



**FORM 51-102F6V**

**STATEMENT OF EXECUTIVE COMPENSATION – Venture Issuers  
(for the year ended December 31, 2023)**

**Dated: June 28, 2024**



## STATEMENT OF EXECUTIVE COMPENSATION

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The following information regarding the executive compensation of Lincoln Gold Mining Inc. ("**Lincoln**" or the "**Company**") for the financial year ended December 31, 2023, is presented in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*.

For the purposes of this statement, the following definitions will apply:

"**Company**" includes Lincoln Gold Mining Inc. and its two U.S. subsidiaries Lincoln Resource Group Corp. and Lincoln Gold US Corp., both Nevada corporations;

"**Compensation securities**" includes stock options, option-based awards, share-based settlements, or any convertible or exchangeable securities and similar instruments, granted or issued by the Company or one of its subsidiaries to directors or officers for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

"**NEO**" or "**Named Executive Officer**" means each of the following individuals:

- (i) each individual who, in respect of the Company, served as chief executive officer, or acted in a similar capacity, including an individual performing functions similar to a chief executive officer, for any part of the most recently completed financial year;
- (ii) each individual who, in respect of the Company, served as chief financial officer, or acted in a similar capacity, including an individual performing functions similar to a chief financial officer, for any part of the most recently completed financial year;
- (iii) in respect of the Company and its subsidiaries, the most highly compensated executive officers acting in a similar capacity other than the individuals identified in (i) and (ii) above at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 as determined in accordance with applicable securities laws;
- (iii) each individual who would be a NEO under paragraph (iii) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity at the end of the most recently completed financial year;

"**Plan**" includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons;

"**Shares**" or "**Common Shares**" means the common shares in the capital of the Company;

"**Underlying securities**" means any securities issuable on conversation, exchange or exercise of compensation securities.

For the purposes of Lincoln's executive compensation disclosure for the year ended December 31, 2023, and based on the foregoing definitions, during the last completed fiscal year of the Company, Lincoln had two NEOs, namely:

- Paul Saxton, President, Secretary and Director ("**CEO**")
- Dong Shim, Chief Financial Officer ("**CFO**")

## Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all direct and indirect compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to an NEO or director for services provided and for services to be provided, directly or indirectly, to the Company, or a subsidiary of the Company, for each of the Company's two (2) most recently completed financial years. Also see "Director Compensation" below for compensation to directors who are not named executive officers.

Table of Compensation Excluding Compensation Securities							
Name & Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation (\$)
Paul Saxton President & CEO & Director	2023	108,000 <sup>(1)</sup>	Nil	Nil	Nil	Nil	108,000
	2022	108,000 <sup>(2)</sup>	Nil	Nil	Nil	Nil	108,000
Dong Shim CFO	2023	42,000 <sup>(3)</sup>	Nil	Nil	Nil	Nil	42,000
	2022	52,850 <sup>(4)</sup>	Nil	Nil	Nil	Nil	52,850
Andrew Milligan <sup>(5)</sup> Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Ronald Coombes Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

- (1) This amount represents management fees accrued to Bromley Resources Ltd., a company owned by Mr. Saxton, for the period from January 1, 2023 to December 31, 2023. Mr. Saxton has not invoiced the Company for his services in 2023.
- (2) This amount represents management fees accrued to Bromley Resources Ltd., a company owned by Mr. Saxton, for the period from January 1, 2022 to December 31, 2022. Mr. Saxton has not invoiced the Company for his services in 2022.
- (3) This amount represents management fees paid or accrued to Shim & Associates LLP, a company owned by Mr. Shim, for the period from January 1, 2023 to December 31, 2023.
- (4) This amount represents management fees paid or accrued to Shim & Associates LLP, a company owned by Mr. Shim, for the period from January 1, 2022 to December 31, 2022.
- (5) Resigned as a Director of the Company on May 31, 2024.

### NEOs – Narrative Discussion

Bromley Resources Ltd., a private company owned by Paul Saxton, entered into an executive management consulting agreement with the Company effective from August 18, 2009 through December 31, 2019 (the "Saxton

**Agreement**”). On January 1, 2020, the Saxton Agreement was renewed under the same terms for another five years, until January 1, 2025. Pursuant to the Saxton Agreement, Mr. Saxton provides management and administration services and acts as the President and Chief Executive Officer and Secretary of the Company for an annual fee of \$108,000 with such yearly increases as may be approved by the Board. Mr. Saxton has not invoiced the Company for the services performed by him in 2022 and 2023. His annual fee is accrued to Bromley Resources Ltd.

Shim & Associates LLP, a private company owned by Dong Shim, entered into a contract for management, executive management, accounting and administrative services with the Company effective June 1, 2020, for a monthly fee of \$3,500.00 per month. The services agreement will continue until any party gives at least sixty (60) days written notice of the effective date of such termination.

Also see "**Consulting, Management, Termination and Change of Control Benefits**" below.

## INCENTIVE PLANS

### Stock Options and Other Compensation Securities

#### Outstanding Option-Based Awards

The following table discloses stock options granted or issued to NEOs and directors by the Company in the financial year ended December 31, 2023, for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries.

Compensation Securities							
Name and Position	Type of Compensation Security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Paul Saxton <sup>(1)</sup> President & CEO & Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dong Shim <sup>(2)</sup> CFO	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Andrew Milligan <sup>(3)</sup> Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ronald Coombes <sup>(4)</sup> Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) At December 31, 2023, Mr. Saxton held a total of 43,000 stock options to purchase 43,000 Shares, all of which are fully vested.

- (2) At December 31, 2023, Mr. Shim held a total of 12,500 stock options to purchase 12,500 Shares, all of which are fully vested.
- (3) At December 31, 2023, Mr. Milligan held a total of 12,000 stock options to purchase 12,000 Shares, all of which are fully vested. Mr. Milligan resigned as a Director of the Company on May 31, 2024.
- (4) At December 31, 2023, Mr. Coombes held a total of 20,000 stock options to purchase 20,000 Shares, all of which are fully vested.

#### Stock Options – Narrative Discussion

The Company has a Stock Option Plan for the granting of incentive stock options to the directors, officers, employees, or consultants. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors, officers, employees, or consultants of the Company and to closely align the personal interests of such persons to that of the shareholders.

In August 2022, the directors adopted a new 10% rolling stock option plan to bring the Company in line with certain amendments made to TSX Venture Exchange (“TSXV”) Policy 4.4 – *Security Based Compensation*. Shareholders of the Company approved the adoption of the new stock option plan (“**New Option Plan**”) at the Company’s annual general meeting held on October 28, 2022. The New Option Plan replaced and superseded the Company’s previous 10% rolling stock option plan and all existing options remained unchanged. As the New Option Plan is a “rolling” plan, the policies of the TSXV require that the Company seek shareholder approval of the Plan annually. Any definitions or capitalized terms used or referenced below have the same meaning attributed to them in the New Option Plan which is accessible on the Company’s SEDAR+ profile at <http://www.sedarplus.ca>.

The New Option Plan is also a rolling stock option plan pursuant to which up to 10% of the outstanding Shares may be reserved for issuance from time to time, less the number of Shares reserved for issue under any other share compensation arrangement.

During the year ended December 31, 2023, no stock options were granted, and no stock options were exercised. Also, there was no re-pricing of stock options under the New Option Plan or otherwise during the Company’s completed financial year ended December 31, 2023. As of the date of this report, no new options have been granted under the New Option Plan.

#### Description of New Option Plan

Material terms of the New Option Plan are as follows:

- 1) Persons who are Service Providers, being a *bona fide* Director, Officer, Employee, Management Company Employee, Consultant or Consultant Company, or a company of which 100% of the share capital is beneficially owned by one or more Service Providers, are eligible to receive grants of Options under the New Option Plan;
- 2) The maximum aggregate number of Common Shares that may be reserved for issuance under the New Option Plan, together with all other Security Based Compensation Plans, at any point in time is 10% of the outstanding Common Shares as at the date of grant or issuance of any Security Based Compensation under any of such Security Based Compensation Plans;
- 3) The New Option Plan provides for the following limits on grants, for so long as the Company is subject to the requirements of the TSXV, unless disinterested shareholder approval is obtained or unless permitted otherwise pursuant to the policies of the TSXV:

- a) the maximum number of Common Shares that may be issued to any New Option Plan participant (and where permitted pursuant to the policies of the TSXV), any company that is wholly-owned by any participant under the New Option Plan, together with any other security-based compensation arrangement, within a twelve (12) month period, may not exceed 5% of the issued Common Shares calculated on the date of grant;
  - b) the maximum number of Common Shares that may be issued to Insiders collectively under the New Option Plan, together with any other security-based compensation arrangements, within a twelve (12) month period, may not exceed 10% of the issued Common Shares calculated on the date of grant, and
  - c) the maximum number of Common Shares that may be issued to Insiders collectively under the New Option Plan, together with any other security-based compensation arrangements, may not exceed 10% of the issued Common Shares at any time.
- 4) For so long as such limitation is required by the TSXV, the maximum number of Options which may be granted within any twelve (12) month period to the New Option Plan participants who perform Investor Relations Activities must not exceed 2% of the issued and outstanding Common Shares, and such Options must vest in stages over twelve (12) months with no more than 25% vesting in any three (3) month period. In addition, the maximum number of Common Shares that may be granted to any one Consultant under the New Option Plan, together with any other security-based compensation arrangements, within a twelve (12) month period, may not exceed 2% of the issued Common Shares calculated on the date of grant.
  - 5) Investor Relations Service Providers cannot receive any security-based compensation other than Options;
  - 6) The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the New Option Plan and cannot be less than the Discounted Market Price;
  - 7) The term of an Option will be set by the Board at the time such Option is allocated under the New Option Plan. An Option can be exercisable for a maximum of 10 years from the Effective Date;
  - 8) Subject to TSXV Policy 4.4 – *Security Based Compensation*, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the New Option Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:
    - (a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
    - (b) the Service Provider remaining as a Director or Officer of the Company or any of its Affiliates during the vesting period;
    - (c) Options granted to Investor Relations Service Providers will vest such that:
      - (i) no more than 25% of the Options vest no sooner than three months after the Options were granted;
      - (ii) no more than another 25% of Options vest no sooner than six months after the Options were granted;
      - (iii) no more than 25% of Options vest no sooner than nine months after the Options were granted; and
      - (iv) the remainder of the Options vest no sooner than 12 months after the Options were granted;

- 9) In the case of an Optionee being dismissed from employment or service for Cause, such Optionee's Options, whether or not vested at the date of dismissal, will immediately terminate on the Termination Date without right to exercise same;
- 10) All Options granted shall be evidenced by written option agreements;
- 11) The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective.
  - (a) The New Option Plan, together with any other Security Based Compensation Plans, could result at any time in:
    - (i) the aggregate number of Common Shares reserved for issuance to insiders exceeds 10% of the outstanding Common Shares; or
    - (ii) the aggregate number of Common Shares reserved for issuance to insiders within any twelve (12) month period exceeds 10% of the outstanding Common Shares; or
    - (iii) the aggregate number of Common Shares reserved for issuance to any one individual Participant or Service Provider, within any twelve (12) month period, exceeds 5% of the outstanding Common Shares.
  - (b) Any reduction in the Exercise Price of an Option, or extension to the Expiry Date of an Option, held by an Insider at the time of the proposed amendment is subject to Disinterested Shareholder Approval in accordance with the policies of the TSXV.

The New Option Plan has also been prepared to allow Option holders to exercise Options on a “**Cashless Exercise**” or “**Net Exercise**” basis, as now expressly permitted by TSXV Policy 4.4 – *Security Based Compensation*. A Cashless Exercise is a method of exercising stock options in which a securities dealer loans funds to an option holder or sells the same shares as those underlying an option, prior to or in conjunction with the exercise of options, to allow the option holder to fund the exercise of some or all of their options. A Net Exercise is a method of option exercise under which the option holder does not make any payment to the issuer for the exercise of their options and receives on exercise a number of shares equal to the intrinsic value (current market price less the exercise price) of the option valued at the current market price. Under TSXV Policy 4.4, the current market price must be the 5-day volume weighted average trading price prior to option exercise. The Net Exercise method may not be utilized by persons performing Investor Relations Services.

Pursuant to “Cashless Exercise” – sections 1.31 and 1.32 of the New Option Plan, in the event of a Cashless Exercise or Net Exercise, the number of Options exercised, surrendered, or converted, and not the number of Common Shares actually issued by the Company, must be included in calculating the limits set forth in Sections 2.2, 2.6 and 2.10 of the New Option Plan.

Pursuant to the Board's authority to govern the implementation and administration of the New Option Plan, all previously granted and outstanding stock options shall be governed by the provisions of the New Option Plan.

Further details regarding the New Option Plan are included in the Information Circular of the Company that was sent to shareholders of the Company in connection with the 2022 and 2023 Annual General Meetings, a copy of which was filed and is available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The Company does not have any incentive plans, pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period is awarded, earned, paid or payable to the Named

Executive Officers, other than the Company's incentive Stock Option Plan, which is considered "compensation securities" within the meaning of Form 51-102F6V.

## **Employment, Consulting and Management Agreements**

### Consulting, Management, Termination and Change of Control Benefits

Except as discussed below, the Company, or its subsidiaries, does not have any contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer following or in connection with any change in a NEO's responsibilities or termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company.

Pursuant to the Saxton Agreement, in the event that Mr. Saxton is terminated for any reason other than just cause, he is entitled to a severance payment of up to one year's base fee, depending on length of service. If Mr. Saxton is terminated in the event of a change of control of the Company, or he terminates his engagement within 90 days after the occurrence of a change of control of the Company, Mr. Saxton is entitled to a severance payment of three times his annual base fee. Under the terms of the Saxton Agreement, the estimated incremental payment upon termination by the Company on a change of control of the Company, is that on termination Mr. Saxton is entitled to receive approximately \$324,000, based upon an amount equal to three times his base fee.

Mr. Shim does not have any contract in connection with termination and change of control benefits in his capacity as CFO; however, Shim & Associates LLP (a company owned by Mr. Shim) is entitled to ninety days' notice if the management, accounting, and administrative services contract is terminated.

### Compensation Philosophy and Objectives

The Board has the primary responsibility for developing executive compensation strategies for the Company.

The Company's Compensation Committee consists of two directors who oversee the formal compensation program and make recommendations to the Board. See "*Compensation Governance*" below. The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Company's compensation strategy are to:

- (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value;
- (b) align management's interests with the long-term interest of shareholders;
- (c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Company to attract and retain talent; and
- (d) to ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a natural resource company without a history of earnings. The Board ensures that total compensation paid to all Named Executive Officers, as hereinafter defined, is fair and reasonable. The Board relies on the experience of its members in assessing compensation levels.

The Board does not benchmark its executive compensation practices, but from time to time reviews the compensation practices of companies of similar size and stage of development to ensure that the compensation paid is competitive within the Company's industry and geographic location while taking into account the financial and other resources of the Company.

## Analysis of Elements

Base salary and/or management or consulting fees will be used to provide the Named Executive Officers a set amount of money during the year with the expectation that each Named Executive Officer will perform his responsibilities to the best of his ability and in the best interests of the Company.

The Company considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Company to reward each Named Executive Officer's efforts to increase value for shareholders without requiring the Company to use cash from its treasury. Stock options are generally awarded to directors, officers, consultants and employees at the commencement of employment and periodically thereafter. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Company's stock option plan.

## Option-Based Awards

The Company's stock option plan will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. The Board has the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards.

In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSXV, and closely align the interests of the executive officers with the interests of shareholders.

In monitoring or adjusting the option allotments, the Board considers its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants, and the objectives set for the Named Executive Officers and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility. In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- (i) parties who are entitled to participate in the stock option plan;
- (ii) the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than a prescribed discount permitted by the TSXV from the market price on the date of grant;
- (iii) the date on which each option is granted;
- (iv) the vesting period, if any, for each stock option;
- (v) the other material terms and conditions of each stock option grant; and
- (vi) any re-pricing or amendment to a stock option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Company's stock option plan and the policies of the TSXV, and after considering recommendations received from the Company's Compensation Committee. The Board of Directors reviews and approves grants of options on an annual basis and periodically during a financial year.

## Assessment of Risks Associated with Compensation Policies and Practices

As a result of the Company's small size and limited executive pool, the Company's process for determining executive compensation is relatively simple and does not include formal targets, criteria, or analysis. The Board has the responsibility of assessing risk as it pertains to the Company's compensation strategy. The Board has determined that, as at the date of the last Information Circular, there are no identified risks arising from the Company's

compensation policies and practices that are reasonably likely to have a material adverse effect on the Company. In reaching this determination, the Board considered, for example, that the Company's compensation practices and policies do not include structural inconsistencies that are likely to unduly encourage or cause an executive officer to expose the Company to inappropriate or excessive risks.

The Company has not adopted a policy forbidding directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities granted as compensation or held, directly or indirectly, by directors or officers. The Company is not aware of any directors or officers having entered into this type of transaction.

### Compensation Governance

The Company has established a Compensation Committee to assist the Board in discharging its duties relating to all compensation (including stock options) paid by the Company to senior officers of the Company and the members of the Board. The Compensation Committee's responsibilities include reviewing, evaluating and recommending compensation payable to senior officers and directors, overseeing the Company's general compensation structure and strategies and administering equity compensation plans as requested by the Board. The Board reviews and recommends compensation for the Company's senior officers in conjunction with the recommendations received from the Compensation Committee on an annual basis. The Board also oversees the Company's general compensation and benefits policies with the assistance of the Compensation Committee.

To determine compensation payable for the directors and senior officers of the Company, the Compensation Committee considers compensation paid for directors and senior officers of companies of similar size and stage of development in the mineral exploration and development industry and determines appropriate compensation that reflects the time and effort expended by the directors and senior officers, while considering financial and other resources of the Company.

The Compensation Committee is comprised of Paul Saxton and Ronald Coombes, who is an independent director.

Mr. Saxton has director and senior officer experience relevant to his responsibilities in executive compensation by virtue of similar responsibilities in his extensive roles as a senior executive officer of several public companies and also as a board member of a number of mineral exploration companies over the past 30 years.

Mr. Coombes has experience as a director and senior officer of several public companies and has knowledge of market rates for the mineral industry key positions, from which recommendations are made to the Compensation Committee.

A compensation consultant or advisor has not been retained, at any time since the Company's most recently completed financial year, to assist the Board or the Compensation Committee in determining compensation for any of the Company's directors or executive officers.

### Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.