



This Supplemental News Report is published as required, is part of the annual MERGENT INDUSTRIAL and INTERNATIONAL Manuals and will be included in the bound May 2018 Monthly News Reports and is published on our Website.

LINCOLN MINING CORP (CANADA)

Company Website: www.lincolnmining.com

History: Incorporated in Canada pursuant to the provisions of the Business Corporation Act (British Columbia) on Dec. 15, 2006. Present name adopted on Aug. 17, 2009.

On Aug. 18, 2009, Co.'s subsidiary, 0843037 BC Ltd., merged with Lincoln Gold Corporation ("LGC"). In return, Co. issued to LGC's shareholders 23,204,089 share of Co.

In Feb. 2010, Co. purchased 100% interest in La Bufa property by issuing 6,000,000 common shares, valued at C\$1,770,000.

In Nov. 2012, Co.'s subsidiary, Lincoln Resource Group Corporation, acquired from Laurion Mineral Exploration Inc. and Laurion Mineral Exploration USA LLC (together, "Laurion"), certain unpatented mining claims and the assignment and assumption of Laurion's option for an aggregate purchase price of \$2,350,000 cash.

Business: Lincoln Mining is a Canadian precious metals company. Co. is engaged in the business of exploration and development of mineral resource properties in North America. Co. holds interest in two gold properties in mineral districts in the United States which include the Pine Grove property in Nevada, and the Oro Cruz gold property in California.

Property: Co. maintains its head office in Vancouver, British Columbia.

The Pine Grove project is located south of Reno, Nevada Lincoln Resource, with its joint venture partner Goldcliff Resources, controls 100% of the Pine Grove Gold Project. The Pine Grove Property is a development-stage gold project. The project lies approximately 20 miles south of Yerington, in the Pine Grove Hills, Lyon County, Nevada. Co. has mining leases on the Wilson and Wheeler mines (patented claims) and 243 unpatented claims owned directly by Lincoln. Co.'s land position covers approximately 7 square miles that encompass the main gold mineralization, exploration targets and adequate land for mine facilities. Two hundred seventy-three holes have been drilled in the district. Oro Cruz Property project is located in the historic Tumco Mining District of southeastern California approx. 14 miles southeast from the operating Mesquite gold mine and adjacent to the past producing American Girl gold mine and Padre & Madre gold mines. Acquired in Feb. 2010, Oro Cruz consists of 151 lode claims covering approximately 3,000 acres. It is a pre-development stage gold project.

Subsidiaries

Lincoln Gold U.S. Corporation (United States)
Lincoln Resource Group Corporation (United States)
Minera Lincoln de Mexico, S.A. de C.V. (Mexico)

Officers

Paul F. Saxton, President; Chief Executive Officer; Corporate Secretary
Micheal P. Attaway, Chief Operating Officer; Vice President - Operations
Eugene Beukman, Chief Financial Officer
Jeffrey L. Wilson, Executive Vice President; Vice President - Exploration

Directors

Paul F. Saxton, Director
Andrew F. B. Milligan, Director
Ronald A. (Ron) Coombes, Director

Kevin Nishi, Director

Auditors: Davidson & Company LLP

General Counsel: Dorsey & Whitney LLP, Seattle, WA

Transfer Agent: Computershare Trust Company of Canada

Annual Meeting: In December

Shareholder Relations: Paul Saxton, President & Chief Executive Officer Tel: 604-688-7377

No. of Stockholders: May 1, 2018, 71, registered

Address: Suite 400 - 789 West Pender Street, Vancouver, British Columbia V6C 1H2, Canada

Tel: 604 688-7377

Fax: 604 688-7307

Web: www.lincolnmining.com

Email: info@lincolnmining.com

Consolidated Income Statement, Years Ended Dec. 31 (Can\$)

	2017	2016	2015 (revised)
Exploration expenses	(446,937)	(46,636)	(279,385)
Recovery of mineral properties previously impaired	...	...	874,018
Administrative support	(1,405)	(49,212)	(138,528)
Consulting & management fees	(123,050)	(172,487)	(185,205)
Depreciation	(4,594)	(3,070)	(3,886)
Foreign exchange loss (gain)	74,633	86,538	(275,621)
Investor relations & shareholder services	(180,489)	(63,181)	(180,879)
Office maintenance	(14,312)	(9,407)	(126,177)
Professional fees	(180,677)	(100,983)	(130,851)
Share-based compensation	...	...	(5,752)
Travel	(20,053)	(7,783)	(980)
Interest income	61	122	217
Interest expense	(18,879)	(12,233)	(256,528)
Total finance income (expenses)	(18,818)	(12,111)	(256,311)
Loss on sale of available-for-sale investments	...	...	(85,618)
Write-down of receivables	...	...	(4,725)
Write-off of accounts payable	33,175	36,865	277,606
Write-off of receivables	(7,683)	...	...
Gain on settlement of debts	3,018,025	...	...
Other income	3,043,517	36,865	187,263
Net income (loss)			

& comprehensive income (loss) for the year	2,127,815	(341,467)	(522,294)
Weighted average number of common shares outstanding - basic	34,703,820	23,775,393	22,746,021
Weighted average number of common shares outstanding - diluted	34,703,820	23,775,393	22,746,021
Year end common shares outstanding	40,925,517	25,496,021	22,746,021
Earnings (loss) per common share - basic	Can\$0.06	Can\$(0.01)	Can\$(0.02)
Earnings (loss) per common share - diluted	Can\$0.06	Can\$(0.01)	Can\$(0.02)
Number of common stockholders	71	...	...

¹ Reclassified to conform with 2016 presentation; ² Shares increased due to the effect of private placement & debt settlement agreements; ³ As of May 1, 2018

Consolidated Balance Sheet, Years Ended Dec. 31 (Can\$)

	2017	2016
Assets:		
Cash	21,899	47,021
Receivables	35,762	20,259
Prepaid expenses	115,892	93,689
Total current assets	173,553	160,969
Equipment	6,059	10,653
Deposits	14,006	19,880
Total non-current assets	20,065	30,533
Total assets	193,618	191,502
Liabilities:		
Accounts payable & accrued liabilities	847,054	753,968
Due to related parties	1,535,554	1,446,098
Loans payable	86,305	1,392,381
Promissory notes	604,810	596,614
Total current liabilities	3,073,723	4,189,061
Promissory notes - Provision for environmental rehabilitation	81,543	87,276
Total non-current liabilities	81,543	2,822,719
Total liabilities	3,155,266	7,011,780
Common shares	22,118,931	21,425,218
Share capital	22,118,931	21,425,218
Capital reserves	2,588,249	1,584,242
Share subscriptions received in advance	38,095	5,000
Retained earnings (deficit)	(27,706,923)	(29,834,738)

Total shareholders' equity (deficiency)	(2,961,648)	(6,820,278)
Total liabilities & shareholders' equity (deficiency)	193,618	191,502

Without qualifying our opinion, we draw attention to Note 2 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Lincoln Mining Corp.'s ability to continue as a going concern."

Co. and one-half of one non-transferable common share purchase warrant.
 (11,400,000 units) at C\$0.05 per unit privately placed on April 26, 2017 for total gross proceeds of C\$570,000. Each unit is comprised of one common share of Co. and one non-transferable common share purchase warrant.
 (3,100,000 units) at C\$0.05 per unit privately placed on Sept. 15, 2017 for gross proceeds of C\$155,000. Each unit is comprised of one common share of Co. and one non-transferable common share purchase warrant.
 (13,421,904 units) at C\$0.05 per unit privately placed on Jan. 26, 2018 for total gross proceeds of C\$671,095. Each unit is comprised of one common share of Co. and one non-transferable common share purchase warrant.
 (1,420,000 units) at C\$0.05 per unit privately placed on Feb. 20, 2018 for total gross proceeds of C\$71,000. Each unit is comprised of one common share of Co. and one non-transferable common share purchase warrant.

Auditor's Report:

The following is an excerpt from the Report of the Independent Auditors, Davidson & Company LLP, as it appeared in Co.'s 2017 Annual Report:

"Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Lincoln Mining Corp. as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Capital Stock: 1. Lincoln Mining Corp (Canada) common; no par.

OUTSTANDING–Dec. 31, 2017, 40,925,517 shs; no par.
 WARRANTS–16,893,500 shs.
 STOCK SPLITS–No par shares split 1-for-10 on May 16, 2014.
 VOTING RIGHTS–Entitled to one vote per share.
 OPTIONS–Dec. 31, 2017, outstanding, 1,809,000.
 PRIMARY EXCHANGE–Venture Exchange (TVX); LMG.
 SECONDARY EXCHANGES–National Bulletin Board (NBB); LNCL F.
 PRIVATE PLACEMENTS–(2,750,000 units) at C\$0.10 per unit privately placed on Aug. 16, 2016 for gross proceeds of C\$275,000. Each unit is comprised of one common share of

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