



LINCOLN GOLD MINING INC.

**UNAUDITED CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS**

for the nine months ended September 30, 2024

Table of Contents

Notice to Reader	3
Condensed Interim Consolidated Statements of Financial Position	4
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss	5
Condensed Interim Consolidated Statements of Cash Flows	6
Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency	7
Notes to the Condensed Interim Consolidated Financial Statements	8

Notice to Reader

Management has prepared the unaudited condensed interim consolidated financial statements for Lincoln Gold Mining Inc. (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 interim financial statements for the nine-month period ended September 30, 2024.

LINCOLN GOLD MINING INC.
Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

As at September 30, 2024 and December 31, 2023

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

	Notes	September 30, 2024	December 31, 2023
		\$	\$
Assets			
Current assets			
Cash		286,664	20,804
Receivables		9,960	13,778
		296,624	34,582
Non-current assets			
Right-of-use asset	4	58,737	102,789
Deposits		12,250	12,250
Mineral properties	5	741,973	741,973
		812,960	857,012
Total assets		1,109,584	891,594
Liabilities and shareholders' deficiency			
Current liabilities			
Accounts payable and accrued liabilities	6	879,974	1,013,306
Due to related parties and former related parties	11	1,014,091	832,043
Lease liability	8	63,194	47,981
Loans payable	9	104,586	102,043
Promissory notes	10	965,725	900,925
		3,027,570	2,896,298
Non-current liability			
Lease liability	8	-	61,518
Promissory notes	10	141,603	130,342
Provision for environmental rehabilitation	7	87,776	87,880
Total liabilities		3,256,949	3,176,038
Shareholders' deficiency			
Share capital	12	31,866,871	30,721,042
Capital reserves	12	6,429,436	6,423,635
Deficit		(40,443,672)	(39,429,121)
Total shareholders' deficiency		(2,147,365)	(2,284,444)
Total liabilities and shareholders' deficiency		1,109,584	891,594

Nature of operations (Note 1)

Proposed Transaction (Note 16)

Approved and authorized by the Board on November 29, 2024.

Paul Saxton Director

Ronald Coombes Director

LINCOLN GOLD MINING INC.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss***(Unaudited)**For the three and nine months ended September 30, 2024 and 2023**(All amounts are in Canadian Dollars, unless otherwise stated)*

	Notes	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Exploration expenses	5, 11	\$ (316,429)	\$ (105,970)	\$ (377,733)	\$ (200,016)
Administrative expenses					
Advertising and promotion		704	-	1,547	-
Consulting and management fees	11	98,625	111,210	286,065	442,320
Depreciation	4	14,684	17,645	44,052	51,807
Foreign exchange loss (gain)		(10,127)	586	21,627	(25,478)
Investor relations and shareholder services		8,246	13,486	17,515	38,462
Office maintenance		18,540	18,341	41,241	61,755
Professional fees	11	46,978	13,555	132,206	52,772
Travel		17,473	2,539	22,524	15,216
		(195,123)	(177,362)	(566,777)	(636,854)
Other items					
Interest income		-	-	99	-
Interest expense	6,8, 9,10,11	(22,301)	(16,193)	(70,140)	(78,469)
Loss on settlement of debt	10, 12	-	-	-	(5,080,980)
Write-off of mineral property	5	-	(144,494)	-	(144,494)
		(22,301)	(160,687)	(70,041)	(5,303,943)
Loss and comprehensive loss for the period		\$ (533,853)	\$ (444,019)	\$ (1,014,551)	\$ (6,140,813)
Basic and diluted loss per common share		\$ (0.03)	\$ (0.03)	\$ (0.07)	\$ (0.84)
Weighted average number of common shares outstanding – basic and diluted		17,016,183	13,752,688	15,123,579	7,306,634

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

LINCOLN GOLD MINING INC.**Condensed Interim Consolidated Statements of Cash Flows***(Unaudited)**For the nine months ended September 30, 2024 and 2023**(All amounts are in Canadian Dollars, unless otherwise stated)*

	2024	2023
	\$	\$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the period	(1,014,551)	(6,140,813)
Items not affecting cash:		
Accrued interest expense	70,140	78,469
Depreciation	44,052	51,807
Loss on settlement of debt	-	5,080,980
Unrealized foreign exchange	11,928	(12,995)
Write-off of mineral property	-	144,494
Changes in non-cash working capital items:		
Increase (decrease) in accounts payable and accrued liabilities	(133,332)	111,288
Increase in amount due to related parties	182,048	312,640
Decrease in prepaid expenses and deposits	-	1,240
Decrease in receivables	3,818	5,449
Net cash used in operating activities	(835,897)	(367,441)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of mineral properties	-	(16,087)
Net cash used in investing activities	-	(16,087)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash	862,500	-
Share issue costs	(10,870)	-
Warrants exercised	300,000	-
Loans received	4,000	440,820
Loans paid	(1,000)	(27,700)
Payment for lease liability	(52,873)	(46,999)
Net cash provided by financing activities	1,101,757	366,121
Net change in cash for the period	265,860	(17,407)
Cash, beginning of the period	20,804	18,279
Cash, end of the period	286,664	872

Supplemental cash flow information (Note 14)

LINCOLN GOLD MINING INC.**Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency***(Unaudited)**For the nine months ended September 30, 2024 and 2023**(All amounts are in Canadian Dollars, unless otherwise stated)*

	Number of shares	Share capital	Capital reserves	Deficit	Total
		\$	\$	\$	\$
Balance at December 31, 2022	3,866,324	26,964,223	3,404,250	(32,931,618)	(2,563,145)
Shares issued for debt	9,886,364	3,460,228	3,300,789	-	6,761,017
Loss for the period	-	-	-	(6,140,813)	(6,140,813)
Balance at September 30, 2023	13,752,688	30,424,451	6,705,039	(39,072,431)	(1,942,941)
Balance at December 31, 2023	13,752,688	30,721,042	6,423,635	(39,429,121)	(2,284,444)
Private placement	3,450,000	862,500	-	-	862,500
Share issue costs	-	(16,671)	5,801	-	(10,870)
Warrants exercised	857,143	300,000	-	-	300,000
Loss for the period	-	-	-	(1,014,551)	(1,014,551)
Balance at September 30, 2024	18,059,831	31,866,871	6,429,436	(40,443,672)	(2,147,365)

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

LINCOLN GOLD MINING INC.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine months ended September 30, 2024 and 2023

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

1 Nature of operations

Lincoln Gold Mining Inc. (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 months ended September 30, 2024 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 (“ZMG2”).

2 Basis of Presentation and Material Policy information

(a) Basis of preparation

The condensed interim consolidated financial statements for the nine months ended September 30, 2024 have been prepared in accordance with IAS 34 – Interim Financial Reporting of International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company’s annual consolidated financial statements as at and for the year ended December 31, 2023.

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

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on November 29, 2024.

Going concern assumption

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

The Company has not yet determined whether its mineral properties contain ore reserves and the Company has incurred ongoing losses since inception. Further, the Company has a working capital deficiency of \$2,730,946 (December 31, 2023 - \$2,861,716) and total liabilities of \$3,256,949 (December 31, 2023 - \$3,176,038). The future success of the Company is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon establishing future profitable production, or realization of proceeds on disposal.

Management recognizes that the Company will need to raise additional funds to maintain operations and while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. These consolidated financial statements do not give effect to the adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

LINCOLN GOLD MINING INC.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine months ended September 30, 2024 and 2023

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

2 Basis of Presentation and Material Policy Information (continued)

(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 the financial statements of Lincoln Gold Mining Inc., the parent company and the subsidiaries listed below:

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

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.

Share-based compensation

The Company uses the Black-Scholes option pricing model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can significantly change the fair value estimate and the Company's earnings and equity reserves.

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.

LINCOLN GOLD MINING INC.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine months ended September 30, 2024 and 2023

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

4 Right-of-use asset

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

Balance at January 1, 2023	\$ 41,954
Addition	117,473
Depreciation	(56,638)
Balance at December 31, 2023	102,789
Depreciation	(44,052)
Balance at September 30, 2024	58,737

5 Mineral properties

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

	Canada	United States	Total
	Shawinigan	Pine Grove	
Balance at January 1, 2023	\$ 128,407	\$ 741,973	\$ 870,380
Additions	16,087	-	16,087
Write-off	(144,494)	-	(144,494)
Balance at December 31, 2023 and September 30, 2024	-	741,973	741,973

Exploration expenditures incurred during the nine months ended September 30, 2024:

	United States		Total
	Pine Grove	Bell Mountain	
Contractors	\$ 76,683	\$ -	\$ 76,683
Drilling and metallurgical	-	11,074	11,074
General administration	28,693	-	28,693
Land maintenance	67,476	51,937	119,413
Permitting environment	653	20,351	21,004
Property evaluation	952	118,009	118,961
Surveying	-	1,905	1,905
Total mineral property expenditures	174,457	203,276	377,733

Exploration expenditures incurred during the nine months ended September 30, 2023:

	United States		Total
	Pine Grove	Total	
Contractors	\$ 121,113	\$ 112,113	
General administration	19,178	19,178	
Permitting environment	646	646	
Land maintenance	59,079	59,079	
Total mineral property expenditures	200,016	200,016	

LINCOLN GOLD MINING INC.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine months ended September 30, 2024 and 2023

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

5 Mineral properties (continued)

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”) (subsequently acquired by Goldcliff Resource Corporation in June 2016 and re-acquired by the Company in October 2019) 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. As at September 30, 2024 the lease has expired and the Company is in negotiations for a lease extension.

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

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

- US\$10,000 upon signing the agreement (paid); and
 - US\$30,000 prior to each one-year anniversary of the lease (Years 1-6 paid by the Company; Years 7-13 paid by Goldcliff Resource Corporation (“Goldcliff”) a company with a common director; Years 11-14 paid by the Company, Year 15 – unpaid).
- (ii) In July 2007, the Company entered into an agreement with Votipka to acquire certain 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 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 400 common shares of the Company as follows:
- On closing US\$250,000 and 150 shares (paid)
 - August 23, 2011 US\$150,000 and 150 shares (paid)
 - August 23, 2012 US\$150,000 and 100 shares (paid)
 - August 23, 2013 US\$100,000 (paid)

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

LINCOLN GOLD MINING INC.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine months ended September 30, 2024 and 2023

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

5 Mineral properties (continued)

(a) Pine Grove Property, Nevada (continued)

- (iv) In August 2016, the Company entered into an agreement with Goldcliff Resource Corporation (“Goldcliff”) whereby Goldcliff can earn a 40% interest in the Wheeler and Votipka leases and Cavanaugh property in exchange for incurring US\$1,400,000 in exploration expenditure on the properties over three years, and conveying back to the Company a 60% interest in the Wilson lease that previously was acquired by Goldcliff. The Company is the operator for the earn-in. During the year ended December 31, 2019, Goldcliff decided not to proceed with this option and allowed it to lapse.
- (v) On October 8, 2019, the Company and Goldcliff entered into a Purchase Option Letter agreement to re-acquire from Goldcliff and its affiliates their interest in the Pine Grove Gold project for the consideration of USD \$200,000 cash and 275,000 common shares of the Company as follows:

Cash, USD \$200,000 to be paid as follows:

- Cash of US\$50,000 to be paid upon completion of the next financing of the Company (paid);
- Cash of US\$50,000 to be paid on or before March 31, 2020 (US\$30,000 paid);
- Cash of US\$50,000 to be paid on or before June 30, 2020 (unpaid); and
- Cash of US\$50,000 to be paid on or before December 31, 2020 (unpaid).

The Company is behind on payments due under the Purchase Option Letter and is negotiating to formalize amendments.

Shares, 275,000 shares to be issued as follows:

- Shares, 120,000 shares issued following the closing of the first financing (issued with a fair value of \$156,000);
- Shares, 80,000 shares to be issued on December 31, 2019 (issued with a fair value of \$80,000); and
- Shares, 75,000 shares to be issued on March 31, 2020 (issued with a fair value of \$150,000).

There is a “cutback” provision, provided that the Company shall not be required to issue shares to Goldcliff to the extent that such issuance would result in Goldcliff holding 10% or more of the outstanding shares of the Company, to the extent that the cutback reduces the number of shares above, the Company shall issue the shares that were subject to the cutback as soon as practicable after Goldcliff advises the Company that the issuance of such shares will not result in Goldcliff holding 10% or more of the outstanding shares of the Company.

- (vi) On March 19, 2021, the Company signed a non-binding Letter of Intent (“LOI”) with Lyon Grove LLC to reduce the royalties on its Wilson property to 1% which comprises a substantial part of the Company’s Pine Grove project in Nevada.

Under the terms of the LOI, the Company will buydown the current net smelter returns royalty (“NSR”) on the Wilson property from 2.5% to 1.0% on the patented claims and from 5.0% to 1.0% on the claims that fall within the area of interest - for an aggregate consideration of US\$450,000 payable in quarterly instalments over six years commencing April 30, 2021 (US\$75,000 paid). The Company is behind on payments due under the LOI and is negotiating to formalize amendments.

The LOI is subject to, amongst other things, the execution of a definitive agreement, project financing, and regulatory approval, as applicable.

LINCOLN GOLD MINING INC.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine months ended September 30, 2024 and 2023

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

5 Mineral properties (continued)

(a) Pine Grove Property, Nevada (continued)

(vii) On April 28, 2021, the Company signed a non-binding Letter of Intent (“LOI”) with Wheeler on the Wheeler property which comprises a substantial part of the Company’s Pine Grove project. Under the terms of the LOI, the Company will buydown the NSR from 7% to 2% for an aggregate consideration of US\$5,000,000 over 6 years as follows:

- US\$100,000 payable on September 30, 2021 (paid), June 30, 2022 (unpaid) and December 31, 2022 (unpaid);
- US\$200,000 payable on September 30, 2023 (unpaid) and April 30, 2024 (unpaid);
- US\$500,000 payable on June 30, 2024, September 30, 2024 and December 31, 2024;
- US\$750,000 payable on April 30, 2025, August 31, 2025 and December 31, 2025; and
- US\$550,000 payable on April 30, 2026.

The LOI is subject, amongst other things, the execution of a definitive agreement, project financing and regulatory approval, as applicable. The Company is currently behind on payments pursuant to the LOI and is negotiating to formalize amendments.

(b) Oro Cruz Property, California

In February 2010, the Company’s 100% owned U.S. subsidiary, Lincoln Gold US Corp. (“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.

On February 28, 2019, the Company granted to Demerara Gold Corp. (“Demerara”) and Bell Mountain Exploration Corp. (“Bell Mountain” – a subsidiary of Eros Resources Corp.) the right to enter into a formal Option and Joint Venture Agreement for the exploration of the Oro Cruz property. To earn a 75% interest, Demerara and Bell Mountain will have to spend approximately USD\$2,100,000 in property payments, exploration and development over the next five years.

In April 2023, Southern Empire exercised the option and acquired the 75% interest.

(c) Shawinigan Property, Quebec

On April 25, 2021, the Company entered into an option agreement (“Agreement”) to acquire an undivided 100% interest to the Shawinigan Property, located in the Shawinigan Township, Quebec. For consideration, the Company will make cash payments, issue common shares of the Company and incur exploration expenditures as follows:

Cash payments of \$380,000 as follows:

- \$20,000 to be paid within 30 days of approval from TSX Venture Exchange (paid)
- \$15,000 to be paid on or before October 25, 2021 (paid)
- \$15,000 to be paid on or before April 25, 2022 (\$5,000 paid)
- \$20,000 to be paid on or before October 25, 2022 (unpaid)
- \$20,000 to be paid on or before April 25, 2023 (unpaid)
- \$20,000 to be paid on or before October 25, 2023 (unpaid)
- \$40,000 to be paid on or before April 25, 2024
- \$50,000 to be paid on or before October 25, 2024
- \$50,000 to be paid on or before April 25, 2025
- \$50,000 to be paid on or before October 25, 2025
- \$80,000 to be paid on or before April 25, 2026

LINCOLN GOLD MINING INC.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine months ended September 30, 2024 and 2023

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

5 Mineral properties (continued)

(c) Shawinigan Property, Quebec (continued)

Issue up to 260,000 common shares as follows:

- 30,000 common shares within 30 days of approval from TSX Venture Exchange (issued with a fair value of \$66,000)
- 30,000 common shares on or before the first anniversary of the Agreement (issued with a fair value of \$21,000)
- 30,000 common shares on or before the second anniversary of the Agreement (not issued)
- 30,000 common shares on or before the third anniversary of the Agreement
- 40,000 common shares on or before the fourth anniversary of the Agreement
- 50,000 common shares on or before the fifth anniversary of the Agreement
- 50,000 common shares upon the Company filing a NI 43-101 technical report with the applicable Canadian securities regulators that include mineral reserves and resources in the property.

Incur up to \$2,000,000 exploration expenditures as follows:

- \$250,000 within 12 months period from the date of the Agreement (not incurred)
- \$250,000 within two years period from the date of the Agreement (not incurred)
- \$500,000 within three years period from the date of the Agreement (not incurred)
- \$500,000 within four years period from the date of the Agreement
- \$500,000 within five years period from the date of the Agreement

The optionor will retain a 2% NSR of which 1% can be purchased by the Company for \$1,500,000.

During the year ended December 31, 2023, the Company returned the property to the owner and exited the option agreement, resulting in the Company recognizing a write-off of mineral property of \$144,494.

6 Accounts payable and accrued liabilities

	September 30, 2024	December 31, 2023
Accounts payable	\$ 840,974	\$ 974,306
Accrued liabilities	39,000	39,000
Closing balance	879,974	1,013,306

On February 25, 2020, the Company negotiated a debt reorganization with certain creditors to defer repayment of accounts payable and accrued liabilities in the total amount of \$196,262 (€136,000), for a period of up to three years from the date of the debt settlement agreement with each respective party.

Repayment is due on the following terms:

Third anniversary of debt settlement agreement	\$203,279 (€136,000)
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The accounts payable and accrued liabilities related to these certain creditors in the debt reorganization is initially measured at the present value of the payments in the amount of \$145,575 on the debt settlement date, using a discount rate of 10%. During the nine months ended September 30, 2024, the Company recognized interest expense of \$Nil (2023 - \$3,006).

On June 2, 2023, certain creditors entered into debt assignment agreements in which a total of \$164,975 was assigned to certain individuals (Note 10).

LINCOLN GOLD MINING INC.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine months ended September 30, 2024 and 2023

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

7 Provisions

The Company's recognized a constructive provision for environmental rehabilitation relating to a Pine Grove Property which will require future cleanup costs estimated to be approximately US\$65,000. Management expects that the cleanup costs would be incurred in the future, at the end of the expected useful life of the property; however, as the technical feasibility of Pine Grove Property has not been completed yet, the life of the property is uncertain at the reporting date. The provision represents best management estimates and includes the following assumptions: term – 10 years; inflation rate – 2.1%, pre-tax risk-free interest rate – 4.15%.

The closing balance is summarized as follows:

	September 30, 2024	December 31, 2023
	\$	\$
Beginning balance	87,880	88,036
Changes in exchange rates	(104)	(156)
Closing balance	87,776	87,880

During the nine months ended September 30, 2024 and 2023, the finance costs in relation to the accretion of the provision are negligible.

8 Lease liability

The Company's lease liability relates to its office space. The lease liability was measured at the present value of the remaining lease payments, discounted using an interest rate of 10%, which is the Company's incremental borrowing rate.

	Total
	\$
Balance at January 1, 2022	45,099
Addition	117,473
Interest expense	4,513
Lease payments	(57,586)
Balance at December 31, 2023	109,499
Interest expense	6,568
Lease payments	(52,873)
Balance at September 30, 2024	63,194
Current portion of lease liability	(63,194)
Long-term portion of lease liability	-

The Company's future lease commitment as at September 30, 2024 is as follows:

	\$
2024	16,667
2025	50,002
	<u>66,669</u>

LINCOLN GOLD MINING INC.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine months ended September 30, 2024 and 2023

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

9 Loans payable

The following loans were provided by the President of the Company to support its working capital requirements.

	Nine months ended September 30, 2024	Year ended December 31, 2023
	\$	\$
Opening balance	102,043	101,958
Loans (repaid) received during the period	(1,000)	(4,492)
Interest accrued during the period	3,543	4,577
Closing balance	104,586	102,043
Current portion of loans payable	(104,586)	(102,043)
Long-term portion of loans payable	-	-

The loan of \$24,790 is unsecured, bearing interest at 5% per annum including interest, calculated and payable on demand. As at September 30, 2024, the balance outstanding for this loan payable including interest was \$55,519 (December 31, 2023 - \$54,600).

The loan of \$40,100 is unsecured, bearing interest at 8% per annum including interest, calculated and payable on demand. As at September 30, 2024, the balance outstanding for this loan payable including interest was \$47,674 (December 31, 2023 - \$45,198).

The loan of \$2,208 is unsecured, bearing interest at 12% per annum including interest, calculated and payable on demand. As at September 30, 2024, the balance outstanding for this loan payable including interest was \$1,393 (December 31, 2023 - \$2,245).

On February 25, 2020, the Company negotiated a debt reorganization with respect to this unsecured demand loan to defer repayment in the amount of \$60,000 for a period of up to three years from the date of the debt settlement agreement. Repayment of \$20,000 is due on the one year anniversary of the debt settlement agreement, \$10,000 is due on the second year anniversary of the debt settlement agreement and \$30,000 is due on the third anniversary of the debt settlement agreement.

This loan payable related to the debt reorganization is initially measured at the present value of the payments in the amount of \$50,446 on the debt settlement date, using a discount rate of 10%. During the nine months ended September 30, 2024, the Company recognized interest expense of \$Nil (2023 - \$459).

10 Promissory notes

	Nine months ended September 30, 2024	Year ended December 31, 2023
	\$	\$
Opening balance	1,031,267	998,479
Interest accrued during the period	60,029	76,525
Loan received	4,000	498,516
Debt assignment	-	1,161,559
Settlement of promissory notes – Cash	-	(15,000)
Settlement of promissory notes – Shares	-	(1,680,037)
Foreign exchange	12,032	(8,775)
Closing balance	1,107,328	1,031,267
Current portion of promissory notes	(965,725)	(900,925)
Long-term portion of promissory notes	141,603	130,342

LINCOLN GOLD MINING INC.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine months ended September 30, 2024 and 2023

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

10 Promissory notes (continued)

The Company received advances of \$440,000 from Mr. Ronald Netolitzky, a previous control person of the Company, and two other companies controlled by Mr. Netolitzky. The advances were unsecured, non-interest bearing and due on demand. On May 20, 2020, the Company entered into a sale and purchase agreement to assign a 25% interest in and to the ADGIS Agreement and an undivided 25% interest in and to the Oro Cruz Property (Note 5) in full and final settlement of the total advances of \$440,000. The Company recognized a gain on settlement of debts of \$440,000 related to this sale and purchase agreement during the year ended December 31, 2020.

During the year ended December 31, 2015, the Company received \$50,000 from an insider of the Company. The loan was unsecured and evidenced by promissory notes bearing interest at 6% per annum, calculated and payable on demand. On March 9, 2020, the Company issued 63,000 common shares for settlement of debt in the amount of \$63,000 consisting of principal balance of \$50,000 and interest of \$13,000.

During the year ended December 31, 2015, the Company received US\$66,000 from a company that has an insider in common with Lincoln. During the year ended December 31, 2017, the existing promissory note was terminated and both parties subsequently entered into a new promissory note agreement consisting of the existing principal and interest in the aggregate amount of US\$71,000. The loan is secured by the Company's US properties and evidenced by a promissory note bearing interest at 9% per annum. Principal and accrued interest was payable upon termination of the note on September 15, 2017. On January 3, 2018, the Company issued 6,434 common shares for settlement of debt in the amount of \$32,172.

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

On August 24, 2018, September 11, 2018, October 23, 2018, January 23, 2019, March 29, 2019, May 30, 2019 and April 1, 2021, the Company received \$65,180 (US\$50,000), \$65,070 (US\$50,000), \$91,994 (US\$70,000), \$93,436 (US\$70,000), \$66,815 (US\$50,000), \$53,344 (US\$40,000) and \$37,695 (US\$30,000) from Dragon Hill Creation Limited, respectively, a company controlled by a director of the Company. On December 22, 2021, the Company made a repayment of \$100,000 (US\$77,730). The loans are unsecured and evidenced by promissory notes bearing interest at 8-10% per annum, calculated and payable on the termination dates of the promissory notes from June 30, 2019 to June 30, 2022. The Company may prepay the principal, in whole or in part, at any time without penalty.

On December 21, 2021, January 18, 2022, February 15, 2022, May 20, 2022 and August 29, 2022, the Company received \$100,000, \$10,000, \$5,000, \$5,600 and \$12,000, respectively, from an arm's length individual. The loans are unsecured and evidenced by a promissory note bearing interest at 8-12% per annum. The Company may prepay the principal, in whole or in part, at any time without penalty.

During the year ended December 31, 2022, the Company received a total of \$194,522 from various arm's length individuals and made a repayment of \$15,000. The loans are unsecured and evidenced by a promissory note bearing interest at 12% per annum. The Company may prepay the principal, in whole or in part, at any time without penalty.

During year ended December 31, 2023, the Company received a total of \$498,516 from various arm's length individuals and made repayments of \$15,000. The loans are unsecured and evidenced by a promissory note bearing interest at 12% per annum. Of this total amount, the principal of \$125,000 and accrued interest is payable on August 23, 2026. The Company may prepay the principal, in whole or in part, at any time without penalty.

On June 2, 2023, certain creditors entered into debt assignment agreements in which a total of \$1,161,559 included in accounts payable and accrued liabilities and due to related parties was assigned to certain individuals (Notes 6 and 11). In doing so, these creditors relinquished all claims they would otherwise have had against the Company related to this amount.

On June 27, 2023, the Company issued 9,886,364 units ("Debt Units") for settlement of debt in the amount of \$1,680,037 (Note 12). Each Debt Unit consists of one common share and one share purchase warrant of the Company. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.35 per share for a period of three years.

During the nine months ended September 30, 2024, the Company received \$4,000 from an arm's length individual. The loan is unsecured and evidenced by a promissory note bearing interest at 12% per annum.

LINCOLN GOLD MINING INC.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine months ended September 30, 2024 and 2023

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

11 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, 2024 and 2023 were as follows:

	2024	2023
	\$	\$
Management fees (accrued)	81,000	81,000
Exploration expenses	50,335	121,113
Accounting fees	36,500	31,500
Total	167,835	233,613

On July 8, 2024, the Company entered into an amended agreement with the President of the Company's US subsidiaries in which monthly consulting fees are reduced for the period from December 2023 to December 2024. As a result, the Company recognized a recovery of consulting fees of US\$63,000 included in exploration expenses during the nine months ended September 30, 2024.

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

Balance due to related parties

	As at September 30, 2024	As at December 31, 2023
	\$	\$
Executive officers and their controlled companies	1,014,091	823,043
Directors	-	9,000
Total	1,014,091	832,043

On February 25, 2020, the Company negotiated a debt reorganization with certain related parties to defer repayment in the total amount of \$930,000, consisting of \$407,000 and US\$394,000, for a period of up to three years from the date of the debt settlement agreement with each respective party. Repayment is due on the following terms:

First anniversary of debt settlement agreement	\$5,000 payable to the former CFO \$6,752 (US\$5,000) payable to VP of Operations \$20,256 (US\$15,000) payable to former VP of Exploration
Second anniversary of debt settlement agreement	\$35,000 payable to the President \$5,000 payable to the former CFO \$28,358 (US\$21,000) payable to VP of Operations \$56,717 (US\$42,000) payable to former VP of Exploration
Third anniversary of debt settlement agreement	\$362,000 payable to the President \$122,886 (US\$91,000) to VP of Operations \$297,088 (US\$220,000) payable to former VP of Exploration

LINCOLN GOLD MINING INC.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine months ended September 30, 2024 and 2023

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

11 Related party transactions (continued)

The balance due to these related parties related to the debt reorganization is initially measured at the present value of the payments in the amount of \$865,181 on the debt settlement date, using a discount rate of 10%. During the nine months ended September 30, 2024, the Company recognized interest expense of \$Nil (2023 - \$11,967).

On June 2, 2023, certain related parties entered into debt assignment agreements in which a total of \$996,584 was assigned to certain individuals (Note 10).

Balance due to/from related parties

	As at September 30, 2024	As at December 31, 2023
	\$	\$
Balance due (to) from related parties		
Companies with a director in common	590	(710)

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

Loans from related parties

See Notes 9 and 10 and 12 for further details.

Other transactions with related parties

During the nine months ended September 30, 2024, the Company received \$6,740 (2023 - \$11,140) from Golden Band Resources Inc., a company with certain officers and directors in common and Goldcliff, for office rent.

Goldcliff is a public company with a common director of the Company – See Note 5.

12 Share capital and reserves

a) Authorized share capital

As at September 30, 2024 and December 31, 2023, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares are fully paid. On March 8, 2023, the Company consolidated its issued and outstanding common shares on the basis of one post-consolidated common share for every ten pre-consolidated common shares. All number of shares and per share amounts have been retroactively restated in these consolidated financial statements to reflect this share consolidation. As at September 30, 2024 there were 18,059,831 (December 31, 2023 – 13,752,688) fully paid common shares issued.

On June 27, 2023, the Company completed debt settlement agreements with various creditors of the Company by issuing 9,886,364 Debt Units with respect to outstanding debt (including principal and interest) totaling \$1,680,037 included in promissory notes payable (Note 10). Each Debt Unit consists of one common share and one share purchase warrant of the Company. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.35 per share for a period of three years. The common shares issued had a fair value of \$3,756,819 and the share purchase warrants had a fair value of \$3,019,385 resulting in a loss on settlement of debts of \$5,096,165. The fair value of share purchase warrants was calculated using the Black-Scholes Option Pricing Model with an expected life of three years, interest rate of 3.77%, dividend yield of 0% and expected volatility of 143%.

LINCOLN GOLD MINING INC.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine months ended September 30, 2024 and 2023

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

12 Share capital and reserves (continued)

On May 14, 2024, the Company closed a first tranche of the non-brokered private placement. The Company issued a total of 824,000 units at a price of \$0.25 per unit for total gross proceeds of \$206,000. Each unit is comprised of one common share of the Company and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.50 per share for a period of twelve months. The Company paid finder's fee of \$3,870 and issued 32,680 finder's warrants at a value of \$5,801. Each finder's warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.25 per share for a period of twelve months. The fair value of the finders' warrants was calculated using the Black-Scholes Option Pricing Model with an expected life of one year, interest rate of 0.97%, dividend yield of 0% and expected volatility of 211%.

On July 4, 2024, the Company closed a second and final tranche of non-brokered private placement, issuing 2,626,000 units at a price of \$0.25 per unit for additional gross proceeds of \$656,500. Each unit is comprised of one common share of the Company and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.50 per share for a period of twelve months. The Company paid finder's fee of \$7,000.

On August 26, 2024, the Company issued 857,143 common shares for proceeds of \$300,000 related to the exercising of 857,143 common share purchase warrants at an exercise price of \$0.35 per share.

a) Capital reserves

	Capital reserve – options	Capital reserve – warrants	Capital reserve – convertible debenture	Total
	\$	\$	\$	\$
Balance as at December 31, 2022	1,757,017	1,431,847	215,386	3,404,250
Debt settlement	-	3,019,385	-	3,019,385
Balance as at December 31, 2023	1,757,017	4,451,232	215,386	6,423,635
Finders' warrants issued	-	5,801	-	5,801
Balance as at September 30, 2024	1,757,017	4,457,033	215,386	6,429,436

b) Stock options

As at September 30, 2024, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
205,000	\$3.00	August 17, 2025
20,000	\$3.00	October 7, 2025
225,000		

Stock option transactions for the nine months ended September 30, 2024 and year ended December 31, 2023 are summarized as follows:

	Nine months ended September 30, 2024		Year ended December 31, 2023	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
		\$		\$
Balance, beginning of period	225,000	3.00	245,000	3.00
Expired/Cancelled	-	3.00	(20,000)	3.00
Balance, end of period	225,000	3.00	225,000	3.00
Options exercisable, end of period	225,000	3.00	225,000	3.00

LINCOLN GOLD MINING INC.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine months ended September 30, 2024 and 2023

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

12 Share capital and reserves (continued)

c) Warrants

As at September 30, 2024, the Company had share purchase warrants, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
32,680	\$0.25	May 14, 2025
412,000	\$0.50	May 14, 2025
9,029,221	\$0.35	September 27, 2026
1,313,000	\$0.50	July 4, 2025
10,786,901		

Warrants transactions for the nine months ended September 30, 2024 and year ended December 31, 2023 are summarized as follows:

	Nine months ended September 30, 2024		Year ended December 31, 2023	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Balance, beginning of period	10,246,364	\$ 0.43	929,834	\$ 1.47
Issued	1,757,680	0.50	9,886,364	0.35
Exercised	(857,143)	0.35	-	-
Expired	(360,000)	2.50	(569,834)	0.82
Balance, end of period	10,786,901	0.37	10,246,364	0.43

13 Financial instruments

Capital risk management

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

LINCOLN GOLD MINING INC.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine months ended September 30, 2024 and 2023

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

13 Financial instruments (continued)

Categories of financial instruments

	September 30, 2024	December 31, 2023
	\$	\$
Financial assets *		
<i>Amortized at cost</i>		
Cash	286,664	20,804
Receivables	328	-
	286,992	20,804
Financial liabilities		
<i>Amortized at cost</i>		
Accounts payable and accrued liabilities	879,974	1,013,306
Due to related parties	1,014,091	832,043
Lease liability	63,194	109,499
Loans payable	104,586	102,043
Promissory notes	1,107,328	1,031,267
	3,169,173	3,088,158

* 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, due to related parties, loans payable, and promissory notes are measured at amortized cost. The carrying value of lease liability approximated its fair value as it bears interest that approximates current market rates.

Foreign exchange risk

The Company's operations in the United States expose the Company to foreign exchange risk. The Company is subject to currency risk due to the fluctuations of exchange rates between the Canadian and US dollars. The Company does not believe it is exposed to significant foreign exchange risk. A 10% fluctuation in the foreign exchange rate between the Canadian and US dollar will result in a foreign exchange gain/loss of approximately \$141,000. The Company does not enter into derivative financial instruments to mitigate foreign exchange risk.

Credit risk

The Company is not exposed to material credit risk.

Interest rate risk

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

Liquidity risk

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

Price risk

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

LINCOLN GOLD MINING INC.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine months ended September 30, 2024 and 2023

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

14 Supplemental cash flow information

	Nine months ended September 30, 2024	Nine months ended September 30, 2023
	\$	\$
Cash paid for interest	-	-
Cash paid for income taxes	-	-

On June 27, 2023, the Company issued 9,886,364 Debt Units of the Company to settle outstanding debt totaling \$1,680,037 (Notes 10 and 12).

During the year ended December 31, 2023, the Company recognized right-of-use asset and a corresponding lease liability of \$117,473 related to extending the lease agreement on the Company's existing office space.

15 Segmented information

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

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

	Non-current assets
	\$
December 31, 2023	
United States of America	741,973
Canada	115,039
	857,012
September 30, 2024	
United States of America	741,973
Canada	70,987
	812,960

16 Proposed Transaction

On November 3, 2023, the Company has entered into an agreement with Lincoln Resource Group Corp., Eros Resources Corp. ("Eros") and Bell Mountain Exploration Corp. ("BMEC" and together with Eros, the "Seller"), a wholly-owned subsidiary of Eros, to acquire all of the assets that comprise the Bell Mountain project (the "Project") located in Churchill County, Nevada (the "Transaction"). Under the terms of the purchase agreement, the Company has agreed to issue to either BMEC or Eros, as directed by Eros, (a) 3,000,000 common shares in the capital of the Company ("Shares") on the closing date of the Transaction (the "Closing Date"), and (b) 1,500,000 Shares within five business days of the date on which the Company completes any issuance of Shares, the result of which is that there are at least 28,500,000 Shares issued and outstanding. The Company will also grant to BMEC a net profits interest of 7.5% of the net returns from gold and silver produced or extracted from the Project up to a maximum amount of US\$2,000,000.

The Company received conditional acceptance to complete the transaction from TSX Venture Exchange. To ensure that the parties have adequate time to satisfy the remaining requirements and obtain financial approval.