



LINCOLN MINING CORPORATION

**Unaudited condensed interim
consolidated financial statements**

for the nine months ended September 30, 2015

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Notice to Reader

Management has prepared the unaudited condensed interim consolidated financial statements for Lincoln Mining Corporation (the Company) in accordance with National Instrument 51-102 released by the Canadian Securities Administration. The Company discloses that its auditors have not reviewed the unaudited consolidated financial statements for the period ended September 30, 2015.

LINCOLN MINING CORPORATION
Condensed Interim Consolidated Statements of Financial Position
(Unaudited)

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

| | Notes | As at September 30, 2015 \$ | As at December 31, 2014 \$ |
|---|-------|--------------------------------------|----------------------------------|
| Assets | | | |
| Current assets | | | |
| Cash | | 60,268 | - |
| Other receivables | | 18,913 | 26,636 |
| Available-for-sale investments | 4 | - | 103,091 |
| Prepaid expenses | | 9,096 | 13,719 |
| | | 88,277 | 143,446 |
| Non-current assets | | | |
| Equipment | | 4,359 | 7,289 |
| Deposits | | 29,542 | 36,628 |
| | | 33,901 | 43,917 |
| Total assets | | 122,178 | 187,363 |
| Liabilities and shareholders' deficiency | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | | 1,799,884 | 1,463,413 |
| Loans payable | 7 | 1,352,176 | 1,214,119 |
| Promissory notes | 8 | 564,424 | 400,000 |
| Property acquisition liability | 5(c) | - | 769,095 |
| | | 3,716,484 | 3,846,627 |
| Non-current liabilities | | | |
| Promissory notes | 8 | 2,698,012 | 2,586,940 |
| Provision for environmental rehabilitation | 6 | 87,061 | 75,406 |
| | | 2,785,073 | 2,662,346 |
| Total liabilities | | 6,501,557 | 6,508,973 |
| Shareholders' deficiency | | | |
| Share capital | 10 | 21,184,769 | 21,184,769 |
| Capital reserves | 10 | 1,565,163 | 1,559,689 |
| Accumulated other comprehensive loss | | - | (95,091) |
| Deficit | | (29,129,311) | (28,970,977) |
| Total shareholders' deficiency | | (6,379,379) | (6,321,610) |
| Total liabilities and shareholders' deficiency | | 122,178 | 187,363 |

Nature of operations (Note 1)

Approved and authorized by the Board on November 30, 2015.

| | | | |
|-------------------------------------|----------|--|----------|
| <u>"Paul Saxton"</u> Paul Saxton | Director | <u>"Andrew Milligan "</u> Andrew Milligan | Director |
|-------------------------------------|----------|--|----------|

LINCOLN MINING CORPORATION

Condensed Interim Consolidated Statements of Income and Comprehensive Income

(Unaudited)

For the three and nine months ended September 30, 2015 and 2014

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

| | Notes | Three months ended September 30, 2015 | Three months ended September 30, 2014 | Nine months ended September 30, 2015 | Nine months ended September 30, 2014 |
|---|-------|---------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|
| | | \$ | \$ | | |
| Exploration expenses | 5 | 93,141 | 212,943 | 176,294 | 626,431 |
| Property investigations | | - | 5,596 | - | 5,596 |
| Recovery of mineral properties previously impaired | 5(c) | - | - | (769,095) | - |
| Administrative expenses (recovery) | | | | | |
| Administrative support | | 43,128 | 28,515 | 116,739 | 104,833 |
| Consulting and management fees | | 47,060 | 17,365 | 142,600 | 80,240 |
| Depreciation | | 977 | 766 | 2,930 | 4,435 |
| Foreign exchange loss (gain) | | 43,448 | 1,403 | 77,872 | 8,695 |
| Investor relations and shareholder services | | (122,417) | 9,019 | (67,060) | 65,303 |
| Office maintenance | | 51,718 | 73,480 | 84,518 | 180,125 |
| Professional fees | | 31,053 | 53,761 | 111,355 | 108,687 |
| Share-based compensation | 10(c) | 820 | - | 5,474 | - |
| Travel | | (883) | 9,162 | 1,272 | 17,053 |
| | | 94,904 | 193,471 | 475,700 | 569,371 |
| Finance expenses | | | | | |
| Interest expense | | 65,327 | 81,459 | 189,817 | 387,345 |
| | | 65,327 | 81,459 | 189,817 | 387,345 |
| Other items | | | | | |
| Loss on sale of available-for-sale investments | | - | - | 85,618 | - |
| | | - | - | 85,618 | - |
| Income (loss) for the period | | (253,372) | (493,469) | (158,334) | (1,588,743) |
| Other comprehensive income | | | | | |
| Reclassification of unrealized loss on sale of available-for-sale investments | 4 | - | - | 95,091 | - |
| Unrealized gain (loss) on available-for-sale investments | | - | - | - | - |
| Comprehensive loss for the period | | (253,372) | (493,469) | (63,243) | (1,588,743) |
| Basic and diluted loss per common share | | (0.01) | (0.03) | (0.00) | (0.07) |
| Weighted average number of common shares outstanding | | 22,746,021 | 15,886,020 | 22,746,021 | 15,886,020 |

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

LINCOLN MINING CORPORATION
Condensed Interim Consolidated Statements of Cash Flows

(Unaudited)

For the nine months ended September 30, 2015 and 2014

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

| | Nine months ended September 30, 2015 | Nine months ended September 30, 2014 |
|--|---|---|
| | \$ | \$ |
| CASH FLOWS USED IN OPERATING ACTIVITIES | | |
| Income (loss) for the period | (158,334) | (1,588,743) |
| Items not affecting cash: | | |
| Recovery of mineral properties previously impaired | (769,095) | - |
| Accrued interest expense | 189,817 | 387,924 |
| Loss on sale of available-for-sale investments | 85,618 | - |
| Depreciation | 2,930 | 4,435 |
| Share-based compensation | 5,474 | - |
| Unrealized loss on foreign exchange | 11,691 | 2,541 |
| Changes in non-cash working capital items: | | |
| Increase in accounts payable and accrued liabilities | 336,471 | 345,688 |
| Decrease (increase) in prepaid and deposits | 11,709 | 487 |
| Increase in other receivables | 7,723 | (12,177) |
| Net cash used in operating activities | (275,996) | (859,845) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sale of available-for-sale investments | 112,564 | - |
| | 112,564 | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Promissory notes issued for cash | 163,400 | 3,819,054 |
| Payment of property acquisition liability | - | (512,414) |
| Payment of convertible debenture | - | (2,300,000) |
| Interest paid | - | (175,053) |
| Payment of promissory note | - | (40,000) |
| Loans from directors | 60,300 | 24,300 |
| Net cash provided by financing activities | 223,700 | 815,887 |
| Net change in cash for the period | 60,268 | (43,958) |
| Cash, beginning of the period | - | 43,958 |
| Cash, end of the period | 60,268 | - |

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

LINCOLN MINING CORPORATION**Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency**

(Unaudited)

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

| | Number of shares | Share capital \$ | Capital reserves \$ | Accumulated other comprehensiv e loss \$ | Deficit \$ | Total \$ |
|--|---------------------|------------------------|---------------------------|--|---------------------|--------------------|
| Balance at December 31, 2013 | 15,886,021 | 20,155,769 | 1,323,896 | - | (23,855,053) | (2,375,388) |
| Loss for the period | - | - | - | - | (1,588,743) | (1,588,743) |
| Balance at September 30, 2014 | 15,886,021 | 20,155,769 | 1,323,896 | - | (25,443,796) | (3,964,131) |
| Balance at December 31, 2014 | 22,746,021 | 21,184,769 | 1,559,689 | (95,091) | (28,970,977) | (6,321,610) |
| Share-based compensation | - | - | 5,474 | - | - | 5,474 |
| Reclassification of unrealized loss on sale of available-for-sale investments | - | - | - | 95,091 | - | 95,091 |
| Loss for the period | - | - | - | - | (158,334) | (158,334) |
| Balance at September 30, 2015 | 22,746,021 | 21,184,769 | 1,565,163 | - | (29,129,311) | (6,379,379) |

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

LINCOLN MINING CORPORATION
Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)

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

1 Nature of operations

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

The condensed interim consolidated financial statements of the Company for the nine month period ended September 30, 2015 comprise the Company and its subsidiaries (Note 2(b)). These condensed interim consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated. The Company is listed on the TSX Venture Exchange (“TSX-V: LMG”) and the Frankfurt Stock Exchange (“ZMG”).

2 Basis of Presentation

(a) Basis of preparation

The condensed interim consolidated financial statements for the nine months ended September 30, 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company’s annual consolidated financial statements as at and for the year ended December 31, 2014.

The accounting policies followed in these condensed interim consolidated financial statements are consistent with those applied in the Company’s most recent annual consolidated financial statements for the year ended December 31, 2014.

Going concern assumption

These financial statements were prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2015, the Company had a working capital deficit of \$3,628,207 (December 31, 2014 - \$3,703,181).and an accumulated deficit of \$29,129,311 (December 31, 2014 - \$28,970,977).

The Company does not have sufficient working capital to meet its administrative overheads, continue its exploration programs or repay its borrowings. The Company has relied upon the issuance of share capital and borrowings to finance its activities. Future capital requirements will depend on many factors including the Company’s ability to execute its business plan. The Company will be required to issue share capital and borrowings to finance future activities. There can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company and, therefore, a material uncertainty exists that casts substantial doubt over the Company’s ability to continue as a going concern.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that any of the Company’s current or future exploration programs will result in profitable mining operations. These financial statements do not include the adjustments to assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

New and amended standards adopted by the Company

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after January 1, 2015 that had a material impact on the Company.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for future periods and have not been applied in preparing these consolidated financial statements.

LINCOLN MINING CORPORATION
Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)

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

Financial instruments

IFRS 9 – Financial Instruments: Classification and Measurement. IFRS 9 is a new standard that will replace IAS 39. IASB has tentatively decided to require an entity to apply IFRS 9 for annual periods beginning on or after January 1, 2018, with early adoption permitted. IFRS 9 introduces new requirements for the classification and measurement of financial instruments as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value and a debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows in the form of principal and interest. Management anticipates that this standard will be adopted in the Company's financial statements for the period beginning January 1, 2018, and has not yet considered the potential impact of the adoption of IFRS 9.

(b) Consolidation

Subsidiaries

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

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

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

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

(c) Segment reporting

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

LINCOLN MINING CORPORATION
Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)

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

3 Critical accounting estimates and judgements

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

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

Income taxes

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

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

Company's title on mineral property interests

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

4 Available-for-sale investments

On October 10, 2014, the Company closed the sale of the La Bufa property to Endeavour Silver Corp. ("Endeavour") and received a net 40,587 Endeavour shares at a value of \$198,182.

During the nine months ended September 30, 2015, the Company sold 40,587 Endeavour shares for total proceeds of \$112,564 resulting in a loss of \$85,618.

5 Mineral properties

| | United States | | Total |
|--|----------------------|----------------------|--------------|
| | Pine Grove | Bell Mountain | |
| | \$ | \$ | \$ |
| Balance, December 31, 2013 | 784,116 | 2,263,514 | 3,047,630 |
| Impairment provision | (784,116) | (2,263,514) | (3,047,630) |
| Balance, December 31, 2014 and September 30, 2015 | - | - | - |

The impairment provision was recognized for the Pine Grove property to reflect the Company's declining working capital and inability to meet 2014 payment requirements to the underlying claim holders.

During the nine months ended September 30, 2015, Laurion terminated the purchase agreement related to the Bell Mountain property and re-conveyed the property to Laurion by utilizing the quit claim agreement dated September 4, 2014.

LINCOLN MINING CORPORATION
Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)

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

Exploration expenditures (recoveries) incurred during the nine months ended September 30, 2015:

| | United States | | | Total |
|--|----------------|---------------|----------------|----------------|
| | Pine Grove | Oro Cruz | Bell Mountain | |
| | \$ | \$ | \$ | \$ |
| Contractors | 52,888 | 30,731 | 20,506 | 104,125 |
| Drilling and metallurgical | 851 | - | - | 851 |
| Field supplies | 89 | - | - | 89 |
| General administration | 62,714 | 168 | (27,951) | 34,931 |
| Geochemistry | - | - | (1,512) | (1,512) |
| Land maintenance | 5,404 | 29,662 | - | 35,066 |
| Travel and accommodation | 138 | 397 | 8 | 543 |
| Vehicle operating | - | 50 | 2,151 | 2,201 |
| Total mineral property expenditures | 122,084 | 61,008 | (6,798) | 176,294 |

Exploration expenditures (recoveries) incurred during the nine months ended September 30, 2014:

| | United States | | | | Total |
|--|----------------|----------------|----------------|--------------|----------------|
| | Pine Grove | Oro Cruz | Bell Mountain | Other | |
| | \$ | \$ | \$ | \$ | \$ |
| Option, lease and advance royalty payments | - | 21,884 | - | - | 21,884 |
| Contractors | 48,490 | 38,072 | 30,879 | - | 117,441 |
| Drilling and metallurgical | 492 | - | 39,251 | - | 39,743 |
| Field supplies | 2,555 | 19 | 2,219 | - | 4,793 |
| General administration | 18,118 | 8,468 | 14,071 | 2,188 | 42,845 |
| Geochemistry | 47,167 | 17,540 | 32,213 | - | 96,920 |
| Land maintenance | 77,818 | 61,364 | 32,609 | - | 171,791 |
| Permitting environment | 120,967 | - | 7,112 | - | 128,079 |
| Travel and accommodation | 184 | 278 | 153 | - | 615 |
| Vehicle operating | 1,498 | - | 757 | 65 | 2,320 |
| Total mineral property expenditures | 317,289 | 147,625 | 159,264 | 2,253 | 626,431 |

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

LINCOLN MINING CORPORATION
Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)

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

United States

(a) Pine Grove Property, Nevada

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

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

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

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

- US\$10,000 upon signing the agreement (paid); and
- US\$30,000 prior to each one year anniversary of the lease (Years 1-6 paid, 2014 not paid).

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

- (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 (Years 1-6 paid, 2014 not 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; (incurred)
- US\$50,000 by August 1, 2012; (incurred) and each subsequent lease year (incurred for 2013 and 2014)

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

LINCOLN MINING CORPORATION
Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)

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

- (iv) In August 2010, the Company and its wholly owned subsidiary Lincoln Gold US Corp (“Lincoln US”) entered into a purchase agreement for Lincoln US to acquire unpatented mining claims and associated water rights (collectively known as the “Cavanaugh property”) situated at the Company’s Pine Grove project in Lyon County, Nevada. In consideration for the sale of the Cavanaugh property, the vendors have received a total of US\$650,000 and 40,000 common shares of the Company as follows:
- On closing US\$250,000 and 15,000 shares (paid)
 - August 23, 2011 US\$150,000 and 15,000 shares (paid)
 - August 23, 2012 US\$150,000 and 10,000 shares (paid)
 - August 23, 2013 US\$100,000 (paid)

At inception of the agreement a US\$400,000 promissory note was issued for the remaining cash payments required, non-interest bearing, except in the event of default, in which case the rate of interest shall be eight percent per annum until payment is made. The promissory note was secured by the Cavanaugh property. The fair value of the promissory note on the date of issuance was \$361,685 (US\$346,873), which was calculated using a discount rate of 8%. The Company’s commitment to issue the remaining 25,000 shares was valued at \$1.85 per share totaling \$46,250. As a result of the purchase agreement, \$696,360 was capitalized as mineral property acquisition costs as at December 31, 2010.

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

During the year ended December 31, 2014, the Company wrote-down the capitalized value of its Pine Grove property by \$784,116 to \$nil in accordance with level 3 of the fair value hierarchy.

(b) Oro Cruz Property, California

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

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

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

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

- US\$250,000 cumulative amount expended by the end of the second lease year (incurred)
- US\$300,000 during the third lease year (incurred)
- US\$350,000 during the fourth lease year
- US\$400,000 during the fifth lease year
- US\$450,000 during the sixth lease year
- US\$500,000 during the seventh lease year

LINCOLN MINING CORPORATION
Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)

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

(c) Bell Mountain Property, Nevada

In November 2012, the Company entered into a purchase agreement – Bell Mountain Project with Laurion Mineral Exploration Inc. and its Nevada subsidiary Laurion Mineral Exploration USA LLC (together, "Laurion"), pursuant to which the Company's subsidiary (Lincoln Resource Group Corporation) has acquired from Laurion certain unpatented mining claims and the assignment and assumption of Laurion's option (the "Bell Mountain Option") to earn a 100% interest in the Bell Mountain property from Globex Nevada Inc. ("Globex").

In order to complete the exercise of the Bell Mountain Option to acquire a 100% interest in the property from Globex, the Company must incur an additional \$1,755,000 in exploration expenditures on the property by June 28, 2015.

The purchase price of the transaction is an aggregate of \$2,350,000 cash, payable by the Company to Laurion as follows:

- \$350,000 within five business days of all necessary TSXV approvals (paid),
- \$350,000 by November 30, 2012 (paid),
- \$750,000 on completion of a pre-feasibility study (paid), and
- \$900,000 on or before five months after completion of the pre-feasibility study (\$487,414 paid, see below for amendment).

The Company renegotiated the payment schedule for the Bell Mountain project whereby principal repayments outstanding at September 30, 2013 would accrue interest at a rate of 4% per annum and would be due in full by December 31, 2013. During the year ended December 31, 2013, the Company made principal repayments of \$490,000 and for the year ended December 31, 2014, made additional principal payments of \$487,414.

In September 2014, Laurion agreed to amend the payment schedule on the outstanding balance to \$75,000 per month to the end of the year. If the full amount owing to Laurion was not paid by the end of December 2014 then Laurion could either extend the payments to June 30, 2015 at a rate of \$125,000 per month or require Lincoln to reassign its rights and interest in the Bell Mountain property to Laurion or Laurion could proceed with the legal claim for outstanding payment. Monthly payments include a \$25,000 extension fee.

The Company was not able to make its monthly payments and, as a result, during the nine months ended September 30, 2015, Laurion terminated the purchase agreement related to the Bell Mountain property. During the nine months ended September 30, 2015, the Company de-recognized the property acquisition liability of \$769,095 resulting in a recovery of \$769,095 for the nine months ended September 30, 2015.

During the year ended December 31, 2014, the Company wrote-down the capitalized value of its Bell Mountain property by \$2,263,514 to \$nil in accordance with level 3 of the fair value hierarchy.

In March 2013, the Company placed a bond of US\$20,565 with the US Bureau of Land Management to permit the Company's drilling program at the Bell Mountain property. During the year ended December 31, 2014, the Company wrote-off this reclamation bond as it was no longer considered recoverable.

The Company recognized initially the liabilities in relation with Bell Mountain acquisition at fair value of \$1,527,372 and subsequently measured at amortized cost using effective interest rate of 9.6%.

The liability is summarized as follows:

| | Nine months ended September 30, 2015 | Year ended December 31, 2014 |
|--|---|---|
| | \$ | \$ |
| Opening balance | 769,095 | 1,171,846 |
| Repayments | - | (487,414) |
| Interest accrued during the period | - | 84,663 |
| De-recognition upon termination of agreement | (769,095) | - |
| Closing balance | - | 769,095 |

LINCOLN MINING CORPORATION
Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)

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

6 Provisions

The Company's recognized a constructive provision for environmental rehabilitation relating to its Pine Grove Property road, which will require future cleanup costs estimated to be approximately US\$70,000. Management expects that the cleanup costs would be incurred in the future, at the end of the expected useful life of the property, however, as the technical feasibility of Pine Grove Property has not been completed yet, the life of the property is uncertain at the reporting date. The provision represents best management estimates and includes the following assumptions: life-of-mine - 10 years; inflation rate – 1.8%, pre-tax risk-free interest rate - 4.4%.

The closing balance is summarized as follows:

| | September 30, 2015 | December 31, 2014 |
|---------------------------|-------------------------------|------------------------------|
| | \$ | \$ |
| Beginning balance | 75,406 | 69,134 |
| Additions | - | - |
| Changes in exchange rates | 11,655 | 6,272 |
| Closing balance | 87,061 | 75,406 |

During the nine months ended September 30, 2015, the finance costs in relation to the accretion of the provision are negligible.

7 Loans payable

The following loans were provided by directors, former directors and insiders to the Company to support its working capital requirements. The loans bear interest of 5%-10% per annum.

| | Nine months ended September 30, 2015 | Year ended December 31, 2014 |
|------------------------------------|---|---|
| | \$ | \$ |
| Opening balance | 1,214,119 | 1,087,409 |
| Loans provided during the period | 60,300 | 24,300 |
| Interest accrued during the period | 77,757 | 102,410 |
| Closing balance | 1,352,176 | 1,214,119 |

During the year ended December 31, 2014, the Company received a \$24,300 unsecured demand loan from the President of the Company to fund the Company's current working capital requirements. During the nine months ended September 30, 2015, the Company received additional \$10,300 unsecured demand loan from the President of the Company. The loan is currently unsecured and non-interest bearing, with no specific repayment schedule, as the terms are still being negotiated.

During the nine months ended September 30, 2015, the Company received a \$50,000 loan from an arm's length party. The loan is unsecured, bearing interest at 10% per annum, calculated and payable on demand. The Company may repay the principal, in whole or in part, at any time without penalty.

LINCOLN MINING CORPORATION
Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)

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

8 Promissory notes

On February 28, 2014, the \$2,300,000 convertible debenture held by Procon Mining and Tunneling Ltd. and its affiliates (collectively, "Procon") (plus approximately \$175,000 in accrued interest), was repaid in full and discharged using funds through promissory notes maturing February 28, 2019 from companies controlled by two directors of the Company (the "Loans"). The Loans bear interest at a rate of 6% per annum, payable monthly commencing April 1, 2014. Concurrent with the transaction, the two directors resigned from the Company. Accrued interest on these Loans at September 30, 2015 was \$222,958.

During the year ended December 31, 2014, the Company received advances pursuant to a promissory note of \$1,029,000 from Golden Dreams Limited Partnership ("GDLP"), the general partner of which is Mr. Ronald K. Netolitzky, a control person of the Company. The advances were unsecured and would not bear interest until November 2014. In October 2014, the Company issued 6,860,000 common shares at a value of \$0.15 per share to settle the debt of \$1,029,000. As at September 30, 2015, the Company also received advances of \$425,000 from Mr. Ronald K. Netolitzky. The advances are unsecured, non-interest bearing and due on demand.

During the nine months ended September 30, 2015, the Company received \$50,000 from an insider of the Company. The loan is unsecured and evidenced by promissory notes bearing interest at 6% per annum, calculated and payable on demand. The Company may prepay the principal, in whole or in part, at any time without penalty.

During the nine months ended September 30, 2015, the Company received US\$66,000 from a company that has an insider in common with Lincoln. The loan is secured by the Company's US properties and evidenced by a promissory note bearing interest at 6% per annum. The Company may prepay the principal, in whole or in part, at any time without penalty. Principal and accrued interest will be payable upon termination of the note on December 31, 2015.

9 Related party transactions

The following transactions were carried out with related parties:

Key management personnel – services rendered and other compensation

Key management includes offices and directors – executive and non-executive. The compensation paid or payable to key management personnel for the services rendered during the nine months ended September 30, 2015 and 2014 were as follows:

| | Nine months ended September 30, 2015 | Nine months ended September 30, 2014 |
|--|---|---|
| | \$ | \$ |
| Directors fees | 36,000 | 24,000 |
| Management fees | 81,000 | 27,000 |
| Exploration expenses | 123,233 | 215,831 |
| Accounting fees | 60,250 | 52,048 |
| Administrative support fees | 25,450 | 29,240 |
| Total | 325,933 | 348,119 |
| Outstanding balances included in accounts payable: | 1,012,452 | 551,634 |

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

Loans from related parties

See Notes 7 and 8 for further details.

LINCOLN MINING CORPORATION
Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)

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

10 Share capital and reserves

a) Authorized share capital

As at September 30, 2015, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares are fully paid.

b) Capital reserves

| | Capital reserve - options | Capital reserve - warrants | Capital reserve – convertible debenture | Total |
|---|---------------------------------|----------------------------------|--|------------------|
| | \$ | \$ | \$ | \$ |
| Balance as at December 31, 2014 | 1,221,432 | 122,871 | 215,386 | 1,559,689 |
| Share-based compensation | 5,474 | - | - | 5,474 |
| Balance as at September 30, 2015 | 1,226,906 | 122,871 | 215,386 | 1,565,163 |

c) Stock options

As at September 30, 2015, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

| Number of Shares | Exercise Price | Expiry Date |
|---------------------|-------------------|-------------------|
| 60,000 | 1.90 | December 15, 2015 |
| 12,500 | 2.10 | December 20, 2015 |
| 2,024,000 | 0.15 | November 26, 2019 |
| 2,096,500 | | |

Stock option transactions for the nine months ended September 30, 2015 and for year ended December 31, 2014 are summarized as follows:

| | Nine months ended September 30, 2015 | | Year ended December 31, 2014 | |
|------------------------------------|---|---------------------------------------|---------------------------------|--|
| | Number of Options | Weighted average exercise price | Number of Options | Weighted average exercise price |
| | | \$ | | \$ |
| Balance, beginning of period | 2,196,500 | 0.32 | 442,500 | 2.08 |
| Granted | - | - | 2,024,000 | 0.15 |
| Expired | (100,000) | 2.66 | (240,000) | 1.90 |
| Forfeited | - | - | (30,000) | 1.90 |
| Balance, end of period | 2,096,500 | 0.25 | 2,196,500 | 0.32 |
| Options exercisable, end of period | 2,081,500 | 0.25 | 2,136,500 | 0.33 |

During the year ended December 31, 2014, the Company granted 2,024,000 stock options with a fair value of \$0.1193 per option. For the nine months ended September 30, 2015, the Company recorded \$5,474 (2014 - \$Nil) as share-based compensation for options vested during the period.

LINCOLN MINING CORPORATION
Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)

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

11 Financial instruments

Capital risk management

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

Categories of financial instruments

| | September 30, 2015 | December 31, 2014 |
|--|-----------------------|----------------------|
| | \$ | \$ |
| Financial assets * | | |
| <i>Fair value through profit or loss</i> | | |
| Cash | 60,268 | - |
| <i>Loans and receivables</i> | | |
| Other receivables | 12,502 | 3,219 |
| <i>Available-for-sale</i> | | |
| Available-for-sale investments | - | 103,091 |
| | 72,770 | 106,310 |
| Financial liabilities | | |
| Current | | |
| <i>Amortized at cost</i> | | |
| Accounts payable and accrued liabilities | 1,799,884 | 1,463,413 |
| Loans from directors | 1,352,176 | 1,214,119 |
| Property acquisition liability | - | 769,095 |
| Promissory notes | 564,424 | 400,000 |
| Non-current | | |
| <i>Amortized at cost</i> | | |
| Promissory notes | 2,698,012 | 2,586,940 |
| | 6,414,496 | 6,433,567 |

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

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

Fair value

The carrying value of cash, other receivables, accounts payable and accrued liabilities, loans from directors, and promissory notes approximated their fair value because of the relatively short-term nature of these instruments.

Foreign exchange risk

The Company's operations in the United States expose the Company to foreign exchange risk. The Company is subject to currency risk due to the fluctuations of exchange rates between the Canadian and US dollars. The Company does not believe it is exposed to significant foreign exchange risk. A 10% fluctuation in the foreign exchange rate between the Canadian and US dollar will result in a foreign exchange gain/loss of approximately \$82,900. The Company does not enter into derivative financial instruments to mitigate foreign exchange risk.

LINCOLN MINING CORPORATION
Notes to the Condensed Interim Consolidated Financial Statements
(Unaudited)

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

Credit risk

The Company is not exposed to material credit risk.

Interest rate risk

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

Liquidity risk

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

Price risk

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

12 Segmented information

The Company operates in one reportable operating segment, being the acquisition, exploration and evaluation of mineral properties.

The Company operates within two geographic areas – United States of America and Canada.

| | Non-current assets |
|---------------------------|-------------------------------|
| | \$ |
| December 31, 2014 | |
| United States of America | 2,842 |
| Canada | 41,075 |
| | 43,917 |
| September 30, 2015 | |
| United States of America | 1,137 |
| Canada | 32,764 |
| | 33,901 |

13 Subsequent event

Effective October 1, 2015, the Company signed a new office lease in the amount of \$4,642 per month for a period of three years.



FORM 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) AS OF NOVEMBER 30, 2015 TO ACCOMPANY THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF LINCOLN MINING CORPORATION (THE "COMPANY" OR "LINCOLN") FOR THE QUARTER ENDED SEPTEMBER 30, 2015.

This Management's Discussion and Analysis ("MD&A"), which has been prepared as of November 30, 2015, should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the nine months ended September 30, 2015. 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.

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

1. Overview

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

Lincoln Mining Corp. is a precious metals exploration and development company with two projects in various stages of exploration which include the Pine Grove property in Nevada, USA, and the Oro Cruz gold property in California, USA. The Company's interest in the Bell Mountain property in Nevada was reassigned to Laurion due to Lincoln's default in making the payments. Lincoln is exploring ways to reacquire the property. In the United States, the Company operates under its subsidiaries, Lincoln Gold US Corp and Lincoln Resource Group Corp.

The Company's intention and strategies are to continue to advance its projects, with a long term goal of building Lincoln into a mid-tier gold producer. The Company's immediate objective is to become a precious metals producer within two years, with increasing production each year after that.

Bell Mountain Project Status

On February 2, 2015, Laurion announced that the sale of the Bell Mountain property to Lincoln was terminated for non-payment. Lincoln had incurred approximately \$1.6 million of the cash purchase price of \$2.35 million and \$1.4 million of the \$1.75 million requirement in exploration expenditures. Eros Resources Corp. ("Eros") has acquired the property from Laurion. Eros has invested in Lincoln and Lincoln is exploring ways to reacquire the property from Eros. (refer to news release dated February 4, 2015 for further details).

FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the nine months ended September 30, 2015

(in Canadian dollars, unless otherwise stated)

2. Results of Operations

Results of Operations – For the three months ended September 30, 2015

For the three months ended September 30, 2015, the Company incurred an operational loss of \$253,372 (2014: \$493,469). Significant expenses included exploration expenses of \$93,141 (2014: \$212,943); professional fees (legal and audit) of \$31,053 (2014: \$53,761); office maintenance of \$51,718 (2014: \$73,480); administrative support of \$43,128 (2014: \$28,515); consulting and management fees of \$47,060 (2014: \$17,365) and interest expense of \$65,327 (2014: \$81,459).

Due to cash restraint, the Company decrease its costs related to exploration expenses and office maintenance. Consulting and management fees increase slightly as a result of corporate restructuring and bringing on new members to the executive team.

The interest expense includes interest incurred in relation to the outstanding shareholder loans and promissory notes bearing interest from 6-10% per annum.

In July 2015, The Company received \$US20,565 as consideration for transferring its existing reclamation bond on the Bell Mountain property to new owners, Bell Mountain Exploration Corp.

In August 2015, the Company received loans totaling C\$100,000 (the "Loans") to fund its working capital requirements from an arm's length party and an insider of the Company. The Loans are unsecured and evidenced by promissory notes (the "Notes") bearing interest at 6-10% per annum, calculated and payable on demand.

A loan was also received in the amount of US\$66,000 (the "Loan") from Eros Resource Corp. ("Eros"), a company that has an insider in common with Lincoln. The Loan is secured by the Company's US properties and evidenced by a promissory note (the "Notes") bearing interest at 6% per annum.

Results of Operations – For the nine months ended September 30, 2015

For the nine months ended September 30, 2015, the Company had a net loss of \$158,334 (2014: \$1,588,743). Significant expenses included exploration expenses of \$176,294 (2014: \$626,431); professional fees (legal and audit) of \$111,355 (2014: \$108,687); office maintenance of \$84,518 (2014: \$180,125); administrative support of \$116,739 (2014: \$104,833); consulting and management fees of \$142,600 (2014: \$80,240) and interest expense of \$189,817 (2014: \$387,345).

During the nine months ended September 30, 2015, Laurion terminated the purchase agreement related to the Bell Mountain property resulting in a de-recognition of the property acquisition liability of \$769,095. This was recorded as a recovery of mineral properties previously impaired during the period.

The significant decrease in interest expense was caused by de-recognizing the property acquisition liability related to the Bell Mountain property and the repayment of the convertible debenture to Procon in 2014.

Also during the nine months ended September 30, 2015, the Company sold 40,587 shares of Endeavour received in relation to the sale of the La Bufa property resulting in a loss of \$85,618 (2014: \$Nil).

FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the nine months ended September 30, 2015

(in Canadian dollars, unless otherwise stated)

The Company's key projects in 2015 were Pine Grove, and Oro Cruz. The total costs incurred on those projects since 2007 is summarized in the table below:

| Exploration expenses (recoveries) | Pine Grove | Oro Cruz | Bell Mountain | La-Bufa | Other properties (refunds) | Total |
|--|------------------|------------------|------------------|--------------------|----------------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Nine months ended | | | | | | |
| September 30, 2015 | 122,084 | 61,008 | (6,798) | - | - | 176,294 |
| 2014, (IFRS reporting) | 318,941 | 157,797 | 144,295 | 46,897 | 7,811 | 675,741 |
| 2013, (IFRS reporting) | 326,388 | 119,081 | 1,200,383 | 87,646 | 32,150 | 1,765,648 |
| 2012, (IFRS reporting) | 234,525 | 247,285 | 100,461 | 402,810 | 7,590 | 992,671 |
| 2011, (IFRS reporting) | 610,664 | 404,483 | - | 1,240,844 | 11,288 | 2,267,279 |
| 2010, (IFRS reporting) | 1,609,436 | 310,637 | - | 472,534 | 1,645 | 2,394,252 |
| 2009, (Canadian GAAP) | 553,319 | 7,586 | - | 121,861 | (7,898) | 674,868 |
| 2008, (Canadian GAAP) | 509,333 | - | - | 1,501,906 | 14,347 | 2,025,586 |
| 2007, (Canadian GAAP) | 154,145 | - | - | 163,705 | 25,287 | 343,137 |
| | 4,438,835 | 1,307,877 | 1,438,341 | 4,038,203 | 92,220 | 11,315,476 |
| Less recoveries | - | (328,765) | - | (1,051,735) | - | (1,380,500) |
| Total exploration expenses incurred | 4,438,835 | 979,112 | 1,438,341 | 2,986,468 | 92,220 | 9,934,976 |

Summary of Quarterly Results:

| 2015 Quarterly Results: | 4 th Quarter | 3 rd Quarter | 2 nd Quarter | 1 st Quarter |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | \$ | \$ | \$ | \$ |
| Revenue | - | - | - | - |
| Exploration expenses | - | 93,141 | 6,664 | 76,489 |
| Recovery of impairment | - | - | - | (769,095) |
| Administrative expenses (incl. interest expense) | - | 160,231 | 250,680 | 254,606 |
| Income (loss) | - | (253,372) | (278,733) | 373,771 |
| Comprehensive income (loss) | - | (253,372) | (257,326) | 447,455 |
| Basic and diluted earnings (loss) per share | - | (0.01) | (0.01) | 0.02 |
| Total assets | - | 122,178 | 116,488 | 102,869 |
| Working capital (deficiency) | - | (3,628,207) | (3,416,829) | (3,208,046) |

| 2014 Quarterly Results: | 4 th Quarter | 3 rd Quarter | 2 nd Quarter | 1 st Quarter |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | \$ | \$ | \$ | \$ |
| Revenue | - | - | - | - |
| Exploration expenses | 49,310 | 212,943 | 250,248 | 163,240 |
| Administrative expenses (incl. interest expense) | 631,580 | 274,930 | 268,478 | 413,308 |
| Loss | 3,527,181 | 493,469 | 518,726 | 576,548 |
| Comprehensive loss | 3,622,272 | 493,469 | 518,726 | 576,548 |
| Basic and diluted loss per share | (0.20) | (0.03) | (0.03) | (0.04) |
| Total assets | 187,363 | 3,163,677 | 3,202,520 | 3,245,298 |
| Working capital (deficiency) | (3,703,181) | (3,162,692) | (2,944,784) | (3,064,089) |

FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the nine months ended September 30, 2015

(in Canadian dollars, unless otherwise stated)

| 2013 Quarterly Results: | 4th Quarter | 3rd Quarter | 2nd Quarter | 1st Quarter |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | \$ | \$ | \$ | \$ |
| Revenue | - | - | - | - |
| Exploration expenses | 65,969 | 286,571 | 1,091,215 | 321,893 |
| Impairment provision for mineral properties | - | 1,833,153 | - | - |
| Administrative expenses (incl. interest expense) | 308,723 | 368,807 | 867,041 | 505,383 |
| Loss and comprehensive loss | 374,692 | 2,488,531 | 1,958,256 | 827,276 |
| Basic and diluted loss per share | (0.01) | (0.02) | (0.01) | (0.01) |
| Total assets | 3,199,203 | 3,514,555 | 5,411,603 | 6,679,303 |
| Working capital (deficiency) | (3,279,296) | (2,926,501) | (2,207,446) | (273,087) |

The administrative expenses for three months ended September 30, 2015 in amount of \$160,231 (2014: \$274,930) are comprised of the following: professional fees (legal and audit) of \$31,053 (2014: \$53,761), recovery of investor relations and shareholder services of \$122,417 (2014: expense of \$9,019), office maintenance of \$51,718 (2014: \$73,480), administrative support of \$43,128 (2014: \$28,515), consulting and management fees of \$47,060 (2014: \$17,365), recovery of travel costs of \$883 (2014: expense of \$9,162), depreciation of \$977 (2014: \$766), foreign exchange loss of \$43,448 (2014: \$1,403) and interest expense of \$65,327 (2014: \$81,459)

The administrative expenses remained relatively the same in comparison to the previous corresponding period.

Professional fees decreased as a result of lower legal fees during the period. Also, the Company recovered expenses related to investor relations and shareholder services as a result of reversing the accruals that were made in the previous periods.

Interest expense decreased as a result of the Company fully repaying the convertible debt on February 28, 2014 and de-recognizing the property acquisition liability related to the Bell Mountain property.

3. Project Summaries and Activities

PROJECTS - Overview

Pine Grove Property, Nevada –As a result of a technical disclosure review by the British Columbia Securities Commission, an amended and restated Preliminary Economic Assessment was issued on February 4, 2015 and filed with the British Columbia Securities Commission and is available for review under the Company's profile on SEDAR (see Lincoln news release February 16, 2015). No work has been carried out on the property during the third quarter. Claim payments were made in August to the BLM and the County to keep the property in good standing.

Oro Cruz Property, California - The Oro Cruz property has excellent potential for open-pit and underground mining. An Inferred resource for the project was reported in a NI 43-101 Technical Report in September 2010. Lincoln's immediate goal is to increase and advance the 376,600 Inferred ounces gold to Measured and Indicated categories by confirmation drilling. No significant work was completed since early 2013 due to arbitration with Elgin Mining which has now been resolved. Additionally, no work was completed due to the CFIUS order which has now been lifted. Lincoln is now free to advance the project towards production. New funding will be required for the confirmation program. No work was carried out on the property in the third quarter. Claim payments were made in late August to the BLM and the County to keep the property in good standing.

**FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the nine months ended September 30, 2015**

(in Canadian dollars, unless otherwise stated)

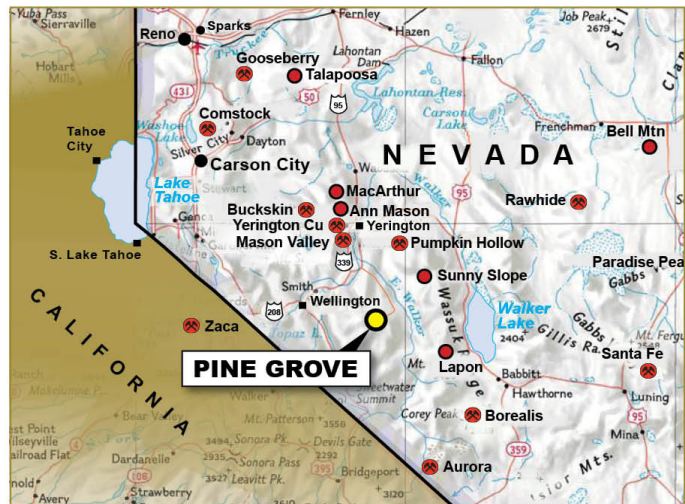
Pine Grove Gold Property, Lyon County, Nevada

Pine Grove – Overview:

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

On March 21, 2011, Lincoln filed an updated NI 43-101 Technical Report compiled by Tetra Tech, Inc. of Denver, Colorado. On December 8, 2011, a Preliminary Economic Assessment (PEA) was issued by Telesto Nevada Inc. of Reno, NV. A review of Lincoln disclosures by the British Columbia Securities Commission in October 2014 concluded that the PEA resources were non-compliant with NI 43-101. Owing to this situation, an amended and restated PEA was issued on February 4, 2015 by Welsh-Hagen Associates (formerly Telesto Nevada Inc.) and their Qualified Persons. (see Lincoln news release February 16, 2014)

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



Pine Grove - Technical Report & Preliminary Economic Assessment

Tetra Tech, Inc. in Golden, Colorado completed a NI 43-101 technical report dated March 16, 2011. The report was filed on SEDAR (www.sedar.com) on March 21, 2011. On December 8, 2011, Telesto Nevada Inc. completed a Preliminary Economic Assessment ("PEA") which reported resources and economics. The report was filed on SEDAR (www.sedar.com) on December 14, 2011. During October 2014, the Company received a letter from the British Columbia Securities Commission regarding a technical disclosure review of Lincoln Mining Corp. The resources reported in the Pine Grove PEA, prepared by Telesto Nevada Inc. dated December 8, 2011, were found to be not currently supported by a compliant NI 43-101 technical report and therefore should not be relied upon until the deficiencies are corrected and supported by an updated report. Working with Welsh-Hagen Associates (formerly Telesto Nevada Inc.) and their Qualified Persons, an amended and restated Preliminary Economic Assessment was issued on February 4, 2015 and filed with the British Columbia Securities Commission and is available for review under the Company's profile on SEDAR (see Lincoln news release February 16, 2015).

There was no work carried out on the property during the third quarter. Yearly land payments were made to the BLM and the County to keep the property in good standing.

**FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the nine months ended September 30, 2015**

(in Canadian dollars, unless otherwise stated)

Pine Grove – Preliminary Economic Assessment

On February 16, 2015, Lincoln announced that it had received a positive PEA on the proposed open-pit and heap-leach operations at the Pine Grove gold project. A summary of total Measured and Indicated resources and Inferred resources is presented in the table below. Combined Measured resources (72%) and Indicated resources (28%) total 134,500 ozs gold within designed pit shells containing 3,373,000 tons of mineralized material grading 0.040 opt gold at a 0.007 opt gold cutoff grade. Combined Inferred resources within designed pit shells contain 160,000 tons of mineralized material grading 0.041 opt gold at a 0.007 opt gold cutoff grade. The pits were designed on a gold price of \$1525 per oz. The PEA recommends two conventional open pits with a combined stripping ratio of 3.2:1 (Wheeler 2.2:1; Wilson 4.4:1). Contract mining would be employed with a goal of producing 1 million tons of leachable ore per year. Mining operations would be conducted 5 days per week, one shift per day. Crushing operations reducing the ore to 3/8-inch would be conducted 5 days per week, 2 shifts per day with 1 weekend maintenance shift. A gold recovery value of 75% is estimated if the crushed ore is agglomerated. The mine life is presently estimated at 5 years with gold production over a 4-year period ranging from approximately 23,000 to 27,000 ozs gold per year. Capital costs are estimated at approximately \$29.8 million. At \$1425 per oz gold, the project has an IRR of 23% after royalties, reclamation costs, and the Nevada net Proceeds Tax.

Total Measured and Indicated Gold Resources

At 0.007 opt Au Cutoff Grade

| Category | Tons | Cutoff Grade Opt Gold | Average Grade Opt Gold | Contained Ozs Gold |
|-----------------------------|-------------|----------------------------------|-----------------------------------|-------------------------------|
| Measured | 2,356,000 | 0.007 | 0.041 | 97,300 |
| Indicated | 1,017,000 | 0.007 | 0.037 | 37,200 |
| Measured + Indicated | 3,373,000 | 0.007 | 0.040 | 134,500 |

- Mineral resources are reported using a long term gold price of \$1425 per oz.
- Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Total Inferred Gold Resources

At 0.007 opt Au Cutoff Grade

| Category | Tons | Cutoff Grade Opt Gold | Average Grade Opt Gold | Contained Ozs Gold |
|-----------------|-------------|----------------------------------|-----------------------------------|-------------------------------|
| Inferred | 160,000 | 0.007 | 0.041 | 6,600 |

- Mineral resources are reported using a long term gold price of \$1425 per oz.
- Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Pine Grove – Recent Activities

Planned additional work will include expanded archaeological surveys and hydrologic basin analysis. Also, some additional geochemical testing for acid-base accounting and meteoric water mobility is planned. This work will require new funding.

Lincoln plans to advance the Pine Grove project to an open-pit mine with heap-leach gold recovery.

No work carried out on the property during the third quarter. Yearly land payments were made to the BLM and the County to keep the property in good standing.

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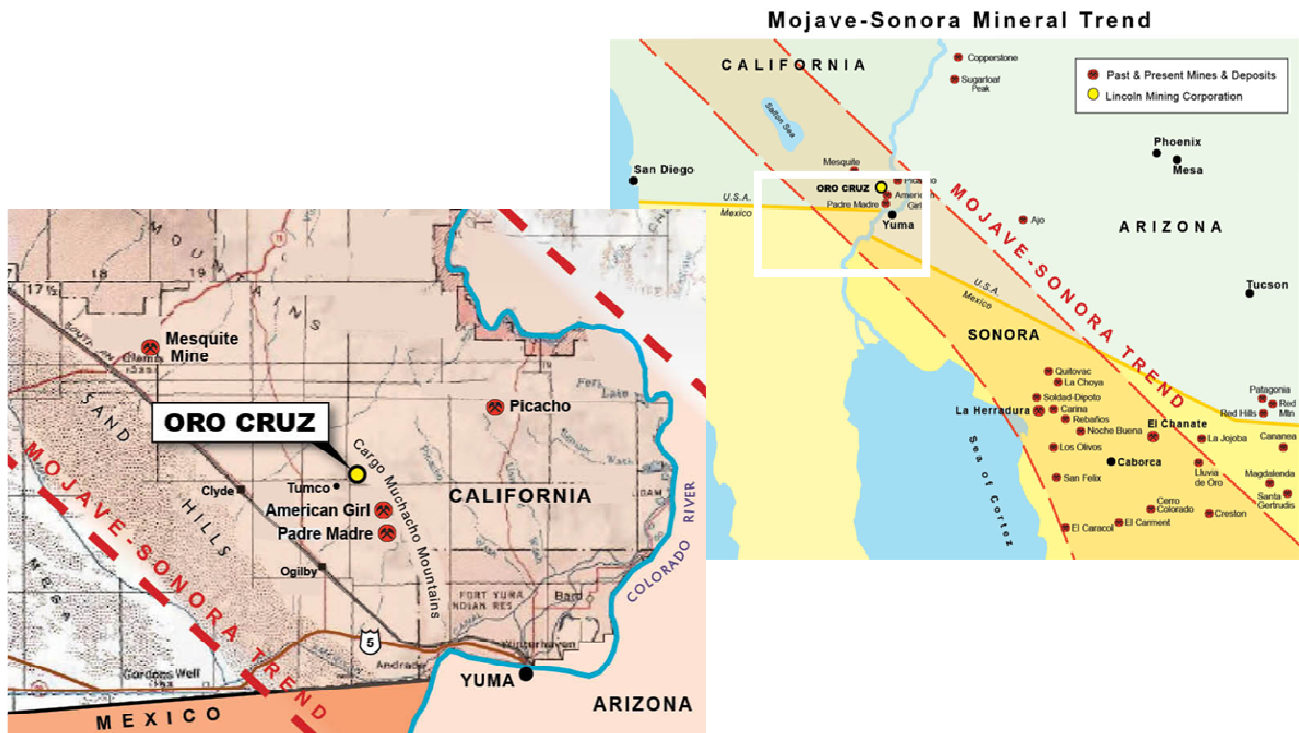
(in Canadian dollars, unless otherwise stated)

Oro Cruz Gold Property, Imperial County, California

Oro Cruz – Overview:

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

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



Oro Cruz – History:

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

No work was carried out on the property during the third quarter. Claim payments were made in August to the BLM and County to keep the property in good standing.

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Oro Cruz – Geology & Mineralization:

Oro Cruz Gold Resources – September 2010

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

New Opportunities

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

4. Outstanding Share Data

The Company's issued and outstanding common shares are 22,746,021 as at the date of this report.

The Company now has a total of 2,096,500 outstanding options with exercise prices from \$0.15 - \$2.10.

5. Related Party Transactions

The following transactions were carried out with related parties:

Key management personnel – services rendered and other compensation

Key management includes offices and directors – executive and non-executive. The compensation paid or payable to key management personnel for the services rendered during the nine months ended September 30, 2015 and 2014 were as follows:

| | Nine months ended September 30, 2015 | Nine months ended September 30, 2014 |
|--|---|---|
| | \$ | \$ |
| Directors fees | 36,000 | 24,000 |
| Management fees | 81,000 | 27,000 |
| Exploration expenses | 123,233 | 215,831 |
| Accounting fees | 60,250 | 52,048 |
| Administrative support fees | 25,450 | 29,240 |
| Total | 325,933 | 348,119 |
| Outstanding balances included in accounts payable: | 1,012,452 | 551,634 |

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

Loans

During the year ended December 31, 2014, the Company received a \$24,300 unsecured demand loan from the President of the Company to fund the Company's current working capital requirements. During the nine months ended September 30, 2015, the Company received additional \$10,300 unsecured demand loan from the President of the Company. The loan is currently unsecured and non-interest bearing, with no specific repayment schedule, as the terms are still being negotiated.

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In February 2014, the \$2,300,000 convertible debenture held by Procon (plus approximately \$175,000 in accrued interest), was repaid in full and discharged using funds advanced to Lincoln through unsecured, non-convertible loans from companies controlled by two former directors of Lincoln (the "Loans"). The Loans bear interest at a rate of 6% per annum, payable monthly commencing April 1, 2014 for a term of five years at which point the principal amount owing under the Loans is due.

During the year ended December 31, 2014, the Company received advances pursuant to a promissory note of \$1,029,000 from Golden Dreams Limited Partnership ("GDLP"), the general partner of which is Mr. Ronald K. Netolitzky, a control person of the Company at the time. The advances were unsecured and did not bear interest until November 2014. In October 2014, the Company issued 6,860,000 common shares at a value of \$0.15 per share to settle the debt of \$1,029,000. The Company also received advances of \$425,000 from Mr. Ronald K. Netolitzky. The advances are unsecured non-interest bearing and due on demand.

During the three months ended September 30, 2015, the Company received loans totaling CDN\$100,000 (\$50,000 of which was received from an insider) and US\$66,000 from Eros Resource Corp., a company with an insider in common with Lincoln (see news releases dated August 10 and 24, 2015 for details).

6. Liquidity and Solvency

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

| | September 30, 2015 | December 31, 2014 |
|------------------------------|-------------------------------|------------------------------|
| | \$ | \$ |
| Working capital (deficiency) | (3,628,207) | (3,703,181) |
| Long-term debt | 2,785,073 | 2,662,346 |

| | Nine months ended September 30, 2015 | Nine months ended September 30, 2014 |
|---------------------------------------|---|---|
| | \$ | \$ |
| Cash used in operating activities | (275,996) | (859,845) |
| Cash used in investing activities | 112,564 | - |
| Cash provided by financing activities | 223,700 | 815,887 |
| Change in cash | 60,268 | (43,958) |

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

7. Commitments

Subsequent to quarter end, the Company signed a new office lease effective October 1, 2015 in the amount of \$4,641.87 per month for a period of three years.

8. Capital Resources

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

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

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Capital risk management

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

9. Off-Balance Sheet Arrangements

None.

10. Proposed Transactions

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

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

The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations, and may require management to make judgements or rely on assumptions about matters that are inherently uncertain. The interim condensed consolidated financial statements for the nine months ended September 30, 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at December 31, 2014.

The accounting policies followed in these interim financial statements are consistent with those applied in the Company's most recent annual financial statements for the year ended December 31, 2014.

Critical Accounting Estimates and Judgments

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

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

Company's title on mineral property interests

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

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Income taxes

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

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

12. Financial Instruments

Categories of financial instruments

| | September 30, 2015 | December 31, 2014 |
|--|-----------------------|----------------------|
| | \$ | \$ |
| Financial assets * | | |
| <i>Fair value through profit or loss</i> | | |
| Cash | 60,268 | - |
| <i>Loans and receivables</i> | | |
| Other receivables | 12,502 | 3,219 |
| <i>Available-for-sale</i> | | |
| Available-for-sale investments | - | 103,091 |
| | 72,770 | 106,310 |
| Financial liabilities | | |
| Current | | |
| <i>Amortized at cost</i> | | |
| Accounts payable and accrued liabilities | 1,799,884 | 1,463,413 |
| Loans from directors | 1,352,176 | 1,214,119 |
| Property acquisition liability | - | 769,095 |
| Promissory notes | 564,424 | 400,000 |
| Non-current | | |
| <i>Amortized at cost</i> | | |
| Promissory notes | 2,698,012 | 2,586,940 |
| | 6,414,496 | 6,433,567 |

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

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

Fair value

The carrying value of cash, other receivables, accounts payable and accrued liabilities, loans from directors, and promissory notes approximated their fair value because of the relatively short-term nature of these instruments.

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. The Company does not believe it is exposed to significant foreign exchange risk. A 10% fluctuation in the foreign exchange rate between the Canadian and US dollar will result in a foreign exchange gain/loss of approximately \$82,900. The Company does not enter into derivative financial instruments to mitigate foreign exchange risk.

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Credit risk

The Company's cash is largely held in large Canadian financial institutions. 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. The Company does not hold any financial liabilities with variable interest rates.

Liquidity risk

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

Price risk

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

13. Risks and Uncertainties

The Company's principal activity is mineral 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.

The properties that 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.

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14. Trends

Trends in the industry can materially affect how well any junior exploration company is performing. There are two trends that seem to affect the well-being of junior miners. One is the price of the commodity, which is being produced and the other is the general market condition. Over the last few years the trend in the prices of precious metals, in particular gold and silver, has been downward on the spot basis as well as the average trailing prices of the metals. Lincoln management believes that gold and silver prices will stabilize over the next few months. The other aspect is the general stock market conditions. Unfortunately, the junior mining sector has been under tremendous negative pressure in the market and this condition is expected to continue. Lincoln is committed to advance its properties to production as quickly as possible to get into a cash flow position.

15. Outlook

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

Cautionary Statement

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