LINCOLN MINING CORPORATION

Unaudited condensed interim consolidated financial statements

for the three months ended March 31, 2015

Table of Contents

Notice to Reader

Management has prepared the unaudited condensed interim consolidated financial statements for Lincoln Mining Corporation (the Company) in accordance with National Instrument 51-102 released by the Canadian Securities Administration. The Company discloses that its auditors have not reviewed the unaudited consolidated financial statements for the period ended March 31, 2015.

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

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

	Notes	As at March 31, 2015	As at December 31, 2014
		$	$
Assets			
Current assets			
Other receivables		30,461	26,636
Available-for-sale investments	4	20,523	103,091
Prepaid expenses		8,945	13,719
		59,929	143,446
Non-current assets			
Equipment		6,312	7,289
Deposits		36,628	36,628
		42,940	43,917
Total assets		**102,869**	**187,363**
Liabilities and shareholders' deficiency			
Current liabilities			
Accounts payable and accrued liabilities		1,603,572	1,463,413
Loans from directors/former directors	7	1,239,403	1,214,119
Promissory notes	8	425,000	400,000
Property acquisition liability	5(c)	-	769,095
		3,267,975	3,846,627
Non-current liabilities			
Promissory notes	8	2,623,557	2,586,940
Provision for environmental rehabilitation	6	82,439	75,406
		2,705,996	2,662,346
Total liabilities		**5,973,971**	**6,508,973**
Shareholders' deficiency			
Share capital	10	21,184,769	21,184,769
Capital reserves	10	1,562,742	1,559,689
Accumulated other comprehensive loss		(21,407)	(95,091)
Deficit		(28,597,206)	(28,970,977)
Total shareholders' deficiency		**(5,871,102)**	**(6,321,610)**
Total liabilities and shareholders' deficiency		**102,869**	**187,363**

Nature of operations (Note 1)

Approved and authorized by the Board on June 1, 2015.

"Paul Saxton" Director — Paul Saxton

"Andrew Milligan " Director — Andrew Milligan

LINCOLN MINING CORPORATION

Condensed Interim Consolidated Statements of Income and Comprehensive Income

(Unaudited)

For the three months ended March 31, 2015 and 2014

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

	Notes	Three months ended March 31, 2015	Three months ended March 31, 2014
		$	$
Exploration expenses	**5**	**76,489**	**163,240**
Recovery of mineral properties previously impaired	**5(c)**	**(769,095)**	**-**
Administrative expenses			
Administrative support		32,969	31,781
Consulting and management fees		48,445	41,095
Depreciation		977	1,841
Foreign exchange loss		49,570	19,706
Investor relations and shareholder services		7,933	6,946
Office maintenance		25,401	49,801
Professional fees		24,338	37,015
Share-based compensation	**10(c)**	3,053	-
Travel		19	2,252
		192,705	**190,437**
Finance expenses			
Interest expense		61,901	222,871
		61,901	**222,871**
Other items			
Loss on sale of available-for-sale investments		64,229	-
		64,229	**-**
Income (loss) for the period		**373,771**	**(576,548)**
Other comprehensive income			
Reclassification sale of available-for-sale investments	**4**	74,972	-
Unrealized loss on available-for-sale investments		(1,288)	-
Comprehensive income (loss) for the period		**447,455**	**(576,548)**
Basic and diluted earnings (loss) per common share		$ 0.02	$ (0.04)
Weighted average number of common shares outstanding		**22,746,021**	**15,886,020**

LINCOLN MINING CORPORATION
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)
For the three months ended March 31, 2015 and 2014

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

	Three months ended March 31, 2015	Three months ended March 31, 2014
	$	**$**
CASH FLOWS USED IN OPERATING ACTIVITIES		
Income (loss) for the year	**373,771**	**(576,548)**
Items not affecting cash:		
Recovery of mineral properties previously impaired	(769,095)	-
Accrued interest expense	61,901	222,840
Loss on sale of available-for-sale investments	64,229	
Depreciation	977	1,841
Share-based compensation	3,053	-
Unrealized loss on foreign exchange	7,033	1,853
Changes in non-cash working capital items:		
Increase in accounts payable and accrued liabilities	140,159	133,576
Decrease in prepaid	4,774	8,836
Increase in other receivables	(3,825)	(1,725)
Net cash used in operating activities	**(117,023)**	**(209,327)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of available-for-sale investments	92,023	-
	92,023	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Promissory notes issued for cash	25,000	2,943,199
Payment of property acquisition liability	-	(227,130)
Payment of convertible debenture	-	(2,300,000)
Interest paid	-	(175,053)
Loans from directors	-	22,500
Net cash provided by financing activities	**25,000**	**263,516**
Net change in cash for the year	-	54,189
Cash, beginning of the year	-	43,958
Cash, end of the year	**-**	**98,147**

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

	Number of shares	Share capital	Capital reserves	Accumulated other comprehensive 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	-	-	-	-	(576,548)	(576,548)
Balance at March 31, 2014	**15,886,021**	**20,155,769**	**1,323,896**	**-**	**(24,431,601)**	**(2,951,936)**
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	-	-	3,053	-	-	3,053
Reclassification of unrealized loss on sale of available-for-sale investments	-	-	-	74,972	-	74,972
Unrealized loss on available-for-sale investments	-	-		(1,288)	-	(1,288)
Loss for the period	-	-	-	-	373,771	373,771
Balance at March 31, 2015	**22,746,021**	**21,184,769**	**1,562,742**	**(21,407)**	**(28,597,206)**	**(5,871,102)**

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 350 – 885 Dunsmuir Street, Vancouver, British Columbia, Canada, V6C 1N5. The Company is a precious metals exploration and development company with several projects in various stages of exploration.

The interim consolidated financial statements of the Company for the three month period ended March 31, 2015 comprise the Company and its subsidiaries (Note 2(b)). These 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 interim consolidated financial statements for the three months ended March 31, 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim 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 consolidated financial statements as at and for the year ended 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.

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 March 31, 2015, the Company had a working capital deficit of $3,208,046 (December 31, 2014 - $3,659,264).and an accumulated deficit of $28,597,206 (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 mainly upon the issuance of share capital 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.

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.

(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 three months ended March 31, 2015, the Company sold 32,000 Endeavour shares for total proceeds of $92,023 resulting in a loss of $64,229.

For the three months ended March 31, 2015, the Company has recognized an unrealized loss on the shares of $1,288.

5 Mineral properties

	United States		
	Pine Grove	Bell Mountain	**Total**
	$	**$**	**$**
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 March 31, 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 three months ended March 31, 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.

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

Exploration expenditures (recoveries) incurred during the three months ended March 31, 2015:

	United States			Total
	Pine Grove	Oro Cruz	Bell Mountain	
	$	$	$	$
Contractors	30,875	11,748	19,021	**61,644**
Drilling and metallurgical	372	-	651	**1,023**
Field supplies	40	-	-	**40**
General administration	2,893	-	2,597	**5,490**
Geochemistry	-	-	3,103	**3,103**
Land maintenance	4,965	-	-	**4,965**
Travel and accommodation	54	-	-	**54**
Vehicle operating	-	49	121	**170**
Total mineral property expenditures	**39,199**	**11,797**	**25,493**	**76,489**

Exploration expenditures (recoveries) incurred during the three months ended March 31, 2014:

	United States			Total
	Pine Grove	Oro Cruz	Bell Mountain	
	$	$	$	$
Contractors	11,953	11,952	13,028	**36,933**
Drilling and metallurgical	83	-	27,583	**27,666**
Field supplies	188	-	1,251	**1,439**
General administration	628	-	2,811	**3,439**
Geochemistry	19,400	3,641	9,819	**32,860**
Land maintenance	27,583	33,099	-	**60,682**
Vehicle operating	221	-	-	**221**
Total mineral property expenditures	**60,056**	**48,692**	**54,492**	**163,240**

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

United States

(a) Pine Grove Property, Nevada

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

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

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

The following non-refundable advance NSR payments must be made by the Company:
- US$10,000 upon signing the agreement (paid); and
- US$30,000 prior to each one year anniversary of the lease (Years 1-6 paid, 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

(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-off the capitalized value of its Pine Grove property of $784,116.

(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

(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 three months ended March 31, 2015, Laurion terminated the purchase agreement related to the Bell Mountain property. During the three months ended March 31, 2015, the Company de-recognized the property acquisition liability of $769,095 resulting in a recovery of $769,095 for the three months ended March 31, 2015.

During the year ended December 31, 2014, the Company wrote-off the capitalized value of its Bell Mountain property of $2,263,514.

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 its 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:

	Three months ended March 31, 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**

(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:

	March 31, 2015	December 31, 2014
	$	$
Beginning balance	75,406	69,134
Additions	-	-
Changes in exchange rates	7,033	6,272
Closing balance	**82,439**	**75,406**

During the three months ended March 31, 2015, the finance costs in relation to the accretion of the provision are negligible.

7 Loans from directors/former directors

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

	Three months ended March 31, 2015	Year ended December 31, 2014
	$	**$**
Opening balance	1,214,119	1,087,409
Reclassified from accounts payable	-	-
Loans provided during the year	-	24,300
Interest accrued during the year	25,284	102,410
Closing balance	**1,239,403**	**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. The loan is currently unsecured and non-interest bearing, with no specific repayment schedule, as the terms are still being negotiated.

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 March 31, 2015 was $148,503.

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. Netolizky, 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 March 31, 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.

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

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 three months ended March 31, 2015 and 2014 were as follows:

	Three months ended March 31, 2015	Three months ended March 31, 2014
	$	$
Directors fees	12,000	6,000
Management fees	27,000	27,000
Exploration expenses	77,366	69,122
Accounting fees	15,450	-
Administrative support fees	9,445	8,095
Share-based compensation	2,495	-
Total	**143,756**	**110,217**
Outstanding balances included in accounts payable:	**890,104**	**302,115**

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.

10 Share capital and reserves

In May 2014, the Company consolidated the Company's common shares on the basis of one (1) post-consolidation common share for every ten (10) pre-consolidation common shares. All share and per share amounts in the consolidated financial statements are adjusted to reflect the 10:1 share consolidation.

a) Authorized share capital

As at March 31, 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	3,053	-	-	3,053
Balance as at March 31, 2015	**1,224,485**	**122,871**	**215,386**	**1,562,742**

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

c) Stock options

As at March 31, 2015, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
35,000	2.20	June 4, 2015
60,000	1.90	December 15, 2015
12,500	2.10	December 20, 2015
2,024,000	0.15	November 26, 2019
2,131,500		

Stock option transactions for the three months ended March 31, 2015 and for year ended December 31, 2014 are summarized as follows:

	Three months ended March 31, 2015		**Year ended December 31, 2014**	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
		$		**$**
Balance, beginning of year	2,196,500	0.32	442,500	2.08
Granted	-	-	2,024,000	0.15
Expired	(65,000)	2.90	(240,000)	1.90
Forfeited	-	-	(30,000)	1.90
Balance, end of year	2,131,500	0.24	2,196,500	0.32
Options exercisable, end of year	2,086,500	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 three months ended March 31, 2015, the Company recorded $3,053 (2014 - $Nil) as share-based compensation for options vested during the period.

(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

	March 31, 2015	December 31, 2014
	$	$
Financial assets *		
Loans and receivables		
Other receivables	3,219	3,219
Available-for-sale		
Available-for-sale investments	20,523	103,091
	23,742	106,310
Financial liabilities		
Current		
Amortized at cost		
Accounts payable and accrued liabilities	1,603,572	1,463,413
Loans from directors	1,239,403	1,214,119
Property acquisition liability	-	769,095
Promissory notes	425,000	400,000
Non-current		
Amortized at cost		
Convertible debenture	-	-
Promissory notes	2,623,557	2,586,940
	5,891,532	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 $78,000. The Company does not enter into derivative financial instruments to mitigate foreign exchange risk.

(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
March 31, 2015	
United States of America	2,273
Canada	40,667
	42,940

FORM 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) AS OF MARCH 31, 2015 TO ACCOMPANY THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF LINCOLN MINING CORPORATION (THE "COMPANY" OR "LINCOLN") FOR THE QUARTER ENDED MARCH 31, 2015.

This Management's Discussion and Analysis ("MD&A"), which has been prepared as of June 1, 2015, should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the three months ended March 31, 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 undo reliance on these forward-looking statements.

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

1. Overview

Lincoln Mining Corporation (the "Company" or "Lincoln") is incorporated under the Business Corporations Act, British Columbia. The Company's head and registered office, principal address and records is Suite 350 – 885 Dunsmuir Street, Vancouver, British Columbia, Canada, V6C 1N5. 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 several 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. The Company's La Bufa property in Mexico was sold during October 2014 (see news release of October 27, 2014). In the United States, the Company operates under its subsidiaries, Lincoln Gold US Corp and Lincoln Resource Group Corp.

During October 2014, the British Columbia Securities Commission conducted a disclosure review of Lincoln Mining Corp. As a result of this review, certain deficiencies were identified with the Pine Grove Preliminary Economic Assessment Technical Report and the Bell Mountain Technical Report. Owing to these deficiencies, both reports were deemed non-43-101 compliant and do not support the reported mineral resources and economic analyses. Working with independent consultant Welsh-Hagen Associates (formerly Telesto Nevada Inc.) and its Qualified Persons, an amended and restated Technical Report was issued on Bell Mountain on November 13, 2014 and an amended and restated Preliminary Economic Assessment was issued on Pine Grove on February 4, 2015. Both reports were filed with the British Columbia Securities Commission and can be found under the Company's profile on SEDAR (see Lincoln news releases December 2, 2014 and February 16, 2015).

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.

On May 16, 2014, the Company effected a 10:1 consolidation such that the Company's issued and outstanding common shares are 22,746,021 as at the date of this report. Similarly, the Company now has a total of 2,131,500 outstanding options with exercise prices from $0.15 to $2.20.

Arrangement with Procon Mining and Tunnelling Ltd.

In June 2013, Lincoln and Procon Mining and Tunneling Ltd. and its affiliates (collectively, "Procon") committed to the divestment of Procon's interest in Lincoln in accordance with an Order ("Order") issued by the Committee on Foreign Investment in the United States' ("CFIUS"). (see news release date June 18, 2013)

In February 2014, Procon completed the divestment of its interests in Lincoln pursuant to the CFIUS Order. Mr. Ronald K. Netolitzky, a Canadian mining entrepreneur, acquired Procon's 46,000,000 pre-consolidated common shares of Lincoln through a private sale at approximately $0.01127 (pre-consolidated) per share for a total purchase price of $518,420.

In addition, the $2,300,000 convertible debenture held by Procon (plus approximately $175,000 in accrued interest), was amended to remove the conversion feature, then was repaid in full and discharged using funds advanced to Lincoln through unsecured, non-convertible loans from companies controlled by two 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. Concurrently, these two directors resigned.

Upon closing of the Procon divestment, there are no more operational or financial ties between Procon and Lincoln.

Bell Mountain Project Status

In November 2012, the Company entered into a purchase agreement 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"). The total Bell Mountain land package is 1,212 hectares (2,900 acres). In March 2014, the payment schedule under the purchase agreement with Laurion was amended such that the final payment of $900,000 was deferred to June 2014. In September 2014, the Company reported that a legal claim (the "Complaint") was issued against the Company by Laurion with respect to outstanding property payments on the Bell Mountain property in Nevada in the amount of approximately $710,000 (plus interest). After some negotiation, Laurion agreed not to take any further steps in relation to the Complaint and 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 had not been 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 may proceed with the legal claim for outstanding payment. Monthly payments include $25,000 extension fee. To date no payments have been made to Laurion under the amended agreement.

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. Lincoln is exploring ways to reacquire the Bell Mountain property.

Sale of the La Bufa Property, Mexico

In August 2014, The Company entered into a Purchase Agreement (the "Agreement") with Endeavour Silver Corp. ("Endeavour" or the "Purchaser") to sell the La Bufa property for a total consideration of 90,000 common shares of Endeavour (the "Payment Shares") at an issue price per Payment Share equal to the volume weighted average price (VWAP) of the Purchaser's shares for the ten (10) trading days immediately preceding the Closing Date less that number of Payment Shares equal to the Prepayment Amount (as defined below).

The Prepayment Amount of $19,000 is evidenced by a Promissory Note (the "Note") dated July 29, 2014 for the principal amount of $19,000 bearing interest at 5% per annum and maturing on December 31, 2014. The Note was repaid at the closing of the transaction by deducting from the Payment Shares that number of Payment Shares equal to the Prepayment Amount.

(in Canadian dollars, unless otherwise stated)

Sale of the La Bufa property was closed in October 2014 (see news release dated October 27, 2014) whereby the Company received 85,587 shares of Endeavor representing a total consideration equal to 90,000 common shares of Endeavor at a deemed price of $4.88 per share less that number of shares equal to the prepayment Amount (see news release of August 21, 2014). All shares were subject to a four month hold period ending February 15, 2015. Pursuant to the Company's Settlement Agreement with Elgin Mining Inc. ("Elgin") (see news release dated June 4, 2013), Lincoln transferred 45,000 Endeavor shares to Elgin once the hold period expired.

2. Results of Operations

Results of Operations – For the three months ended March 31, 2015

For the three months ended March 31, 2015, the Company had a net income of $373,771 (2014: net loss of $576,548). Significant expenses included exploration expenses of $76,489 (2014: $163,240); professional fees (legal and audit) of $24,338 (2014: $37,015); office maintenance of $25,401 (2014: $49,801); administrative support of $32,969 (2014: $31,781); consulting and management fees of $48,445 (2014: $41,095) and interest expense of $61,901 (2014: $222,871).

During the three months ended March 31, 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 decrease in professional fees was mainly caused by reduction in legal costs in relation with CFIUS process and legal costs caused by the dispute with Elgin Mining Inc. Consulting and management fees increased slightly as a result of corporate restructuring and bringing on new members to the executive team.

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 three months ended March 31, 2015, the Company sold 32,000 shares of Endeavour received in relation to the sale of the La Bufa property resulting in a loss of $64,229 (2014: $Nil).

The Company's key projects in Q1 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**
	$	**$**	**$**	**$**	**$**	**$**
Three months ended March 31, 2015	39,199	11,797	25,493	-	-	76,489
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
	4,355,950	**1,258,666**	**1,470,632**	**4,038,203**	**92,219**	**11,215,671**
Less recoveries	**-**	**(328,765)**	**-**	**(1,051,735)**	**-**	**(1,380,500)**
Total exploration expenses incurred	**4,355,950**	**929,901**	**1,470,632**	**2,986,468**	**92,219**	**9,835,171**

(in Canadian dollars, unless otherwise stated)

Summary of Quarterly Results:

2015 Quarterly Results:	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
	$	$	$	$
Revenue				-
Exploration expenses				76,489
Recovery of impairment				(769,095)
Administrative expenses (incl. interest expense)				254,606
Income				373,771
Comprehensive income				447,455
Basic and diluted earnings per share				0.02
Total assets				102,869
Working capital (deficiency)				(3,208,046)

2014 Quarterly Results:	4th Quarter	3rd Quarter	2nd Quarter	1st 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)

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 March 31, 2015 in amount of $254,606 (2014: $413,308) comprise of the following: professional fees (legal and audit) of $24,338 (2014: $37,015), investor relations and shareholder services of $7,933 (2014: $6,946), office maintenance of $25,401 (2014: $49,801), administrative support of $32,969 (2014: $31,781), consulting and management fees of $48,445 (2014: $41,095), travel costs of $19 (2014: $2,252), depreciation of $977 (2014: $1,841), foreign exchange loss of $49,570 (2014: $19,706) and interest expense of $61,901 (2014: $222,871)

The administrative expenses, in comparison to the previous corresponding period, decreased as a result of a serious working capital deficiency experienced by the Company.

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

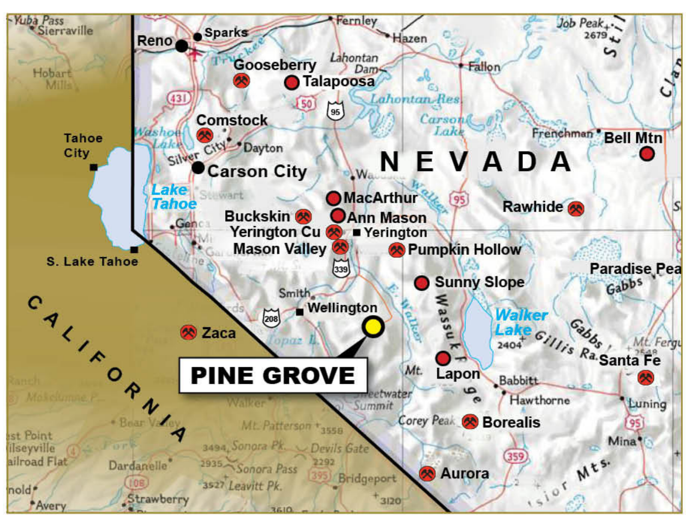
Pine Grove Property, Nevada – In December 2011, Lincoln announced a positive Preliminary Economic Assessment ("PEA") on the proposed open-pit mining and heap-leach operation at its Pine Grove project. During October 2014, the Company received a letter from the British Columbia Securities Commission regarding 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).

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.

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 – Location:

The Pine Grove gold property is located in the Pine Grove Hills, approximately 20 miles south of the town of Yerington, Nevada. Pine Grove is the Company's most advanced property. The property consists of the Wheeler gold deposit and the nearby Wilson gold deposit with immediate exploration potential on intervening and surrounding ground. The Company intends to develop additional resources and advance the project to production.

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).

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.

(in Canadian dollars, unless otherwise stated)

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 viabilitiy.

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 viabilitiy.

Pine Grove – Recent Activities

Permitting work has been reactivated in 2014 to include the following:

- Submission of a Plan of Operation to the U.S. Forest Service for geotechnical drilling, condemnation drilling, monitor well drilling, water well test drilling, and various geotechnical work.
- Submission of a Reclamation Plan to the Nevada Bureau of Mine Regulations and Reclamation.
- Habitat evaluation and wildlife surveys including raptors, bats, and bi-state sage-grouse.
- Threatened, endangered, sensitive, and non-native species surveys.

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.

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 – Location:

The Oro Cruz project is located northwest of Yuma, Arizona, in the Tumco mining district within in the Cargo Muchacho Mountains, Imperial County, California. All-weather access is excellent and takes about 35 minutes from Yuma, Arizona, via Interstate highway 8 westward from Yuma, Arizona, approximately 13 miles to paved county road S34, then northeast approximately 8 miles to Tumco. Dirt roads provide property access. Some local access restrictions exist owing to historic mine ruins. The area has electrical power from the state grid. Logistics are excellent for mining.

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.

Oro Cruz – Geology & Mineralization:

The local geology consists largely of Jurassic schist and gneiss of the Tumco Formation. Conspicuous white Tertiary pegmatite dikes and latite dikes cut the metamorphic terrain. The main Oro Cruz gold deposit is an irregular, elongate, tabular zone that dips approximately 25° downward from the open-pit floor for at least 1,800 ft. Mineralized thicknesses are variable at multiple tens of feet. Lesser parallel zones of mineralization are also present. The deposit remains open down-dip and contains numerous high-grade intercepts from past drilling.

(in Canadian dollars, unless otherwise stated)

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

On May 29, 2014, the Company effected a 10:1 consolidation such that the Company's issued and outstanding common shares are 22,746,021 as at the date of this report.

Similarly, the Company now has a total of 2,131,500 outstanding options with exercise prices from $0.15 - $2.20.

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 three months ended March 31, 2015 and 2014 were as follows:

	Three months ended March 31, 2015	Three months ended March 31, 2014
	$	$
Directors fees	12,000	6,000
Management fees	27,000	27,000
Exploration expenses	77,366	69,122
Accounting fees	15,450	-
Administrative support fees	9,445	8,095
Share-based compensation	2,495	-
Total	**143,756**	**110,217**
Outstanding balances included in accounts payable:	**890,104**	**302,115**

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. The loan is currently unsecured and non-interest bearing, with no specific repayment schedule, as the terms are still being negotiated.

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.

(in Canadian dollars, unless otherwise stated)

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. Netolizky, a control person of the Company. 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 unsecure non-interest bearing and due on demand.

6. Liquidity and Solvency

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

	March 31, 2015	**December 31, 2014**
	$	**$**
Working capital (deficiency)	(3,208,046)	(3,703,181)
Long-term debt	2,705,996	2,662,346

	Three months ended March 31, 2015	**Three months ended March 31, 2014**
	$	**$**
Cash used in operating activities	(117,023)	(209,327)
Cash used in investing activities	92,023	-
Cash provided by financing activities	25,000	263,516
Change in cash	-	54,189

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

In addition to commitments disclosed in the current document, pursuant to a premises lease, the Company's minimum annual commitments as at March 31, 2015 are as follows:

No later than 1 year	$	950

8. Capital Resources

The Company did not have any capital resources as at March 31, 2015. The Company's primary sources of funding are equity financing through the issuance of stock and debt financing. The Company has no operations that generate cash flows and its long term financial success is dependent on discovering properties that contain mineral reserves that are economically recoverable.

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

Capital risk management

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

9. Off-Balance Sheet Arrangements

None.

10. Proposed Transactions

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

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

The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations, and may require management to make judgements or rely on assumptions about matters that are inherently uncertain. The interim condensed consolidated financial statements for the three months ended March 31, 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.

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.

(in Canadian dollars, unless otherwise stated)

12. Financial Instruments

Categories of financial instruments

	March 31, 2015	December 31, 2014
	$	$
Financial assets *		
Loans and receivables		
Other receivables	3,219	3,219
Available-for-sale		
Available-for-sale investments	20,523	103,091
	23,742	106,310
Financial liabilities		
Current		
Amortized at cost		
Accounts payable and accrued liabilities	1,603,572	1,463,413
Loans from directors	1,239,403	1,214,119
Property acquisition liability	-	769,095
Promissory notes	425,000	400,000
Non-current		
Amortized at cost		
Convertible debenture	-	-
Promissory notes	2,623,557	2,586,940
	5,891,532	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 $78,000. 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 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.

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 upward on the spot basis as well as the average trailing prices of the metals. Lincoln management believes that gold and silver prices will continue their general upward trend and that the prices will remain reasonably consistent during 2015. 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 upward. 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.