

LINCOLN GOLD CORP
Form SB-2/A
April 14, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM SB-2/A
Amendment No. 2

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

LINCOLN GOLD CORPORATION

(Exact name of registrant as specified in charter)

NEVADA

(State or jurisdiction of
incorporation or organization)

1040

(Primary Standard Industrial
Classification Code Number)

88-0419475

(I.R.S. Employer Identification No.)

**Suite 350, 885 Dunsmuir Street
Vancouver, British Columbia, Canada, V6C 1N5
(604) 688-7377**

Fax (604) 688-7307

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Mr. Paul Saxton, President
Suite 350, 885 Dunsmuir Street
Vancouver, British Columbia, Canada, V6C 1N5
(604) 688-7377**

Fax (604) 688-7307

(Name, address, including zip code, and telephone number, including area code, of agent for service)

**with a copy to: Michael H. Taylor, Esq.
LANG MICHENER LLP
1500 Royal Centre, 1055 West Georgia Street
Vancouver, British Columbia V6E 4N7
Tel: 604-689-9111
Fax: 604-685-7084**

Approximate date of commencement of proposed sale to the public: From time to time after this Registration Statement is declared effective.

If any securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective

Edgar Filing: LINCOLN GOLD CORP - Form SB-2/A

registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. []

Title of Securities to be Registered	Proposed Maximum Aggregate Offering Price ⁽¹⁾	Amount of Registration Fee
Units, each consisting of one share of Common Stock, \$0.01 par value, and one half of one Class A Warrant and one Class B Warrant	\$1,000,000	\$107
Shares of Common Stock included as part of the Units ⁽²⁾		
Class A Warrants included as part of the Units ⁽²⁾⁽³⁾	\$714,286	\$76.42
Shares of Common Stock underlying the Class A Warrants included in the Units ⁽²⁾⁽³⁾		
Class B Warrants included as part of the Units ⁽²⁾⁽³⁾	\$3,857,143	\$412.71
Shares of Common Stock underlying the Class B Warrants included in the Units ⁽²⁾⁽³⁾		
Total	\$5,571,429	\$596.13

- (1) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended.
- (2) Public offering of Units, each Unit consisting of one share of Common Stock, \$0.001 par value, one half of one Class A Warrant and one Class B Warrant.
- (3) Pursuant to Rule 416, there are also being registered such indeterminable additional securities as may be issued as a result of the anti-dilution provisions contained in the warrants or options.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

**(Subject to Completion) Dated <>, 2005
PRELIMINARY PROSPECTUS**

**LINCOLN GOLD CORPORATION
a Nevada Corporation**

2,857,143 UNITS

We are offering up to 2,857,143 units at a price of \$0.35 per unit (the Offering). Each unit (each a Unit and together the Units) will consist of:

- (a) one share of our common stock (each a Share and together the Shares);
- (b) one half of one non-transferable Class A Warrant, each whole Class A Warrant is exercisable to acquire one share of common stock at a price of \$0.50 per share until 5:00 p.m. (New York time) on the date that is one year from the date of issuance (each a Class A Warrant and together the Class A Warrants); and
- (c) one non-transferable Class B Warrant, each whole Class B Warrant is exercisable to acquire one share of common stock at a price of \$1.35 per share until 5:00 p.m. (New York time) on the date that is four years from the date of issuance (each a Class B Warrant and together the Class B Warrants).

Our directors and officers will be selling the shares of our common stock that we are offering. We do not presently have any agreement with any underwriter. We are offering the Units on a self-underwritten basis without any minimum or maximum purchase requirements. There are no arrangements to place the funds received from sales of the Units in an escrow, trust or similar arrangement.

	Price to Public	Net Proceeds to Company⁽¹⁾⁽²⁾
Per Unit	\$0.35	\$0.35
Total Offering ⁽²⁾⁽⁴⁾	\$1,000,000	\$1,000,000

(1) There is no minimum amount of Units to be sold or proceeds to be raised in the Offering.

(2) Assumes that all Units offered in the Offering are sold.

Our common shares are presently traded on the NASD Over the Counter Bulletin Board under the symbol LGCP. The closing price of our common shares on April 5, 2006 was \$0.18 per share. Our common shares are not listed on any national securities exchange or the Nasdaq Stock Market.

Our principal offices are located at Suite 350, 885 Dunsmuir Street, Vancouver, British Columbia, Canada V6C 1N5. Our telephone number is 604-688-7377.

THE PURCHASE OF THE SECURITIES OFFERED THROUGH THIS PROSPECTUS INVOLVES A HIGH DEGREE OF RISK. YOU SHOULD CAREFULLY READ AND CONSIDER THE SECTION OF THIS PROSPECTUS ENTITLED RISK FACTORS ON PAGES 10 THROUGH 13 BEFORE BUYING ANY

OF OUR UNITS.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Page 3

The following table of contents has been designed to help you find important information contained in this prospectus. We encourage you to read the entire prospectus.

TABLE OF CONTENTS

	PAGE
<u>SUMMARY</u>	7
<u>RISK FACTORS</u>	10
<u>Risks Related To Our Operating Results</u>	10
<u>If we do not obtain additional financing, our business plan will fail</u>	<u>10</u>
<u>If we are unable to maintain our interests in our Nevada mineral claims, then we will lose our interests in these mineral claims</u>	<u>10</u>
<u>Because we have only recently commenced preliminary exploration of our Nevada mineral claims, we face a high risk of business failure and this could result in a total loss of your investment.</u>	<u>10</u>
<u>Because we do not have any revenues, we expect to incur operating losses for the foreseeable future.</u>	<u>10</u>
<u>We have yet to attain profitable operations and because we will need additional financing to fund our exploration activities, our accountants believe there is substantial doubt about the company's ability to continue as a going concern</u>	<u>11</u>
<u>If our costs of exploration are greater than anticipated, then we will not be able to complete our planned exploration programs for our mineral claims without additional financing, of which there is no assurance that we would be able to obtain.</u>	<u>11</u>
<u>Because of the speculative nature of exploration of mining properties, there is substantial risk that no commercially exploitable minerals will be found and our business will fail</u>	<u>11</u>
<u>Because of the inherent dangers involved in mineral exploration, there is a risk that we may incur liability or damages as we conduct our business</u>	<u>11</u>
<u>If we discover commercial reserves of precious metals on any of our mineral properties, we can provide no assurance that we will be able to successfully advance the mineral claims into commercial production.</u>	<u>11</u>
<u>Because access to our mineral claims is often restricted by inclement weather, we may be delayed in our exploration and any future mining efforts</u>	<u>12</u>
<u>As we undertake exploration of our mineral claims, we will be subject to compliance with government regulation that may increase the anticipated time and cost of our exploration program</u>	<u>12</u>
<u>If we do not find a joint venture partner for the continued exploration of our mineral claims, we may not be able to advance the exploration work</u>	<u>12</u>
<u>Risks Relating To Our Common Stock</u>	<u>12</u>
<u>If we do not maintain an effective registration statement covering the warrants offered in our units, or comply with applicable state securities laws, you may not be able to exercise the warrants or you may be restricted from selling the underlying common stock</u>	<u>12</u>
<u>Purchasers of shares of common stock offered in this offering will suffer an immediate dilution due to this offering</u>	<u>12</u>

<u>Future sales of our common stock may depress our stock price thereby decreasing the value of your investment</u>	<u>13</u>
<u>Our stock is a penny stock. Trading of our stock may be restricted by the SEC's penny stock regulations and the NADSD's sales practice requirements, which may limit a stockholder's ability to buy and sell our stock</u>	<u>13</u>
<u>In the event that your investment in our shares is for the purpose of deriving dividend income or in expectation of an increase in market price of our shares from the declaration and payment of dividends, your investment will be compromised because we do not intend to pay dividends</u>	<u>13</u>
<u>FORWARD-LOOKING STATEMENTS</u>	<u>14</u>
<u>DESCRIPTION OF SECURITIES</u>	<u>14</u>
<u>DETERMINATION OF OFFERING PRICE</u>	<u>15</u>
<u>USE OF PROCEEDS</u>	<u>16</u>
<u>DILUTION</u>	<u>18</u>
<u>PLAN OF DISTRIBUTION</u>	<u>19</u>
<u>LEGAL PROCEEDINGS</u>	<u>20</u>
<u>DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS</u>	<u>20</u>
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	<u>22</u>
<u>LEGAL MATTERS</u>	<u>24</u>
<u>EXPERTS</u>	<u>24</u>
<u>INTERESTS OF NAMED EXPERTS AND COUNSEL</u>	<u>24</u>
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	<u>24</u>
<u>DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES</u>	<u>25</u>
<u>ORGANIZATION WITHIN LAST FIVE YEARS</u>	<u>25</u>
<u>DESCRIPTION OF BUSINESS</u>	<u>25</u>
<u>DESCRIPTION OF PROPERTIES</u>	<u>29</u>
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS</u>	<u>46</u>
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	<u>50</u>
<u>MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS</u>	<u>52</u>
<u>EXECUTIVE COMPENSATION</u>	<u>53</u>
<u>SUMMARY COMPENSATION TABLE</u>	<u>54</u>

<u>ANNUAL COMPENSATION</u>	<u>54</u>
<u>LONG TERM COMPENSATION</u>	<u>54</u>
<u>SUMMARY COMPENSATION TABLE</u>	<u>54</u>

<u>ANNUAL COMPENSATION</u>	<u>54</u>
<u>LONG TERM COMPENSATION</u>	<u>54</u>
<u>FINANCIAL STATEMENTS</u>	<u>56</u>
<u>CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS</u>	<u>57</u>
<u>PART II INFORMATION NOT REQUIRED IN PROSPECTUS</u>	<u>58</u>
<u>SIGNATURES</u>	<u>66</u>

SUMMARY

As used in this prospectus, unless the context otherwise requires, we, us, our or Lincoln Gold refers to Lincoln Corporation. The following summary is not complete and does not contain all of the information that may be important to you. You should read the entire prospectus before making an investment decision to purchase our common shares. All dollar amounts refer to US dollars unless otherwise indicated.

Our Business

We are engaged in the acquisition and exploration of mineral properties in the State of Nevada and in Mexico. We hold interests in five groups of mineral properties, with four properties located in Nevada and one property located in Mexico, as described below:

Name of Property	Location
Buffalo Valley Property	Humboldt, Lander & Pershing Counties, Nevada
Hannah Property	Churchill County, Nevada
JDS Property	Eureka County, Nevada
Jenny Hill Property	Mineral & NYE Counties, Nevada
La Bufa Property	Mexico

Our plan of operations is to carry out exploration of our mineral properties. Our specific exploration plan for each of our mineral properties, together with information regarding the location and access, history of operations, present condition and geology of each of our properties, is presented in this prospectus under the heading Description of Properties. All of our exploration programs are preliminary in nature in that their completion will not result in a determination that any of our properties contains commercially exploitable quantities of mineralization.

We are an exploration stage company. All of our projects are at the exploration stage and there is no assurance that any of our mining claims contain a commercially viable ore body. We plan to undertake further exploration of our properties. We anticipate that we will require additional financing in order to pursue full exploration of these claims. We do not have sufficient financing to undertake full exploration of our mineral claims at present and there is no assurance that we will be able to obtain the necessary financing.

There is no assurance that a commercially viable mineral deposit exists on any of our mineral properties. Further exploration beyond the scope of our planned exploration activities will be required before a final evaluation as to the economic and legal feasibility of mining of any of our properties is determined. There is no assurance that further exploration will result in a final evaluation that a commercially viable mineral deposit exists on any of our mineral properties.

We have no revenues, have achieved losses since inception, have been issued a going concern opinion by our auditors and rely upon the sale of our securities to fund operations. We will not generate revenues even if our exploration program indicates that a mineral deposit may exist on our mineral claims. Accordingly, we will dependent on future additional financing in order to maintain our operations and continue our exploration activities.

We were incorporated under the laws of the State of Nevada on February 17, 1999 under the name of Braden Technologies Inc.. Effective March 26, 2004, the Company acquired 100% of the issued and outstanding shares of Lincoln Gold Corp., a private company incorporated in the State of Nevada, USA, on September 25, 2003. On April 6, 2004, the Company and its subsidiary, Lincoln Gold Corp., merged to form Lincoln Gold Corporation. Our principal offices are located at Suite 350, 885 Dunsmuir Street, Vancouver, British Columbia, Canada V6C 1N5. Our telephone number is 604-688-7377.

The Offering

The Issuer:	Lincoln Gold Corporation
Securities Offered:	<p>Up to 2,857,143 Units consisting of:</p> <ul style="list-style-type: none"> • one share of common stock, • one-half of one non-transferable Class A Warrant and • one non-transferable Class B Warrant. <p>Each whole Class A Warrant is exercisable to acquire one share of common stock at \$0.50 per share and will expire on the date that is one year from the date of issuance.</p> <p>Each whole Class B Warrant is exercisable to acquire one share of common stock at \$1.35 per share and will expire on the date that is four years from the date of issuance.</p> <p>Each of the Class A Warrants and the Class B Warrants will be subject to accelerated exercise provisions, as described below under Description of Securities .</p>

Offering Price:	\$0.35 per Unit
Common Stock Outstanding as of April 4, 2006	41,915,000 shares of common stock
Number of Units Offered	Up to 2,857,143 Units
Number of Shares of Common Stock Outstanding After Offering, assuming no Class A or Class B Warrants have been exercised	44,722,143 Shares
Number of Class A Warrants Outstanding After Offering, if all Units are sold	1,428,572 Class A Warrants
Number of Class B Warrants Outstanding After Offering, if all Units are sold	2,857,143 Class B Warrants

Number of Shares of Common Stock Outstanding Assuming Exercise of all of the Class A Warrants and Class B Warrants	49,007,858 Shares
Use of Proceeds	We expect to use the net proceeds from this offering to fund the exploration of our mineral properties and for general corporate purposes. See Use of Proceeds.
Dividend Policy	We currently intend to retain any future earnings to fund the development and growth of our business. Therefore, we do not currently anticipate paying cash dividends.
Market for Our Common Stock:	Our common stock is presently traded on the NASD Over the Counter Bulletin Board under the symbol LGCP .
Risk Factors:	See Risk Factors and the other information in this prospectus for a discussion of the factors you should consider before deciding to invest in our common shares.

Summary of Financial Data

The following consolidated financial data has been derived from and should be read in conjunction with our audited financial statements for the years ended December 31, 2005 and 2004 and for the period from inception (September 25, 2003) to December 31, 2005, together with the notes to our financial statements and the section of this prospectus entitled "Management's Discussion and Analysis and Plan of Operation":

Balance Sheets

	December 31, 2005 (Audited)	December 31, 2004 (Audited)
Cash	\$ 132,806	\$ 127,785
Total Assets	\$ 151,436	\$ 127,785
Total Liabilities	\$ 140,651	\$ 371,744
Total Stockholders Equity (Deficit)	\$ 10,785	\$ (\$243,959)

Statements of Operations

	Year Ended December 31, 2005 (Audited)	Year Ended December 31, 2004 (Audited)	From inception (September 25, 2003) to December 31, 2005 (Audited)
Revenue	\$ -	\$ -	\$ -
Expenses	\$ (1,318,543)	\$ (1,672,304)	\$ (3,007,166)
Net Loss for the Period	\$ (1,294,546)	\$ (1,691,351)	\$ (3,002,216)

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below and the other information in this prospectus before investing in our common stock. If any of the following risks occur, our business, operating results and financial condition could be seriously harmed. The trading price of our common stock, when and if we trade at a later date, could decline due to any of these risks, and you may lose all or part of your investment.

Risks Related To Our Operating Results

If we do not obtain additional financing, our business plan will fail.

As of December 31, 2005, we had cash on hand of \$132,806 and working capital of \$3,457. Our business plan calls for us to spend approximately \$1,275,000 in connection with the exploration of our mineral claims during the next twelve months, the maintenance of our interests in our mineral claims and our general and administrative expenses during the next twelve months. Based on our cash and working capital position, we will require additional financing in the approximate amount of \$1,275,000 in order to complete our plan of operations for the next twelve months. We currently do not have any arrangements for financing and we may not be able to obtain financing when required. Obtaining additional financing would be subject to a number of factors, including the market price of gold. These factors may make the timing, amount, terms or conditions of additional financing unavailable to us.

If we are unable to maintain our interests in our Nevada mineral claims, then we will lose our interests in these mineral claims.

We are required to make substantial payments in order to maintain our interests in certain of our Nevada mineral claims. Over the next twelve months, we must make payments totalling \$65,000 in lease and option payments in order to maintain our interests in our Buffalo Valley, Hanna and Jenny Hill mineral properties. We anticipate that our joint venture partners for the Buffalo Valley and Jenny Hill mineral properties will make property payments totalling \$50,000 on our behalf, however there is no assurance that our joint venture partners will not drop their interests in these properties with the result that we will have to make these payments. Our inability to make these payments due to a lack of financing or our determination not to make these payments will result in our losing our interests in these claims. If we are not able to maintain our interests in our mineral claims, then we will not be able to carry out our plan of operations.

Because we have only recently commenced preliminary exploration of our Nevada mineral claims, we face a high risk of business failure and this could result in a total loss of your investment.

We have not begun the initial stages of exploration of our mineral claims, and thus have no way to evaluate the likelihood whether we will be able to operate our business successfully. To date, we have been involved primarily in organizational activities, acquiring interests in mineral claims and in conducting preliminary exploration of mineral claims. We have not earned any revenues and have not achieved profitability as of the date of this prospectus. Potential investors should be aware of the difficulties normally encountered by new mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration of the mineral properties that we plan to undertake. These potential problems include, but are not limited to, unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. We have no history upon which to base any assumption as to the likelihood that our business will prove successful, and we can provide no assurance to investors that we will generate any operating revenues or ever achieve profitable operations. If we are unsuccessful in addressing these risks, our business will likely fail and you will lose your entire investment in this offering.

Because we do not have any revenues, we expect to incur operating losses for the foreseeable future.

We have never earned revenues and we have never been profitable. Prior to completing exploration on the mineral property, we anticipate that we will incur increased operating expenses without realizing any revenues. We therefore expect to incur significant losses into the foreseeable future. If we are unable to generate financing to continue the exploration of our mineral claims, we will fail and you will lose your entire investment in this offering.

We have yet to attain profitable operations and because we will need additional financing to fund our exploration activities, our accountants believe there is substantial doubt about the company's ability to continue as a going concern

We have incurred a net loss of \$3,002,216 for the period from September 25, 2003 (inception) to December 31, 2005, and have no revenues to date. Our ability to continue the exploration of our mineral claims is dependent upon our ability to obtain financing. These factors raise substantial doubt that we will be able to continue as a going concern.

Our financial statements included with this prospectus have been prepared assuming that we will continue as a going concern. Our auditors have made reference to the substantial doubt as to our ability to continue as a going concern in their audit report on our audited financial statements for the year ended December 31, 2005. If we are not able to achieve revenues, then we may not be able to continue as a going concern and our financial condition and business prospects will be adversely affected.

If our costs of exploration are greater than anticipated, then we will not be able to complete our planned exploration programs for our mineral claims without additional financing, of which there is no assurance that we would be able to obtain.

We are proceeding with the initial stages of exploration on our mineral claims. We have prepared budgets for our exploration programs. However, there is no assurance that our actual costs will not exceed the budgeted costs. Factors that could cause actual costs to exceed budgeted costs include increased prices due to competition for personnel and supplies during the Nevada summer exploration season, unanticipated problems in completing the exploration programs and delays experienced in completing the exploration program. Increases in exploration costs could result in us not being able to carry out our exploration programs without additional financing. There is no assurance that we would be able to obtain additional financing in this event.

Because of the speculative nature of exploration of mining properties, there is substantial risk that no commercially exploitable minerals will be found and our business will fail.

We are in the initial stages of exploration of our mineral claims, and thus have no way to evaluate the likelihood that we will be successful in establishing commercially exploitable reserves of gold or other valuable minerals on our mineral claims. Potential investors should be aware of the difficulties normally encountered by new mineral exploration companies and the high rate of failure of such enterprises. The search for valuable minerals as a business is extremely risky. We may not find commercially exploitable reserves of gold or copper in any of our mineral claims. Exploration for minerals is a speculative venture necessarily involving substantial risk. The expenditures to be made by us on our exploration programs may not result in the discovery of commercial quantities of ore. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration of the mineral properties that we plan to undertake. Problems such as unusual or unexpected formations and other conditions are involved in mineral exploration and often result in unsuccessful exploration efforts. In such a case, we would be unable to complete our business plan.

Because of the inherent dangers involved in mineral exploration, there is a risk that we may incur liability or damages as we conduct our business.

The search for valuable minerals involves numerous hazards. In the course of carrying out exploration of our mineral claims, we may become subject to liability for such hazards, including pollution, cave-ins and other hazards against which we cannot insure or against which we may elect not to insure. We currently have no such insurance nor do we expect to get such insurance for the foreseeable future. If a hazard were to occur, the costs of rectifying the hazard may exceed our asset value and cause us to liquidate all of our assets, resulting in the loss of your entire investment in this offering.

If we discover commercial reserves of precious metals on any of our mineral properties, we can provide no assurance that we will be able to successfully advance the mineral claims into commercial production.

Our mineral properties do not contain any known bodies of ore. If our exploration programs are successful in establishing ore of commercial tonnage and grade on any of our mineral claims, we will require additional funds in order to advance the mineral claims into commercial production. In such an event, we may be unable to obtain any such funds, or to obtain such funds on terms that we consider economically feasible, and you may lose your entire investment in this offering.

Because access to our mineral claims is often restricted by inclement weather, we may be delayed in our exploration and any future mining efforts.

Access to certain of our mineral claims may be restricted to the period between April and November of each year due to snow and storms in the area. Inclement weather may result in significant delays in exploration efforts and may increase the costs of exploration, with the result that we may not be able to complete our exploration programs within the anticipated time frames or within our anticipated budgets.

As we undertake exploration of our mineral claims, we will be subject to compliance with government regulation that may increase the anticipated time and cost of our exploration program.

There are several governmental regulations that materially restrict the exploration of minerals. We will be subject to the mining laws and regulations as contained in the Nevada Statutes and Nevada Administrative Code as we carry out our exploration program. We may be required to obtain work permits, post bonds and perform remediation work for any physical disturbance to the land in order to comply with these regulations. While our planned exploration program budgets for regulatory compliance, there is a risk that new regulations could increase our time and costs of doing business and prevent us from carrying out our exploration program.

If we do not find a joint venture partner for the continued exploration of our mineral claims, we may not be able to advance the exploration work.

We may try to enter into joint venture agreements with potential partners for the further exploration and possible production of our mineral claims, particularly where we believe drilling of a mineral claim is warranted. We would face competition from other junior mineral resource exploration companies if we attempt to enter into a joint venture agreement with a partner. The possible partner could have a limited ability to enter into joint venture agreements with junior exploration programs and will seek the junior exploration companies who have the properties that they deem to be the most attractive in terms of potential return and investment cost. In addition, if we entered into a joint venture agreement, we would likely assign a percentage of our interest in the mineral claims to the joint venture partner. If we are unable to enter into a joint venture agreement with a partner, we may not be able to complete certain exploration work on certain of our properties, including planned drilling.

Risks Relating To Our Common Stock

If we do not maintain an effective registration statement covering the warrants offered in our units, or comply with applicable state securities laws, you may not be able to exercise the warrants or you may be restricted from selling the underlying common stock.

In order for you to exercise the Class A Warrants and the Class B Warrants, the shares of common stock underlying them must be covered by an effective registration statement filed with the United States Securities and Exchange Commission unless an exemption from such requirements is otherwise available. If the issuance of shares is not exempt under state securities laws, the shares must be properly registered with state securities regulators. At present, we plan to maintain an effective registration statement when the Class A Warrants and the Class B Warrants are exercised. However, we cannot provide any assurance that state exemptions will be available, the state authorities will permit us to register the underlying shares, or that an effective registration statement will be in place at all relevant times. These factors may limit your ability to exercise the Class A Warrants and Class B Warrants unless an applicable registration exemption is available. Even if such an exemption is available, the underlying shares of common stock may be subject to regulatory resale restrictions that would effectively limit your ability to sell the shares. The Class A Warrants and the Class B Warrants are non-transferable.

Purchasers of shares of common stock offered in this offering will suffer an immediate dilution due to this offering.

Purchasers of the shares of common stock offered hereby will incur an immediate and substantial dilution in the net tangible book value per share of the shares of common stock from the initial public offering price. "Dilution" per share to new investors in this offering represents the difference between the amount per share paid by new investors for a share of our common stock and the as-adjusted, net tangible book value per common share immediately following our offering. Set forth under the heading "Dilution" in this prospectus, we have provided information to new investors, assuming the successful sale of our units assuming the sale of the maximum number of units. In these calculations, we have counted one share per unit but have not included any of the warrants included in the units. After giving effect to the sale of 2,857,143 units, assuming we sold the maximum number of units offered at an offering price of \$0.35 per unit, the as adjusted, net tangible book value of our common stock would have been \$960,785 or \$0.02 per share at December 31, 2005. Although these calculations show an immediate increase in the pro forma net tangible book value per common share of \$0.02 per share, they also disclose the immediate dilution per common share purchased by new investors of \$0.33 per Unit or 94%. See "Dilution" below.

Future sales of our common stock may depress our stock price thereby decreasing the value of your investment.

The market price of our common stock could decline as a result of sales of substantial amounts of our common stock in the public market, or the perception that these sales could occur. In addition, these factors could make it more difficult for us to raise funds through future offerings of common stock. There will be an aggregate of 44,722,143 shares of common stock outstanding immediately after this offering if the maximum amount is raised, assuming we sold the maximum number of units offered. All of the shares of common stock sold in the offering will be freely transferable without restriction or further registration under the Securities Act, except for any shares purchased by our affiliates, as defined in Rule 144 of the Securities Act.

Our stock is a penny stock. Trading of our stock may be restricted by the SEC's penny stock regulations and the NASD's sales practice requirements, which may limit a stockholder's ability to buy and sell our stock.

Our stock is a penny stock. The Securities and Exchange Commission has adopted Rule 15c-9 which generally defines "penny stock" to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000, or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser, and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

In addition to the "penny stock" rules promulgated by the Securities and Exchange Commission, the NASD has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, the NASD believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. The NASD requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

Please read this prospectus carefully. You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. You should not assume that the information provided by the prospectus is accurate as of any date other than the date on the front of this prospectus.

In the event that your investment in our shares is for the purpose of deriving dividend income or in expectation of an increase in market price of our shares from the declaration and payment of dividends, your investment

will be compromised because we do not intend to pay dividends.

We have never paid a dividend to our shareholders, and we intend to retain our cash for the continued development of our business. We do not intend to pay cash dividends on our common stock in the foreseeable future. As a result, your return on investment will be solely determined by your ability to sell your shares in a secondary market.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve risks and uncertainties, including statements regarding our capital needs, business plans and expectations. Such forward-looking statements involve risks and uncertainties regarding the market price of gold and copper, availability of funds, government regulations, operating costs, exploration costs, outcomes of exploration programs and other factors. Forward-looking statements are made, without limitation, in relation to operating plans, property exploration and development, availability of funds, environmental reclamation, operating costs and permit acquisition. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential" or "continue", the negative of such terms or other comparable terminology. Actual events or results may differ materially. In evaluating these statements, you should consider various factors, including the risks outlined in this prospectus. These factors may cause our actual results to differ materially from any forward-looking statement. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding our business plans, our actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. We do not intend to update any of the forward-looking statements to conform these statements to actual results, except as required by applicable law, including the securities laws of the United States.

The safe harbour for forward-looking statements provided in the Private Securities Litigation Reform Act of 1995 does not apply to the offering made in this prospectus.

DESCRIPTION OF SECURITIES

We are offering up to 2,857,143 units at a price of \$0.35 per unit (the Offering). Each unit (each a Unit and together the Units) will consist of:

- (a) one share of our common stock (each a Share and together the Shares);
- (b) one half of one non-transferable Class A Warrant, each whole Class A Warrant is exercisable to acquire one share of common stock at a price of \$0.50 per share until 5:00 p.m. (New York time) on the date that is one year from the date of issuance (each a Class A Warrant and together the Class A Warrants); and
- (c) one non-transferable Class B Warrant, each whole Class B Warrant is exercisable to acquire one share of common stock at a price of \$1.35 per share until 5:00 p.m. (New York time) on the date that is four years from the date of issuance (each a Class B Warrant and together the Class B Warrants).

Each of the Class A Warrants and the Class B Warrants will be subject to an accelerated exercise period. If the closing price of our common stock is above \$0.55 per share for twenty consecutive trading days, then the expiry date for our Class A Warrants will be accelerated to the date that is thirty calendar days from the date that is the twentieth consecutive trading day above the price threshold. If the closing price of our common stock is above \$1.50 per share for twenty consecutive trading days, then the expiry date for the Class B Warrants will be accelerated to the date that is thirty calendar days from the date that is the twentieth consecutive trading day above the price threshold. Any warrants not exercised within the accelerated exercise period will expire.

Common Stock

Our authorized capital stock consists of 100,000,000 shares of common stock, with a par value of \$0.001 per share. As of April 4, 2006, there were 41,915,000 shares of our common stock issued and outstanding held by 89 shareholders of record.

Our common stock is entitled to one vote per share on all matters submitted to a vote of the stockholders, including the election of directors. Except as otherwise required by law or as provided in any resolution adopted by our board of directors with respect to any series of preferred stock, the holders of our common stock will possess all voting power. Generally, all matters to be voted on by stockholders must be approved by a majority (or, in the case of election of directors, by a plurality) of the votes entitled to be cast by all shares of our common stock that are present in person or represented by proxy, subject to any voting rights granted to holders of any preferred stock. Holders of our common stock representing one-percent (1%) of our capital stock issued, outstanding and entitled to

vote, represented in person or by proxy, are necessary to constitute a quorum at any meeting of our stockholders. A vote by the holders of a majority of our outstanding shares is required to effectuate certain fundamental corporate changes such as liquidation, merger or an amendment to our Articles of Incorporation. Our Articles of Incorporation do not provide for cumulative voting in the election of directors.

The holders of shares of our common stock will be entitled to such cash dividends as may be declared from time to time by our board of directors from funds available therefor. See Dividend Policy.

The holders of shares of our common stock will be entitled to receive pro rata all of our assets available for distribution to such holders.

In the event of any merger or consolidation of our company with or into another company in connection with which shares of our common stock are converted into or exchangeable for shares of stock, other securities or property (including cash), all holders of our common stock will be entitled to receive the same kind and amount of shares of stock and other securities and property (including cash).

Holders of our common stock have no pre-emptive rights, no conversion rights and there are no redemption provisions applicable to our common stock.

DETERMINATION OF OFFERING PRICE

The offering price of \$0.35 per Unit has been determined arbitrarily based on the trading price of our common stock on the NASD Bulletin Board. The offering price does not have any relationship to any established criteria of value, such as book value or earning per share. Additionally, because we have no significant operating history and have not generated any revenues to date, the price of the common stock is not based on past earnings, nor is the price of the common stock indicative of the current market value of the assets owned by us. No valuation or appraisal has been prepared for our business and potential business expansion. Our common stock is presently traded on the NASD Bulletin Board.

USE OF PROCEEDS

We anticipate that the gross proceeds of the Offering will be \$1,000,000 if the maximum number of Units offered hereby are sold. We propose to use the proceeds from this Offering for the following business purposes and in the following order of priority:

DESCRIPTION OF USE OF PROCEEDS	ESTIMATED USE OF PROCEEDS
1. Exploration of the Buffalo Valley Property, Nevada	\$5,000
2. Exploration of the Hannah Property, Nevada	\$97,000
3. Exploration of the JDS Property, Nevada	\$133,000
4. Exploration of the Jenny Hill Property, Nevada	\$330,000
5. Reclamation of the Lincoln Flat Property, Nevada	\$15,000
6. Exploration of the La Bufa Property, Mexico	\$370,000
Net Proceeds of the Offering:	\$950,000
Expenses of the Offering (1)	\$50,000
Gross Proceeds of the Offering:	\$1,000,000

(1) We anticipate expenses associated with the Offering, including legal, accounting and stock transfer agent expenses, will be approximately \$50,000.

If we sell less than all of the Units, then we have less funds available to fund our business operations. Our planned use of proceeds if we sell less than all of the Units is set forth below if 25%, 50%, 75% and 100% of the Units offering being sold:

Percentage of the Offering Completed:	If 25% of the Shares are Sold	If 50% of the Shares are Sold	If 75% of the Shares are Sold	If 100% of the Shares are Sold
1. Buffalo Valley Property, Nevada	\$5,000	\$5,000	\$5,000	\$5,000
2. Hannah Property, Nevada	\$8,000	\$97,000	\$97,000	\$97,000
3. JDS Property, Nevada	\$9,000	\$90,000	\$90,000	\$133,000
4. Jenny Hill Property, Nevada	\$52,000	\$120,000	\$241,000	\$330,000
5. Lincoln Flat Property, Nevada	\$15,000	\$15,000	\$15,000	\$15,000
6. La Bufa Property, Mexico	\$111,000	\$123,000	\$252,000	\$370,000
Net Proceeds of the Offering:	\$200,000	\$450,000	\$700,000	\$950,000
Expenses of the Offering:	\$50,000	\$50,000	\$50,000	\$50,000
Gross Proceeds of the Offering:	\$250,000	\$500,000	\$750,000	\$1,000,000

We may apply the proceeds of this Offering to the categories of expenses listed above in a manner that is different from the break-down of expenditures provided above. Factors that may cause us to re-allocate the proceeds of the Offering within these categories of expenditures are listed in the Use of Proceeds section include the following:

1. Our exploration expenses may be greater than anticipated;
2. We may determine to change our planned exploration programs on our mineral properties based on the results of our exploration activities, which may increase or decrease exploration expenses on any particular property;
3. Our general and administrative costs being greater than anticipated; and
4. The costs of this Offering being greater than anticipated.

The actual expenditures of the proceeds of the Offering within the categories of expenditures that we have provided will vary according to the expenditures deemed by us and our board of directors to be in the best interests of advancing the our business, based on the considerations described above and the amount of funds available to us. The actual expenditures will also vary from the estimated use of proceeds if less than all of the offered Units are sold.

Investors are referred to the description of our Plan of Operations under the section of this Prospectus entitled Description of Business for a more complete description of our capital requirements. See Risk Factors .

DILUTION

Investors who purchase the Units will suffer dilution as the offering price of the shares will exceed the per share net tangible book value of our common stock upon completion of the Offering. Our net tangible book value is the amount that results from subtracting our total liabilities and intangible assets from our total assets. The per share net tangible book value of our common stock is our net tangible book value divided by the number of shares of our common stock outstanding. Dilution that will be suffered by investors who purchase the Units is the difference between the offering price of the Shares comprising a part of the Units and the per share net tangible book value of our common stock upon completion of the Offering after giving effect to the receipt of the proceeds of the Offering. Dilution arises mainly as a result of our arbitrary determination of the offering price of the Units being offered. Dilution of the value of the Units purchased is also a result of the lower net tangible book value of the shares held by our existing stockholders.

Our net tangible book value prior to the Offering is stated below, with per share net tangible book value and the number of our shares of common stock outstanding. This information is presented based on our balance sheet as of December 31, 2005, being the date of our most recent balance sheet included with this Prospectus:

Net Tangible Book Value:	\$10,785
Per Share Net Tangible Book Value:	\$0.00 per share
Total Number of Shares Outstanding:	41,865,000 shares

If we sell all Units offered at the offering price, our pro forma net tangible book value will be increased by \$950,000 to approximately \$960,785, being the proceeds of the Offering after deduction of expenses. See Use of Proceeds. Our net tangible book value after giving effect to the Offering if all Units are sold is stated below, with per share net tangible book value and the number of our shares of common stock outstanding. This information is presented on a pro forma basis based on our balance sheet as of December 31, 2005 after giving effect to our receipt of the net proceeds of the Offering and assumes no exercise of the Series A or Series B Warrants:

Pro Forma Net Tangible Book Value:	\$960,785
Pro Forma Per Share Net Tangible Book Value:	\$0.023 per share
Pro Forma Total Number of Shares Outstanding:	44,722,143 shares

As the pro forma per share net tangible book value is greater than the offering price, investors will suffer immediate dilution of approximately \$0.33 per share, or approximately 94%, if all Units are sold.

If less than the maximum number of Units are sold, dilution to participating investors will be higher. Dilution to participating investors will increase as the number of Units sold is reduced. The dilution to investors is illustrated below based on 25%, 50%, 75% and 100% of the Units offered being sold.

Percentage of the Offering Completed:	If 25% of the Units are Sold	If 50% of the Units are Sold	If 75% of the Units are Sold	If 100% of the Units are Sold
Pro Forma Net Tangible Book Value:	\$210,785	\$460,785	\$760,785	\$960,785
	\$0.00 per share	\$0.01 per share	\$0.02 per share	

Edgar Filing: LINCOLN GOLD CORP - Form SB-2/A

Pro Forma Per Share Net Tangible Book Value:				\$0.02 per share
----------------------------------------------	--	--	--	------------------

Pro Forma Total Number of Shares Outstanding:	42,579,286 shares	43,293,571 shares	44,007,857 shares	44,722,143 shares
-----------------------------------------------	-------------------	-------------------	-------------------	-------------------

Per Share Dilution to New Investors:	\$0.35 per share	\$0.34 per share	\$0.33 per share	\$0.33 per share
--------------------------------------	------------------	------------------	------------------	------------------

Percentage Dilution to New Investors:	100%	97%	94%	94%
---------------------------------------	------	-----	-----	-----

PLAN OF DISTRIBUTION**The Offering**

We are offering up to 2,857,143 Units, as described above under Description of Securities .

Self-Underwritten Offering

Our officers and directors named below will be selling the common stock offered by us through this Prospectus:

Name of Officer/ Director	Position
Paul Saxton	Director, President, Chief Executive Officer and Chief Financial Officer
Andrew Milligan	Director
Jeffrey L. Wilson	Vice-President - Exploration

Our executive officers and directors will seek to sell our common stock in this Offering by contacting persons with whom they have a prior relationship and whom they believe will have an interest in the offering. These persons will be contacted through various methods, including mail, telephone and other means.

We will not be employing the services of an underwriter or placement agent in connection with this Offering. The common stock will be offered on a "best efforts" basis by our executive officers and directors without the payment of any commissions or other remuneration. In addition, we will not be paying any commissions or fees, directly or indirectly, to finder or dealer in connection with the solicitation of purchasers of our common stock being offered. We are therefore offering the shares on a self-underwritten basis.

We will rely on Rule 3a4-1 under the Securities Exchange Act of 1934 which sets forth conditions under which a person associated with an issuer of securities may participate in the offering and not be deemed a broker-dealer. These conditions are as follows:

- (a) The person is not subject to a statutory disqualification, as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, at the of his participation;
- (b) The person is not compensated in connection with their participation by payment of commissions or other remuneration based either directly or indirectly on transactions in our common stock;
- (c) The person is not, at the time of his participation, an associated person of a broker-dealer; and
- (d) The person primarily performs, or is intended primarily to perform at the end of the offering, substantial duties for or on behalf of the issuer otherwise than in connection with transactions in securities; and has not been an associated person of a broker -dealer within the preceding twelve months and does not participate in offering and selling securities for any issue more than once every twelve months other than in reliance on Section 3(a)4-1.

Our executive officers and our directors satisfy all of the foregoing conditions of Rule 3(a)4-1.

No Minimum Number of Shares to be Sold

There is no minimum number of Units required to be sold in this Offering. There will be no arrangements for the return of funds to subscribers if all of the Units are not sold.

Term of the Offering

The Offering will be conducted on a continuous basis until all shares being offered are subscribed for or until the offering is terminated by us, or until March 31, 2006, whichever first occurs. We reserve the right to terminate this Offering at any time or to extend this Offering for an additional ninety (90) day period at our option without notice.

Investment Procedure

In order to subscribe for Units, an investor must complete and execute the form of subscription agreement attached to this Prospectus and deliver the executed subscription agreement to us together with payment of the purchase price for the Units payable to Lincoln Gold Corporation by cashier's or certified check.

We may reject or accept any subscription in whole or in part at our discretion. We may close the Offering or any portion of the Offering, without notice to subscribers. We may immediately use the proceeds obtained from the Offering for the uses set forth in the Use of Proceeds section of this prospectus, as described above.

Upon our acceptance of a subscription agreement, we will deliver to each subscriber a copy of the fully executed agreement evidencing the number of shares subscribed for. If we do not accept any subscription or any portion of a subscription, the amount of the subscription not accepted will be returned by us to the subscriber. We will deliver a share certificate representing the Units purchased within a reasonable period following the acceptance of any subscription.

There is no minimum investment or minimum number of shares of common stock that must be sold under this Offering. Accordingly, we may accept any subscription from a subscriber notwithstanding that the total number of Units offered has been sold.

LEGAL PROCEEDINGS

We currently are not party to any material legal proceedings and, to our knowledge, no such proceedings are threatened or contemplated.

DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

Our current executive officers and directors are:

Name	Age	Position
Andrew F. B. Milligan (1)	83	Director and Chairman of the Board
Paul F. Saxton (1)	59	Director, President, Chief Executive Officer, Chief Financial Officer and Chief Operating Officer
James Chapman	52	Director
Andrew Bowering	46	Director
Steven Chi (1)	67	Director
Jeffrey L. Wilson	57	Vice-President - Exploration

(1) Member of our Audit Committee.

Set forth below is a brief description of the background and business experience of each of our executive officers and directors for the past five years:

Paul F. Saxton, President, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Director

Mr. Saxton was appointed as a director of the Company on March 26, 2004. Our board of directors also appointed Mr. Saxton as our chief executive officer and our chief financial officer as of March 26, 2004. Paul Saxton is a mining engineer who also holds an MBA from the University of Western Ontario. He has been active in the mining industry

since 1969, holding various positions including mining engineer, mine superintendent, President and CEO of numerous Canadian mining companies. Following 10 years with Cominco, Paul became Vice President and President of Mascot Gold Mines Ltd., initially working on the design and construction of the Nickel Plate mine in BC. Subsequently Paul became a Vice-President of Corona Corporation where he was responsible for western operations and exploration for the company and was instrumental in the re-opening of the Nickel Plate. In 1989,

Paul was appointed Senior Vice President of Viceroy Resource Corporation where he was responsible for obtaining financing and the construction and operations of the Castle Mountain mine in California. As President of Loki Gold Corporation and Baja Gold Inc, Paul was responsible for bringing the Brewery Creek Gold mine into production. Following his departure from Viceroy in 1998, Paul became President of Standard Mining Corp., organizing the company and supervising its exploration activities until 2001, when Standard Mining Corp. was merged with Doublestar Resources Ltd.

Andrew F. B. Milligan, Chairman and Director

Mr. Andrew Milligan was appointed as one of our directors on March 26, 2004. Our board of directors also appointed Mr. Milligan as our chairman as of March 26, 2004. Mr. Milligan is a business executive who has concentrated on mining ventures over the past 25 years. From 1984 to 1986 he was President and Chief Executive Officer of Glamis Gold Ltd. In November 1986 he was appointed President and Chief Executive Officer of Cornucopia Resources Ltd. In 1998 and 1999 Cornucopia disposed of its gold mining interests and subsequently merged with three other companies to form Quest Investment Corporation. Mr. Milligan was a director of Quest until June, 2003. He is currently a director of several mining companies trading on both the American Stock Exchange and the TSX Venture Exchange.

James Chapman, Director

Mr. Chapman was appointed as one of our directors on April 12, 2004. Mr. Chapman graduated from the University of British Columbia in 1976 with a B.Sc. Geology degree and has focused on mineral exploration primarily for junior mining companies and consulting groups. This experience has incorporated all aspects of the industry from property evaluation, project generation through implementation and report preparation for owners, clients and regulatory authorities. Since 1982 he has operated as an independent consulting geologist on projects including precious and base metals, uranium, diamonds and phosphate, from reconnaissance level projects to deposit definition drill programs. He is a Qualified Person under Canadian regulations, as defined by National Instrument Policy 43.101.

Andrew W. Bowering, Director

Mr. Andrew Bowering was appointed as a director of the Company on August 20, 2004. Mr. Bowering is a corporate administrator with 17 years experience in the financing and management of exploration, development and start-up companies. He has held senior executive positions and directorships in numerous public companies involved in mineral exploration in Canada, the United States, Mexico and China. Mr. Bowering has directly raised over \$25 million for mineral exploration and development. He has led several large acquisition programs in Northwest British Columbia, Alberta and Central Mexico. In addition to mineral exploration activities, Mr. Bowering was a founder and principle of two publicly traded consumer product companies that operated worldwide. He has an in-depth knowledge of securities markets, regulatory affairs and investor/public relations.

From 2000 until 2003 Mr. Bowering was employed as an investor relations consultant/employee with Doublestar Resources Ltd., a mineral resource company which is publicly traded on the TSX Venture Exchange. Mr. Bowering has been the President and CEO of Pinnacle Mines Ltd. since 2003. Pinnacle is a publicly traded exploration, mine development company listed on the TSX Venture Exchange and has properties in Canada and China.

Steven Chi, Director

Mr. Chi was appointed as a director of the Company on August 20, 2004. Mr. Chi is a professional mining engineer with a career as an executive of the international mining and construction giant, Washington Group International (formerly Morrison Knudsen Company). He has traveled and worked worldwide, including the Americas, Asia and Europe. Mr. Chi currently serves on the board of administrators for a large lignite mine and power plant complex in Leipzig, Germany. Mr. Chi has extensive experience in all aspects of mining and development including gold and

precious metals mining and previously served on the board of NASDAQ-listed MK Gold Company.

Jeffrey L. Wilson, Vice-President - Exploration

Mr. Wilson has been appointed as our Vice President - Exploration on May 25, 2004. Mr. Wilson has twenty-seven years of professional exploration experience in the United States, Mexico and Central America with emphasis on gold. He served as Director of Exploration for Echo Bay Exploration Inc. for eleven years, first in western U.S. and later in Mexico and Central America. He earlier served as Exploration Manager, Western U.S., with Tenneco Minerals Company, with most projects in Nevada. Mr. Wilson earned his MSc. in Geology from the University of Southern California.

We also have consulting relationships with other geologists and persons that are included in our projects and properties from time to time.

TERMS OF OFFICE

Our directors are elected to hold office until the next annual meeting of our shareholders and until their respective successors have been elected and qualified. Our executive officers are appointed by our board of directors to hold office until their successors are appointed.

AUDIT COMMITTEE

We have an audit committee of our board of directors comprised of Andrew Milligan, our chairman, Steven Chi and Paul Saxton, our president, chief executive officer and chief financial officer. Mr. Saxton is not independent of our management.

At present, there is no person on our board of directors who would qualify as an audit committee expert. Accordingly, we anticipate that any audit committee that is appointed by our board of directors will not include an audit committee expert unless a new director who can meet these criteria is appointed to our board of directors.

CODE OF ETHICS

We have presently not adopted a code of ethics due to the fact that we are in the early stage of our operations and have only recently acquired our mineral properties. We have received a draft code of ethics prepared by our legal counsel for our review and consideration. Our board of directors is currently reviewing this draft code of ethics and anticipates adopting a code of ethics during the current fiscal year.

FAMILY RELATIONSHIPS

There are no family relationships among our directors or officers.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

Our directors, executive officers and control persons have not been involved in any of the following events during the past five years:

1. any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
2. any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offences);
3. being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; or
4. being found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information concerning the number of our common shares owned beneficially as of April 4, 2006 by: (i) each person (including any group) known to us to own more than five percent (5%) of our common stock, (ii) each of our directors and by each of our executive officers, and (iii) our executive officers and directors as a group. Unless otherwise indicated, the shareholders listed possess sole voting and investment power with respect to the shares shown.

Title of Class	Name and Address of Beneficial Owner	Number of Shares of Common Stock	Percentage of Common Stock⁽¹⁾
Directors and Officers			
Common Stock	Paul F. Saxton, Director, President, Chief Executive Officer and Chief Financial Officer	5,930,000 ⁽²⁾	14.0%
Common Stock	Andrew F.B. Milligan, Director	1,930,000 ⁽³⁾	4.6%
Common Stock	James Chapman, Director	900,000 ⁽⁴⁾	2.1%
Common Stock	Andrew Bowering, Director	Nil	Nil%
Common Stock	Steven Chi, Director	750,000 ⁽⁵⁾	1.8%
Common Stock	Jeffrey Wilson, Vice President Exploration	1,180,000 ⁽⁶⁾	2.8%
Common Stock	All Directors and Executive Officers as a Group (6 persons)	10,690,000⁽⁷⁾	24.7%
5% Stockholders			
Common Stock	Joe Eberhard Dorfstrasse #15 CH 8903, Birmensdorf Switzerland	3,000,000 shares Direct	7.2%
Common Stock	Michael Baybak ⁽⁸⁾ Suite 1200 750 West Pender Street Vancouver, B.C.	2,500,000 shares Indirect	6.0%
Common Stock	Sprott Asset Management Inc. ⁽⁹⁾ Suite 2700, South Tower, Royal Bank Plaza, Toronto, Ontario M5J 2J1 Canada	3,400,000 shares	7.8%

- (1) Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition

rights. As a result, the percentage of outstanding shares of any person as shown in this table does not necessarily reflect the person's actual ownership or voting power with respect to the number of shares of common stock actually outstanding on March 24, 2006. As of March 24, 2006, there were 41,915,000 shares issued and outstanding.

- (2) Consists of 5,500,000 shares held by Mr. Saxton and 430,000 shares that can be acquired by Mr. Saxton upon exercise of options to purchase shares held by Mr. Saxton within 60 days of the date hereof.
- (3) Consists of 1,500,000 shares held by Mr. Milligan and 430,000 shares that can be acquired by Mr. Milligan upon exercise of options to purchase shares held by Mr. Milligan within 60 days of the date hereof.

- (4) Consists of 700,000 shares held by Mr. Chapman and 200,000 shares that can be acquired by Mr. Chapman upon exercise of options to purchase shares held by Mr. Chapman within 60 days of the date hereof.
- (5) Consists of 750,000 shares held by Mr. Chi.
- (6) Consists of 750,000 shares held by Mr. Wilson directly and 430,000 shares that can be acquired by Mr. Wilson upon exercise of options to purchase shares held by Mr. Wilson within 60 days of the date hereof.
- (7) Consists of 9,200,000 shares held by our directors and executive officers and 1,490,000 shares that can be acquired by our directors and executive officers upon exercise of options to purchase shares held by our directors and executive officers within 60 days of the date hereof.
- (8) Windsor Capital Corporation owns directly 2,500,000 shares in the capital of the Company. Michael Baybak beneficially owns a 100% interest in Windsor Capital Corporation.
- (9) Consists of 1,700,000 shares held by Sprott Asset Management Inc. and 1,700,000 shares issuable