LINCOLN GOLD CORP
Form 20-F
July 15, 2008

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

FORM 20-F

(Mark One)

[ ] REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE *SECURITIES EXCHANGE ACT OF 1934*

OR

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

for the fiscal year ended **December 31, 2007**

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE *SECURITIES EXCHANGE ACT OF 1934*

OR

[ ] SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE *SECURITIES EXCHANGE ACT OF 1934*

Date of event requiring this shell company report ___________________________

For the transition period from ___________________________ to ___________________________

COMMISSION FILE NUMBER: **000-25827**

LINCOLN GOLD CORPORATION
(Exact name of Registrant as specified in its charter)

Not applicable
(Translation of Registrant s name into English)

Canada
(Jurisdiction of incorporation or organization)

Suite 350, 885 Dunsmuir Street-
Vancouver, British Columbia, Canada, V6C 1N5
(Address of principal executive offices)

Securities registered or to be registered pursuant to section 12(b) of the Act:

Title of each Class	Name of each exchange on which registered
None	**Not applicable**

Securities registered or to be registered pursuant to Section 12(g) of the Act:

Common Shares
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

N/A
(Title of Class)

Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the period covered by the annual report.

51,391,666 Common Shares outstanding as at December 31, 2007

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes [ ] No [X]

If this report is an annual or a transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the *Securities Exchange Act of 1934*.
Yes [ ] No [X]

Note Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the *Securities Exchange Act of 1934* during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer [ ] Accelerated filer [ ] Non-accelerated filer [X]

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP [ ] International Financial Reporting Standards as issued Other [X]

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

[X] Item 17 [ ] Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the *Exchange Act*).

Yes [ ] No [X]

TABLE OF CONTENTS

GENERAL

In this Annual Report, references to we , us , our , the Company and Lincoln mean Lincoln Gold Corporation.

We use the United States dollar as our reporting currency. All references in this document to dollars or $ or $ are expressed in United States dollars, unless otherwise indicated. References to CDN$ refer to Canadian dollars.

Except as noted, the information set forth in is as of December 31, 2007 and all information included in this document should only be considered correct as of such date.

NOTE REGARDING FORWARD LOOKING STATEMENTS

Much of the information included in includes or is based upon estimates, projections or other forward looking statements . Such forward looking statements include any projections or estimates made by us and our management in connection with our business operations. These statements relate to future events or our future financial performance. In some cases you can identify forward-looking statements by terminology such as may , should , expects , plan anticipates , believes , estimates , predicts , potential or continue or the negative of those terms or other com terminology. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Such estimates, projections or other forward looking statements involve various risks and uncertainties and other factors, including the risks in the section titled Risk Factors below, that may cause our actual results, levels of activities, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. We caution the reader that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform those statements to actual results.

The statements contained in Item 4.B. the Business Overview , Item 5 Operating and Financial Review and Prospects and Item 11 Quantitative and Qualitative Disclosures About Market Risk are inherently subject to a variety of risks and uncertainties that could cause actual results, performance or achievements to differ significantly.

GLOSSARY OF TERMS USED IN THIS FORM 20-F

Certain terms used herein are defined as follows:

Term	Definition
Andesite	A dark to grayish colored, fine-grained extrusive volcanic rock that may contain phenocrysts of sodic plagioclase
Angular Unconformity	Contact between two groups of rocks where the underlying rocks dip in a different angle that the younger overlying rocks
Artesian Water	Ground water under pressure
Artesian water	Ground water under pressure
Carboniferous	Geologic Period referring to rocks 286 to 360 million years old
Carlin-type deposit	Gold deposits hosted in sedimentary rocks with disseminated gold occurring as micron or submicron particles (invisible gold), typically with very little to no silver very large deposits of this type are found in the Carlin Trend in north- central Nevada.
Caving Ground	A drilling term that refers to rock formations that break when penetrated by a drill and produce rock fragments that may block the borehole and/or contaminate the drill cuttings
Caving ground	A drilling term that refers to rock formations that break when penetrated by a drill and produce rock fragments that may block the borehole and/or contaminate the drill cuttings
Cove-type deposit	Gold-silver deposits hosted in sedimentary rocks with significant amounts of precious metals mineralization hosted in veinlets the Cove deposit is located in the northern portion of the Battle Mountain-Eureka Trend.
Cretaceous	Geologic Period referring to rocks 66.4 to 144 million years old
Dacite	Fine-grained extrusive volcanic rock with the same composition as andesite but having less calcic plagioclase and more quartz
Devonian	Geologic Period referring to rocks 360 to 408 million years old
Dikes and sills	Generally narrow bodies of igneous rock implaced as magma along faults across bedding (dike) or along zones parallel to bedding (sill)
Epithermal	A hydrothermal mineral deposit formed within 1 km of the surface at temperatures of 50°-200°C, occurring mainly as veins
Geochemical survey	A sampling program focusing on trace elements that are commonly found associated with mineral deposits common trace elements for gold are mercury, arsenic, and antimony.
Geologic mapping	The process of mapping geologic formations, associated rock characteristics and structural features
Geophysical survey	The systematic measurement of electrical, gravity, seismic, magnetic, or other properties as a tool to help identify rock type(s), faults, structures and minerals
Golconda thrust	A major, flat-lying fault that has transposed older rocks over younger rocks
Gossanous	An iron-bearing material that typically overlies a sulfide-bearing mineralized zone it forms by the oxidation and leaching out of sulfur and most metals leaving hydrated iron oxides.
gpt	Grams per metric tonne

Term	Definition
Gravimeter survey	A survey using a sensitive instrument that can detect density differences in geologic formations
Hematite breccia	A rock composed of angular rock fragments with conspicuous iron-oxide minerals in the matrix and fractures
Intrusive rock	Any igneous rock (e.g. granite) that was implaced as a magma
Jurassic	Geologic Period referring to rocks 144 to 208 million years old
Lost Circulation	The loss of drilling fluids through open faults, fractures, and/or permeable rock
Magnetometer survey	A survey using a sensitive instrument that can detect the distortion of the Earth s magnetic field by different geologic formations
Mercury soil gas survey	A geochemical sampling survey in which mercury vapor is sampled and measured mercury is typically associated with gold deposits in the Great Basin and is a pathfinder for finding gold deposits.
Metamorphic rock	Pre-existing rock that has been physically changed by temperature, pressure, shearing stress, or chemical environment, generally at depth in the Earth s crust
Pathfinder elements	Trace elements that are typically associated with gold deposits common pathfinder elements are mercury, arsenic and antimony.
Penn-Permian	Geologic Periods referring to rocks ranging from 245 to 320 million years old
Permo-Triassic	Geologic Periods referring to rocks ranging from 208 to 286 million years old
Quartz Breccia	Quartz vein material that is broken into angular fragments
Quartz Stockworks	A three-dimensional network of planar to irregular quartz veinlets closely enough spaced that the whole mass can be mined
Reverse-circulation drilling	A drilling method that minimizes contamination of drill cuttings
Roberts Mountains Thrust	A major, flat-lying fault that has transposed older rocks over younger rocks
Rock-chip sampling	The process of chipping off rock samples from outcrops for chemical analysis
Schist	A metamorphic rock that is highly foliated and readily splits into flakes or slabs commonly due to a high content of mica
Skarn deposit	Mineralization formed at the flanks and in contact with intrusive rocks
Stratigraphy	The sequence of stratified rocks
Subcrop	Bedrock just below the surface and usually contributing weathered rock material to the surficial debris
Tertiary	Geologic Period referring to rocks ranging in age from 1.6 to 66.4 million years old
Thrust sheet	A block of rock underlain by a flat-lying fault that originated from compressional forces
Triassic	Geologic Period referring to rocks 208 to 245 million years old
Tuff	Volcanic ash that has been solidified into rock
Volcanics	

	Generally finely crystalline or glassy igneous rocks ejected explosively or extruded at or near the Earth s surface through volcanic action

- 3 -

PART I

ITEM 1 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

A. Directors and Senior Management

Not applicable.

B. Advisers

Not applicable.

C. Auditor

Not applicable.

ITEM 2 OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3 KEY INFORMATION

A. Selected Financial Data

The following table presents selected financial data derived from our audited financial statements for the fiscal years ended December 31, 2007, 2006, 2005, 2004 and 2003. You should read this information in conjunction with our financial statements and related notes and Item 5. - Operating and Financial Review and Prospects .

Our independent auditor, Davidson & Company LLP, Chartered Accountants, audited our 2007, 2006 and 2005 annual financial statements. Our financial statements for the years ended December 31, 2007, 2006 and 2005 have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). Note 15 to the annual financial statements for the years ended 2007, 2006 and 2005 provides descriptions of material measurement differences between Canadian GAAP and accounting principles generally accepted in the United States of America ("US GAAP") as they relate to us and a reconciliation of our financial statements to US GAAP. Our financial statements for the years ended December 31, 2004 and 2003 have been prepared in accordance with US GAAP.

All information provided in the Summary of Financial Information below and in is presented in United States dollars (dollars , $ or US$) and is in accordance with Canadian GAAP, unless indicated otherwise.

SUMMARY OF FINANCIAL INFORMATION

Statement of Operations and Deficit Data	**Years ended December 31**				
	2007	**2006**	**2005**	**2004**	**From Inception September 25, 2003 to December 31, 2003**
Revenues					
Canadian GAAP	$Nil	$Nil	$Nil	$ -	$ -
US GAAP	Nil	Nil	Nil	Nil	Nil
Expenses					
Canadian GAAP	(1,071,132)	(405,439)	(1,318,543)	-	-
US GAAP	(1,071,132)	(405,439)	1,318,543)	(1,672,304)	(16,319)
Loss for the year					
Canadian GAAP	(1,078,730)	(413,541)	(1,294,546)	-	-
US GAAP	(1,078,730)	(413,541)	(1,294,546)	(1,691,351)	(16,319)
Basic and diluted loss per common share	(0.02)	(0.01)	(0.03)	-	-
Canadian GAAP	(0.02)	(0.01)	(0.03)	(0.06)	(0.01)
US GAAP					

Balance Sheet Data	**As at December 31**						
	2007		**2006**		**2005**	**2004**	**2003**
	Canadian GAAP	**US GAAP**	**Canadian GAAP**	**US GAAP**	**(US GAAP)**		
Cash and cash equivalents	$ 123,201	$ 123,201	$ 21,961	$ 21,961	132,806	$ 127,785	$ 15,405
Working capital (deficit)	(71,665)	(71,665)	(130,363)	(130,363)	3,457	(43,959)	(31)
Resource properties and/or equipment	27,602	27,602	4,440	4,440	7,328	-	-
Total assets	286,734	286,734	31,294	31,294	151,436	127,785	15,405
Total liabilities	310,897	310,897	157,217	157,217	140,651	371,744	15,374
Shareholders equity (deficit)	(24,163)	(24,163)	(125,923)	(125,923)	10,785	(243,959)	31

We have paid no dividends on our common shares since incorporation and do not anticipate doing so for the foreseeable future. The declaration of dividends on our common shares is within the discretion of our board of directors and will depend upon, among other factors, our earnings, capital requirements, and the operating and financial condition.

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Our securities are highly speculative and subject to a number of risks. You should not consider an investment in our securities unless you are capable of sustaining an economic loss of the entire investment.

The risks associated with our business include:

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

As of December 31, 2007, we had cash on hand of $123,201 and a working capital deficit of $71,665. As of March 31, 2008, we had cash on hand of $83,378 and working capital deficit of $625,967. Our business plan calls for us to spend approximately $1,935,000 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 $2,500,000 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 $80,000 in lease and option payments in order to maintain our interests in our Pine Grove, La Bufa, JDS and Hannah mineral properties. 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 only recently 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.

The mineral resources estimates presented by us for our mineral properties are estimates only and there is no assurance that these resources represent economically recoverable mineralization.

We have included mineral resource estimates that have been made in accordance with Canadian National Instrument 43-101. These resources estimates are classified as indicated resources and inferred resources . We advise investors that while these terms are recognized and required by Canadian securities regulations, the U.S. Securities and Exchange Commission does not recognize these terms. Investors are cautioned not to assume that any part or all of mineral deposits classified as inferred resources will ever be converted into reserves. Further, inferred resources have a great amount of uncertainty as to their existence, and economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.

All amounts of mineral resources are estimates only, and we cannot be certain that any specified level of recovery of metals from the mineralized material will in fact be realized or that our mineral properties or any other identified mineral deposit will ever qualify as a commercially mineable (or viable) reserves of gold or copper in any of our mineral claims that can be economically exploited. Mineralized material, which is not mineral reserves, does not have demonstrated economic viability. In addition, the quantity of mineral reserves and mineral resources may vary depending on, among other things, metal prices. Any material change in the quantity of mineralization, grade or stripping ratio, or metal prices may affect the economic viability of our properties. In addition, we cannot be certain that metal recoveries obtained from small-scale laboratory tests will be duplicated in larger scale tests, under on-site conditions or during production.

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.

We will require significant additional financing in order to continue our exploration activities and our assessment of the commercial viability of our mineral properties.

We will require additional financing in order to carry out our acquisition, exploration and, if warranted, development activities. Failure to obtain such financing on a timely basis could cause us to forfeit our interest in certain properties, miss certain acquisition opportunities, or delay or indefinitely postpone further exploration and, if warranted, development of our projects, which could result in the possible loss of such properties or the reduction or termination of our operations. Even if we achieve revenues, if any such future revenues decrease as a result of lower commodity prices or otherwise, it will affect our ability to expend the necessary capital to replace our reserves or to maintain our production. If cash flow from operations is not sufficient to satisfy our capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or be available on favorable terms.

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.

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.

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 programs. 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.

If prices for gold decline, we may not be able to raise any additional financing required to fund our exploration activities in our mineral properties or achieve an adequate return for our shareholders.

Our ability to raise financing to fund our exploration activities and, if warranted, development of our mineral properties will be significantly affected by changes in the market price of gold. The price of gold is determined based on world demand, supply and other factors, all of which are beyond our control. World prices for gold have fluctuated widely in recent years. Future significant price declines could cause investors to be unprepared to finance exploration of gold, with the result that we may not have sufficient financing with which to fund our exploration activities. In this event, we may not be able to carry out planned exploration activities and, if warranted, development of our mineral properties with the result that we may not be able to continue our plan of operations.

If we are able to establish commercially mineable reserves, we must be able to successfully market our natural resources to prospective buyers. The marketability and price of natural resources which we may acquire or discover will be affected by numerous factors beyond our control. Government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of natural resources and environmental protection are all factors which may affect the marketability and price of natural resources. The exact effect of these factors cannot be accurately predicted, but any one or a combination of these factors could result in our ability to achieve an adequate return for our shareholders.

The adoption of stricter environmental legislation governing our mineral properties or failure to comply with environmental legislation could increase our costs of exploring and, if warranted, developing these properties and could delay these activities.

We must comply with applicable environmental legislation in carrying out our exploration and, if warranted, development of our mining properties. All phases of the natural resources business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and national, provincial and local laws and regulations. Environmental

legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with operations. The legislation also requires that facility sites and mines be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures, and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of tailings or other pollutants into the air, soil or water may give rise to liabilities to third parties and may require us to incur costs to remedy such discharge. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect our financial condition, results of operations or prospects.

The presence of unknown environmental hazards on our mineral properties may result in significant unanticipated compliance and reclamation costs that may increase our costs of exploring and, if warranted, developing our mineral properties.

Environmental hazards may exist on our mineral properties which are unknown to us at present and which have been caused by previous or existing owners or operators of the properties. The presence of such environmental hazards may result in us being required to comply with environmental reclamation, closure and other requirements that may involve significant costs and other liabilities. In particular, our operations and exploration activities are subject to Canadian laws and regulations governing protection of the environment. These laws are continually changing and, in general, are becoming more restrictive.

We may be subject to other laws or regulations that could result in increased costs or delays.

We believe we are in substantial compliance with all material laws and regulations which currently apply to our activities. However, failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. An entity engaged in natural resource exploration and development activities may be required to compensate those suffering loss or damage by reason of its activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of natural resources companies, or more stringent implementation thereof, could have a material adverse impact on us and cause increases in capital expenditures or, if applicable, production costs, reduction in levels of production at any properties on which we may achieve production, or abandonment or delays in the development of new properties.

In addition, natural resource activities may be affected in varying degrees by political and financial instability, inflation and haphazard changes in government regulations relating to this industry. Any changes in regulations or shifts in political or financial conditions are beyond our control and may adversely affect our business. Our operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and safety.

We may not be able to obtain all necessary licenses and permits that may be required.

Our operations will require licenses and permits from various governmental authorities. There can be no assurance that we will be able to obtain all necessary licenses and permits that may be required to carry out our exploration and, if applicable, development projects.

Limits on equipment availability could delay our operations.

Natural resource exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conduced. Demand for such limited equipment or access restrictions may affect the availability of such equipment to us and may delay exploration and, if applicable, development activities.

We compete with larger, better capitalized competitors in the mining industry.

The mining industry is competitive in all of its phases, including financing, technical resources, personnel and property acquisition. It requires significant capital, technical resources, personnel and operational experience to effectively compete in the mining industry. Because of the high costs associated with exploration, the expertise required to analyze a project s potential and the capital required to develop a mine, larger companies with significant resources may have a competitive advantage over us. We face strong competition from other mining companies, some with greater financial resources, operational experience and technical capabilities than we have. As a result of this competition, we may be unable to maintain or acquire financing, personnel, technical resources or attractive mining properties on terms we consider acceptable or at all.

More specifically, we actively compete for acquisitions, leases, licences, concessions, claims, skilled industry personnel and other related interests with a substantial number of other companies. Our ability to successfully bid on and acquire additional property rights to participate in opportunities and to identify and enter into commercial arrangements with other parties will be dependent upon developing and maintaining close working relationships with our future industry partners and joint operators and our ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment.

If we were to lose the services of Paul Saxton or other members of our management team, we may be delayed in our plan of operations and our operating expenses may be increased.

Our success is dependent upon the performance of key personnel working in management, supervisory and administrative capacities. These personnel include Paul Saxton, who is our President and Chief Executive Officer. We do not maintain life insurance or key man insurance for such personnel. The loss of the services of senior management or key personnel may result in us being required to identify and engage qualified management personnel who are capable of managing our business activities. We may be delayed in the implementation of our plan of operations and our operating expenses may be increased if we were to lose the services of senior management or key personnel.

Certain of our officers and directors may have conflicts of interests due to their involvement with other companies.

Certain of our directors and officers are also directors and officers of other natural resource companies. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers relating to us will be made in accordance with their duties and obligations to deal fairly and in good faith with us and such other companies.

If we lose the services of the independent contractors that we engage to undertake our exploration, then our plan of operations may be delayed or be more expensive to undertake than anticipated.

Our success depends to a significant extent on the performance and continued service of certain independent contractors. We have contracted the services of professional drillers and other contractors for exploration, environmental, construction and engineering services. Poor performance by such contractors or the loss of such services could result in our planned exploration activities being delayed or being more expensive to undertake than anticipated.

We are subject to many risks that are not insurable and, as a result, we will not be able to recover losses through insurance should such risks occur.

Our involvement in the exploration for and, if applicable, development of natural resource properties may result in us becoming subject to liability for certain risks, and in particular unexpected or unusual geological operating conditions, including rock bursts, cave ins, fires, floods, earthquakes, pollution, blow-outs, property damage, personal injury or other hazards. Although we will obtain insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not be insurable in all circumstances, or, in certain circumstances, we may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to us for operations. The occurrence of a significant event that we are not fully insured against could have a material adverse effect on our financial position, results of operations or prospects.

No assurance can be given that insurance to cover the risks to which our activities will be subject will be available at all or at economically feasible premiums. Insurance against environmental risks (including potential for pollution or other hazards as a result of the disposal of waste products occurring from exploration and, if applicable, production) is not generally available to us or to other companies within the industry. The payment of such liabilities would reduce the funds available to us for operations. Should we be unable to fund fully the cost of remedying an environmental problem, we might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy.

Because we have no history of earnings with respect to our mineral exploration business and no foreseeable earnings, we may never achieve profitability or pay dividends.

We have a history of losses and there can be no assurance that we will ever be profitable. We have paid no dividends on our shares since incorporation. We presently have no ability to generate earnings because our mineral properties are in the exploration stage. If we are successful in developing our mineral properties, we anticipate that we will retain future earnings and other cash resources for the future operation and development of our business. We do not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends is solely at the discretion of our board of directors, which will take into account many factors including our operating results, financial condition and anticipated cash needs. For these reasons, we may never achieve profitability or pay dividends.

We do not have a history of paying dividends and do not have any intention of paying dividends in the foreseeable future.

Investors cannot expect to receive a dividend on their investment in the foreseeable future, if at all. Accordingly, it is likely investors will not receive any return on their investment in our securities other than possible capital gains.

U.S. investors who obtain judgments against us or our officers or directors for breaches of U.S. securities laws may have difficulty in enforcing such judgments against us and our officers and directors.

We are incorporated under the laws of a province of Canada and the majority of our directors and officers are residents of Canada. Consequently, it may be difficult for United States investors to effect service of process within the United States upon us or upon our directors or officers, or to enforce, inside or outside of the United States, any judgments of United States courts predicated upon civil liabilities under the United States *Securities Exchange Act of 1934*, as amended. A judgment of a U.S. court predicated solely upon such civil liabilities may not be enforceable in Canada by a Canadian court

if the U.S. court in which the judgment was obtained is determined by the Canadian court not to have had jurisdiction in the matter. Furthermore, an original action might not be able to be brought successfully in Canada against any of such persons or us predicated solely upon such civil liabilities.

Broker-dealers may be discouraged from effecting transactions in our common shares because they are considered a penny stock and are subject to the SEC s penny stock rules.

The SEC has adopted rules (the Penny Stock Rules) that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are equity securities with a price of less than U.S.$5.00 (other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current prices and volume information with respect to transactions in such securities is provided by the exchange or system).

The Penny Stock Rules require a broker-dealer, prior to effecting a transaction in a penny stock not otherwise exempt from such rules, to deliver a standardized risk disclosure document prepared by the SEC that provides information about penny stocks and the nature and level of risks in the penny stock market. In particular the statement must contain:

(a) a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading;

(b) a description of the broker-dealer s duties to the customer and of the rights and remedies available to the customer with respect to a violation to such duties or other requirements of securities laws;

(c) a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price;

(d) a toll-free telephone number for inquiries on disciplinary actions;

(e) the definitions of significant terms in the disclosure document or in the conduct of trading in penny stocks; and

(f) such other information and be in such form, including language, type, size and format, as the Commission shall require by rule or regulation.

The broker-dealer must obtain from the customer a written acknowledgement of receipt of the standardized disclosure document.

The broker-dealer also must provide the customer with:

(a) the inside bid and offer quotations for the penny stock, or other bid and offer price information for the penny stock if inside bid and offer quotations are not available;

(b) the compensation of the broker-dealer and its salespersons in the transaction;

(c) the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and

(d) a monthly account statements showing the market value of each penny stock held in the customer s account.

In addition, the Penny Stock Rules require that prior to a transaction in a penny stock not otherwise exempt from such 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 acknowledgment of

the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement. At the present market prices our common shares will (and in the foreseeable future are expected to continue to) fall within the definition of a penny stock. Accordingly, United States broker-dealers trading in our shares will be subject to the Penny Stock Rules. Rather than complying with those rules, some broker-dealers may refuse to attempt to sell penny stock. As a result, shareholders and their broker-dealers in the United States may find it more difficult to sell their shares of Lincoln, if a market for the shares should develop in the United States.

ITEM 4 INFORMATION ON THE COMPANY

We are a mineral resource exploration company trading on the NASD Over the Counter Bulletin Board (OTCBB) in the United States under the symbol LGCPF . We own interests in exploration properties located in the State of Nevada and in Mexico.

A. History and Development of the Company

Name

Our legal and commercial name is Lincoln Gold Corporation

Principal Office

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

Incorporation and Continuation

The Company was incorporated under the laws of the State of Nevada as Braden Technologies, Inc. on February 17, 1999. The Company has been engaged in the acquisition and exploration of mineral properties since inception.

Braden completed the acquisition of Lincoln Gold Corp. (Lincoln Gold) a Nevada corporation effective March 26, 2004. This acquisition was completed by the acquisition of all of the issued and outstanding shares of Lincoln Gold from the former shareholders of Lincoln Gold. On closing of the acquisition, the Company issued 24,000,000 shares of Common Shares to the shareholders of Lincoln Gold. As a result of this issuance, the number of issued and outstanding shares increased from 11,400,000 shares to 35,400,000 shares, of which approximately 67.80% was owned by the former shareholders of Lincoln Gold upon the completion of the acquisition.

Subsequent to the acquisition of Lincoln Gold, it merged with Lincoln Gold in a parent/ subsidiary merger in April 2004 under Chapter 92A of the Nevada Revised Statutes. The Company completed the change of its name from Braden Technologies Inc. to Lincoln Gold Corporation as part of this merger process.

On November 20, 2007, the Company completed a continuation, whereby the Company changed its jurisdiction of incorporation from Nevada to the Canadian federal jurisdiction under the Canada Business Corporation Act (CBCA). The Company is now governed by the provisions of the CBCA and has adopted by-laws consistent with a CBCA company. The Company is a reporting issuer in Canada.

Project Summary

Pine Grove, Nevada, USA

The Pine Grove project is located in Lyon County, Nevada. We acquired our interests in the Pine Grove property in 2007, as described below. The Pine Grove property is described in detail below under Properties, Plants and Equipment .

On July 13, 2007, we entered into an agreement with Wheeler Mining Company (**Wheeler**) to lease Wheeler s 100% owned Wheeler and Wheeler Millsite patent claims in Lyon County, Nevada from July 13, 2007 to December 31, 2022 with an exclusive option to renew the lease by written notice to

December 31, 2023. If the property is and remains in commercial production by November 1 of each year after 2022, we may renew the lease for a period of one year by delivering written notice to the owner prior to November 15 of that year. We must produce a bankable feasibility study on the properties by July 1, 2009 and obtain all necessary funding to place the properties into commercial production. We must pay a net smelter royalty of 3% (at a gold price of US$450) to 7% (at a gold price of US$701) upon commencement of commercial mining production based on gold prices and the Company must pay a 5% net smelter royalty on metals or minerals other than gold produced and sold from the properties.

Pursuant to an agreement dated July 30, 2007, we purchased from Harold Votipka (**Votipka**) the Harvest lode claim, the Winter Harvest lode claim, and the Harvest fraction lode claim, each located within the Pine Grove Mining District in Lyon County, Nevada. The purchase price was $12,000, which we have paid, and includes a 5% net smelter royalty on production payable to Votipka.

On August 1, 2007, we entered into an agreement with Lyon Grove, PLC (**Lyon Grove**) to lease the Wilson Mining Claim Group located in Lyon County, Nevada from August 1, 2007 to July 31, 2022, with an option to purchase. We can extend the term of the lease for up to ten additional one year terms providing we are conducting exploration mining activities at the expiration of the term immediately preceding the proposed extension term.

The following lease payments must be made by us:

- $10,000 upon signing the agreement, which we have paid and
- $25,000 prior to each one year anniversary of the lease.

We advanced to Lyon Grove a loan of $5,000 bearing an interest rate of 5% per annum to be repaid by July 31, 2008. The loan and interest will either be repaid at the maturity date or be offset against the lease payment due on August 1, 2008.

The lease payment made for any one calendar year may be credited against any net smelter royalty due and payable during the same calendar year.

The following work commitments must be made by us:

- $25,000 by August 1, 2008;
- $25,000 by August 1, 2009;
- $50,000 by August 1, 2010;
- $50,000 by August 1, 2011
- $25,000 by August 1, 2012 and each subsequent lease year

Upon commencement of production, we must pay a net smelter royalty of 3% to 7% based on gold prices.

Lyon Grove retains the right to require us to purchase the property any time after we have made application to permit and develop a mine on the property, subject to our continued obligation to pay the royalties, for $1,000.

Subsequent to the signing of these agreements we have staked 189 claims and the total area covered is now 6 square miles.

La Bufa, Mexico

The La Bufa Project is located in the far southwest corner of the state of Chihuahua, Mexico near the town of Guadalupe y Calvo about 300 kilometers from the city of Chihuahua and 200 kilometers from the town of Hidalgo de Parral. The project is within the Guadalupe y Calvo Mining District and lies within the Sierra Madre Occidental physiographic province. The La Bufa project is comprised of three contiguous mineral concessions totaling approximately 2,291.26 hectares. We hold our interest in the La Bufa Project through our joint venture agreement with Almaden Minerals Ltd. (**Almaden**), as described below. La Bufa project is described in detail below under Properties, Plants and Equipment .

We originally entered into a letter of intent dated August 5, 2005 with Almaden to form a joint venture for the exploration and development of the La Bufa property. Almaden controls the property through its wholly owned Mexican subsidiary, Minera Gavilan, S.A. de C.V, a Mexican corporation that holds a 100% interest in the property. The letter of intent was superseded by a joint venture agreement dated April 12, 2007 that we entered into with Almaden and Minera Gavilan. Under the joint venture agreement, we are entitled to earn a 60% interest in the La Bufa property by undertaking an exploration work program on the property aggregating $3,500,000 and issuing an aggregate of 1,550,000 shares to Almaden as follows:

Exploration expenditures required under work program:

- By April 12, 2008 $ 500,000 (which must include drilling)
- By April 12, 2009 $ 750,000
- By April 12, 2010 $1,000,000
- By April 12, 2011 $1,250,000

Share issuances to Almaden:

- By April 19, 2007 150,000 shares (issued April 16, 2007)
- By April 12, 2008 200,000 shares (issued April 8, 2008)
- By April 12, 2009 200,000 shares
- By April 12, 2011 1,000,000 shares

The JDS Property, Nevada, USA

We are the owner of the seventy-seven (77) unpatented lode claims comprising the JDS project which covers approximately 1,540 acres (2.04 sq miles). We staked and recorded the mineral claims, which are located in Sections 14, 15, 22, 23 26 & 27 T25N R50E of Eureka County, Nevada. These mineral claims are registered in our name and are not subject to underlying lease payments or royalties. The JDS property is subject only to annual claim maintenance fees payable to the BLM and Eureka County.

The Hannah Property, Nevada, USA

The Hannah Property is located approximately 55 miles east of Reno, Nevada in the southern portion of the Trinity Range north of Interstate 80 in Churchill County. Access is east from Reno via Interstate 80 and then north on gravel and dirt roads from Hot Springs Flat to the Property.

We have an option to acquire a 100% interest in the claims comprising the Hannah project, subject to a net smelter royalty, pursuant to an option agreement dated December 24, 2003, as amended January 7, 2007 and January 10, 2008, between us and Larry and Susan McIntosh of Gardnerville, Nevada. We have the option to acquire a 100% interest in the Hannah property by making aggregate payments to the

McIntosh s in the amount of $210,000. We may exercise this option at any time prior to the ten year anniversary of the effective date of the agreement, being December 24, 2013. To date $40,000 has been paid into this option agreement.

Reporting Issuer Status under Canadian Securities Laws

We are a reporting issuer in Canada under the securities laws of the Province of British Columbia, Canada.

Capital Expenditures and Divestitures

Our actual and planned principal capital expenditures since the beginning of our last three fiscal years have been with respect to the acquisition of our mineral property interests and related property and equipment as discussed above.

Takeover Offers

We are not aware of any indication of any public takeover offers by third parties in respect of our common shares during our last and current financial years.

B. Business Overview

We are engaged in the acquisition and exploration of mineral properties in the State of Nevada and northern Mexico. Our plan of operations for the next twelve months is to conduct exploration of our mineral properties in the State of Nevada and Mexico, concentrating primarily on our Pine Grove and La Bufa properties.

We presently hold interests in three groups of mineral properties in Nevada and one in northern Mexico, as described below:

	Name of Property	Location
1.	Pine Grove Property	Yerrington, Nevada
2.	La Bufa	State of Chihuahua, Mexico
3.	Hannah Property	Churchill County, Nevada
4.	JDS Property	Eureka County, Nevada

All of our properties are in the exploration stage. We do not produce, develop or sell any products at this time, have any commercial mining operations, nor do any of our current properties have any known or identified mineral resources or mineral reserves.

Our specific exploration plan for three 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 below. All of our exploration programs, except the Pine Grove Property, are early stage in nature in that their completion will not result in a determination that any of our properties contains commercially exploitable quantities of mineralization. With respect to the Pine Grove Property, we believe that extra drilling and exploration programs combined with the completion of a feasibility study have the potential to assess whether or not a reserve is present on this property.

Our exploration programs will be directed by our management and will be supervised by Mr. Jeff Wilson, our vice-president of exploration. We will engage contractors to carry out our exploration programs under Mr. Wilson s supervision. Contractors that we plan to engage include project geologists, geochemical sampling crews and drilling companies, each according the specific exploration program on each property. Our budgets for our exploration programs are set forth below.

Projects Update

During 2007 we continued our work at the Pine Grove and La Bufa properties, as described below. Our main focus was to complete initial exploration work to advance these properties. No work was carried out at the Hannah or JDS properties in Nevada.

We were able to consolidate most of the Pine Grove property in 2007. In addition, we staked 89 claims in the area to surround the Wilson, Wheeler, Votipka and Cavanaugh claims. Subsequent to the year end we staked another 99 claims to double the size of the property and increase the size of the property under our control to 6 square miles. Also subsequent to the year end, we drilled 4 additional large diameter core holes for metallurgical test purposes. At present, there are at least 192 surface drill holes in the property to include 29 district exploration holes, 99 holes in the Wheeler deposit, 62 holes in the Wilson deposit, and the 4 metallurgical core holes. There are an additional 17 underground drill holes; all underground workings are collapsed.

We have also been focusing on advancing the La Bufa property. Throughout the latter part of 2007, we carried out systematic exploration and sampling at La Bufa in order to better understand and plan a drill hole program for the property. Once this had been done, we applied to the government agencies and received permission for a 15 hole drill program. The drilling started in February and since the start a second and a third core rig has commenced drilling there. The large La Bufa gold-silver property (2,291 hectares) is located in the Guadalupe y Calvo mining district in southwestern Chihuahua State. We are looking for the southern extension of the Rosario gold-silver vein system which extends onto the La Bufa property for at least 1600 meters. Core from promising zones of veins and stockwork in holes DDH-001 (-45°) and DDH-002 (-45°) have been submitted for assay. We plan to drill at least 15 angle core holes in two-hole fences across the vein system for a total of 6000 meters of drilling. All holes are targeted to reach the 2250 meter level or deeper which was historically productive in the adjacent Rosario mine

No work was completed on the Hannah property or the JDS in 2007. A number of other properties have been submitted to management but none has been acquired.

Technical Reports

We have received the following NI 43-101 compliant technical reports on our Pine Grove and La Bufa properties during 2007:

- technical report on the Pine Grove Property dated September 28, 2007, as amended December 4, 2007, prepared by David M. R. Stone of Minefill Services, Inc., (the **Pine Grove Report**) and
- geological Report on the La Bufa property dated October 19, 2007, authored by Richard W. Bybee, P. Geo. (the **La Bufa Report**).

The technical reports include recommended exploration programs on each of our Pine Grove and La Bufa properties.

Plan of Operations

Our plan of operations for the exploration of our mineral properties over the next twelve months includes the following:

- we plan to complete the exploration program and resource modeling on the Pine Grove property recommended in the Pine Grove Report of Minefill Services, as described below under Properties, Plants and Equipment ,
- we plan to complete the phase one drilling program on the La Bufa property recommended in the La Bufa Report dated October 19, 2007, authored by Richard W. Bybee, P. Geo., as described below under Properties, Plants and Equipment , and
- we plan to seek a joint venture partner to enable us to continue exploration work on the Hannah property.

Our planned exploration expenditures for the next twelve months on our Nevada and Mexican mineral properties, together with amounts due to maintain our interest in these claims, are summarized as follows:

Name of Property	Planned Exploration Expenditure
Exploration of Pine Grove Property, Nevada	$850,000 (Phase 1)
Exploration of La Bufa Property, Mexico	$725,000 (Phase 1)
Exploration of JDS Property, Nevada	$10,000
Exploration of Hannah Property, Nevada	$20,000
Property Acquisitions	$30,000
Administration	$300,000
Total	**$1,935,000**

We had cash of $83,378 and working capital deficit of $625,967 as of March 31, 2008. We will require $1,935,000 in order to carry out our plan of operations over the next twelve months. Accordingly, we require financing of approximately $2,500,000 in order to fund our plan of operations for the next twelve months. We plan to complete a further private placements of our securities in order to secure the funds necessary for us to complete our plan of operations for the next twelve months, as outlined above. We have no arrangement in place for the necessary financing and there is no assurance that this financing will be achieved.

As we have done in the past, we may consider entering into joint venture arrangements to provide the required funding to pursue drilling and advanced exploration of our mineral claims. Even if we determined to pursue a joint venture partner, there is no assurance that any third party would enter into a joint venture agreement with us in order to fund exploration of our mineral claims. If we entered into a joint venture arrangement, we would likely have to assign a percentage of our interest in our mineral claims to the joint venture partner.

Our exploration plans will be continually evaluated and modified as exploration results become available. Modifications to our plans will be based on many factors, including: results of exploration, assessment of data, weather conditions, exploration costs, the price of gold and available capital. Further, the extent of our exploration programs that we undertake will be dependent upon the amount of financing available to us.

Employees

We have three executive officers, namely Paul Saxton, our chief executive officer, Nathalie Pilon, our chief financial officer, and Jeffrey Wilson, our vice-president of exploration. We carry out our exploration programs through contracts with third parties, including geologists, engineers, drilling companies.

Government Regulation and Environmental Protection Requirements

We will be required to obtain work permits from the United States Bureau of Land Management (BLM) for any exploration work on our Nevada mineral properties that results in a physical disturbance to the land. We will not be required to obtain a work permit for any phase of our proposed mineral exploration programs that does not involve any physical disturbance to the mineral claims, such as data compilation, field work and geochemical surveys. We will be required to obtain work permits for all drilling operations that we plan to conduct on our mineral properties. Prior to commencing drilling operations on any of our properties, we must submit a Notice of Intent to Operate to the BLM and post a bond as security for our obligation to complete reclamation activities. We will be required by the Bureau of Land Management to undertake remediation work on any work that results in physical disturbance to the mineral claims, including drilling programs. We estimate that the cost of remediation work for our drilling programs will be approximately $25,000 for each drilling program. The estimated amount of remediation work is included within our budgets for our exploration programs. The actual amount of reclamation cost will vary according to the degree of physical disturbance.

We have made all current Bureau of Land Management filings for our Nevada properties. All claims are in good standing until September 1, 2008. Applicable county fees have also been paid.

The La Bufa property is an exploration concession granted by a branch of the Mexican government and is for a three year terms. Thereafter, the La Bufa property may be converted into an exploitation concession that would have a term of fifty years. The La Bufa property is presently beginning the second year of the term of its exploration concession. An annual fee of $1.25 pesos per hectare is due to the Mexican federal government. The net area of the La Bufa exploration concession is 1040.75 hectares, thereby requiring an annual payment of $1300.94 pesos. These amounts are subject to change and adjustment by the Mexican authorities.

Competition

We are a junior mineral resource exploration company. We compete with other mineral resource exploration companies for financing and for the acquisition of new mineral properties. Many of the mineral resource exploration companies with whom we compete have greater financial and technical resources than those available to us. Accordingly, these competitors may be able to spend greater amounts on acquisitions of mineral properties of merit, on exploration of their mineral properties and on development of their mineral properties. In addition, they may be able to afford more geological expertise in the targeting and exploration of mineral properties. This competition could result in competitors having mineral properties of greater quality and interest to prospective investors who may finance additional exploration and development. This competition could adversely impact on our ability to achieve the financing necessary for us to conduct further exploration of our mineral properties.

We will also compete with other junior mineral exploration companies for financing from a limited number of investors that are prepared to make investments in junior mineral exploration companies. The presence of competing junior mineral exploration companies may impact on our ability to raise additional capital in order to fund our exploration programs if investors are of the view that investments in competitors are more attractive based on the merit of the mineral properties under investigation and the price of the investment offered to investors.

We will also compete with other junior and senior mineral companies for available resources, including, but not limited to, professional geologists, camp staff, helicopter or float planes, mineral exploration supplies and drill rigs.

Research and Development Expenditures

We have not spent any amounts on research and development activities since our inception. Our planned expenditures on our exploration programs are summarized under the section of this Registration Statement entitled Description of Properties.

C. Organizational Structure

We are not part of a group and we have no subsidiaries.

D. Property, Plants and Equipment

The following sets forth information relating to our material mineral properties.

Pine Grove Property, Nevada, United States

Ownership Interest

Wheeler Patent and the Wheeler Millsite Patent Claims

On July 13, 2007, we entered into an agreement with Wheeler Mining Company (**Wheeler**) to lease Wheeler s 100% owned Wheeler and Wheeler Millsite patent claims in Lyon County, Nevada from July 13, 2007 to December 31, 2022 with an exclusive option to renew the lease by written notice to December 31, 2023. The Wheeler patent and the Wheeler Millsite patent claims are described in the table and map below. If the property is and remains in commercial production by November 1 of each year after 2022, we may renew the lease for a period of one year by delivering written notice to the owner prior to November 15 of that year. We must produce a bankable feasibility study on the properties by July 1, 2009 and obtain all necessary funding to place the properties into commercial production. We must pay a net smelter royalty of 3% (at a gold price of US$450) to 7% (at a gold price of US$701) upon commencement of commercial mining production based on gold prices and the Company must pay a 5% net smelter royalty on metals or minerals other than gold produced and sold from the properties.

Harvest Lode Claim, Winter Harvest Lode Claim and Harvest Fraction Lode Claim

Pursuant to an agreement dated July 30, 2007, we purchased from Harold Votipka (**Votipka**) the Harvest lode claim, the Winter Harvest lode claim, and the Harvest fraction lode claim, each located within the Pine Grove Mining District in Lyon County, Nevada. The purchase price was $12,000, which we have paid, and includes a 5% net smelter royalty on production payable to Votipka.

Wilson Mining Claim Group

On August 1, 2007, we entered into an agreement with Lyon Grove, PLC (**Lyon Grove**) to lease the Wilson Mining Claim Group located in Lyon County, Nevada from August 1, 2007 to July 31, 2022, with an option to purchase. We can extend the term of the lease for up to ten additional one year terms providing we are conducting exploration mining activities at the expiration of the term immediately preceding the proposed extension term.

The following lease payments must be made by us:

- $10,000 upon signing the agreement, which we have paid and
- $25,000 prior to each one year anniversary of the lease.

We advanced to Lyon Grove a loan of $5,000 bearing an interest rate of 5% per annum to be repaid by July 31, 2008. The loan and interest will either be repaid at the maturity date or be offset against the lease payment due on August 1, 2008.

The lease payment made for any one calendar year may be credited against any net smelter royalty due and payable during the same calendar year.

The following work commitments must be made by us:

- $25,000 by August 1, 2008;
- $25,000 by August 1, 2009;
- $50,000 by August 1, 2010;
- $50,000 by August 1, 2011
- $25,000 by August 1, 2012 and each subsequent lease year

Upon commencement of production, we must pay a net smelter royalty of 3% to 7% based on gold prices.

Lyon Grove retains the right to require us to purchase the property any time after we have made application to permit and develop a mine on the property, subject to our continued obligation to pay the royalties, for $1,000.

Additional Staked Claims

Subsequent to the signing of these agreements we have staked 189 claims and the total area covered is now 6 square miles.

List of Mineral Claims Pine Grove Project

Claim Name	BLM Serial #	Type	Area-acres
LG1 to LG60 (90 claims)	NMC0960776 - NMC0960865	Unpatented	1859.504
CONTAINS			
Wheeler Patent Wheeler Millsite		Patented Patented	73.705 4.989
Wilson Patent		Patented	33.781
Harvest Lode Winter Harvest Harvest Fraction	NMC793071 NMC800355 NMC800356	Unpatented Unpatented Unpatented	20.66 20.66 20.66

Location and Access

The Pine Grove project is located 20 miles due south of Yerington, Nevada via State Highway 208 (paved) to the East Walker Road (gravel) to the Pine Grove Canyon drainage. A map showing the location and access to the Pine Grove property is presented below.

A map showing the location of the claims is below.

History of Operations

In 1969, Quintana Minerals of Houston, Texas reportedly was interested in the copper potential of the property and undertook a program of surface mapping and completed one drill hole. The results of that program are not known, and the log/assays from the one drill hole were not available at the time of writing this report.

In 1981, Lacana Mining Corporation of Toronto, Ontario explored the property for gold. This work consisted primarily of surface mapping. No further details on Lacana s work program or results are available.

In 1988 the property was optioned by Teck Resources of Vancouver, British Columbia. Teck undertook the most extensive exploration program to date, drilling 185 holes for a total of 68,000 feet, and expenditures of US$2.2 million. Teck dropped their option 1992.

Silver Standard briefly explored the property in 1994 but they too subsequently dropped their option.

Present Condition of the Property and Current State of Exploration

There are no known reserves on the Pine Grove project, and Lincoln has no plant or equipment on this property.

Geology

The region is dominated by Basin and Range-style, north trending, extensional fault-block mountain ranges separated by alluvium-filled valleys. The ranges have cores of Mesozoic volcanic, sedimentary and intrusive rocks that are in turn overlain by Tertiary sedimentary and volcanic rocks. The Pine Grove Hills occupy a west-dipping structural block that is bounded on the east side by a series of faults, some of which transect the Pine grove District.

The oldest rocks in the region are a series of middle Triassic to middle Jurassic metavolcanic and metasedimentary rocks and coeval intrusions that are part of a west facing continental are that extended along the western margin of North America in the middle Mesozoic. The sequence has been divided into four packages by Schweickert and others (1991), consisting of a middle to upper Triassic package sub aerial volcanic rocks, an upper Triassic platform carbonate sequence, an upper Triassic to lower Jurassic basinal sedimentary rock package and a middle calc-alkaline volcanic suite.

North to northwest striking, steeply-dipping faults were active during emplacement of the Mesozoic intrusions. The faults down-drop a large cast-west-trending structural block that includes the Yerington Batholith. Faults within the block often contain dikes of granite porphyry and served as loci for hydrothermal fluids.

The most significant geologic feature in the district is a northwest-striking, northeast-dipping normal fault that juxtaposes Mesozoic intrusive rocks in the footwall against intrusive capped by Tertiary sedimentary rocks in the hanging wall. This structure herein termed the Pine Grove fault is a diffuse, 200 m-wide extensional shear zone that forms part of the eastern boundary of the Pine Grove Hills structural block. The fault originally had a steep dip but has been rotated to nearly flat by regional extension. Numerous parallel dikes occur within the fault and the structure served as the locus for mineralization in the district.

The deposit at Wheeler comprises a elliptical shaped tabular zone measuring some 400 m by 200 m in plan, by about 90 m in thickness. It lies parallel the Pine Grove fault and its attendant dikes, dipping at about 30 degrees to the northeast. The deposit consists of one to three subparallel, irregular zone of anomalous gold mineralization from 3 m to over 15 m thick that anastomose and coalesce.

Two quartz veins were emplaced early in a transitional chlorite-actinolite alteration event. These were followed by sulphide veinlets, fracture coatings and thin quartz veins occupying brittle faults. The first set does not contain appreciable gold mineralization, however, the second does.

Mineralization at Wilson is confined to discrete tabular zones in the granodiorite that dip between 0 and 10 degrees north. Two or three, and in places up to six, separate, stacked mineralized zones from 3 to 20 m thick are separated by thicker, un-mineralized ryholite porphyry and dacite dikes. The deposit is traceable for 150 m down-dip, and the mineralized zones extend virtually flat for at least another 350 m down-dip to the north where gold bearing veins have been encountered in drill holes. The mineralization at Wilson is much less disrupted than at Wheeler due to a lack of significant shearing events. Alteration at Wilson is similar to that found at Wheeler, although the intensity is much weaker.

Resource Classification

Resources are summarized in the tables below for Wilson and Wheeler, respectively. The resources have been classified as Inferred, according the CIM (2005) resource classification standards.

Cautionary Note to Investors Concerning Estimates of Inferred Resources

The following table uses the term inferred resources . Lincoln advises that while this term is recognized and required by Canadian securities regulations (under National Instrument 43-101 *Standards of Disclosure for Mineral Projects*), the U.S. Securities and Exchange Commission does not recognize it. Inferred resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or preliminary feasibility studies, except in rare cases. **Investors are cautioned not to assume that any part or all of an inferred**

resource exists, or is economically or legally mineable.

Undiluted Inferred Mineral Resources by Cutoff Grade Wilson

(assays capped at 0.5 opt)

(assays capped at 0.5 opt) Cutoff (opt)	Tons	Au (opt)	Cu (%)	Au (oz)	Cu (lbs)
0.005	4,647,000	0.018	0.0210	83,531	1,953,000
0.010	2,738,000	0.025	0.0234	69,744	1,284,000
0.015	1,602,000	0.035	0.0252	56,056	807,000

Undiluted Inferred Mineral Resources by Cutoff Grade - Wheeler

(assays capped at 0.5 opt)

Cutoff (opt)	Tons	Au (opt)	Cu (%)	Au (oz)	Cu (lbs)
0.005	4,367,000	0.059	0.0432	257,839	3,774,000
0.010	3,321,000	0.075	0.0465	250,236	3,087,000
0.015	2,647,000	0.091	0.0476	241,981	2,520,000

Interpretation and Conclusions of Report

The Pine Grove district hosts several gold bearing quartz-vein stockwork style deposits emplaced in Mesozoic granitic host rocks. Exploration by Teck Resources in the early 1990 s outlined a bulk tonnage low grade gold resource of roughly 2.5 million tons grading 0.06 opt containing 150,000 ounces. These resources are the un-mined remnants from mining carried out in the district in the late 1800 s.

The author of the Pine Grove Report has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves, and Lincoln Gold is not treating the historical estimate as current mineral resources or mineral reserves as defined in Section 1.2 and 1.3 of NI43-101, hence the historical estimate should not be relied upon.

A re-evaluation of the Teck data by MineFill produced similar results for the Wilson deposit, however, at Wheeler the MineFill estimate was considerably higher in both tons and grade. A detailed review of the drill assays superimposed on the Teck polygons revealed large zones of mineralized material that were not included in the Teck estimate.

There appears to be sufficient resources to justify further exploration at Pine Grove, and recommendations are provided herein. The Wheeler deposit shows the best immediate potential since it contains the bulk of the resources, and hosts a higher grade. A ground reconnaissance of the area surrounding the Wheeler and Wilson mines suggests that there may be additional resources which could be added with additional exploration. During the site visit the author noted a number of caved adits and mine dumps in an adjacent drainage to the north of Wilson.

Recommendations of the Pine Grove Report

Based on the information compiled to date, the Pine Grove Report concluded that the Pine Grove project appears to offer significant potential for re-activating a historical mining district. The Technical Report further concluded and recommended that, before a decision can be made, additional data collection and verification is warranted, as follows:

Phase 1 Additional Exploration

- Lands additional claims - $30,000
- Photogrammetry stereo orthophotos and digital topography - $30,000
- Reverse circulation drilling - $450,000
- 48 vertical holes at Wheeler 14,000 ft.
- 33 vertical holes at Wilson 9,000 ft.
- Total = 65 holes for 23,000 ft. at an all-in cost of $19.68/ft.
- Assaying 4600 samples - $90,000
- Contract geologist - $150,000
- Drill pads and reclamation work - $65,000
- GIS work - $10,000
- Resource update - $25,000

Phase 1 Total Budget - $850,000

Objective for Phase 1 to confirm the grades and continuity of mineralization per the Teck drilling and resource estimate, and to test the lateral margins of the deposits at Wilson and Wheeler. Should the results prove positive, then the project should be advanced to Phase 2.

Phase 2 Metallurgical Assessment

- Core drilling - $75,000
  - 4 large diameter core drillholes 900 ft.
  - All-in costs of $83.30/ft. includes consumables

Total Phase 2 Budget - $180,000
Total Budget - $1,030,000

There is no assurance that further exploration will result in a final evaluation that a commercially viable mineral deposit exists on this mineral property. Lincoln anticipates that it will require additional financing in order to pursue full property exploration. Lincoln does not have sufficient financing to undertake full exploration of these mineral claims at present and there is no assurance that we will be able to obtain the necessary financing.

La Bufa Property, Chihuahua, Mexico

The La Bufa Project is located in the far southwest corner of the state of Chihuahua, Mexico near the town of Guadalupe y Calvo about 300 kilometers from the city of Chihuahua and 200 kilometers from the town of Hidalgo de Parral. The project is within the Guadalupe y Calvo Mining District and lies within the Sierra Madre Occidental physiographic province. The La Bufa project is comprised of three contiguous mineral concessions totaling approximately 2,291.26 hectares and is held by Lincoln Gold through letters of intent to joint venture and joint venture agreements with Almaden Minerals and their wholly owned Mexican subsidiary Minera Gavilan, S.A. de C.V. The La Bufa Property surrounds mineral concessions of approximately 439.24 hectares held by Gammon Gold where the Rosario Vein was discovered in 1836 and where nearly all of the historic production from the district was derived.

Location and Access

The La Bufa exploration concession is located in the southwest extremity of the state of Chihuahua, Mexico and is centered on the small town (mining district) of Guadalupe y Calvo in the Sierra Madre Occidental. The single exploration concession adjoins and surrounds other concessions within the district. Net area is 2,291.26 hectares (approximately 5,661.7 net acres). The nearest commercial airport is in the city of Chihuahua, 480 km by road from the property. All-season vehicle access to the property is excellent. The town of Guadalupe y Calvo is the terminus of the paved, well-maintained Mexico Highway 24 which winds 270 kilometers from mining town of Hidalgo del Parral to the northeast. Access on the concession is via dirt roads. A map showing the location and access to the La Bufa property is presented below.

Ownership Interest

The La Bufa Property consists of three contiguous Mexican Exploration Concessions, La Bufa (No. 219036), La Bufa 1 (No. 222724), and La Bufa 2 (No. 223165) totalling 1,916.21 hectares, as follows:

Name	Type	Title	File	Area Hect.	Issued	Expires	Tax Rate	Pesos	US$
La Bufa	Explor.	219036	16/31696	1040.7594	31/Jan/03	30-Jan-09	$6.0100	$6,256	$585
La Bufa	Explor.	222724	16/32275	485.0000	27-Aug-04	26-Aug-10	$6.0100	$2,916	$273
La Bufa	Explor.	223165	16/32529	765.5000	28-Oct-04	27-Oct-10	$6.0100	$4,602	$430

The La Bufa Property consists of three contiguous Mexican concessions issued by the Direccion General de Minas in 2003 and 2004 to Minera Gavilan, S.A. de C.V., a Mexican subsidiary controlled 100% by Almaden Minerals Ltd. a publicly traded Canadian junior listed on the Toronto Stock Exchange (AMM).

On August 5, 2005, we executed a letter of intent to joint venture the property with Almaden whereby we could earn a 51% interest in the property by undertaking exploration expenditures in the minimum amount of $2.0 million over 4 years.

On April 12, 2007, we entered into an option agreement (the Option Agreement) with Almaden to acquire a 60% interest in the La Bufa Property. The Option Agreement supersedes and replaces the August 5, 2005 letter of intent to joint venture the property with Almaden. Under the Option Agreement, we will be entitled to earn a 60% interest in the La Bufa Property by (a) undertaking a work program on the Bufa Property aggregating $3,500,000 in expenditures for mining work, and (b) issuing an aggregate of 1,550,000 shares of our Common Shares to Almaden pursuant to the terms of the Option Agreement.

The $3,500,000 of expenditures for mining work must be incurred in accordance with the following schedule:

- we must spend $500,000 in expenditures (which must include drilling) on the La Bufa Property by the first anniversary of the effective date of the Option Agreement (the Effective Date). This obligation is a firm commitment;
- we must spend an additional $750,000 on the La Bufa Property by the second anniversary of the Effective Date;
- we must spend an additional $1,000,000 on the La Bufa Property by the third anniversary of the Effective Date; and
- we must spend an additional $1,250,000 on the La Bufa Property by the fourth anniversary of the Effective Date.

The 1,550,000 shares must be issued in accordance with the following schedule:

- 150,000 shares within 5 business days from the Effective Date;
- 200,000 shares on or before the first anniversary of the Effective Date;
- 200,000 shares on or before the second anniversary of the Effective Date; and
- 1,000,000 shares on or before the fourth anniversary of the Effective Date.

During the term of the Option Agreement, we will be obligated to maintain the La Bufa Property in good standing by completing and filing, or making payment in lieu thereof, of all necessary assessment work on the La Bufa Property and by paying all taxes.

Upon the completion of the expenditure requirements and the share issue requirements as set forth in Option Agreement, we shall be deemed to have earned an undivided 60% interest in the La Bufa Property. Upon our earning an interest in the La Bufa property, all operations shall be conducted by us and Almaden on a joint venture basis. The basic terms of the joint venture are prescribed in the Option Agreement.

We have the right to terminate the Option Agreement at any time by giving 30 days notice of termination to Almaden. Upon termination by us, we will have no further obligation to issue any shares or incur any further expenditures for mining work on the La Bufa Property, other than in respect of obligations that had accrued to the date of termination. We have completed the issuance of the initial 150,000 shares to Almaden.

History of Operations

Gold was discovered in the Guadalupe y Calvo district in 1835 with extended periods of production up to 1939. The gold-silver veins were exploited largely by underground operations. A mint was constructed in 1844 by the Mexican government to take advantage of the precious metals production in the district.

Modern exploration work in the district has centered largely in the area of past production which is surrounded completely by the La Bufa concessions. Although the vein system extends beyond the area of the old workings, little exploration work has been conducted. Asarco drilled two angle core holes in the 1970 s on La Bufa ground with both holes encountering ore-grade gold and silver. A previous joint venture on the La Bufa Property between Almaden Minerals Ltd. and Grid Capital Corporation resulted in the drilling of five angle core holes (666.15 m) in three locations during December 2004. Hole GUD04-03 returned encouraging gold-silver-lead-zinc assays from multiple, narrow-vein intercepts (Almaden Minerals News Release, Jan. 24, 2005). However, Grid Capital backed out of the joint venture for undisclosed reasons. We have since entered into a new joint venture with Almaden to explore the La Bufa concession.

The La Bufa Property lies within the Guadalupe y Calvo district which is one of many epithermal gold-silver districts in the Sierra Madre Occidental of western Mexico. The Sierra Madre Occidental is characterized by deeply incised mountains, and has a total relief of about 3,000 meters. Most of the bedrock exposed in the vicinity of Guadalupe y Calvo consists of an upper volcanic series of bedrock which is commonly hundreds of meters in thickness. However, erosional exposures of a lower volcanic series of rock, which is favourable to mineralization and occurs in ranges up to 1,000 meters in thickness, are exposed along the eastern flank and central portions of the northwest-trending Guadalupe River Valley that traverses the La Bufa concession. The contact between the upper and lower volcanic series of rock is rarely exposed.

District mineralization occurs as northwest-trending, epithermal gold-silver-lead-zinc quartz veins and breccia veins with local attending stockworks. The veins occur only in the lower volcanic series. Veins typically range from 1 to 3+ meters in true thickness and are generally steeply dipping but may also have shallow dips. Historic production in the district encountered local mineralized zones measuring tens of meters in thickness. Past mining on the Rosario vein extended for a continuous strike length of over 600 meters on seven levels. The vein system appears to consist of multiple strands and extends south-eastward for a distance of at least 1700 meters across the La Bufa Concession. The main paved road entering the town has a road cut that exposes a 70-meter zone containing multiple quartz veins.

Asarco drill holes on the La Bufa Property encountered encouraging results. Hole H-1 hit 1.4 meters grading 9.0 gram per tonne gold + 324 grams per tonne silver. Hole H-2 hit 1.4 meters grading 6.3 grams per tonne gold + 280 grams per tonne silver. Grid Capital drilled four core holes with their best intercept of 1.6 meters grading 9.0 grams per tonne gold + 447 grams per tonne silver.

Exploration Programs at La Bufa

The La Bufa Property is in the early stage of exploration and presently contains no known gold or silver resources. There is no plant or equipment on the Property. The concessions encompass the town of Guadalupe y Calvo. Potential for gold-silver veins exists primarily along the eastern side of the town in low, forested and brush-covered hills.

In 2006, we conducted aerial photography over the entire district for the purpose of generating a topographic base map suitable for detail geologic mapping. A Mexican survey crew was contracted to survey control points required to produce the topographic maps. However, heavy snow delayed the survey crew from access to the survey area. Surveying is now planned for the 1st quarter of 2007.

The La Bufa Report includes a recommendation that we acquire the El Chapito concession as soon as possible and preferably before any drilling is conducted.

Recommendations of the La Bufa Report

Based on the scope and the results of exploration activities completed to date on the Property, a two-phase exploration program is recommended. Because the southern La Bufa concession is at a more advanced stage of exploration and drill targets have been identified, phase-1 would consist of a core drilling program that could be initiated as soon as drill contracts can be made, necessary permits obtained and logistical support are in place. A core drilling program of 15 holes averaging 400 meters each is recommended as phase-1 and is considered the minimum required to give a reasonable chance for success. Proposed sites have been plotted on a plan map (below) and two or more holes drilled at different angles of inclination could be completed at selected sites in order to test down-dip continuity of the structures. Surface owners in Guadalupe y Calvo include private landowners and the city government and initial contact with these surface owners has been made in order to secure access permission.

Preliminary metallurgical studies should be included as part of the drilling program and would include bottle roll tests along with thin section and polished section investigations to determine basic mineralogy. Phase-1 of the recommended work program would also consist of continued reconnaissance throughout the concessions, including mapping and sampling in the northern concessions of La Bufa 1 and La Bufa 2. A district-wide structural study using satellite imagery, air photos and verification by ground checks should also be part of this program. In addition, follow-up work by mapping and rock sampling in areas of soil anomalies related to quartz veinlets in altered Upper Volcanic Group rocks at the northern limit of the soil grid is needed. The district-wide reconnaissance, sampling and structural interpretation studies that are recommended should be completed and are not dependent on results of the drilling recommended in the southern portion of the La Bufa concession. The additional reconnaissance and related work could be carried out consecutively during the phase-1 drilling and if drill targets are identified they could be tested during the phase-2 drilling program.

It is recommended that Phase-2 consist of a greatly expanded core drilling program that would provide a geologic, assay and preliminary metallurgical database of sufficient size and quality to be the basis for initial resource modeling. This phase-2 program would require the drilling of 40-50 holes on approximately 25-meter centers. Initial site planning and land use issues would also be addressed during this phase. The initiation of phase-2 program will be dependent on successful results of phase-1 drilling. Successful drilling results for phase-1 would be defined as the discovery of gold-silver mineralization, along the Santo Niño Vein or parallel structures in the footwall and hanging wall, with potentially economic grades and widths that would justify continued expenditures on the Property.

Proposed Phase 1 Drill Site Locations

The anticipated budget for the work program recommended by the Geological Report on the La Bufa property is set out below:

Activity	Amount/Persons	Time Required		Amount ($US)
Phase-1: Drilling				
Drilling	6,000 meters (15 holes at 400m)	90 days		480,000
Drilling Support	2 geologist, helpers, includes travel and field expenses	90 days		100,000
Site Facilities	Equipment, Storage and Consumables	120		50,000
Analytical	1,500 samples	90 days		40,000
Metallurgical	20 samples	90 days		15,000
Data Workup	1 geologist, 1 GIS	60 days		40,000
Drilling Total				***725,000***
Phase-1: District				
Reconnaissance	1 geologist, 1 helper	60		45,000
Analytical	400 samples			10,000

Data Workup	1 geologist, 1 GIS	30		25,000

Activity	Amount/Persons	Time Required		Amount ($US)
District Total				***80,000***
Phase-1 Total				***$805,000***
Phase-2: Drilling	16,000 meters (40 holes at 400m)			**4,000,000**
	Amount includes all expenses, metallurgical, preliminary resource			
Total Phase- 1 & 2				***4,805,000***

We plan plans to complete Phase 1 of the exploration program outlined above over the next 12 to 18 months, subject to it achieving the necessary financing.

There are several key factors that can delay completion of the exploration program as follows:

- delays in the permit approval process for drilling;
- limited availability of core rigs in Mexico;
- lack of funding.

Factors that could cause exploration costs to be greater than anticipated are largely from drilling conditions and include the following:

- caving ground;
- lost circulation;
- artesian water;
- stuck drill steel;
- drilling in near proximity to the town (special compensation, noise, etc.).

The exploration program is being managed on site by Filiberto Lopez who has extensive experience in Mexico. Our vice-president of exploration, Jeffrey L. Wilson, P. Geol. State of Utah, will oversee the project.

JDS Property, Nevada, USA

Lincoln is the owner of the seventy-seven (77) unpatented lode claims comprising the JDS project which covers approximately 1,540 acres (2.04 sq miles). Lincoln staked and recorded the mineral claims, which are located in Sections 14, 15, 22, 23 26 & 27 T25N R50E of Eureka County, Nevada. These mineral claims are registered in Lincoln s name and are not subject to underlying lease payments or royalties. The JDS property is subject only to annual claim maintenance fees payable to the BLM and Eureka County.

The JDS property is located in central Nevada within the Cortez Trend portion of the Battle Mountain-Eureka Mineral Belt, approximately 40 miles northwest of the small mining town of Eureka. The property is in Denay Valley adjacent to the northern end of the Simpson Park Mountains. Access is fair to good during good weather via the Tonkin Road (dirt/gravel) that traverses through the property. A map showing the location of and access to the JDS property is presented below:

Ownership Interest

Lincoln is the owner of the seventy-seven (77) unpatented lode claims comprising the JDS project which covers approximately 1,540 acres (2.04 sq miles). Lincoln staked and recorded the mineral claims. These mineral claims are registered in Lincoln s name and are not subject to underlying lease payments or royalties. The JDS property is subject only to annual claim maintenance fees payable to the BLM and Eureka County. Lincoln must pay approximately $12,500 in BLM and Eureka County annual claim maintenance fees by September 1, 2007 in order to maintain our interest in these properties.

Effective May 15, 2006, Lincoln entered into a letter agreement on the JDS property for an Exploration Agreement with Option to Form Joint Venture with Golden Odyssey Exploration (TSX: GOE). Work in 2006 consisted largely of farm-out efforts by us which were consummated in May 2006 when we entered into the letter agreement with Golden Odyssey. Golden Odyssey drilled a part of one hole before quitting the hole and started looking for a bigger drill rig. Because Golden Odyssey had not started drilling again by the end of 2007 Lincoln terminated the agreement. We are now looking for another partner to JV the property

History of Operations

There have been no previous operations of any type on the property.

Present Condition of the Property and Current State of Exploration

In 2005, Lincoln completed a mercury soil gas survey and a detail gravity survey line over the northwest portion of the claim block. This area is considered the most prospective for discovery of a Carlin-type gold deposit hosted in lower plate carbonate rocks.

There is no plant or equipment of the JDS Property. The property consists of barren land with no improvements other than a Eureka County dirt road that crosses the property and various cattle fences.

Lincoln presently has one geologic report on the JDS property that was written by Kenneth D. Cunningham, Wyoming Professional Geologist PG-1636, dated February 9, 2004. The report reviews the potential for Carlin type gold deposits on the JDS Property. Lincoln has all raw data and maps for the mercury soil gas survey and for the detail gravity survey line in the same general area. Lincoln also has various summary maps and property diagrams.

Lincoln is looking for a JV partner to drill this property.

Geology

The JDS Property lies within the Cortez Trend in the southern portion of the Battle Mountain-Eureka Mineral Belt. Although covered by valley fill, the geology of the JDS Property is believed to be an extension of favourable lower plate rocks of the Roberts Mountains Thrust that are known to host large Carlin-type gold deposits. Potential Devonian host rocks are exposed in the nearby Simpson Park Mountains and are believed concealed under shallow cover at JDS. Similar Devonian strata host very large gold deposits at Pipeline and Cortez to the northwest of the JDS Property. Available gravity data at JDS suggest shallow depth to bedrock and north-trending faults that converge in the northwestern portion of the claim block. The combination of favourable lower plate bedrock and converging faults indicate exploration potential for Carlin-type gold deposit(s). A strong mercury soil gas anomaly has also been identified in the northwest portion of the JDS Property.

HANNAH PROPERTY, CHURCHILL COUNTY, NEVADA, USA

The Hannah Property is located approximately 55 miles east of Reno, Nevada in the southern portion of the Trinity Range north of Interstate 80 in Churchill County. Access is east from Reno via Interstate 80 and then north on gravel and dirt roads from Hot Springs Flat to the Property.

Lincoln has an option to acquire a 100% interest in the claims comprising the Hannah project, subject to a net smelter royalty, pursuant to an option agreement dated December 24, 2003, as amended January 7, 2007 and January 10, 2008, between us and Larry and Susan McIntosh of Gardnerville, Nevada. Lincoln has the option to acquire a 100% interest in the Hannah property by making aggregate payments to the McIntosh s in the amount of $210,000. Lincoln may exercise this option at any time prior to the ten year anniversary of the effective date of the agreement, being December 24, 2013. To date $40,000 has been paid into this option agreement.

Location and Access

The Hannah Property is located approximately 55 miles east of Reno, Nevada in the southern portion of the Trinity Range north of Interstate 80 in Churchill County. Access is east from Reno via Interstate 80 and then north on gravel and dirt roads from Hot Springs Flat to the Property. A map showing the location of and access to the Hannah property is presented below:

Ownership Interest

The Hannah property is comprised of twenty-three (23) unpatented lode claims covering approximately 460 acres (0.72 sq. miles) in Churchill County, Nevada.

Lincoln has an option to acquire a 100% interest in the claims comprising the Hannah project, subject to a net smelter royalty, pursuant to an option agreement dated December 24, 2003 between us and Larry and Susan McIntosh of Gardnerville, Nevada, as optionors. Lincoln has the option to acquire a 100% interest in the Hannah property by making aggregate payments to the optionors in the amount of $210,000. Lincoln may exercise this option at any time prior to the ten year anniversary of the effective date of the agreement, being December 24, 2013. Lincoln is obligated to make the following option payments in order to maintain our option agreement in good standing:

Date of Payment	Amount of Option Payment
December 24, 2003	$5,000 (paid)

January 10, 2005	$5,000 (paid)

Date of Payment	Amount of Option Payment
January 10, 2006	$10,000 (paid)
January 10, 2007	$15,000 (in quarterly payments)
January 10, 2008	$20,000 (in quarterly payments
January 10, 2009	$25,000
January 10, 2010	$25,000
January 10, 2011	$25,000
January 10, 2012	$25,000
January 10, 2013	$50,000

Lincoln will be deemed to have exercised the option upon completion of the above option payments at which time Lincoln will be entitled to a 100% interest in the Hannah property, subject to the payment of a net smelter royalty to the optionors. The net smelter royalty will be calculated as 3% of net smelter returns, as defined in the option agreement, if the price of gold is less than or equal to $400 per ounce, and 4% of net smelter returns if the price of gold is greater than $400 per ounce. If Lincoln exercises the option, Lincoln will have the right to reduce the net smelter royalty by 1%, up to a maximum of 2%, upon the payment of $500,000 to the optionors for each 1% of reduction as set out in the table below:

Gold Price (US$ per ounce)	Net Smelter Royalty payable on execution of the Agreement	Net Smelter Royalty payable after first payment of $500,000	Net Smelter Royalty payable after second payment of $500,000
Less than or equal to $400	3%	2%	1%
Greater than $400	4%	3%	2%

If Lincoln completes a positive feasibility study for the development or mining of mineral products on the Hannah property and obtains all government approvals, consents, licenses and permits to construct, develop or operate a mine on the Hannah property prior to January 10, 2013, Lincoln will be obligated purchase the Hannah property prior to the commencement of mining of mineral products. In this event, the purchase price for the Hannah property shall be the sum of all unpaid option payments due to the optionors through January 10, 2013.

Lincoln has the exclusive right to conduct exploration on the Hannah property during the term of the option agreement, provided that Lincoln makes the required option payments. Lincoln is obligated to make all federal and county claim maintenance fees in a timely manner to keep the claims in good standing during the term of the option agreement. In the event that Lincoln does not make any required option payment, then the optionors will be entitled to terminate the agreement and Lincoln will lose our interest in the property. However, Lincoln will not have any obligation to make further option payments in the event of termination due our inability to make any required option payment. Lincoln may surrender its interest in the property and terminate the agreement at its election upon written notice to the optionors. In this event, the optionors will retain all option payments paid pursuant to the agreement.

Lincoln has paid $3,075 for BLM and County annual claim maintenance fees that were required to be paid by October 1, 2006. Lincoln will be required pay approximately $3,075 for BLM and County annual claim maintenance fees by September 1, 2008. Lincoln is not obligated to complete any minimum exploration expenditures or other work commitment in order to maintain it s option on the Hannah property.

History of Operations

Various old shafts, adits, and numerous small prospects are on the Hannah Property from prospecting in the early 1900 s. Cominco was active in the general area in the 1960 s and Chevron drilled three scattered holes on the claim block in the 1980 s. None of Chevron s holes tested the Hannah gold target. Four backhoe trenches were dug by Cordex in the late 1990 s, however no follow-up work was conducted. NDT Ventures held the property in 2002 but conducted no significant work. A total of 50 soil samples and 329 rock-chip samples have been collected from the property and assayed.

Present Condition of the Property and Current State of Exploration

The Hannah Property is in the early stage of exploration and presently contains no known gold or silver resources. Lincoln s current state of exploration consists of geologic mapping, soil and rock-chip sampling, a ground magnetometer survey, and 11 reverse-circulation drill holes (4,815 ft) drilled by the Company in 2005. Shallow ore-grade gold and silver mineralization is present in two adjacent drill holes.

There is no plant or equipment on the Hannah Property other than some scattered remnants of past prospecting. The property consists of barren land with no improvements with the exception of dirt roads.

Lincoln has no formal reports on the Hannah Property. However, Lincoln does have all soil and rock-chip sample maps and results, a preliminary geologic map, a ground magnetometer map, and drill hole logs and assay results from 11 reverse-circulation drill holes.

During 2006, Lincoln conducted a ground magnetometer survey in the vicinity of mineralized drill holes H-1 and H-11 which were drilled in a northwest-trending, highly oxidized shear zone. Results show a magnetic high to the northwest buried under pediment gravels and a magnetic low to the southeast beneath alluvium. The abrupt transition area from low to high magnetic response offers a possible structural intersection between contrasting rocks types. Structural intersections are potential gold-silver targets.

Provided adequate funding is available, Lincoln would like to conduct offset drilling from the two holes that encountered ore-grade gold-silver mineralization. However, Lincoln is also showing the property to multiple juniors who have expressed potential interest in participating in a joint venture on the Hannah Property. To date, Lincoln has not concluded any joint venture agreement for the Hannah Property. It is important to note that there is no work obligation in the property option agreement. Owing to this situation, the property may sit idle until a joint venture partner is acquired, provided that Lincoln continue to make the payments required under the option agreement.

Lincoln s plan of exploration for the Hannah Property is as follows:

Description of Phase of Exploration	Description of Exploration Work Required
Acquire Joint Venture Partner	Execute an Exploration Agreement with Option to Joint Venture with a potential joint venture partner (a JV Partner)
Exploration Trenching	JV Partner conducts trenching across target with an excavator

Description of Phase of Exploration	Description of Exploration Work Required
Phase 2 Drilling	JV Partner drills 5 to 10 angle RC drill holes
Bottle Roll Metallurgical Tests	JV Partner conducts metallurgical tests on select drill cuttings
Data Evaluation	Evaluate results

The anticipated timetable and estimated budget for completion for each stage of exploration is as follows:

Stage of Exploration	Estimated Cost of Completion
Acquire Joint Venture Partner	$3,000
Exploration Trenching	$0 (Partner s Cost)
Phase 2 Drilling	$0 (Partner s Cost)
Bottle-Roll Metallurgical Tests	$0 (Partner s Cost)
Data Evaluation	$2,000

All significant work is expected to be conducted by a joint venture partner using qualified contractors.

Geology

The Hannah Property lies in exotic metamorphic terrain comprised of Triassic metavolcancis (greenstones) and various Cretaceous intrusive rocks and Tertiary lake beds (no formation names). A highly oxidized, northwest trending, gold-silver-bearing shear zone cuts the metavolcanic rocks and is exposed in an outcrop approximately 50 to 100 ft wide and 300 ft long at the edge of the pediment. Pediment and alluvial gravels cover the shear zone to the northwest and southeast. The altered shear zone consists of hydrothermally altered breccia that contains conspicuous iron-oxides and bleaching. Two drill holes cut the zone. Angle hole H-1 (-45º) encountered 35 ft @ 0.016 opt gold from 40 to 75 ft and angle hole H-2 (-60º) encountered 10 ft @ 0.094 opt gold + 5.1 opt silver from 15 to 25 ft. This mineral