

LINCOLN MINING CORPORATION
(FORMERLY LPT CAPITAL LTD.)
(An Exploration Stage Company)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars, unless otherwise stated)
(UNAUDITED)

For the three month periods ended
March 31, 2010 and 2009

NOTICE TO READER

These unaudited interim consolidated financial statements for the first financial quarter ended March 31, 2010 have been prepared by Lincoln Mining Corporation's (formerly LPT Capital Ltd.) management in accordance with accounting principles generally accepted in Canada, consistent with previous years except for the adoption of any new accounting policies described in Note 4.

These unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2009.

LINCOLN MINING CORPORATION
(FORMERLY LPT CAPITAL LTD.)
(An Exploration Stage Company)
Interim Consolidated Balance Sheets
(Expressed in Canadian dollars, unless otherwise stated)
March 31, 2010 and December 31, 2009

	Mar 31 2010 (Unaudited)	Dec 31 2009 (Audited)
ASSETS		
Current		
Cash	\$ 751,648	\$ 1,761,227
Receivables	15,854	28,681
Due from related parties (Note 12)	19,404	66,900
Prepaid expenses and deposits	90,031	98,454
	<u>876,937</u>	<u>1,955,262</u>
Mineral property interests (Note 7d)	1,833,153	63,153
Equipment (Note 6)	25,965	28,828
Deposits	44,678	37,684
	<u>\$ 2,780,733</u>	<u>\$ 2,084,927</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 207,160	\$ 354,275
Notes payable (Note 8c)	53,594	52,098
	<u>260,754</u>	<u>406,373</u>
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 9)	12,030,774	10,260,774
Contributed surplus (Note 9)	1,976,951	1,836,778
Accumulated other comprehensive income (loss)	(12,990)	(12,990)
Deficit	<u>(11,474,756)</u>	<u>(10,406,008)</u>
	<u>2,519,979</u>	<u>1,678,554</u>
	<u>\$ 2,780,733</u>	<u>\$ 2,084,927</u>

Continuance of operations (Note 2)
Commitments (Note 17)
Subsequent events (Note 18)

On behalf of the Board:

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

The accompanying notes are an integral part of these consolidated financial statements.

LINCOLN MINING CORPORATION
(FORMERLY LPT CAPITAL LTD.)
(An Exploration Stage Company)
Interim Consolidated Statements of Operations, Comprehensive Loss and Deficit
(Expressed in Canadian dollars, unless otherwise stated)
Periods Ended March 31, 2010 and 2009

	Mar 31 2010 (Unaudited)	Mar 31 2009 (Unaudited)
EXPLORATION EXPENSES (Note 7)	\$ 664,930	\$ (2,927)
ADMINISTRATIVE EXPENDITURES		
Administrative support	34,260	13,914
Amortization	2,863	1,355
Consulting fees	71,408	11,624
Foreign exchange	(10,040)	(24,732)
Interest expense	1,496	77,867
Investor relations	32,092	13,607
Management fees	27,000	17,500
Office	41,481	12,022
Professional fees	35,902	88,457
Regulatory and shareholder services	17,739	10,044
Stock-based compensation (Note 10)	140,173	-
Travel and entertainment	18,499	400
LOSS BEFORE OTHER ITEMS	<u>(1,077,803)</u>	<u>(219,131)</u>
OTHER ITEMS		
Interest income	994	-
Gain on settlement of debts	8,061	-
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	<u>(1,068,748)</u>	<u>(219,131)</u>
DEFICIT , beginning of period	<u>(10,406,008)</u>	<u>(8,262,193)</u>
DEFICIT , end of period	\$ (11,474,756)	\$ (8,481,324)
BASIC AND DILUTED LOSS PER SHARE	\$ (0.02)	\$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	61,054,734	55,392,000

The accompanying notes are an integral part of these consolidated financial statements.

LINCOLN MINING CORPORATION
(FORMERLY LPT CAPITAL LTD.)
(An Exploration Stage Company)
Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars, unless otherwise stated)
Periods Ended March 31, 2010 and 2009

	Mar 31 2010 (Unaudited)	Mar 31 2009 (Unaudited)
Cash flows from operating activities		
Loss for the period	\$ (1,068,748)	\$ (219,131)
Items not affecting cash:		
Amortization	2,863	1,355
Stock-based compensation	140,173	-
Accrued interest expense	1,496	77,867
Gain on settlement of debts	8,061	-
Unrealized foreign exchange	-	2,680
Changes in non-cash working capital items:		
Decrease (increase) in receivables	12,827	(3,073)
Decrease in prepaids and deposits	1,429	675
(Decrease) increase in accounts payable and accrued liabilities	(155,176)	145,202
Net cash (used in) provided by operating activities	<u>(1,057,075)</u>	<u>5,575</u>
Cash flows from financing activities		
Proceeds from loan and advance	-	23,071
Net cash provided by financing activities	<u>-</u>	<u>23,071</u>
Cash flows from investing activities		
Decrease in due from related parties	47,496	-
Net cash provided by investing activities	<u>47,496</u>	<u>-</u>
Change in cash during the period	<u>(1,009,579)</u>	<u>28,646</u>
Cash, beginning of period	<u>1,761,227</u>	<u>1,553</u>
Cash, end of period	<u>\$ 751,648</u>	<u>\$ 30,199</u>
Interest paid in cash	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid in cash	<u>\$ -</u>	<u>\$ -</u>

Supplemental disclosure with respect to cash flows (Note 15)

The accompanying notes are an integral part of these consolidated financial statements.

LINCOLN MINING CORPORATION
(FORMERLY LPT CAPITAL LTD.)
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Notes to the Interim Consolidated Financial Statements
(Expressed in Canadian dollars, unless otherwise stated)
Periods Ended March 31, 2010 and 2009

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

On January 15, 2009 and July 8, 2009, Lincoln Gold Corporation (“LGC”) and LPT Capital Ltd (“LPT”) entered into an arrangement agreement whereby 0843037 BC Ltd., a subsidiary of LPT, would amalgamate with LGC and in return, LPT would issue to LGC’s shareholders 23,204,089 LPT shares. On February 18, 2009, LGC’s shareholders approved and completed its continuation from federal jurisdiction to British Columbia and also approved the transaction with LPT. On February 20, 2009 the Supreme Court of British Columbia entered its final order approving the plan of arrangement. The completion of the transaction occurred in August 2009 in conjunction with LPT completing an equity financing raising gross proceeds of \$4,973,360. Upon completion of the transaction, LPT changed its name to Lincoln Mining Corporation. The transaction was treated as a reverse takeover (“RTO”) acquisition of LPT by LGC and was treated as a capital transaction by LGC. Accordingly, the comparative financial information presented is that of LGC as the acquirer for accounting purposes. The activities of LGC from its inception and LPT from the date of its acquisition are collectively referred to as the Company (see also Note 5).

The Company is engaged in the acquisition and exploration of mineral properties, with the primary aim of developing properties to a stage where they can be exploited for a profit. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

2. CONTINUANCE OF OPERATIONS

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”) applicable to a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of operations. At March 31, 2010, the Company had no source of operating cash flow, had an accumulated deficit of \$11,474,756 since its inception, and had positive working capital of \$616,183.

The Company’s ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned work programs on its mineral properties, meet its ongoing levels of corporate overhead and commitments, keep its properties in good standing and discharge its liabilities as they come due. Funding for operations is obtained primarily through public and private share offerings and debt financing. Management recognizes that the Company will need to raise additional funds to complete the development phase of its programs and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. If the Company is unable to continue to raise additional financing, the Company will be required to curtail operations and exploration activities.

Management is continuing to focus efforts on obtaining further financing and believes that the Company will be able to continue to raise additional funds. Realization values may be substantially different from the carrying values as presented in the unaudited interim consolidated financial statements should the Company be unable to continue as a going concern. It is management’s opinion that all adjustments considered necessary for fair presentation of the results for the periods presented have been reflected in these unaudited interim consolidated financial statements.

3. BASIS OF PRESENTATION AND ADOPTION OF ACCOUNTING POLICIES

The unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada. They do not include all information and disclosures required for annual financial statements and therefore should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2009.

The accounting policies followed by the Company are set out in note 3 to the audited consolidated financial statements for the year ended December 31, 2009, and have been consistently followed in the preparation of these unaudited interim consolidated financial statements.

Where applicable, comparative figures have been reclassified to conform with the presentation used in the current period.

4. NEW ACCOUNTING STANDARDS

Accounting standards not yet adopted

(a) Business combinations, non-controlling interest and consolidated financial statements

In January 2009, the CICA issued Handbook Section 1582, *Business Combinations*, 1601, *Consolidated Financial Statements* and 1602, *Non-controlling Interests* which replace CICA Handbook Sections 1581, *Business Combinations* and 1600, *Consolidated Financial Statements*. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination standard under IFRS. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning January 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently.

(b) International financial reporting standards ("IFRS")

In addition to the above new accounting pronouncements the Canadian Accounting Standards Board ("AcSB") in 2006 published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards ("IFRS") over a five-year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-accountable enterprises to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences on recognition, measurement and disclosures. While the effects of adopting IFRS have not yet been fully determined, the Company has identified a number of key areas which are likely to be impacted by changes and additional disclosure. The Company does not currently expect any significant changes to its accounting policies.

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Periods Ended March 31, 2010 and 2009

5. RECAPITALIZATION

Effective August 18, 2009, LPT and LGC completed an arrangement whereby LGC was acquired by LPT and became a wholly-owned subsidiary of LPT through a merger with a subsidiary of LPT. Pursuant to this arrangement the following occurred on the completion of the transaction:

- a) Outstanding shares of LPT of 6,000,000 were consolidated to 4,000,000
- b) Each shareholder of LGC received 0.31 shares of LPT for each LGC share held, resulting in the issuance of 23,204,089 shares
- c) All outstanding LGC and LPT options were cancelled
- d) LGC warrants were exchanged on the same ratio as the shares, resulting in the issuance of 2,085,979 warrants
- e) LPT changed its name to Lincoln Mining Corporation.

As a result of the arrangement, the former shareholders of LGC were considered to have acquired control of the combined entity. Accordingly, the transaction was treated as a reverse takeover transaction ("RTO") whereby the acquisition of LPT by LGC and was treated as a capital transaction by LGC. The net assets assumed by LGC under this recapitalization are as follows:

Cash	\$ 56,488
Advances to LGC	104,570
Accounts payable and accrued liabilities	(49,206)
	<u>\$ 111,852</u>

The financial statements include the financial position and results of operations of LGC, as well as LPT, commencing on August 18, 2009, which is the date LGC acquired LPT. Costs incurred relating to the RTO in excess of cash assumed on the recapitalization of \$431,917 have been expensed as incurred.

6. EQUIPMENT

	Cost	Accumulated Amortization	Mar 31, 2010 Net Book Value
Computer equipment	\$ 8,746	\$ 7,165	\$ 1,581
Computer software	1,345	1,345	-
Mining equipment	11,804	7,928	3,876
Office equipment	5,400	3,864	1,536
Vehicles	22,211	3,239	18,972
	<u>\$ 49,506</u>	<u>\$ 23,541</u>	<u>\$ 25,965</u>

	Cost	Accumulated Amortization	Dec 31, 2009 Net Book Value
Computer equipment	\$ 8,746	\$ 6,826	\$ 1,920
Computer software	1,345	1,345	-
Mining equipment	11,804	7,028	4,776
Office equipment	5,400	3,628	1,772
Vehicles	22,211	1,851	20,360
	<u>\$ 49,506</u>	<u>\$ 20,678</u>	<u>\$ 28,828</u>

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Notes to the Interim Consolidated Financial Statements
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Periods Ended March 31, 2010 and 2009

7. MINERAL PROPERTY INTERESTS

The Company's mineral property interests are comprised of properties located in the United States and in Mexico. During the period ended March 31, 2010, the Company incurred exploration expenditures as follows:

	United States			Mexico	Total
	Hannah	Pine Grove	Oro Cruz	La Bufa	
Exploration and related expenditures					
Option, lease and advance royalty payments	\$ -	\$ -	\$ 52,630	\$ -	\$ 52,630
Claimstaking	-	-	901	-	901
Contractors	426	1,465	42,521	59,353	103,765
Drilling and metallurgical	-	339,776	-	-	339,776
Field supplies	-	2,016	1,428	-	3,444
General administration	-	-	-	7,501	7,501
Geochemistry	-	-	-	2,077	2,077
Land maintenance	254	-	14,351	9,280	23,885
Permitting environment	-	126	17,953	-	18,079
Property evaluations	-	8,768	6,026	-	14,794
Surveying	-	6,606	122	75,381	82,109
Travel and accommodation	-	60	9,782	5,390	15,232
Vehicle operating	-	737	-	-	737
Total mineral property expenditures	\$ 680	\$ 359,554	\$145,714	\$ 158,982	\$ 664,930

During the period ended March 31, 2009, the Company incurred exploration expenditures as follows:

	United States		Mexico	Total
	Hannah	Pine Grove	La Bufa	
Exploration and related expenditures				
Option, lease and advance royalty payments	\$ 13,860	\$ -	\$ -	\$ 13,860
Contractors	1,256	3,776	13,375	18,407
Drilling and metallurgical	-	188	-	188
General administration	-	-	6,748	6,748
Land maintenance	-	1,625	-	1,625
Field supplies	-	8	520	528
Travel and accommodation	100	2,031	-	2,131
Proceeds from option agreement	(18,900)	-	-	(18,900)
Refund of IVA - Mexico	-	-	(27,514)	(27,514)
Total mineral property expenditures	\$ (3,684)	\$ 7,628	\$ (6,871)	\$ (2,927)

7. MINERAL PROPERTY INTERESTS (CONT'D)

United States

(a) Hannah Property, Nevada

In fiscal 2003, the Company entered into an option agreement to acquire a 100% interest in certain unpatented lode claims situated in Churchill County, Nevada, USA. The option agreement called for net smelter royalties ("NSR") of 1% to 4% upon production. Pursuant to the option agreement, the Company is required to make option payments totaling US\$210,000 in stages to January 2013, of which a total of US\$56,000 was paid to March 31, 2010.

In February 2009, the Company entered into an option agreement with Enexco International Inc. ("Enexco"), whereby Enexco could earn a 60% interest in the Hannah property by completing a work program and making certain payments.

In November 2009, Enexco gave notice to the Company of their intent to terminate the option agreement. Also, in November 2009, the Company sent its notification to terminate its underlying lease agreement.

(b) Pine Grove Property, Nevada

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

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

The Company must produce a bankable feasibility study on the properties by December 31, 2010 and obtain all necessary funding to place the properties into commercial production. The Company must pay an NSR of 3% - 7% upon commencement of commercial mining production based on gold prices and the Company must pay a 5% NSR on metals or minerals other than gold produced and sold from the properties.

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

- US\$10,000 upon signing the agreement (paid); and
- US\$30,000 prior to each one year anniversary of the lease (Year 1 and 2 paid).

7. MINERAL PROPERTY INTERESTS (CONT'D)

(b) Pine Grove Property, Nevada (CONT'D)

- ii) In July 2007 the Company entered into an agreement with Votipka to acquire three claims located within the Pine Grove Mining District in Lyon County, Nevada in return for a payment of US\$12,000 (paid in 2007). Upon commencement of commercial production, the Company will pay a 5% NSR to Votipka.
- iii) In August 2007 the Company entered into an agreement with Lyon Grove to lease the Wilson Mining Claim Group located in Lyon County, Nevada from August 1, 2007 to July 31, 2022, with an option to purchase. The Company can extend the term of the lease for up to ten additional one year terms providing the Company is conducting exploration mining activities at the expiration of the term immediately preceding the proposed extension term.

The following lease payments must be made by the Company:

- US\$10,000 upon signing the agreement (paid) and
- US\$25,000 prior to each one year anniversary of the lease (Year 1 and 2 paid).

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

The following work commitments must be made by the Company:

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

Upon commencement of production the Company must pay an NSR of 3% - 7% based on gold prices.

Lyon Grove retains the right to require the Company to purchase the property any time after the Company has made application to permit and develop a mine on the property, subject to the Company's continued obligation to pay the royalties, for US\$1,000.

7. MINERAL PROPERTY INTERESTS (CONT'D)

(c) Oro Cruz Property, California

In February 2010, the Company's 100% owned U.S. subsidiary, Lincoln Gold US Corp., concluded a lease agreement (the "Lease") to lease certain lode claims covering the Oro Cruz Property in Imperial County, California. The Lease involves advance royalty payments beginning at US\$50,000 per year and gradually increasing to \$200,000 US per year in the 7th year. The required payment for 2010 of US \$50,000 has been incurred. The NSR has been set at 3% for the first 500,000 ounces of gold production and 4% thereafter. An aggregate of 2% of the royalty can be bought down at a rate of \$500,000 per half percent.

Mexico

(d) La Bufa Property, Chihuahua

In August 2005, the Company entered into a Letter of Intent with Almaden Minerals Ltd. ("Almaden") to form a joint venture for the exploration and development of the La Bufa property, located in Chihuahua, Mexico. Under the Letter of Intent, the Company may acquire a 51% interest in the La Bufa property by spending US\$2,000,000 on the property over four years and by issuing 350,000 shares of the Company to Almaden over a five year period (50,000 shares issued at a value of US\$10,000 on March 15, 2006). The Company issued 60,000 shares, valued at US\$9,600 on April 16, 2007.

In April 2007, the Company entered into an option agreement with Almaden to acquire a 60% interest in the La Bufa property, which replaced the prior Letter of Intent. The agreement called for the Company to undertake a work program on the property aggregating US\$3,500,000 and issuing an aggregate of 1,550,000 shares (550,000 shares issued to December 31, 2009) on or before April 12, 2011.

In November 2009, the Company reached an agreement with Almaden to purchase 100% of the La Bufa property. In February 2010, the Company concluded the agreement to purchase 100% of the La Bufa property. The agreement supercedes all prior agreements with Almaden. The Company purchased the 100% interest by issuing 6,000,000 common shares, valued at \$1,770,000, to Almaden and granting a 2% NSR on all future production from La Bufa. The \$1,770,000 was capitalized as mineral property acquisition costs as at March 31, 2010. The Company has the option to buy down 1% of the NSR within one year following the decision to place the property into production, for a price to be determined at that time.

El Chapito

In September 2009, the Company entered into a purchase and sale agreement to acquire certain claims located contiguous to the La Bufa property for US\$60,000, of which US\$55,000 was paid on execution of the agreement and the remainder was paid on completion of the conveyance of title. The claims are considered to be included in the La Bufa property. The US\$60,000 (\$63,153) was capitalized as mineral property acquisition costs as at December 31, 2009.

8. LOANS AND NOTES PAYABLE

a) Loan payable

In November 2008, the Company received loan proceeds of US\$50,000 bearing an interest rate of 10% per annum, calculated and compounded monthly that was to be repaid on the earlier of: (i) the closing of a financing, (ii) the closing of the LPT transaction, or (iii) April 15, 2009. In fiscal 2008, the Company issued 100,000 common shares pursuant to this agreement as a financing cost, valued at \$2,000. In August 2009, the Company repaid this loan.

As at December 31, 2009 and March 31, 2010 there is no outstanding loan payable.

b) Convertible loans from related parties

i) In March 2008, the Company borrowed convertible loan proceeds of \$75,000. The Company also entered into a general security agreement ("GSA") whereby the loan was secured by way of general charge over the Company's assets. The Company agreed to repay the principal and interest upon completing a financing of more than \$500,000.

The principal amount bore interest at 8% per annum, compounded weekly for the first two weeks, and thereafter at the rate of 24% per annum compounded weekly, payable following the repayment of the principal. At any time that the principal and interest shall remain outstanding, the lender had the right to convert such principal and interest to shares of common stock of the Company at a rate of \$0.20 per share. The Company also issued 37,500 share purchase warrants in relation to this convertible loan, with each warrant entitling the lender to purchase one common share of that Company at \$0.25 per share for a period of two years. The fair value of the warrants was estimated to be \$2,479 and has been treated as a transaction cost.

The fair value of the warrants of \$2,479 was estimated using the Black Scholes option pricing model with the following assumptions: i) expected volatility of 93.5%; risk free interest rate of 2.6%; iii) expected weighted average life of 6 months; and iv) no dividend yield. The Company determined that the equity component of the convertible loan was not significant.

In December 2008, a director of the Company paid out the convertible loan indebtedness of \$75,000 plus accrued interest of \$20,047 totalling \$95,047 in return for the assignment of that debt. As part of such payout the third party's general security agreement over the Company's assets was discharged. The \$95,047 debt was unsecured and accrued interest at a rate of 5% per annum (See below iii).

ii) During the year ended December 31, 2008, the Company received convertible loan proceeds of \$181,000 from the CEO. The principal amount bore interest at 5% per annum, and had no specific term of repayment. At any time that the principal and interest remained outstanding, the lender had the right to convert such principal and interest to shares of common stock of the Company at a rate equal to the average trading price of the stock over the last five days prior to conversion. It was determined that the equity component of the convertible loan was not significant. In August 2009, pursuant to a debt settlement agreement, the debt was settled through the issuance of 3,420,000 shares valued at \$171,000 and a cash payment of \$10,000. Accrued interest of \$11,245 was forgiven and recorded as a gain on settlement of debt.

8. LOANS AND NOTES PAYABLE (CONT'D)

b) Convertible loans from related parties (continued...)

iii) During the year ended December 31, 2008, the Company received further convertible loan proceeds of \$154,047 from a director of the Company of which \$95,047 related to the assumption of convertible loan indebtedness noted above in i). The loans bore interest at a rate of 5-10%. At any time that the principal and interest remained outstanding, the lender had the right to convert such principal and interest to shares of common stock of the Company at a rate equal to the average trading price of the stock over the last five days prior to conversion. It was determined that the equity component of the convertible loan was not significant. In August 2009, pursuant to a debt settlement agreement, the debt was settled through the issuance of 1,180,000 shares valued at \$59,000 and a cash payment of \$95,047. Accrued interest of \$7,764 was forgiven and recorded as a gain on settlement of debt.

As at December 31, 2009 and March 31, 2010 there are no outstanding convertible loans from related parties.

c) Notes payable

In January 2004, the Company issued a US\$200,000 convertible note. The note carried an interest rate of 10% compounded monthly and was due on January 28, 2006. On September 15, 2005 the Company completed an agreement whereby the Company repaid US\$100,000 of the convertible note along with US\$35,000 accrued interest and agreed to repay the remaining US\$100,000 within sixty days. With the completion of the first payment the conversion feature was cancelled. In August 2009, pursuant to a debt settlement agreement, the debt was settled through the issuance of 1,000,000 shares with a value of US\$50,000 and a cash payment of \$107,770. Accrued interest of \$1,889 was forgiven and recorded as gain on settlement of debt.

In June 2008 the Company issued a promissory note in return for \$300,000. The note bore interest at a rate of 10% per year. The principal and interest were due at the earliest of June 16, 2009 or when the Company completed a financing of \$1,500,000 or greater. In consideration for this loan the Company issued 450,000 shares to the lender. These shares were valued at \$42,750. In August 2009, pursuant to a debt settlement agreement, the principal of the debt was settled through the issuance of 6,000,000 shares with a value of \$300,000. The remaining accrued interest of \$36,424 was paid in full as at December 31, 2009.

In August 2008, the Company issued a promissory note in the amount of \$800,000 in return for drilling services accrued in accounts payable. The note was due on demand, any time after February 15, 2009, and accrued interest at 1.5% per month. After demand, the note accrued interest at a rate of 2% per month. In August 2009, pursuant to a debt settlement agreement, the debt was settled through the issuance of 6,000,000 shares with a value of \$300,000 and a cash payment of \$500,000. Accrued interest of \$140,575 was forgiven and recorded as a gain on settlement of debt, while the remaining \$50,000 of accrued interest was paid in full as at December 31, 2009.

In May 2009, the Company received loan proceeds of \$50,000 from two individuals bearing an interest rate of 8% per annum due December 31, 2009. As of March 31, 2010, the loan plus accrued interest of \$53,594 (December 31, 2009 - \$52,098) remain outstanding. It is the intention that the loan plus accrued interest will be repaid by the conversion to common shares of the Company, subject to TSX-V approval.

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Notes to the Interim Consolidated Financial Statements
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Periods Ended March 31, 2010 and 2009

9. SHARE CAPITAL AND CONTRIBUTED SURPLUS

	Number of shares	Share Capital	Contributed Surplus
Authorized - Unlimited number of common shares			
Issued and Outstanding:			
Balance, December 31, 2008	55,392,000	4,276,642	1,670,091
Shares issued for mineral property expenditures	200,000	6,000	-
Shares issued to settle debt	19,259,900	973,593	-
Elimination of LGC shares on RTO (Note 5)	(74,851,900)	-	-
Shares of LPT (post consolidation – Note 5)	4,000,000	111,852	-
Shares issued pursuant to RTO (Note 5)	23,204,089	-	-
Private placement	29,255,057	4,973,360	-
Shares issued for finders fees on private placement	670,588	114,000	-
Share issue costs for finders fees on private placement	-	(114,000)	-
Finders fees on RTO	1,258,333	213,916	-
Share issue costs	-	(294,589)	-
Stock-based compensation	-	-	166,687
Balance, December 31, 2009	58,388,067	\$10,260,774	\$ 1,836,778
Shares issued for mineral property expenditures	6,000,000	1,770,000	-
Stock-based compensation	-	-	140,173
Balance, March 31, 2010	64,388,067	\$12,030,774	\$ 1,976,951

During the period ended March 31, 2010, the Company:

- a) Issued 6,000,000 shares, valued at \$1,770,000 pursuant to the La Bufa agreement (Note 7(d)).

During the year ended December 31, 2009, the Company:

- a) Completed an RTO (Note 5), whereby the Company issued 23,204,089 shares. The Company also issued a finders fee of 1,258,333 common shares pursuant to this transaction, with a value of \$213,916.
- b) Concurrent with the RTO, the Company completed a private placement, issuing 29,255,057 units at a price of \$0.17 per unit for gross proceeds of \$4,973,360. Each unit consisted of one share and one-half share purchase warrant, where each whole warrant entitles the holder to purchase one additional common share for \$0.25 for a period of two years. The Company issued 670,588 shares, valued at \$114,000, and paid \$238,101 in cash, as share issue costs pursuant to this transaction.
- c) Issued 200,000 shares, valued at \$6,000 pursuant to the La Bufa option agreement (Note 7(d)).
- d) Issued 19,259,900 shares to settle liabilities of \$973,593, of which 17,600,000 shares settled loans and convertible loans of \$880,000 and 1,659,900 settled accounts payable and accrued liabilities of \$93,593.

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9. SHARE CAPITAL AND CONTRIBUTED SURPLUS (CONT'D)

Shares held in Escrow:

On completion of the RTO, 5,290,950 shares were subject to an escrow agreement, which provides for the release from escrow of 10% of such escrowed shares on August 18, 2009 and 15% every six months thereafter for a period of thirty-six months. As at March 31, 2010, there were 4,761,855 shares held in escrow.

10. STOCK OPTIONS

The Company's stock option plan provides that the board of directors may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants of the Company, non-transferable options to purchase the Company's shares, provided that the number of the Company's shares reserved for issuance will not exceed 10% of the issued and outstanding common shares at the time of grant. The price of the stock option will not be less than the last closing price of the Company's common shares and the term will not be permitted to exceed five years. Vesting provisions will be as determined by the Board of directors at the time of grant.

The number of stock options outstanding at March 31, 2010 are summarized as follows:

	March 31, 2010		December 31, 2009	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of period	4,300,000	\$ 0.19	2,450,000	US\$ 0.25
Expired or forfeited	-	\$ -	(300,000)	US\$ 0.25
Cancelled	-	\$ -	(2,150,000)	US\$ 0.25
Granted	1,600,000	\$ 0.29	4,400,000	\$ 0.19
Cancelled	-	\$ -	(100,000)	\$ 0.19
Balance, end of period	5,900,000	\$ 0.22	4,300,000	\$ 0.19

As at March 31, 2010 the following options are outstanding:

Number of options	Exercise price	Expiry date
250,000	\$ 0.23	December 11, 2010
250,000	\$ 0.29	January 28, 2011
4,050,000	\$ 0.19	September 29, 2014
300,000	\$ 0.29	January 28, 2015
<u>1,050,000</u>	\$ 0.29	March 3, 2015
5,900,000		

As at March 31, 2010, 1,512,500 options (December 31, 2009 – 756,250) are exercisable with a weighted average exercise price of \$0.21 (December 31, 2009 – \$0.20). During the period ended March 31, 2010, the Company recorded \$140,173 (March 31, 2009 - \$nil) as stock-based compensation in the results of operations for options vested during the period, with an offset recorded to contributed surplus. The weighted average grant date fair value of the stock options granted was \$0.15 per option (March 31, 2009 - \$nil).

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10. STOCK OPTIONS (CONT'D)

The fair value of the stock options granted was estimated using the Black-Scholes option pricing model using the following assumptions:

	<u>Mar 31, 2010</u>	<u>Dec 31, 2009</u>
Risk free interest rate	2.14%	2.19%
Expected life	3.73 years	3.82 years
Expected volatility	75.00%	75.00%
Dividend yield	0.00%	0.00%

11. WARRANTS

As at March 31, 2010 the following warrants are outstanding:

<u>Number of warrants</u>	<u>Exercise price</u>	<u>Expiry date</u>
334,891	US\$ 4.33	July 27, 2010
62,305	\$ 0.80	April 14, 2010
31,153	\$ 0.64	May 15, 2010
<u>14,627,531</u>	<u>\$ 0.25</u>	August 18, 2011
<u>15,055,880</u>		

As at March 31, 2010, the share purchase warrant transactions are summarized as follows:

	<u>Number of warrants</u>	<u>Weighted average exercise price</u>
Balance, December 31, 2008	9,971,000	0.31
Cancelled pursuant to RTO (Note 5)	(6,696,000)	0.39
Re-issued pursuant to RTO (Note 5)	2,085,979	1.24
Expired	(4,598,986)	0.26
Issued from private placement	<u>14,627,531</u>	0.25
Balance, December 31, 2009	15,389,524	\$ 0.35
Expired	<u>(333,644)</u>	\$ 0.80
Balance, March 31, 2010	<u><u>15,055,880</u></u>	\$ 0.34

12. RELATED PARTY TRANSACTIONS

During the three month period ended March 31, 2010, the Company paid or accrued management fees and consulting fees of \$25,390 (March 31, 2009 – \$8,306) and rent, included in office, of \$nil (March 31, 2009 - \$1,131) to the Vice President of the Company, management fees of \$27,000 (March 31, 2009 - \$17,500) to a company owned by the President of the Company, consulting fees of \$24,000 (March 31, 2009 - \$nil) to the CFO of the Company and consulting fees of \$15,000 (March 31, 2009 - \$nil) to former directors or companies owned by directors.

As at March 31, 2010, the Company owed \$1,000 (December 31, 2010 - \$2,000) to various directors of the Company, which is included in accounts payable. During the year ended December 31, 2009, the Company settled accounts payable to a director and officer of \$32,020 through a cash payment of \$7,520 and the issuance of 490,000 shares of LGC.

During the year ended December, 31, 2009, the Company advanced \$81,900 to certain directors and officers to allow them to purchase escrowed common shares of the Company directly from the former escrow shareholders on completion of the RTO (Note 5), of which \$47,496 was repaid during the three month period ended March 31, 2010 (December 31, 2009 - \$15,000) and \$19,404 (December 31, 2009 - \$66,900) was outstanding as of March 31, 2010. Subsequent to the period, the outstanding balance was repaid in full.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. See Note 8 for details on related party loans.

13. CAPITAL MANAGEMENT

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Fair value

The carrying value of receivables, due from related parties, and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments. The fair value of notes payable is not determinable as the repayment date has not been specified (see Note 8(c) for details). Cash, which is classified as held for trading and carried at fair value, has been determined using Level 1 inputs (see Note 4 of the December 31, 2009 audited financial statements).

(b) Foreign exchange risk

The Company's operations in the United States and Mexico expose the Company to foreign exchange risk. The Company is subject to currency risk due to the fluctuations of exchange rates between the Canadian and US dollars, as well as the Canadian dollar and Mexican pesos. At March 31, 2010, approximately 55% of the Company's accounts payable and accrued liabilities and approximately 3% of the Company's cash is denominated in US dollars. As well, approximately 8% of the Company's accounts payable and accrued liabilities are denominated in Mexican pesos. The Company's cash denominated in Mexican pesos is negligible. The Company's net monetary position in both US dollars and Mexican pesos is not significant and therefore the Company does not believe it is exposed to significant foreign exchange risk. The Company does not enter into derivative financial instruments to mitigate foreign exchange risk.

(c) Credit risk

The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company's receivables consist of GST receivable due from the Federal Government of Canada and amounts due from related parties. The Company maintains cash deposits with Schedule A financial institutions, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

(d) Interest rate risk

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

(e) Liquidity risk

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

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14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)

(f) Price risk

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

15. SUPPLEMENTAL INFORMATION WITH RESPECT TO CASH FLOWS

Significant non-cash transactions for the period ended March 31, 2010 included:

- i) The Company issued 6,000,000 common shares valued at \$1,770,000 pursuant to the La Bufa agreement (Note 7(d)).

There were no significant non-cash transactions for the period ended March 31, 2009.

16. SEGMENTED INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. Geographical information is as follows:

	Mar 31, 2010	Dec 31, 2009
Capital assets:		
Mexico	\$ 1,837,030	\$ 67,929
United States	19,628	21,109
Canada	2,460	2,943
	1,859,118	91,981

17. COMMITMENTS

- a) The Company assumed the remainder of a premises lease, expiring February 2010. In addition, the Company signed a new lease for the period from March 2010 to February 2015. Pursuant to this lease commitment, the Company's minimum annual commitments are as follows:

2010 - \$38,997
2011 - \$53,544
2012 - \$53,853
2013 - \$56,948
2014 - \$57,567
2015 - \$ 9,595

- b) During the year ended December 31, 2009, the Company, in the normal course of business, entered into five employee and consulting agreements expiring in 2014, for the Company's key management positions. The agreements provide for additional payments in the event of severance or change in control.

18. SUBSEQUENT EVENTS

On May 11, 2010, the Company announced that it has engaged Casimir Capital LP (the "Agent"), on a best efforts basis, in connection with a brokered private placement offering of up to 15,909,091 units at a price of \$0.22 per unit ("Units") for total proceeds of up to \$3,500,000. Each Unit is comprised of one common share of the Company and one half of one non-transferable common share purchase warrant. Each whole purchase warrant will entitle the holder to acquire one additional common share of the Company at a price of \$0.35 per share for a period of two years from closing.

Concurrent with the brokered private placement, the Company will also be conducting a non-brokered private placement of up to 9,090,909 Units at the same price as the brokered private placement for total proceeds of up to \$2,000,000.

As compensation, the Agent, and certain finders involved in the non-brokered private placement ("Finders"), will receive a commission of 7% of the proceeds raised, payable in cash. In addition, the Agent and Finders will receive non-transferable warrants to acquire common shares of the Company equal to 7% of the total number of Units sold. Each such warrant will entitle the holder to acquire one common share of the Company at a price of \$0.35 per share for a period of two years from closing.

All securities issued under the private placements will be subject to a four month hold period from the closing date under applicable Canadian securities laws, in addition to such other restrictions as may apply under applicable securities laws of jurisdictions outside Canada. The private placements are subject to all necessary regulatory approvals including from the TSX Venture Exchange. Lincoln intends to use the funds raised to advance development of its mineral properties and for general working capital purposes.



FORM 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) AS OF MAY 26, 2010 TO ACCOMPANY THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF LINCOLN MINING CORPORATION (THE "COMPANY" OR "LINCOLN") FOR THE FIRST QUARTER ENDED MARCH 31, 2010.

This discussion and analysis should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2009 and the notes thereto. All financial amounts are stated in Canadian currency unless stated otherwise.

This MD&A contains certain forward-looking statements based on the best beliefs, and reasonable assumptions of the management of Lincoln Mining Corporation. There are many risks and uncertainties attached to the mineral exploration business. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements. See additional comments and discussion under Risks and Uncertainties in this MD&A.

Overview of First Quarter

The first quarter of 2010 was a very positive one for the Company. Opening working capital was positive at \$1,548,889 and the Company was very active in moving its three projects forward:

- A drilling program was conducted to re-confirm and up-grade the resource estimate for the Company's Pine Grove Property and a new 43-101 report was commissioned.
- The Company acquired the Oro-Cruz Property and staked additional ground surrounding this Property. A 43-101 Report was commissioned to delineate and measure a resource estimate.
- A geophysical program was carried out at the La Bufa Property.

Detailed results of these programs are discussed under 'Projects Summaries and Activities' later in this document.

In order to finance the continued advancement of these projects, the Company on May 11, 2010 announced that it has engaged Casimir Capital LP (the "Agent") on a best efforts basis, in connection with a brokered private placement offering of up to 15,909,091 units at a price of \$0.22 per unit ("Units") for total proceeds of up to \$3,500,000. Each Unit is comprised of one common share of the Company and one half of one non-transferable common share purchase warrant. Each whole purchase warrant will entitle the holder to acquire one additional common share of the Company at a price of \$0.35 per share for a period of two years from closing.

LINCOLN MINING CORPORATION

Concurrent with the brokered private placement, the Company will also be conducting a non-brokered private placement of up to 9,090,909 Units at the same price as the brokered private placement for total proceeds of up to \$2,000,000.

The Company's goal continues to be to become a gold producer and Company management believes that its two advanced properties, the Pine Grove and the Oro Cruz, will be able to bring this goal to fruition in the near term. The Company's third project, the La Bufa Property in Mexico, is not as far advanced, but holds significant potential.

Qualifying Transaction (the "Merger")

On October 7, 2008, the Company (formerly LPT Capital Ltd.) entered into a letter agreement with Lincoln Gold Corporation ("Lincoln Gold"), a company incorporated under the Canada Business Corporations Act and a registrant in the United States under the Securities and Exchange Act of 1934 and a reporting issuer in British Columbia, to acquire 100% of the issued and outstanding common shares of Lincoln Gold Corporation ("Lincoln Gold"). Lincoln Gold's common shares traded on the OTCBB in the United States. This acquisition and the transactions related thereto (collectively, the "Acquisition") constituted the Company's Qualifying Transaction. Lincoln Gold, the Company and the Company's subsidiary, 0843037 B.C. Ltd., entered into arrangement agreements, dated January 15, 2009 and July 8, 2009, as amended, (collectively the "Arrangement Agreement") which superseded the letter agreement referred to above.

On August 18, 2009, the Company closed the Merger, which was subsequently accepted by TSX Venture Exchange for filing the Company's Qualifying Transaction described in the Information Circular dated January 19, 2009. As a result, at the opening on August 21, 2009, the Company was no longer considered a Capital Pool Company and the shares of the Company traded under the new symbol "LMG".

Concurrent with the closing of the Merger on August 18, 2009, the Company completed a private placement of units (on a post-consolidated basis) to raise gross proceeds of \$4.97 million, through the issue of 29,255,057 units at a price of \$0.17 per unit. Each unit consists of one post-consolidated common share of the Company and one-half of one warrant, with each whole warrant entitling the holder thereof to purchase one additional common share of the Company at a price of \$0.25 until August 18, 2011. The securities issued under the private placement were subject to a four-month hold period in Canada expiring on December 19, 2009, in accordance with applicable Canadian laws and the policies of the exchange. The Company also settled debt in the amount of \$973,593 through the issue of 19,259,900 shares.

In connection with the closing of the private placement, finders' fees totaling \$232,589 in cash and 670,588 shares of the Company were payable, representing 8 percent of the funds introduced by the finders to the Company.

Prior to the closing of the Merger, the Company completed a share consolidation, effective August 17, 2009, on the basis of one new share for every 1.5 pre-consolidation shares, and changed its name from LPT Capital Ltd. to Lincoln Mining Corporation.

Pursuant to the completion of the plan of arrangement under the Merger, each shareholder of Lincoln Gold as at the close of business on August 17, 2009, was entitled to 0.31 of a post-consolidated share of the Company for each one share of Lincoln Gold. Aggregate consideration payable by the Company was 23,204,089 shares issued to the existing Lincoln Gold shareholders. Effective August 18, 2009, pursuant to the Merger, the Company acquired Lincoln Gold through the amalgamation of 0843037 B.C. Ltd. (a wholly-owned subsidiary of the Company) with Lincoln Gold.

The Company also issued 1,258,333 shares as a finder's fee in connection with the Merger as disclosed in the above noted Information Circular. Subsequent to the Merger, the registration and trading in the United States was cancelled.

Overall Performance and Description of Business

Lincoln Mining Corporation is an exploration stage company located at Suite 350 – 885 Dunsmuir Street, Vancouver, BC, V6C 1N5, engaged in the acquisition, exploration and development of mineral properties in the states of Nevada and California, United States and Mexico. The Company is a reporting issuer in British Columbia and Alberta. Lincoln Mining Corporation is a British Columbia corporation.

This is now the ninth year of exploration for Lincoln Mining. In general, exploration activities have resulted in the acquisition of three important projects, the Pine Grove Property in Nevada, U.S.A., the Oro Cruz Property in California, U.S.A. and the La Bufa Property in Chihuahua, Mexico. The Company has explored and has had joint ventures on some of its other properties in Nevada with no exploration success. The Company's main performance activities in 2009 have been the successful re-organization and financing, settlement of past debt, and the re-commencement of its exploration activities (see 'Project Summaries and Activities') for greater detail.

Results of Operations**Results of Operations – For the three months ended March 31, 2010**

For the three months ended March 31, 2010, the Company incurred a loss of \$1,068,748 (March 31, 2009: \$219,131). Significant expenses included net exploration expenses of \$664,930 (2009: \$(2,927)) consulting fees of \$71,408 (March 31, 2009: \$11,624) (see also 'Related Party Transactions'), interest expense of \$1,496 (2009: \$77,867), professional fees of \$35,902 (March 31, 2009: \$88,457) and stock-based compensation of \$140,173 (2009 - \$nil).

During the first quarter ended March 31, 2009, the Company earned a modest amount of interest income of \$994 (2009: \$nil) and had a gain on settlement of debt of \$8,061 (March 31, 2009: \$nil).

Costs for exploration will continue as the Company advances its exploration projects and the level of expenditures will vary depending on the financing the Company is able to arrange.

Summary of Quarterly Results:

2010 Quarterly Results:	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Revenue	\$ -	\$ -	\$ -	\$ -
Net loss	-	-	-	(1,068,748)
Basic and diluted loss per share	-	-	-	(0.02)
Total assets	-	-	-	2,780,733
Working capital	-	-	-	616,183
2009 Quarterly Results:	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Revenue	\$ -	\$ -	\$ -	\$ -
Net loss	(1,037,098)	(730,894)	(156,692)	(219,131)
Basic and diluted loss per share	(0.04)	(0.02)	(0.00)	(0.00)
Total assets	2,084,927	3,052,422	204,025	229,139
Working capital (deficiency)	1,548,889	2,421,226	(2,884,842)	(2,735,505)
2008 Quarterly Results:	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Revenue	-	-	-	-
Net loss	\$ (362,007)	\$ (154,656)	\$ (1,355,157)	\$ (831,420)
Basic and diluted loss per share	(0.00)	(0.00)	(0.02)	(0.02)
Total assets	199,450	37,152	83,812	137,457
Working capital (deficiency)	(2,517,729)	(1,981,478)	(1,799,642)	(625,967)

* No exercise or conversion is assumed during the years in which a net loss is incurred, as the effect is anti-dilutive.

Project Summaries and Activities

UNITED STATES

Pine Grove Gold Property, Lyon County, Nevada

Pine Grove is the Company's flagship property and its main exploration and development focus. The property consists of the Wilson deposit and the nearby Wheeler deposit with exploration potential on intervening and surrounding ground. The Company intends to advance the project to production in 2011.

The Pine Grove gold property is located in the Pine Grove Hills, approximately 20 miles south of Yerington, Nevada. Access is excellent from Yerington via State Highway 208 (paved) southward to the East Walker Road (gravel) and then southward to the Pine Grove drainage and then 4 miles westward on a Forest Service dirt road to the property.

Pursuant to an agreement dated July 13, 2007, Lincoln entered into a mining lease with the Wheeler Mining Company, owner of the Wheeler patented millsite and lode claims (private parcels). The lease has a 15 year term with an option to extend the lease for each subsequent year that the parcels are in commercial production. The terms of the agreement include advance royalty payments of US\$10,000 in the first year and US\$30,000 per year in subsequent years and a sliding-scale net smelter return royalty ranging from 3% at a gold price of US\$450 per oz to 7% at a gold price of US\$701 per oz. Under the terms of this agreement, Lincoln is obligated to deliver a feasibility study by December 31, 2010. Efforts are underway to buy down the production royalty.

Pursuant to an agreement dated July 25, 2007, Lincoln purchased from Harold Votipka the Harvest lode claim, the Winter Harvest lode claim, and the Harvest fraction lode claim. The purchase price was US\$12,000 and includes a 5% net smelter royalty at US\$100,000 per point.

Pursuant to an agreement dated August 1, 2007, Lincoln entered into a mining lease option with Lyon Grove LLC, owner of the Wilson patented claims (private parcels). The lease has a 15 year term and can be extended for ten additional one (1) year terms at Lincoln's option on the condition that Lincoln is conducting exploration, development or mining activities on the property. Lyon Grove LLC also has the option to require Lincoln to purchase their entire interest in the property (except for the royalty described below) for the purchase price of \$1,000. The terms of this agreement include advance royalty payments of US\$10,000 in the first year, and US\$25,000 per year in subsequent years and a sliding-scale net smelter return royalty ranging from 3% at a gold price of US\$450 per oz to 7% at a gold price greater than US\$700 per oz. This agreement includes a 6 square mile Area of Interest that includes a 5% net smelter royalty payment on any new claims put into production. Efforts are underway to buy down the production royalty.

Subsequent to the signing of the aforementioned agreements, the Company staked 218 lode claims. The total property area now covers approximately 7 square miles.

Lincoln is presently negotiating for the purpose of 10 unpatented lode, placer and millsite claims controlled by the Estate of Wallace Cavanaugh. These claims fall within the resource area,

In November of 2009, the Company received new, detail topographic maps from aerial photography taken earlier in the year. The new maps provide an engineering quality base map for drilling, engineering, and mine planning.

Past drilling at Pine Grove includes 190 holes (68,102 ft) drilled by Tech Resources from 1989 to 1992 and four metallurgical core holes (799 ft) drilled by Lincoln in 2008. In January 2009, Lincoln filed an updated NI 43-101 technical report prepared in late 2008 by Minefill Services, Inc. The report utilized past drilling and reported an Inferred resource for the Wilson and Wheeler deposits of over 6 million short tons grading 0.053 opt gold using a cutoff grade of 0.01 opt gold with assays capped at 0.5 opt gold. The Inferred resource contains 320,000 ozs gold.

In the winter of 2009-2010, Lincoln drilled 63 reverse-circulation holes (16,341 ft) in an effort to reaffirm and upgrade existing gold resource categories. A field office was established in Yerington, Nevada to support the drilling program. Duplicate drill samples were collected and are stored in Yerington. Geological interpretation of

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all drill data is in progress. Lincoln has engaged Mine Development Associates (MDA) of Reno, Nevada to produce an updated NI 43-101 compliant resource and scoping study.

Recent drilling on the Wilson deposit reveals that the deposit remains open to the northeast with a good chance to expand the deposit with additional drilling. Also, some new, narrow high-grade gold mineralization was encountered in the southwestern portion of the Wilson deposit to include:

Hole WL-80	200-205 ft (5 ft) @ 0.519 opt Au
	215-220 ft (5 ft) @ 0.385 opt Au
Hole WL-89	180-185 ft (5 ft) @ 0.820 opt Au
Hole WL-97	105-110 ft (5 ft) @ 1.170 opt Au

Drilling on the Wheeler yielded expected results and some new, narrow high-grade intercepts:

Hole WR-104	170-175 ft (5 ft) @ 2.250 opt Au
Hole WR-106	0-5 ft (5 ft) @ 0.638 opt Au
Hole WR-117	55-90 ft (5 ft) @ 2.270 opt Au

Soil geochemical surveys are planned in selected areas to better define new drill targets. New permitting will be required to access new drill targets that fall on Pine Grove claims under the jurisdiction of the U.S. Forest Service. Lincoln has contracted JBR Environmental Consultants in Reno, Nevada to expedite all exploration and development permitting.

Five column leach tests were begun in February 2010 and remain in progress at McClelland Laboratories in Reno, Nevada. Leach material is mineralized core from the Wilson and Wheeler deposits. The five columns are testing 1-1/4 inch and 3/8 inch material.

There is no assurance that further exploration will result in a final decision that a commercially viable gold deposit exists on the Pine Grove Property. Lincoln anticipates that it will require additional financing in order to fully pursue full property exploration and completion of a feasibility study. There is no assurance that the Company will be able to obtain the necessary financing to bring the project to production (See 'Overview of First Quarter' for details on financing).

Oro Cruz Gold Property, Imperial County, California

The Oro Cruz gold property consists of 88 unpatented lode claims located in the Tumco mining district in the Cargo Muchacho Mountains, Imperial County, California. The property falls on lands administered by the U.S. Bureau of Land Management (BLM). Access from nearby Yuma, Arizona is excellent via the I-8 freeway westward to Ogilby Road (paved) and then northward to the Tumco Historic Townsite which falls on a portion of the Oro Cruz Property. Travel time from Yuma is approximately 25 minutes. Access on the property is via dirt BLM roads. Oro Cruz is 14 miles southeast of the Mesquite gold mine (in production; New Gold Inc.) and adjacent to the American Girl gold mine (past producer).

On February 22, 2010, Lincoln entered into a Mining Lease agreement on the Oro Cruz Property with ADGIS, Inc. a Nevada corporation. The agreement covers 20 unpatented lode claims which encompass an open pit with exposed ore-grade mineralization and a decline which intersects ore-grade material below the pit. The term of the agreement is 20 years and so long thereafter Lincoln is conducting exploration, development, mining, or processing of minerals from the property. The agreement includes a net smelter return royalty of 3% on the first 500,000 ozs of gold produced which increases to 4% thereafter. Minimum advance royalty payments begin with a US\$50,000 payment upon execution of the agreement and escalates annually to a maximum of US\$200,000 upon the seventh anniversary and annually thereafter. Lincoln has the option to buy down the royalty at a rate of US\$500,000 per 0.5 point. The production royalty applies to an Area of Interest of approximately 7 square miles surrounding the core 20 unpatented lode claims.

In anticipation of acquiring the core Oro Cruz 20-acre claim block, Lincoln staked 68 contiguous lode claims in November of 2009. The entire land position encompasses 88 lode claims.

The Tumco Historic Townsite was established in 1996 and restricts the public to foot traffic in the vicinity of the Oro Cruz gold deposit. Mineral entry is still permitted and the BLM has provided Lincoln with a key to the locked

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gate for access to the Oro Cruz deposit. An Environmental Assessment will likely be required by the BLM to re-established alternate road access to the deposit area.

Large-scale mining in the Tumco mining district occurred during 1890-1916 and 1932-1941, producing more than 150,000 ozs gold. In the mid 1990's, the property was developed as the "Golden Cross" mine by MK Gold Company as part of the American Girl joint venture. MK Gold produced 61,000 ozs gold in one year from both underground and open-pit operations. Mining ceased in 1996 due to low gold prices. Prior to cessation, MK Gold was in the process of a significant pit wall push back to reach additional in-place "ore." Ore-grade gold mineralization is exposed in the pit and in underground workings.

There are over 400 drill holes in the Oro Cruz Property. In 1999, prior to Canadian securities compliance requirements, gold resources were estimated by Mine Development Associates of Reno, Nevada. Indicated resources were estimated at 3,365,298 short tons grading 0.058 opt gold containing approximately 196,000 ozs gold using a 0.01 opt gold cutoff grade. An additional Inferred resource category at the same cutoff grade was estimated at 2,683,552 short tons with no grade assignment.

The main Oro Cruz gold deposit is an irregular, elongated, tabular zone that dips approximately 25° to the southeast from the open pit floor for at least 1,650 ft. Mineralized thicknesses are variable in multiple tens of feet. Lesser parallel zones of mineralization are present. The property contains 10 exploration targets which remain untested.

In early 2010, Lincoln contracted Atkinson Underground LP ("Atkinson") of Golden, Colorado to open and inspect the underground decline and ventilation shaft system. The inspection has been completed and Atkinson reports that the decline is in good condition and the mine air is excellent. The air and water lines appear to be in usable condition. Company geologists are taking rock grab samples from various parts of the underground workings as well as in the open pit area. Tetra Tech of Golden, Colorado has been hired to complete a NI 43-101 complaint historic resource calculation using all the assay data from the 400 plus holes drilled in the past. A large scale exploration program is planned for later in 2010.

Lincoln believes that the Oro Cruz gold property has near-term potential to be expanded and developed into a producing gold mine via open-pit and underground mining.

Mexico

La Bufa Gold-Silver Property, Chihuahua, Mexico

The La Bufa gold-silver property is located in the Sierra Madre Occidental in the far southwestern corner of the State of Chihuahua, Mexico, near the small town and mining district of Guadalupe y Calvo, La Bufa is comprised of four mining concessions totaling 2,311.1 hectares (5,711 acres) which cover much of the northwest-trending zone of mineralization. The Company's concessions surround the El Rosario mine which was discovered in 1836 and where nearly all of the historic gold-silver production was derived. Gammon Gold presently controls the concessions (439.24 hectares) which cover the historic mine.

Lincoln originally held the La Bufa Property under a Joint Venture agreement with Almaden Minerals through their Mexican subsidiary Minera Gavilan, S.A. de C.V. In February 2010, Lincoln acquired 100% interest in La Bufa by issuing to Almaden six million shares and granting to Almaden a 2% net smelter return production royalty. Lincoln has the option to buy down 1% of the production royalty for a price to be independently determined. Also during 2009, Lincoln acquired 100% interest in the 20-hectare El Chapito concession which is an internal claim within the larger La Bufa concession.

The La Bufa Property is an early stage exploration gold-silver property. The key target is an epithermal quartz-breccia vein and stockwork system hosted in "Lower Volcanics." Lincoln has flown the district with aerial photography and has generated high-quality topographic maps for mapping, sampling, drilling and engineering. In 2008, the Company drilled 12 angle core holes for a total of 4,811.85 m. Drilling was focused on the southern portion of the La Bufa Property. The widely spaced holes focused on the El Rosario vein system which extends onto the Company's ground. Encouraging results were received from over 300 m of vein system strike length within 400 m of the El Rosario mine property. Drilling results in the southern area suggest that gold-silver mineralization occurs primarily in the shallower portions of the vein system.

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From late 2009 to 2010, Lincoln completed eight geophysical lines (20,000 m) of induced polarization (chargeability and resistivity) in the unexplored northern portion of the La Bufa concessions. During the course of the survey, new exposures of mineralized structures were discovered in difficult terrain. The geophysical survey yielded strong anomalies which warrant drilling. In conjunction with the geophysical work, a trenching and rock sampling program was conducted. Sampling was carried out in areas of geophysical anomalies in mainly 'Lower Volcanics', which are known to host most of the gold and silver resources in the area. Most of the 126 samples were rock-chip grab samples which are somewhat selective and may not represent average grades on the property. Sample spacing was variable, usually in tens of meters, based on the availability of outcrops and physical access. Significant assay results include: 1.98, 20.0, and 21.5 grams per tonne gold and 38.6, 164, 180, 193, 434 and 626 grams per tonne of silver. These values are primarily concentrated in stockwork and quartz breccias which extend over a 900 m NW-trending zone that is about 10 m in width. Geophysical surveys suggest that the zone extends to over 300 m in depth. The Company plans to drill test the targets during 2010.

Past production in the district is estimated at 2 million ozs gold and 28 million ozs silver. Gammon Gold has completed large drilling programs at El Rosario over the past two years. Lincoln believes that La Bufa has potential for a high-grade underground mine.

Outstanding Share Data

The Company has an authorized share capital of an unlimited number of common shares, of which 64,388,067 were issued and outstanding as at the date of this report. See Note 9 in the March 31, 2010 unaudited interim consolidated financial statements for details.

The Company has outstanding a total of 14,962,422 full share equivalent warrants outstanding as at the date of this report ranging in price from \$0.25 to US \$4.33 per share and 5,900,000 options with exercise prices from \$0.19 to \$0.29.

Related Party Transactions

During the three month period ended March 31, 2010, the Company paid or accrued management fees and consulting fees of \$25,390 (March 31, 2009 – \$8,306) and rent, included in office, of \$nil (March 31, 2009 - \$1,131) to the Vice President of the Company, management fees of \$27,000 (March 31, 2009 - \$17,500) to a company owned by the President of the Company, consulting fees of \$24,000 (March 31, 2009 - \$nil) to the CFO of the Company and consulting fees of \$15,000 (March 31, 2009 - \$nil) to former directors or companies owned by directors.

As at March 31, 2010, the Company owed \$1,000 (December 31, 2010 - \$2,000) to various directors of the Company, which is included in accounts payable. During the year ended December 31, 2009, the Company settled accounts payable to a director and officer of \$32,020 through a cash payment of \$7,520 and the issuance of 490,000 shares of LGC.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Related Party Loans

In December 2008, a director of the Company paid out a convertible loan owed by the Company in the amount of \$75,000 plus accrued interest of \$20,047 totalling \$95,047 in return for the assignment of that debt. As part of such payout, the third party's general security agreement over the Company's assets was discharged. The \$95,047 debt was unsecured and accrued interest at a rate of 5% per annum. The director advanced a further \$59,000 for a total loan of \$154,047. In August 2009, pursuant to a debt settlement agreement, the debt was settled through the issuance of 1,180,000 shares valued at \$59,000 and a cash payment of \$95,047. Accrued interest of \$7,764 was forgiven.

During the year ended December 31, 2008, the Company received convertible loan proceeds of \$181,000 from the CEO. The principal amount bore interest at 5% per annum, and had no specific term of repayment. In

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August 2009, pursuant to a debt settlement agreement, the debt was settled through the issuance of 3,420,000 shares valued at \$171,000 and a cash payment of \$10,000. Accrued interest of \$11,245 was forgiven.

During the year ended December, 31, 2009, the Company advanced \$81,900 to certain directors and officers to allow them to purchase escrowed common shares of the Company directly from the former escrow shareholders on completion of the RTO (See Note 5 of the December 31, 2009 audited consolidated financial statements), of which \$47,496 was repaid during the three month period ended March 31, 2010 (December 31, 2009 - \$15,000) and \$19,404 (December 31, 2009 - \$66,900) was outstanding as of March 31, 2010. As at the date of this report, the outstanding balance was repaid in full.

Liquidity and Solvency

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

As at	March 31, 2010		December 31, 2009	
Cash	\$	751,648	\$	1,761,227
Working capital		616,183		1,548,889
Three Month Period Ended	March 31, 2010		March 31, 2009	
Cash (used in) provided by operating activities		(1,057,075)		5,575
Cash provided by investing activities		47,496		-
Cash provided by financing activities		-		23,071
Change in cash	\$	(1,009,579)	\$	28,646

On May 11, 2010 the Company announced that it has engaged Casimir Capital LP (the "Agent"), on a best efforts basis, in connection with a brokered private placement offering of up to 15,909,091 units at a price of \$0.22 per unit ("Units") for total proceeds of up to \$3,500,000. Each Unit is comprised on one common share of the Company and one half of one non-transferable common share purchase warrant. Each whole purchase warrant will entitle the holder to acquire one additional common share of the Company at a price of \$0.35 per share for a period of two years from closing,

Concurrent with the brokered private placement, the Company will also be conducting a non-brokered private placement of up to 9,090,909 Units at the same price as the brokered private placement for total proceeds of up to \$2,000,000.

This financing will allow the Company to continue the advancement of its three projects for all of 2010 and into 2011.

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

Commitments

The Company assumed the remainder of a premises lease expiring February 2010. In addition, the Company signed a new lease for the period from March 2010 to February 2015. Pursuant to this lease commitment, the Company's annual minimum commitments are as follows:

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2010 - \$38,997
2011 - \$53,544
2012 - \$53,853
2013 - \$56,948
2014 - \$57,567
2015 - \$ 9,595

During the year ended December 31, 2009, the Company, in the normal course of business, entered into five employee and consulting agreements expiring in 2014, for the Company's key management positions. The agreements provide for additional payments in the event of severance or change in control.

Capital Resources

The Company has no operations that generate cash flow and its long term financial success is dependent on discovering properties that contain mineral reserves that are economically recoverable. The Company's primary capital assets are resource properties. Exploration and development expenditures are expensed as incurred.

All of the Company's resource property agreements are option agreements only and the exercise thereof are at the discretion of the Company. To earn its interest in the properties, the Company must incur certain expenditures in accordance with the agreements.

The Company depends on equity sales to finance its exploration programs and to cover administrative expenses.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet transactions.

Proposed Transactions

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

Changes in Accounting Policies Including Initial Adoption

Section 1582, Business Combinations Section 1601, Consolidated Financial Statements Section 1602, Non-controlling Interests

In January 2009, the CICA issued Handbook Sections 1582 Business Combinations, 1601 Consolidated Financial Statements, and 1602 Non-controlling Interests, which replaces CICA Handbook Sections 1581 Business Combinations and 1600 Consolidated Financial Statements.

Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning March 1, 2011. Early adoption of this Section is permitted. If the Company chooses to early adopt any one of these Sections, the other two sections must also be adopted.

International Financial Reporting Standards ("IFRS")

The use of IFRS for financial reporting in Canada will be applicable for the fiscal year beginning January 1, 2011. The Company's IFRS transition plan consists of three main phases – Scoping, Analysis and Implementation. The Scoping phase involves a high-level analysis of the significant accounting differences

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between IFRS and Canadian GAAP and determining the potential impact of the new accounting standards on business areas such as information technology, internal controls and disclosure controls. The Analysis phase involves a more comprehensive analysis of the accounting standards, including the development of accounting policies and the quantification of the conversion impact. The Implementation phase executes the changes identified in the Analysis phase.

The Company has completed the Scoping phase, and both the Analysis and Implementation phases are in progress. The guidance for the first time adoption of IFRS is set out in IFRS 1, *First Time Adoption of International Financial Reporting Standards* ("IFRS"). IFRS 1 provides for certain mandatory exceptions and optional exemptions for first time adopters of IFRS. The Company is planning to elect to take the following IFRS 1 optional exemptions:

- To apply the requirements of IFRS 3, Business Combinations (2004), prospectively from the Transition Date.
- To apply the requirements of IFRS 2, Share-based payments, only to equity instruments granted after November 2002, which had not vested as of the Transition Date.

IFRS – Accounting Policy Choices

For mining exploration companies, one accounting policy choice is to either capitalize or expense its exploration costs. The Company currently expenses its exploration costs and does not currently anticipate any significant changes to this policy.

The Company is in the process of assessing the IFRS conversion adjustments, but does not currently expect any significant changes from the adoption of the following IFRS:

IFRS 2 – Share Based Payments;
IAS 12 – Income Taxes;
IAS 16 – Property, Plant and Equipment;
IAS 36 – Impairment of Assets;
IAS 37 – Provisions, Contingent Liabilities and Contingent Assets.

Financial Instruments

Designation and Valuation of Financial Instruments

The Company's financial instruments consist of cash, receivables, due from related parties, accounts payable and accrued liabilities and notes payable. Cash is designated as held for trading and carried at fair value, with any unrealized gain or loss recorded in the statement of operations. Interest income is recorded in the statement of operations. Receivables and due from related parties are classified as loans and receivables, and accounts payable, accrued liabilities and notes payable are classified as other financial liabilities, and recorded at amortized cost using the effective interest rate method. The Company does not hold any derivative financial instruments.

The carrying amounts of cash, receivables, due from related parties, accounts payable and accrued liabilities are a reasonable estimate of their fair values due to the short term maturity of these instruments. The fair value of notes payable was not determined as no relevant information was available for these types of financial instruments and it was not practicable to do so.

Risks

Foreign Exchange Risk

The Company's operations in the United States and Mexico expose the Company to foreign exchange risk. The Company is subject to currency risk due to the fluctuations of exchange rates between the Canadian and US dollars, as well as the Canadian dollar and Mexican pesos.

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At March 31, 2010, approximately 55% of the Company's accounts payable and accrued liabilities and approximately 3% of the Company's cash is denominated in US dollars. As well, approximately 8% of the Company's accounts payable and accrued liabilities are denominated in Mexican pesos. The Company's cash denominated in Mexican pesos is negligible. The Company's net monetary position in both US dollars and Mexican pesos is not significant and therefore the Company does not believe it is exposed to significant foreign exchange risk. The Company does not enter into derivative financial instruments to mitigate foreign exchange risk.

Credit Risk

The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company's receivables consist of GST receivable due from the Federal Government of Canada and amounts due from related parties. The Company maintains cash deposits with Schedule A financial institutions, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Interest Rate Risk

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

Liquidity Risk

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

Price Risk

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

Risks and Uncertainties

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

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

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

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

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

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

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

Other

Additional information relating to the Company's operations and activities can be found by visiting the Company's website at www.lincolnmining.com and www.sedar.com.

Trends

Trends in the industry can materially affect how well any junior exploration company is performing. The price of precious metals, in particular gold and silver, remains high and as a result worldwide exploration is starting to pick up. Under the current economic conditions, Lincoln is advancing its properties as quickly as possible while still remaining prudent when considering large cost items such as drilling and geophysics. It is uncertain as to how long the bull market will last for precious metals.

Outlook

The outlook for precious metals continues to improve and this is reflected in Lincoln's increased financial strength. The prospect for financing the Company's projects is better and this will enable the Company to continue as a viable entity. Lincoln's advanced-stage properties, Pine Grove and Oro Cruz, will require significant investment as they transition into development state projects. Staff and contractor requirements are expected to increase significantly as Lincoln fast-tracks these properties to production. Exploration costs at La Bufa will also ramp up as new discoveries are made. Lincoln management believes that the Company is on its way to becoming a new junior gold-silver producer in stable counties with no threat to mineral tenure or repatriation of mining profits.

Cautionary Statement

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