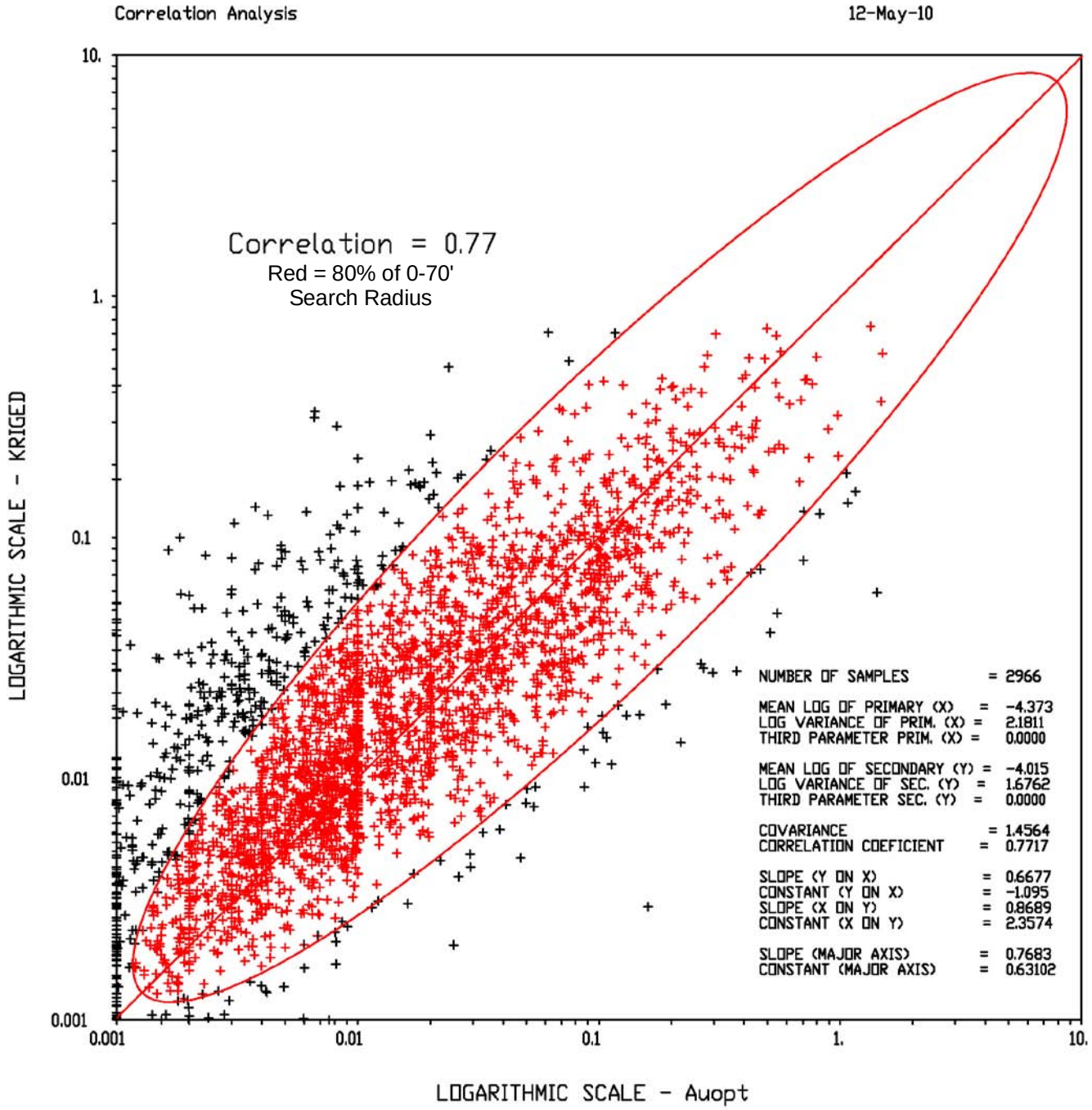
Pass 2:

The second pass in the classification procedure uses kriging errors. Kriging errors contain a measure of and estimate's reliability. FIGURE 17-9b shows the kriging error plotted as a log-probability graph. Note that for this study, the graph has a break in kriging error at 1.8. This break point is interpreted as when kriging error shifts dramatically from a lower population of kriging errors (better estimates) to a higher population (worse estimates). This higher population of errors indicated that regardless of the search parameters, estimations are particularly poor in quality. TABLE 17-11 shows the histogram of the same concept. Here the kriging errors greater than 1.8 are highlighted in blue.





Issued by: TETRA TECH, 350 Indiana Street, Suite 500, Golden, Colorado 80401, (303) 217-5700 (303) 217-5705 fax	Prepared for: ***Lincoln Mining***	File Name: Fig17-9.mxd	Figure 17-9
	Project: Oro Cruz Gold Project	Project Number: 114-311022	Two Pass Classification Method Oro Cruz Gold Project
	Project Location: Imperial County, California, USA	Date of Issue: 08/18/2010	

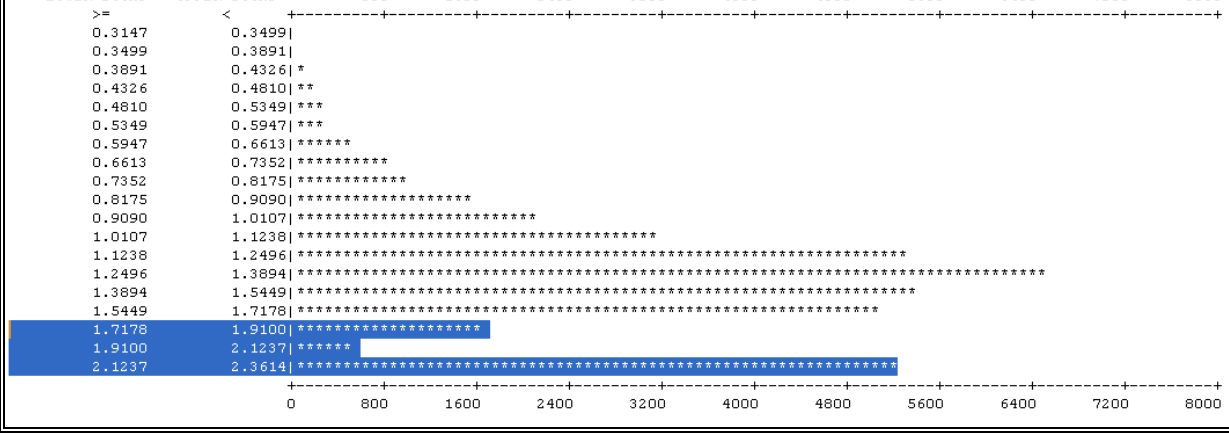


Issued by: TETRA TECH, 350 Indiana Street, Suite 500, Golden, Colorado 80401, (303) 217-5700 (303) 217-5705 fax	Prepared for: ***Lincoln Mining***	File Name: Fig17-10.mxd	Figure 17-10 Correlation Plot of Jackknife Results at a 70 Foot Search Range Oro Cruz Gold Project
	Project: Oro Cruz Gold Project	Project Number: 114-311022	
	Project Location: Imperial County, California, USA	Date of Issue: 08/18/2010	

TABLE 17-11:Kriging Error Zones 1000 and 2000
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

RUNTIME TITLE : Calculate Statistics (G101)
PROJECT TITLE : OroCruz 10x10x5 ft
CURRENT LABEL : (G202) Kriged Error kAu1.5

LOWER BOUND >=	UPPER BOUND <	FREQ	PERCENT	MEAN	CUM FREQ (ALL VALUES < UPPER BOUND)	PERCENT	CUM MEAN	CUM FREQ (ALL VALUES >= LOWER BOUND)	PERCENT	CUM MEAN
0.0980	0.1090	1	0.00	0.0980	1	0.00	0.0980	39284	100.00	1.4179
0.1498	0.1665	1	0.00	0.1502	2	0.01	0.1241	39283	100.00	1.4179
0.1852	0.2059	6	0.02	0.1998	8	0.02	0.1809	39282	99.99	1.4179
0.2059	0.2289	8	0.02	0.2126	16	0.04	0.1967	39276	99.98	1.4181
0.2289	0.2545	4	0.01	0.2424	20	0.05	0.2059	39268	99.96	1.4184
0.2545	0.2830	6	0.02	0.2740	26	0.07	0.2216	39264	99.95	1.4185
0.2830	0.3147	18	0.05	0.2966	44	0.11	0.2523	39258	99.93	1.4186
0.3147	0.3499	32	0.08	0.3349	76	0.19	0.2870	39240	99.89	1.4192
0.3499	0.3891	37	0.09	0.3697	113	0.29	0.3141	39208	99.81	1.4200
0.3891	0.4326	76	0.19	0.4155	189	0.48	0.3549	39171	99.71	1.4210
0.4326	0.4810	126	0.32	0.4613	315	0.80	0.3975	39095	99.52	1.4230
0.4810	0.5349	257	0.65	0.5081	572	1.46	0.4472	38969	99.20	1.4261
0.5349	0.5947	227	0.58	0.5655	799	2.03	0.4808	38712	98.54	1.4322
0.5947	0.6613	451	1.15	0.6314	1250	3.18	0.5351	38485	97.97	1.4373
0.6613	0.7352	808	2.06	0.6997	2058	5.24	0.5998	38034	96.82	1.4469
0.7352	0.8175	953	2.43	0.7767	3011	7.66	0.6558	37226	94.76	1.4631
0.8175	0.9090	1540	3.92	0.8657	4551	11.58	0.7268	36273	92.34	1.4811
0.9090	1.0107	2078	5.29	0.9615	6629	16.87	0.8004	34733	88.42	1.5084
1.0107	1.1238	3151	8.02	1.0697	9780	24.90	0.8872	32655	83.13	1.5432
1.1238	1.2496	5297	13.48	1.1899	15077	38.38	0.9935	29504	75.10	1.5938
1.2496	1.3894	6512	16.58	1.3175	21589	54.96	1.0913	24207	61.62	1.6821
1.3894	1.5449	5337	13.59	1.4628	26926	68.54	1.1649	17695	45.04	1.8163
1.5449	1.7178	5021	12.78	1.6348	31947	81.32	1.2388	12358	31.46	1.9690
1.7178	1.9100	1599	4.07	1.7975	33546	85.39	1.2654	7337	18.68	2.1977
1.9100	2.1237	519	1.32	2.0219	34065	86.71	1.2769	5738	14.61	2.3092
2.1237	2.3614	5219	13.29	2.3378	39284	100.00	1.4179	5219	13.29	2.3378



17.5 Kriged Block Statistics

TABLES 17-12 through 17-14 indicated the statistics for the kriged blocks. The kriged block gold grades follow a single mode, lognormal-like distribution for zones 1000 and 2000. Zone 1000 has an average grade of 0.025 opt while zone 200 has an average kriged grade of 0.12.

TABLE 17-12:Kriged Block 1000 Statistics
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

RUNTIME TITLE : Calculate Statistics (G101)
PROJECT TITLE : OroCruz 10x10x5 ft
CURRENT LABEL : (G102) Kriged Grade kAu1.5

MINIMUM CUT-OFF ENTERED = 0.001000
MAXIMUM CUT-OFF ENTERED = 1.500000

ROCK TYPE	BLOCK COUNT MISSING	BELOW LIMITS	ABOVE LIMITS	INSIDE LIMITS	UNTRANSFORMED STATISTICS MINIMUM	MAXIMUM	MEAN	VARIANCE	STD. DEV.	COEF. OF VAR	LOG-TRANSFORMED STATS LOG MEAN	LOG VAR.	LOG STD.DEV	LOG-DERIVED COEF. MEAN	COEF. OF VAR.
1000	3289	1566	0	200982	0.00100	0.55987	0.02553	0.00125	0.03533	1.3836	-4.2053	1.0286	1.0142	0.0249	1.3406
ALL	3289	1566	0	200982	0.00100	0.55987	0.02553	0.00125	0.03533	1.3836	-4.2053	1.0286	1.0142	0.0249	1.3406

ROCK TYPE	BLOCK COUNT MISSING	BELOW LIMITS	ABOVE LIMITS	INSIDE LIMITS	MEDIAN STATISTICS MINIMUM	5TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	95TH PERCENTILE	MAXIMUM
1000	3289	1566	0	200982	0.00100	0.00289	0.00740	0.01446	0.02942	0.08294	0.55987
ALL	3289	1566	0	200982	0.00100	0.00289	0.00740	0.01446	0.02942	0.08294	0.55987

LOWER BOUND >=	UPPER BOUND <	
0.0010	0.0014	****
0.0014	0.0021	*******
0.0021	0.0030	**********
0.0030	0.0043	**********
0.0043	0.0062	**********
0.0062	0.0090	**********
0.0090	0.0129	**********
0.0129	0.0186	**********
0.0186	0.0269	**********
0.0269	0.0387	**********
0.0387	0.0558	**********
0.0558	0.0805	**********
0.0805	0.1160	**********
0.1160	0.1672	********
0.1672	0.2410	****
0.2410	0.3474	**
0.3474	0.5008	
0.5008	0.7219	
0.7219	1.0406	
1.0406	1.5000	

0 4000 8000 12000 16000 20000 24000 28000 32000 36000 40000

TABLE 17-13:Kriged Block 2000 Statistics
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

```
 RUNTIME TITLE : Calculate Statistics (G101)
 PROJECT TITLE : OroCruz 10x10x5 ft
 CURRENT LABEL : (G102) Kriged Grade kAu1.5

      MINIMUM CUT-OFF ENTERED           =        0.001000
      MAXIMUM CUT-OFF ENTERED           =        1.500000
```

ROCK TYPE	BLOCK COUNT MISSING	BELOW LIMITS	ABOVE LIMITS	INSIDE LIMITS	UNTRANSFORMED STATISTICS MINIMUM	MAXIMUM	MEAN	VARIANCE	STD. DEV.	COEF. OF VAR	LOG-TRANSFORMED STATS LOG MEAN	LOG VAR.	LOG STD.DEV	LOG-DERIVED MEAN	COEF. OF VAR.
2000	524	123	0	34532	0.00104	1.0990	0.12056	0.01006	0.10031	0.8320	-2.4407	0.7819	0.8842	0.1288	1.0888
ALL	524	123	0	34532	0.00104	1.0990	0.12056	0.01006	0.10031	0.8320	-2.4407	0.7819	0.8842	0.1288	1.0888

ROCK TYPE	BLOCK COUNT MISSING	BELOW LIMITS	ABOVE LIMITS	INSIDE LIMITS	MEDIAN STATISTICS MINIMUM	5TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	95TH PERCENTILE	MAXIMUM
2000	524	123	0	34532	0.00104	0.01938	0.05551	0.09302	0.15404	0.32180	1.0990
ALL	524	123	0	34532	0.00104	0.01938	0.05551	0.09302	0.15404	0.32180	1.0990

```
    LOWER BOUND   UPPER BOUND         800      1600      2400      3200      4000      4800      5600      6400      7200      8000
         >=            <      +---------+---------+---------+---------+---------+---------+---------+---------+---------+---------+
         0.0010        0.0014|
         0.0014        0.0021|*
         0.0021        0.0030|*
         0.0030        0.0043|**
         0.0043        0.0062|***
         0.0062        0.0090|***
         0.0090        0.0129|*****
         0.0129        0.0186|*****
         0.0186        0.0269|************
         0.0269        0.0387|********************************
         0.0387        0.0558|*********************************************
         0.0558        0.0805|*************************************************************************
         0.0805        0.1160|*****************************************************************************************
         0.1160        0.1672|************************************************************************
         0.1672        0.2410|*************************************************
         0.2410        0.3474|************************
         0.3474        0.5008|***************
         0.5008        0.7219|****
         0.7219        1.0406|
         1.0406        1.5000|
                             +---------+---------+---------+---------+---------+---------+---------+---------+---------+---------+
                             0       800      1600      2400      3200      4000      4800      5600      6400      7200      8000
```

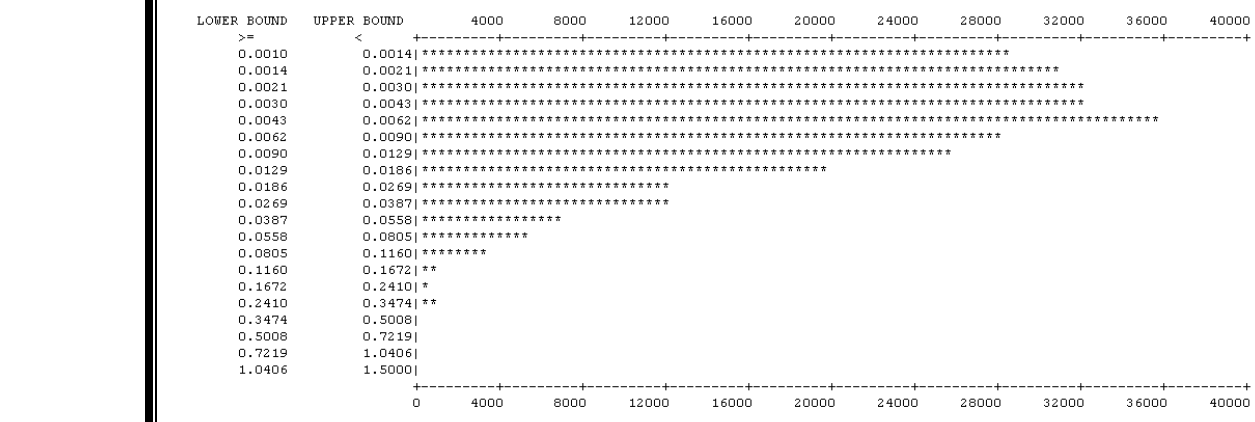
TABLE 17-14:Kriged Block Other Zones Statistics
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

RUNTIME TITLE : Calculate Statistics (G101)
PROJECT TITLE : OroCruz 10x10x5 ft
CURRENT LABEL : (G102) Kriged Grade kAu1.5

MINIMUM CUT-OFF ENTERED = 0.001000
MAXIMUM CUT-OFF ENTERED = 1.500000

ROCK TYPE	BLOCK COUNT MISSING	BELOW LIMITS	ABOVE LIMITS	INSIDE LIMITS	UNTRANSFORMED STATISTICS MINIMUM	MAXIMUM	MEAN	VARIANCE	STD. DEV.	COEF. OF VAR	LOG-TRANSFORMED STATS LOG MEAN	LOG VAR.	LOG STD.DEV	LOG-DERIVED MEAN	COEF. OF VAR.
3000	3585	874	0	3755	0.00100	0.05320	0.01319	0.000166	0.01288	0.9769	-4.8162	1.0869	1.0426	0.0139	1.4018
4000	2460	3374	0	10683	0.00100	0.19717	0.01764	0.000645	0.02540	1.4404	-4.7472	1.4890	1.2203	0.0183	1.8528
5000	3052	1269	0	5570	0.00100	0.28608	0.01730	0.000534	0.02312	1.3362	-4.6892	1.2543	1.1199	0.0172	1.5828
6000	189	6547	0	43531	0.00100	0.39667	0.00915	0.000187	0.01366	1.4925	-5.2231	0.9473	0.9733	0.0087	1.2564
7000	100158	46311	0	169682	0.00100	0.39190	0.01324	0.000748	0.02735	2.0651	-5.1675	1.3943	1.1808	0.0114	1.7414
8000	50589	10144	0	40426	0.00100	0.10271	0.00749	0.000120	0.01095	1.4610	-5.3983	0.8532	0.9237	0.0069	1.1607
ALL	160033	68519	0	273647	0.00100	0.39667	0.01200	0.000557	0.02359	1.9666	-5.1796	1.2609	1.1229	0.0106	1.5902

ROCK TYPE	BLOCK COUNT MISSING	BELOW LIMITS	ABOVE LIMITS	INSIDE LIMITS	MEDIAN STATISTICS MINIMUM	5TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	95TH PERCENTILE	MAXIMUM
3000	3585	874	0	3755	0.00100	0.00141	0.00406	0.00749	0.01663	0.04327	0.05320
4000	2460	3374	0	10683	0.00100	0.00122	0.00291	0.00981	0.02041	0.06701	0.19717
5000	3052	1269	0	5570	0.00100	0.00155	0.00414	0.00959	0.02020	0.06611	0.28608
6000	189	6547	0	43531	0.00100	0.00125	0.00254	0.00506	0.01056	0.02883	0.39667
7000	100158	46311	0	169682	0.00100	0.00117	0.00214	0.00482	0.01213	0.05500	0.39190
8000	50589	10144	0	40426	0.00100	0.00114	0.00231	0.00424	0.00817	0.02263	0.10271
ALL	160033	68519	0	273647	0.00100	0.00120	0.00228	0.00492	0.01154	0.04644	0.39667



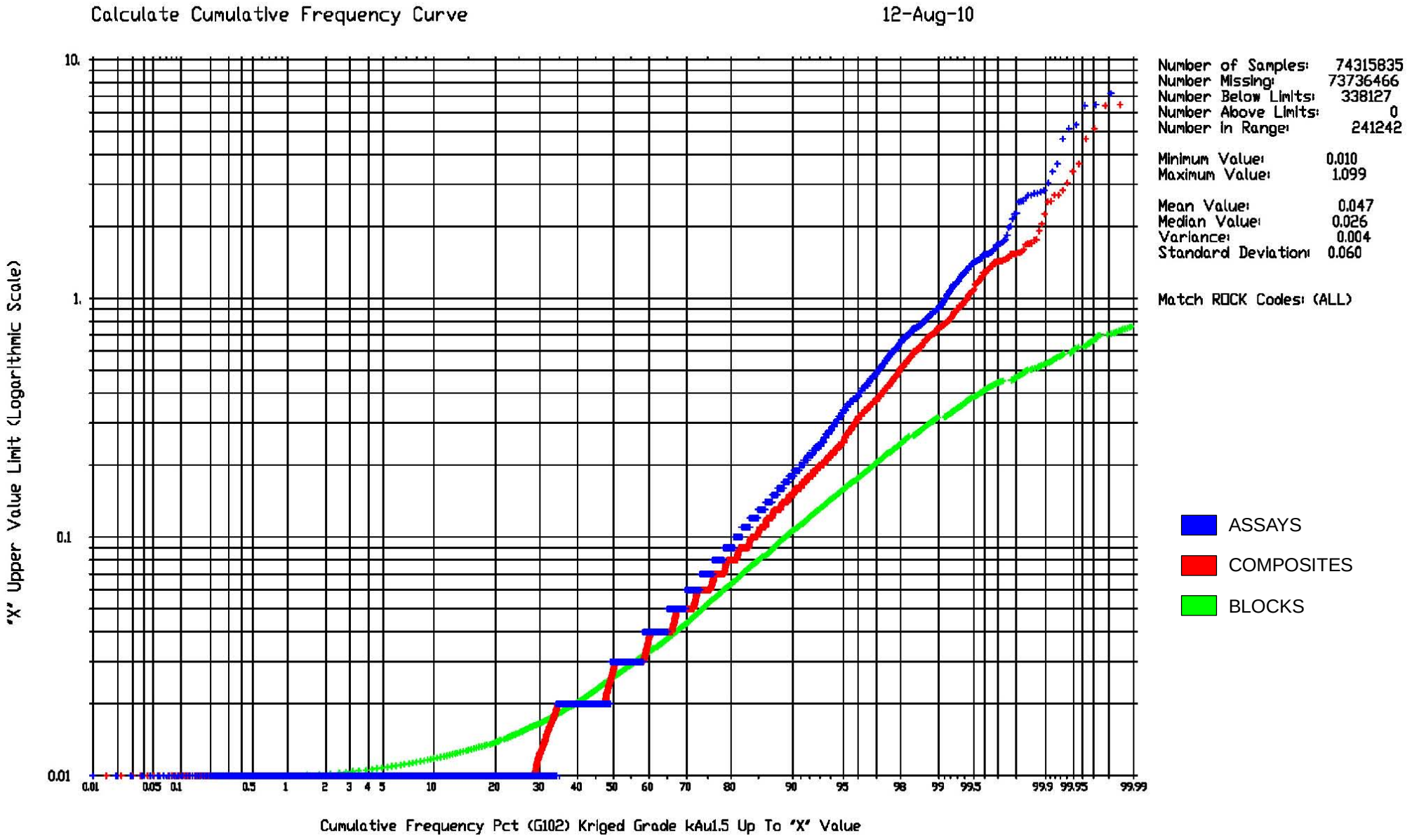
17.6 Tonnage Factor

A tonnage factor of 12.5 cubic feet per ton was used for all zones.

17.7 Block Model Validation

17.7.1 Validation Test 1:

A validation test was done in determining if the estimated results appear correct statistically through the sequence of assays, composites and kriged blocks. The statistical distribution of composites should be statistically similar to assay values. Also blocks should follow a similar distribution as composites. FIGURE 17-11 shows the log-probability plots for samples, composites and blocks. The figure shows the three log-probability plots overlaid. The differing slopes of the probability plots indicates there is the expected successive lowering of variance of the distributions as one proceeds from samples to blocks. This successful overlaying of the



Issued by: TETRA TECH, 350 Indiana Street, Suite 500, Golden, Colorado 80401, (303) 217-5700 (303) 217-5705 fax	Prepared for: ***Lincoln Mining***	File Name: Fig17-11.mxd	Figure 17-11 Statistical Validation of the Sequence of Assay through Kriging Oro Cruz Gold Project
	Project: Oro Cruz Gold Project	Project Number: 114-311022	
	Project Location: Imperial County, California, USA	Date of Issue: 08/18/2010	

plotted distributions indicate that the sequence of samples to composites to blocks appear statistically valid.

17.7.2 Validation Test 2:

Sections with blocks, composites and drillhole data were created and visually inspected as a means of verifying the estimation results for conformity with the expected geologic controls and estimation parameters.

The model passed this qualitative test successfully. FIGURE 17-12 shows gold grades along an East-West - Section 22. FIGURE 17-13 shows the same information in long section through the Oro Cruz deposit.

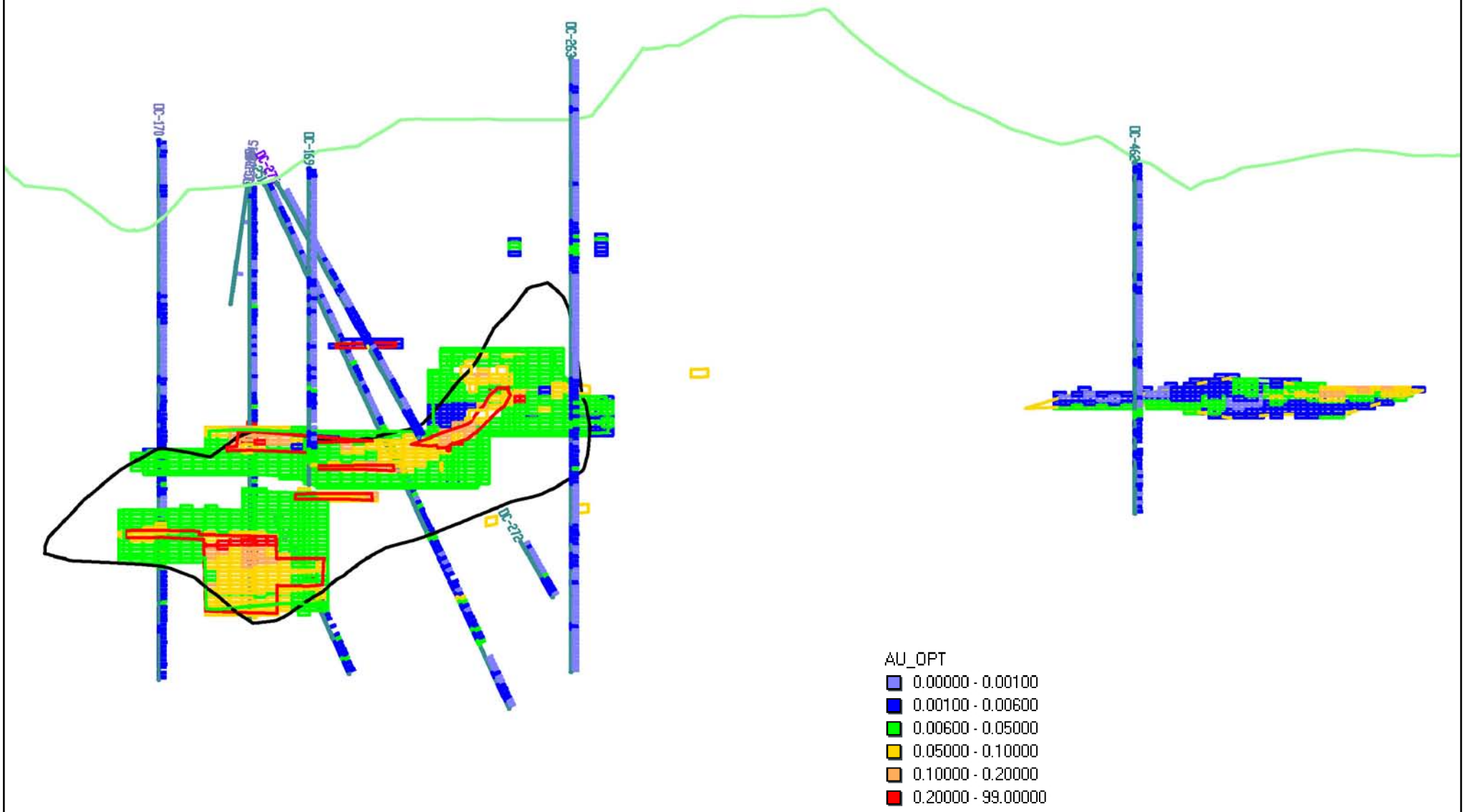
17.8 Estimated Resources

The following resource tables present the results of the resource estimation study by deposit (i.e. Zone Code) as illustrated in FIGURE 17-1, by cutoff grade and by resource class. All of the work completed is according to current CIM guidelines and requirements; however, the resource is only classified as an inferred resource because of the lack of verifiable quality controls, assurance, and sample security procedures. TABLE 17-15 details the inferred resources for Oro Cruz Gold Project. A base case cutoff grade of 0.02 oz Au/t has been selected for reporting purposes and is highlighted in the tables.

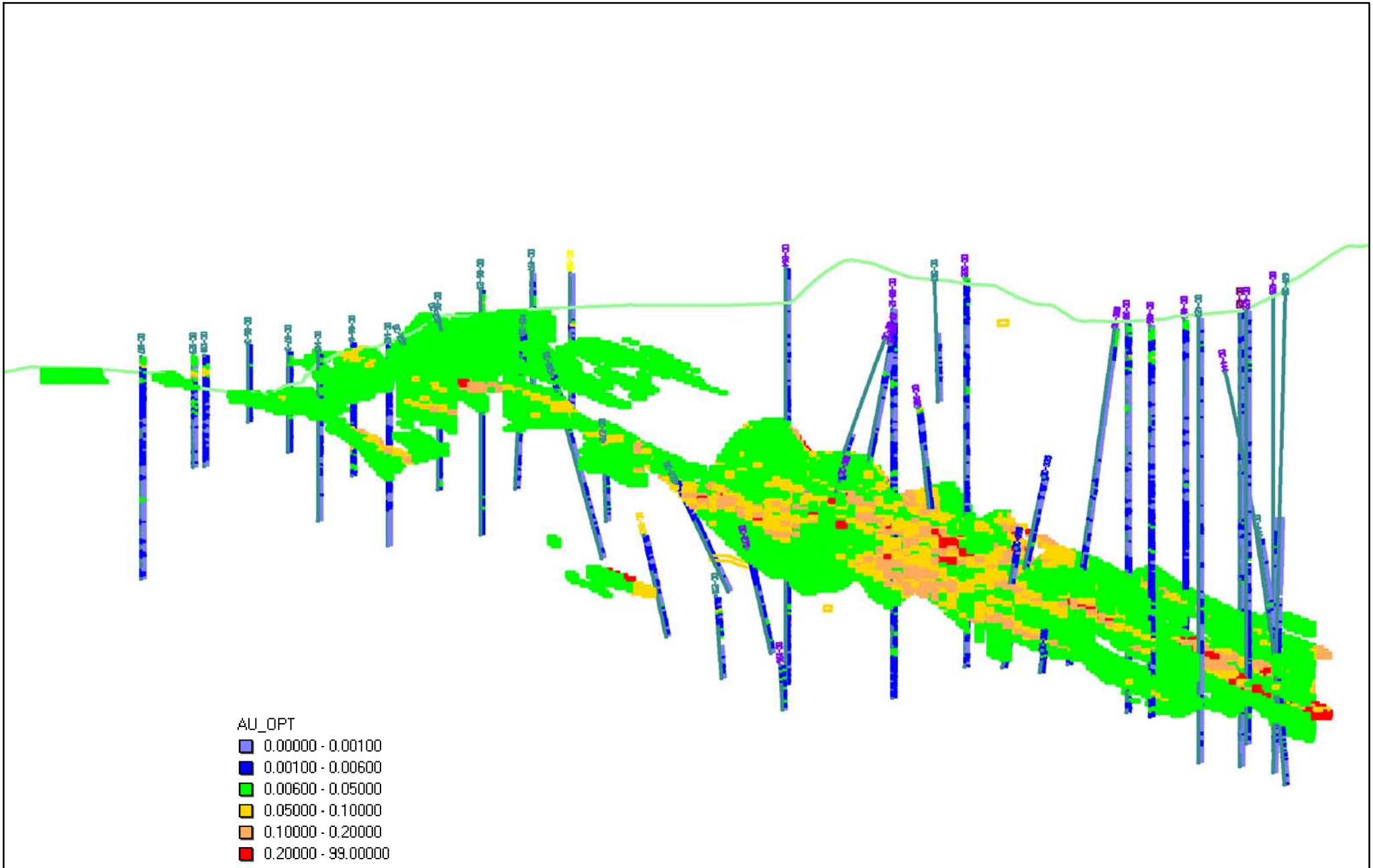
FIGURE 17-14 shows the grade-tonnage relationship of the estimated inferred resources.

17.9 Mineral Reserves

As of the date of this report, the Oro Cruz Gold Project does not have any CIM definable mineral reserves.



Issued by: TETRA TECH, 350 Indiana Street, Suite 500, Golden, Colorado 80401, (303) 217-5700 (303) 217-5705 fax	Prepared for: ***Lincoln Mining***	File Name: Fig17-12.mxd	Figure 17-12
	Project: Oro Cruz Gold Project	Project Number: 114-311022	View of Kriged Gold Grades on Section 22 Oro Cruz Gold Project
	Project Location: Imperial County, California, USA	Date of Issue: 08/19/2010	

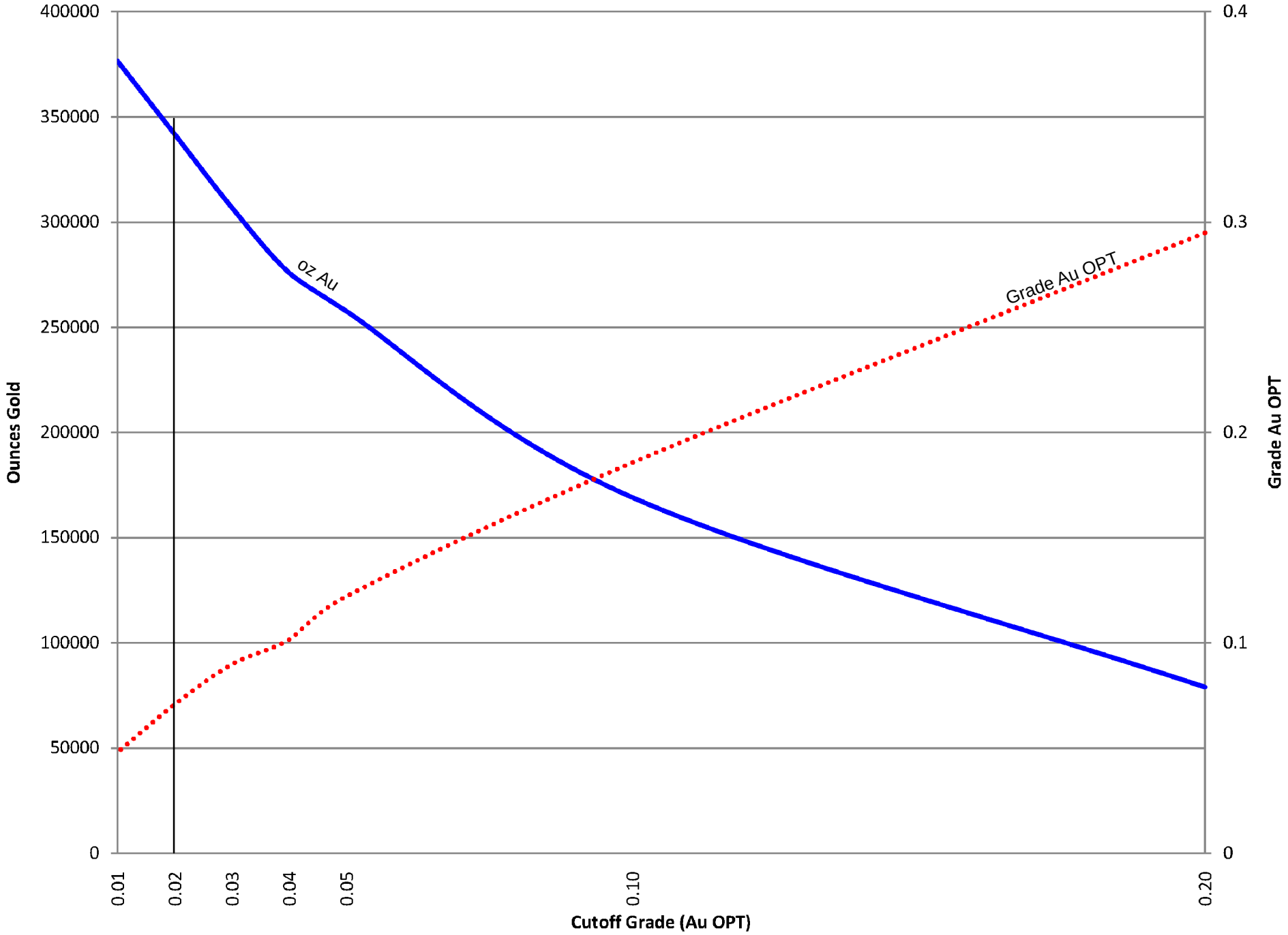


Issued by: TETRA TECH, 350 Indiana Street, Suite 500, Golden, Colorado 80401, (303) 217-5700 (303) 217-5705 fax	Prepared for: ***Lincoln Mining***	File Name: Fig17-13.mxd	Figure 17-13
	Project: Oro Cruz Gold Project	Project Number: 114-311022	View of Kriged Gold Grades in Long Section Oro Cruz Gold Project
	Project Location: Imperial County, California, USA	Date of Issue: 09/09/2010	

TABLE 17-15: Inferred Resources for the Oro Cruz Gold Project
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

Rock Code	Cutoff Grade Oz Au/t	Tons	Avg. Grade Oz Au/t	Contained Ounces
1000	0.20	62,000	0.27	16,700
1000	0.10	279,000	0.16	46,000
1000	0.05	920,000	0.10	90,000
1000	0.04	1,290,000	0.08	106,000
1000	0.03	1,880,000	0.07	127,000
1000	0.02	2,900,000	0.05	152,000
1000	0.01	5,000,000	0.04	181,000
2000	0.20	194,000	0.31	61,000
2000	0.10	600,000	0.20	118,000
2000	0.05	1,020,000	0.15	149,000
2000	0.04	1,090,000	0.14	152,000
2000	0.03	1,190,000	0.13	156,000
2000	0.02	1,230,000	0.13	157,000
2000	0.01	1,260,000	0.12	157,000
1000+2000	0.20	263,000	0.30	78,000
1000+2000	0.10	870,000	0.19	163,000
1000+2000	0.05	1,890,000	0.13	237,000
1000+2000	0.04	2,400,000	0.11	255,000
1000+2000	0.03	3,000,000	0.10	286,000
1000+2000	0.02	4,200,000	0.07	307,000
1000+2000	0.01	6,300,000	0.05	335,000
3000	0.05	80	0.05	4
3000	0.04	1,600	0.05	72
3000	0.03	2,200	0.04	92
3000	0.02	3,800	0.04	133
3000	0.01	8,400	0.02	202
4000	0.10	3,200	0.14	448
4000	0.05	16,000	0.08	1,344
4000	0.04	24,000	0.07	1,728
4000	0.03	33,000	0.06	2,013
4000	0.02	60,000	0.04	2,640
4000	0.01	120,000	0.03	3,480

5000	0.20	80	0.26	21
5000	0.10	1,000	0.14	144
5000	0.05	10,600	0.07	750
5000	0.04	13,640	0.07	887
5000	0.03	23,200	0.05	1,204
5000	0.02	41,800	0.04	1,634
5000	0.01	76,800	0.03	2,147
6000	0.20	640	0.23	150
6000	0.10	5,720	0.15	836
6000	0.05	32,400	0.08	2,625
6000	0.04	45,600	0.07	3,234
6000	0.03	77,000	0.06	4,289
6000	0.02	159,000	0.04	6,284
6000	0.01	453,000	0.02	10,131
7000	0.20	4,000	0.26	1,044
7000	0.10	34,720	0.14	5,016
7000	0.05	99,300	0.09	9,281
7000	0.04	134,000	0.08	10,818
7000	0.03	226,800	0.06	14,028
7000	0.02	369,800	0.05	17,741
7000	0.01	729,000	0.03	22,599
8000	0.10	200	0.10	20
8000	0.05	5,800	0.07	406
8000	0.04	12,000	0.06	684
8000	0.03	21,000	0.05	1,008
8000	0.02	43,000	0.04	1,505
8000	0.01	173,200	0.02	3,275
ALL DEPOSITS	0.20	268,000	0.29	79,000
ALL DEPOSITS	0.10	910,880	0.19	169,100
ALL DEPOSITS	0.05	2,110,000	0.12	257,650
ALL DEPOSITS	0.04	2,718,000	0.10	275,910
ALL DEPOSITS	0.03	3,418,000	0.09	306,910
ALL DEPOSITS	0.02	4,835,000	0.07	341,795
ALL DEPOSITS	0.01	7,860,000	0.05	376,600
*Tons and ounces reported with appropriate significant figures				



Issued by: TETRA TECH, 350 Indiana Street, Suite 500, Golden, Colorado 80401, (303) 217-5700 (303) 217-5705 fax	Prepared for: ***Lincoln Mining***	File Name: Fig17-14.mxd	Figure 17-14
	Project: Oro Cruz Gold Project	Project Number: 114-311022	Oro Cruz Gold Grade Curves Oro Cruz Gold Project
	Project Location: Imperial County, California, USA	Date of Issue: 08/19/2010	

18.0 OTHER RELEVANT DATA AND INFORMATION

The authors are not aware of any other data or additional information that would be relevant to this report, the omission of which would make this Technical Report not understandable or misleading.

18.1 Underground Workings

In March 2010, Lincoln contracted Atkinson Construction to report the conditions of the underground workings at Oro Cruz. They found that the general ground conditions were similar to conditions in 1996 when operations were halted. The portal is in excellent condition (Photo 18-1).

Photo 18-1: View of Portal Condition

Some areas had minor rockfalls, but were otherwise in good condition. Most electrical lines are missing, having been removed by vandals. All services, such as the steel liner, ladderway, utilities, and bolted and wired bottom of the raise, appear to be in good condition with minor rust (Photo 18-2). Ventilation and air quality is sufficient to reach the bottom of the decline. All chutes, cylinders, airlines, and operating valves are left in place. At the bottom of the main

decline, water is present with an estimated 200 to 250 linear feet of decline under water. In general, the mine is in good condition. The mine could be made workable with only a few additions and maintenance.

Photo 18-2: View of Tunnel Conditions

18.2 Surface Conditions

The current surface conditions are generally good. The pit ramp is ripped like the old American Girl haul road. The pit bottom is dry. The benches need maintenance. The pit is approximately 1,300 feet long, 500 feet wide, and 100 to >250 feet deep. The push back is approximately 1,000 feet long, 500 feet wide, and 100 to >250 feet deep. Photo 18-3 shows the conditions of the pit and benches.

Photo 18-3: View of Pit Conditions

19.0 INTERPRETATION AND CONCLUSIONS

19.1 Interpretation

It is Tt's opinion that most of the past work and all of the current Lincoln work meets and/or exceeds the current standards and those areas that do not meet current standards have been identified within the body of this report. The work has been completed by well-qualified technical professionals, reputable mining companies, and independent third-party contractors and laboratories according to standards that meet most of today's requirements.

19.2 Conclusions

It is Tt's opinion that the Oro Cruz Gold Project warrants additional study and evaluation. There are sufficient historic data to have produced an inferred resource estimate that is of sufficient tenor that a "prudent man" would continue to invest in the exploration and development of the project. The next step in Lincoln's work plan involves the completion of twin-hole confirmation drilling in order to produce a compliant measured and indicated resource estimate in the areas of known mineralization and complete additional exploration drilling looking at increasing the known resource base of the project.

20.0 RECOMMENDATIONS

To continue evaluation of the Oro Cruz Gold Project, Tt recommends that Lincoln undertake several additional investigations. These investigations will be required to allow the project to proceed toward economic-level evaluation.

20.1 Recommended Additional Investigations

Near-term additional studies are anticipated in three key areas of investigation and are as follows:

Geology and Resources: additional drilling will be needed for

- Confirmation of the geology, mineralogy, and ore types
- Twin hole drilling program aimed at bringing the inferred resource into the indicated and measured categories
- Development of geotechnical parameters for pit slopes
- Update of three-dimensional geologic model to allow estimation of gold recoveries by block, continued confirmation of assays from previous drilling, and reclassification of resources

Metallurgical Testwork: Tt recommends additional tests be conducted to assess:

- Collection of additional metallurgical samples for testing
- Evaluate “best practices” processing methodologies
- Mineralogical studies

Environmental Permitting-related Studies: Several environmental permits will be required for development of the project. To advance the project towards permitting, it is recommended that baseline environmental studies are initiated as soon as possible since long-term (seasonal-based) data collection may be required. Studies will include:

- Land use
- Air quality
- Geologic resources and rock characterization (e.g. potential for ARD generation)
- Paleontologic resources
- Surface water and groundwater resources
- Soils
- Vegetation
- Wildlife and fisheries, including special status species
- Range resources
- Recreation
- Auditory resources
- Visual resources
- Cultural resources
- Native American cultural values

- Hazardous materials
- Socio-economics
- Environmental justice

20.2 Work Plan

Lincoln's future plans include twin hole drilling, reducing drillhole spacing, bulk density testing, preliminary metallurgical testwork, location of a suitable water source and baseline environmental studies, continued surface geologic mapping, and securing adequate supplies of water and power. Because the Oro Cruz (Cross) and the Queen deposits contain the majority (+90 percent) of the known gold mineralization, only these deposits will be concentrated on for the initial compliance programs. The remaining deposits represent potential additions to the Oro Cruz (Cross) and Queen deposits and will likely be subject to additional exploration in the future. These items are required for the project to proceed toward feasibility.

Large diameter drilling may be necessary to obtain adequate metallurgical sample material from the non-outcropping mineralization. Determination of this requirement will be part of the 2011 continued evaluation program.

TABLE 20-1 details the anticipated work plan and major categories of expenditure.

TABLE 20-1: Proposed Budget for Plan of Work
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

Task	Estimated Completion Date*	Estimated Cost (US$) to Complete*	Notes
Exploration EA Permit	4/1/2011	50,000	
Twin-hole Drilling Program**			
Surface Drilling	8/1/2011 – 10/1/2011	530,000	28 core holes @ 350 ft each
Underground Drilling	8/1/2011 – 10/1/2011	78,000	6 core holes @ 200 feet each
Bulk Density Testing Program	10/1/2011	10,000	
Metallurgical Testing Program	12/31/2011	25,000	
Identify/Locate Water Source	12/31/2011	7,500	
Update Resources & TR	12/31/2011	70,000	
Total – Overall Budget		**770,500**	

* Subject to funding and results of individual programs and/or studies.
** Approximately 10 percent of the drillhole data for the Cross (Oro Cruz) and Queen deposits will be twinned.

Tt has reviewed these costs and timelines and believes that they represent the next logical progression in the redevelopment of the Oro Cruz Gold Project and that they reflect realistic estimates of the costs to complete the work plan identified.

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22.0 DATE AND SIGNATURE PAGE

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CERTIFICATE OF AUTHOR

I, John W. Rozelle, do hereby certify that:

1. I am a Principal Geologist of:
   Tetra Tech
   350 Indiana Street, Suite 500
   Golden, Colorado 80401
   USA

2. This certificate relates to the "Oro Cruz Gold Project Resource Estimate – Imperial County, California, USA, NI 43-101 Technical Report" dated September 21, 2010.

3. I graduated from the State University of New York at Plattsburg, New York with a degree in Geology (BA) in 1976. In addition, I have obtained a Master of Science degree in Geochemistry from the Colorado School of Mines in 1978.

4. I am a Member of the American Institute of Professional Geologists (CPG-07216), a register Geologist in the State of Wyoming (PG-337, and a member of the Society of Mining, Metallurgy, and Exploration (SME)).

5. I have practiced my profession as a geologist continuously since graduation for a total of 30 years.

6. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

7. I am responsible for and prepared, or contributed to, all sections of the report titled "Oro Cruz Gold Project Resource Estimate – Imperial County, USA, NI 43-101 Technical Report" dated September 21, 2010 ("the Technical Report") relating to the Oro Cruz Gold property. I visited the subject property from April 10 through 14, 2010 for 2 days.

8. I have not had prior involvement with the property that is the subject of the Technical Report.

9. To the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

10. I am independent of the issuer applying all of the tests of Section 1.4 of National Instrument 43-101.

11. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and that form.

12. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

Dated this 21st Day of September 2010.

John W. Rozelle, P.G.

Digitally signed by John W. Rozelle, P.G.
DN: cn=John W. Rozelle, P.G., o=Tetra Tech Inc., ou=Manager, Mineral Resource Division, email=john.rozelle@tetratech.com, c=US
Date: 2010.09.21 12:47:55 -06'00'

Signature of Qualified Person

John W. Rozelle

Print name of Qualified Person

23.0 ADDITIONAL REQUIREMENTS FOR TECHNICAL REPORTS ON DEVELOPMENT PROPERTIES AND PRODUCTION PROPERTIES

The Oro Cruz Gold Project is at the early to mid-stages of exploration and does not contain CIM definable indicated or measured mineral resources or mineral reserves at this time.

24.0 ILLUSTRATIONS

All illustrations are presented in the report in their respective sections.

25.0 APPENDIX A - ENVIRONMENTAL PERMITTING

A multi-agency regulatory process will be completed to obtain all required federal, state and local agency permits and approvals necessary to construct, operate and ultimately close the Oro Cruz mine and ore processing operations (operations) The following sections describe the key permits and approvals that would be required for the proposed mine operations.

25.1 Federal Mine Permitting

The mine site is located in the extreme southeast corner of Imperial County, California, on federal public lands administered by the El Centro Field Office of the U. S. Department of the Interior, Bureau of Land Management (BLM). The mining and extraction of precious metals on federal lands open to mineral development is governed by the Mining Law of 1872 (30 U.S.C. §§ 22-42). Due to the location of the mine site on federal public lands, the BLM is expected to be the lead agency for the regulatory process, ensuring all required federal, state and local permits and approvals are obtained. The BLM would issue federal approval for the operations in accordance with their Surface Management Regulations contained in Title 43 of the Code of Federal Regulations, Part 3809 (43 CFR 3809). These regulations implement the Mining Law of 1872, and regulate hard rock mining on federal public lands open to mineral development. The BLM will require the submittal of a mine Plan of Operations and Reclamation Plan, prepared in accordance with 43 CFR 3809, that details the proposed mine operations, along with reclamation and closure activities. The BLM will also require the placement of a financial guarantee (reclamation bond) to ensure reclamation is completed in accordance with the approved plan.

Note that the completion of the federal mining permitting program, including preparation of the Plan of Operations and Reclamation Plan would be coordinated with the Imperial County Planning and Development Services Department (PDSD). This will ensure the plan meets the BLM, County and the State of California mine permitting requirements as described in Section 4.3.2.

25.2 County Permitting

Various departments in Imperial County will issue permits, approvals or otherwise regulate various mine operations and activities. The following list identifies key County Departments and the permits, approvals or regulatory issues they are responsible for.

25.3 Planning and Development Services Department

The Planning and Development Services Department (PDSD) will be the co-lead agency for the overall mine permitting and approval process. They issue a Special Use Permit for the mine and ore processing operations in accordance with the Imperial County Code of Ordinances, Title 9, Land Use Code, Division 20, Surface Mining and Reclamation. Division 20 ensures the operations are regulated in accordance with various State of California laws and regulations affecting mining and ore processing operations including the following :

- The Surface Mining and Reclamation Act of 1975 (SMARA) (California Public Resources Code, Division 2, Chapter 9, Section 2710 et seq). SMARA is the primary law that governs the exploration, surface mining, processing of minerals, and reclamation of surface mine sites in California. It requires the filing of a plan of operations and reclamation plan that details proposed mine operations and reclamation activities; and also requires the placement of a financial assurance that will ensure reclamation is completed in accordance with the approved plan of operations and reclamation plan.

- Annual Reporting Requirements and Reporting Fee for mining and ore processing operations, as set forth in California PRC Section 2207.
- State Mining and Geology Board Regulations for Surface Mining and Reclamation Practices, as set forth in the California Code of Regulations (CCR), Title 14, Division 2, Chapter 8, Subchapter 1, Sections 3500 et seq. These regulations are implemented to ensure:

  Adverse environmental effects are prevented or minimized and that mined lands are reclaimed to a useable condition which is readily adaptable for alternative land uses.

  The production and conservation of minerals are encouraged, while giving consideration to values relating to recreation, watershed, wildlife, range and forage, and aesthetic enjoyment.

  Residual hazards to the public health and safety are eliminated.

25.3.1 Open Pit Backfilling Requirement

Article 9, Part 3704.1(a) of the State Mining and Geology Board Regulations presents the performance standards for the backfilling of excavations and the recontouring of land disturbed by open pit surface mining operations for metallic minerals. This regulation requires that open pits created by surface mining activities for the production of metallic minerals shall be backfilled to the original surface elevation. However, Article 9, Part 3704.1(h) and (i) also identifies several circumstances under which only partial backfilling, or no backfilling, would be required. These include the following:

- Partial backfilling may be requested if the volume of backfill material available is not adequate to provide for complete backfilling of the open pit.
- The backfilling regulation does not apply if final approval of a reclamation plan and financial assurance was issued prior to December 18, 2002.

Lincoln Gold could request an exemption from the full backfill requirement based on the fact that a recommencement of mine operations would only provide enough material for a partial backfill program; and that rehandling of material from existing waste rock dumps to supplement backfilling would be cost prohibitive. Lincoln Gold could also point out that the original mine plan of operations and reclamation plan was approved prior to December 18, 2002. This plan did not include pit backfilling.

As discussed in Section 4.3.1, the County and State mine permitting program would be coordinated with the federal permitting program managed by the BLM to ensure all regulatory requirements are achieved.

25.3.2 Water Well Drilling

The Planning and Development Services Department would also issue a permit for the drilling and operation of water wells. It is anticipated this activity would be coordinated with the California State Water Resources Control Board (WRCB), Division of Water Rights which regulates all activities related to water rights, from the initial filing of applications to appropriate groundwater, to the issuance of the water rights permit or license.

25.4 Air Pollution Control District

The project is located in the California Salton Sea Air Basin. Air pollution in California is addressed at the local level by county air pollution control districts. Each district establishes and enforces air pollution regulations in order to attain and maintain all state and federal ambient air quality standards. The Imperial County Air Pollution Control District (APCD) will regulate and issue appropriate permits for the mine project in accordance with applicable State of California and Federal Clean Air Act requirements. The APCD coordinates with the State of California Air Resources Board as needed to ensure compliance with applicable state and federal air quality requirements .

25.5 Public Works Department

The Public Works Department will review and approve building and facility plan checks.

25.6 Public Health Department:

The Environmental Health & Consumer Protection Services Branch of the Public Health Department will permit and regulate the operation of a public water system; a sewage disposal system; and a solid waste landfill at the mine site. The solid waste landfill would be regulated by the County's Solid Waste Local Enforcement Agency (LEA), which is part of the Public Health Department. In accordance with California PRC the LEA is certified by the California Integrated Waste Management Board (CIWMB), to enforce federal and state laws and regulations for safe and proper handling of solid waste. The CIWMB will concur on the issuance of the solid waste landfill permit before it is issued by the LEA.

25.7 Other Key State and Federal Permits and Approvals

This section presents a discussion on other key state and federal permits and approvals that could be required for the mine project. Consultation with the BLM and the Imperial County PDS would determine a complete list of permits and approval required.

Compliance with federal and state water resource regulations in California is managed by the WRCB, through the Regional Water Quality Control Boards (RWQCB). The mine project area is located in the East Colorado River Planning Unit of the Colorado River Basin Hydrologic Region (Region 7). Federal and state water resource regulations within this region, including compliance with water quality and waste discharge issues, are managed by the Colorado River RWQCB. The Colorado River RWQCB will issue a Waste Discharge Permit for the project in accordance with the requirements of Title 27, Division 2 of the California Code of Regulations (CCR). This permit will also meet federal requirements, including those outlined by Section 401 of the Clean Water Act (the National Pollution Discharge Elimination system [NPDES]).

The California Department of Toxic Substances Control (DTSC) serves as the Certified Unified Program Agency (CUPA) for the regulation of businesses that store or use hazardous materials in Imperial County. The DTSC will issue the appropriate permits for mine and ore processing operations for the storage and use of hazardous materials, and the storage and disposal of hazardous wastes.

Consultation with the California State Historic Preservation Office (SHPO) would be completed to assess potential impacts to cultural resources protected under the National Historic Preservation Act. The activity would be coordinated with the BLM under Section 106 of the National Historic Preservation Act. The SHPO and the BLM would also coordinate the government to government consultation process with local Native American Tribes in regards to

potential impacts to Native American Traditional Properties and Practices that could result from the implementation of the proposed project.

The filing of water rights in California is regulated by the WRCB, Division of Water Rights (DWR). The DWR regulates all activities related to water rights, from the initial filing of applications to appropriate groundwater via water wells, to the issuance of the water rights. Should Lincoln Gold opt to drill new water wells, and file for groundwater rights, this activity would be coordinated with the DWR.

In regards to the drilling of new water wells, previous research of the DWR database indicates there are no licensed, permitted, registered, pending or claimed water rights within the general mine area for either surface or groundwater diversions. This research has also determined the general mine site area is adjacent to a groundwater accounting area (equivalent to 10,000-acre feet as estimated by the U.S. Geological Survey), that falls under the jurisdiction of the Lower Colorado River Water Authority, a federal agency, for agriculture use in Imperial Valley. Information provided by Doctor Jay Chen, Ph.D. of the Authority indicates that some of the groundwater in the vicinity of the general mine site could come from leaks in the nearby, and downgradient All American Canal. However, groundwater water use in the agriculture accounting area is regulated for the Authority, by the City of Needles, as federal water manager. Information provided by Mr. David Brownley, Assistant City Manager for the City indicates that water well drilling for mining and ore processing is expressly allowed within the groundwater accounting area. It is a simple permit process that would be coordinated with the City of Needles as part of the overall Imperial County water well permit program. Should Lincoln Gold propose to drill new water wells in the mine site area, it is suggested that coordination with the City and the Authority be completed to determine if the new wells are located in, or would impact groundwater associated with the 10,000 acre-foot accounting area or groundwater from the All American Canal.

The California Department of Fish and Game (CDFG) would review the proposed mine operations and would issue appropriate permits and approvals as necessary. These include the following:

- Streambed Alteration Permit, issued under Sections 1600 to 1616 of the State Fish and Game Code, for an activity that will substantially divert or obstruct the natural flow of any river, stream or lake; substantially change or use any material from the bed, channel, or bank of any river, stream, or lake; or deposit or dispose of debris, waste or other material containing crumbled, flaked or ground pavement where it may pass into any river, stream or lake. The permit applies to any work undertaken near a river, stream or lake that flows at least intermittently through a bed or channel including ephemeral streams, desert washes and water courses with a subsurface flow.
- Permit for an Incidental Take of State Listed Species under the California Endangered Species Act (CESA). The CESA mandates that all native species of fishes, amphibians, reptiles, birds, mammals, invertebrates, and plants, and their associated habitats, which are threatened with extinction, or those experiencing a significant decline, which, if not halted, would lead to a threatened or endangered designation, will be protected. However, the CESA also allows for the “incidental take” of specific species. The CDFG would review the proposed project and issue a permit for an incidental take, if approved under Sections 2080 and 2081(b)(c) of the State Fish and Game Code.

The U.S. Fish and Wildlife Service (FWS) would also review potential impacts to any federally listed threatened, endangered or candidate (TEC) plant of animal species via a Section 7 Consultation under the Endangered Species Act. This review would be coordinated with the CDFG’s review of special status species. It is expected that the federally listed species would

also be listed state species. TABLE 25-1 presents a list of special status plant and animal species for Imperial County, with their associated federal and state status. Note that this table is a comprehensive list of species for Imperial County. Coordination with the BLM, CDFG and the FWS would determine which species require assessment during the mine permitting program.

TABLE 25-1: Special Species (Imperial County, California)
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

COMMON NAME	SCIENTIFIC NAME	FEDERAL STATUS	STATE STATUS[6]
BIRDS			
California Black Rail	*Laterallus jamaicensis coturniculus*	Species of Concern[1]	Threatened
Yuma Clapper Rail	*Rallus longirostris yumanensis*	Endangered[2]	Threatened
Western yellow Billed	*Coccyzus americanus occidentalis*	None	Endangered
Elf Owl	*Micrathene whitneyi*	None	Endangered
Gila Woodpecker	*Melanerpes uropygialis*	None	Endangered
Gilded Northern Flicker	*Colaptes auratus chrysoides*	None	Endangered
Willow Flycatcher	*Empidonax traillii*	None	Endangered
Arizona Bells vireo	*Vireo bellii arizonae*	None	Endangered
FISH			
Colorado Squawfish	*Ptychocheilus lucius*	Endangered	Endangered
Razorback Sucker	*Xyrauchen texanus*	Endangered	Endangered
Desert Pupfish	*Cyprinodont macularius*	Endangered	Endangered
MAMMALS			
Peninsular Bighorn Sheep	*Ovis canadensis cremnobates*	Proposed[3] Endangered	Threatened
REPTILE			
Desert Tortoise	*Xerobates agassizii*	Threatened[4]	Threatened
Barefoot Banded Gecko	*Coleonyx switaki*	Species of Concern	Threatened
PLANTS			
Algodones dunes Sunflower	*Helianthus niveus ssp tephrodes*	Species of Concern	Endangered
Wiggins's Croton	*Croton wigginsii*	Candidate Category 3C[5]	Threatened
Pierson's Milk-Vetch	*Astragalus Magdalena var peirsonii*	Proposed Endangered	Endangered

Federal Status:

1Species of Concern - The terms "Species of Concern" or "Species at Risk" should be considered as terms that describe the entire realm of taxa whose conservation status may be of concern to the US Fish and Wildlife Service, but neither term has official status (currently all former C2 species).

2Protected as Endangered under the Federal Endangered Species Act.

3Proposed for listing as Endangered under the Federal Endangered Species Act.

4Protected as Threatened under the Federal Endangered Species Act.

5Category 3C -- Species proven to be more abundant, more widespread, and/or without identifiable threat than earlier work suggested. Future research or continued changes in habitat may suggest significant species decline. At such time, the species may be reevaluated for candidate status.

State Status6 - Protected under the CESA to avoid extinction within the State of California. Permit for Incidental Take would be coordinated with CDFG.

The U.S. Army Corps of Engineers (COE) would issue a Section 404 Permit, nationwide or individual, to allow the placement of dredge or fill material into any designated jurisdictional waters or wetlands of the United States as defined by Section 404 of the Clean Water Act. Jurisdictional waters and wetlands could include perennial and annual streams or wetlands, ephemeral drainages and desert washes that carry seasonal water flows.

25.8 List of Permits and Approvals

TABLE 25-2 presents a summary list of the key federal, state and local permits and approvals, by agency that would be required for the Oro Cruz mine project. Note that consultation with the BLM and the PDSD at Imperial County would assist in determining a complete list of all required permits and approvals for the project.

TABLE 25-2: List of Key Permits and Approvals by Agency
LINCOLN GOLD US CORP. – ORO CRUZ GOLD PROJECT
September 2010

Agency	Permit or Approval
Federal Agencies	
Bureau of Land Management, El Centro Field Office	Approval for mine and ore processing operations under 43 CFR 3809. Includes posting of a reclamation surety bond.
U.S. Army Corps of Engineers	Individual or Nationwide dredge and fill permit issued under Section 404 of the Clean Water Act.
Lower Colorado River Authority and City of Needles, California	Permit to drill water wells within USGS Lower Colorado River Accounting Area. Permit issued by the City of Needles as Federal Water Manager.
Department of Justice, Bureau of Alcohol, Tobacco, Firearms and Explosives.	Permit to obtain, store and use explosives issued in accordance with 27 CFR 555, Commerce in Explosives
U.S. Fish and Wildlife Service	Consultation on potential impacts for TEC Species under Section 7 of the Endangered Species Act.

Imperial County Departments	
Planning and Development Services	Special Use Permit for the mine and ore processing operations in accordance with the Imperial County Code of Ordinances, Title 9, Land Use Code, Division 20, Surface Mining and Reclamation; SMARA; and the State Mining and Geology Board Regulations. Includes posting a reclamation surety bond. Water well drilling permit.
Air Pollution Control District	Air Quality Permit in accordance with County, State and Federal regulations including the Clean Air Act to ensure compliance with State and Federal Ambient Air Quality Standards.
Public Works	Plan checks for structures and facilities.
Public Health	Permits to operate a public water system; sewage disposal system; and solid waste landfill.
State of California Agencies	
Department of Fish and Game	Streambed Alteration Permit issued under Sections 1600 to 1616 of the State Fish and Game Code. Permit for an Incidental Take of State Listed Species under Sections 2080 and 2081(b)(c) of the State Fish and Game Code
Colorado River Regional Water Quality Control Board	Waste Discharge Permit issued under Title 27, Division 2 of the CCR. Meets Federal regulations for the Clean Water Act.
Division of Water Rights	Filing application to appropriate and beneficially use groundwater for mine and ore processing operations via new water wells.
Department of Toxic Substances Control	Permits for the storage and use of hazardous materials; and the disposal of hazardous waste.
State Historic Preservation Office	Section 106 consultation process with the BLM for assessing potential impacts to cultural resources. Coordinate the Native American government to government consultation process with the BLM.

25.9 Environmental Documentation Process

The proposed project constitutes both federal and state actions. The federal action will be assessed for potential environmental impacts as required by the National Environmental Policy

Act of 1969 (NEPA). The project will also be assessed in accordance with the California Environmental Quality Act of 1970 (CEQA), to ensure state regulatory requirements in regards to environmental assessment and protection are met. NEPA and CEQA are not permit or approval actions. They are assessment programs which analyze and disclose to the public the potential impacts to the environment that could result from the proposed action and or alternatives; assess the level of significance for each identified impact; and propose mitigation measures to reduce the potential impact from the selected proposed action to a less than significant level.

The results of a NEPA or CEQA program are evaluated as part of the overall permitting and approval program; however, they in themselves are not permitting or approval actions. Approval for the selected, proposed action is granted in accordance with various federal and state laws and regulations. For the Oro Cruz project, approval for the federal action would be granted under 43 CFR 3809, while approval for the state action would be granted under the Imperial County Special Use Permit that ensures compliance with the Imperial County Surface Mining and Reclamation Ordinances; SMARA; and the State Mining and Geology Board Regulations.

Both NEPA and CEQA have various levels of assessment that can be implemented. For the proposed Oro Cruz mine project, it is expected that the BLM and the Imperial County Planning and Development Services Department will require the completion of an Environmental Impact Statement (EIS) and Environmental Impact Report (EIR) to adequately meet the requirements of NEPA and CEQA, respectively. These are the most detailed assessments that can be completed. It is possible that a lower level of assessment, including an Environmental Assessment (EA) for NEPA; and either an Initial Study and Negative Declaration or Initial Study and Mitigated Negative Declaration program for CEQA could be completed. However, should the findings of a lower level assessment program be challenged and upheld in court, then the more stringent EIS and EIR programs would be completed. For a mining and ore processing project, completion of fully defensible EIS and EIR programs that have been prepared in accordance with all applicable guidelines and procedures provides insurance that the findings will withstand an appeal process. Note that for a project such as Oro Cruz, which has both a federal and county/state regulatory nexus, completion of a combined EIS/EIR program is perfectly acceptable. Completion of the combined program would be coordinated with the BLM and the Imperial County Planning and Development Services Department.

25.10 Baseline Study Programs.

A NEPA and CEQA program assesses various environmental and natural resource topics and issues for impacts that would result from the implementation of the selected proposed action. The resources assessed during the NEPA and CEQA program would include, but are not limited to, the following: air quality; water quality; surface and groundwater hydrologic resources; soils; geology; cultural resources; Native American issues and concerns; hazardous and solid wastes; general vegetation and wildlife species and habitat; special status vegetation and wildlife species and habitats; agriculture; noxious weeds and invasive, non-native plant species; land use authorizations; recreation; transportation; and various socio-economic issues including Environmental Justice considerations. Consultation with the BLM and Imperial County would identify the resource topics and issues that would be assessed in the NEPA and CEQA program.

To collect the various resource data, the project proponent normally implements a multi-resource baseline study program. The individual studies associated with the program are completed in accordance with applicable regulatory agency data adequacy standards (DASs) and protocols to ensure the collected data is defensible and will support the NEPA and CEQA

program. Depending on the scope of the proposed project, a two-year (season) baseline study program is usually considered adequate to collect the required resource data. Most agencies allow the baseline study program to be implemented in a timely manner, to ensure the collected data is available for input into the NEPA/CEQA document as needed to streamline the overall project schedule. Consultation with the BLM and Imperial County staff would determine the scope of the baseline study program.