

LINCOLN GOLD CORP
Form 10KSB/A
July 19, 2007

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

FORM 10-KSB/A
Amendment No. 1

(Mark One)

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: **December 31, 2006**

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: **0-25827**

LINCOLN GOLD CORPORATION

(Name of small business issuer in its charter)

NEVADA

(State or other jurisdiction of incorporation or organization)

88-0419475

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

Suite 350, 885 Dunsmuir Street

Vancouver, British Columbia, Canada

(Address of principal executive offices)

V6C 1N5

(Zip Code)

Issuer's telephone number: **(604) 688-7377**

Securities registered under Section 12(b) of the Exchange Act:

Title of each class

Not Applicable

Name of each exchange on which registered

Not Applicable

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, \$0.001 par value

(Title of class)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. []

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [] No [X]

State issuer's revenues for its most recent fiscal year \$NIL

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of a specified date within the past 60 days. (See definition of affiliate in Rule 12b-2 of the Exchange Act.) **\$3,296,667 as of March 26, 2007**

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date. **43,656,666 shares of common stock as of March 26, 2007**

Transitional Small Business Disclosure Format (check one): Yes [] No [X]

EXPLANATORY NOTE

This Amendment No. 1 to Form 10-KSB hereby amends the Company's original Annual Report on Form 10-KSB for the year ended December 31, 2006, originally filed with the Securities and Exchange Commission on April 2, 2007 (the Original Form 10-KSB), as follows:

- a signed copy of the Report of our independent public accountants, Manning Elliott LLP, Chartered Accountants, dated March 22, 2007, is included in this Amendment No. 1 to our Form 10-KSB. The signed Report was inadvertently not included in the Form 10-KSB; and
- the Company's audited financial statements for the years ended December 31, 2006 and 2005 are amended by amending Note 8 entitled "Stock Options" to include the disclosures required by SFAS 123(R), paragraph 84.

ITEM 7. FINANCIAL STATEMENTS

Our audited consolidated financial statements, as set forth below, are included with this Amendment No. 1 to our Annual Report on Form 10-KSB:

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<u>Consolidated Balance Sheets, December 31, 2006 and 2005</u>	<u>F-2</u>
<u>Consolidated Statements of Operations for the years ended December 31, 2006 and 2005 and for the period from inception (September 25, 2003) to December 31, 2006</u>	<u>F-3</u>
<u>Consolidated Statements of Cash Flows for the years ended December 31, 2006 and 2005 and for the period from inception (September 25, 2003) to December 31, 2006</u>	<u>F-4</u>
<u>Consolidated Statements of Stockholders Equity (Deficit) for the period from inception (September 25, 2003) to December 31, 2006</u>	<u>F-5</u>
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Report of Independent Registered Public Accounting Firm

To the Directors and Stockholders
Lincoln Gold Corporation
(An Exploration Stage Company)

We have audited the accompanying consolidated balance sheets of Lincoln Gold Corporation as of December 31, 2006 and 2005, and the related consolidated statements of operations, cash flows and stockholders' equity (deficit) for the years then ended and accumulated from September 25, 2003 (Date of Inception) to December 31, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lincoln Gold Corporation as of December 31, 2006 and 2005, and the results of its operations and its cash flows for the years then ended and accumulated from September 25, 2003 (Date of Inception) to December 31, 2006 in conformity with accounting principles generally accepted in the United States.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has not generated any revenue, has a working capital deficiency, and has incurred significant operating losses since inception. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also discussed in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Manning Elliott LLP

CHARTERED ACCOUNTANTS

Vancouver, Canada

March 22, 2007

Lincoln Gold Corporation
(An Exploration Stage Company)
Consolidated Balance Sheets
(Expressed in U.S. dollars)

	December 31, 2006 \$	December 31, 2005 \$
ASSETS		
Current Assets		
Cash	21,961	132,806
Prepaid expenses and deposits	4,893	11,302
Total Current Assets	26,854	144,108
Property and Equipment (Note 3)	4,440	7,328
Total Assets	31,294	151,436
LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable	35,467	20,474
Accrued liabilities	14,990	12,097
Due to related parties (Note 5(b))	6,760	8,080
Note payable (Note 6)	100,000	100,000
Total Liabilities	157,217	140,651
Commitments and Contingencies (Note 1 and 4)		
Stockholders Equity (Deficit)		
Common Stock, 100,000,000 shares authorized, \$0.001 par value; 42,990,000 and 41,865,000 shares issued and outstanding, respectively		
	42,990	41,865
Additional Paid-in Capital	3,294,863	3,092,488
Common Stock Subscribed (Note 7(a))	73,333	-
Deficit Accumulated During the Exploration Stage	(3,537,109)	(3,123,568)
Total Stockholders Equity (Deficit)	(125,923)	10,785
Total Liabilities and Stockholders Equity (Deficit)	31,294	151,436

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(The accompanying notes are an integral part of these consolidated financial statements)

Lincoln Gold Corporation
(An Exploration Stage Company)
Consolidated Statements of Operations
(Expressed in U.S. dollars)

	Accumulated From September 25, 2003 (Date of Inception) to December 31, 2006 \$	Year Ended December 31, 2006 \$	Year Ended December 31, 2005 \$
Revenue	-	-	-
Expenses			
Depreciation	4,866	2,888	1,978
Foreign exchange loss	5,833	2,043	2,115
General and administrative (Note 5(a))	2,437,402	294,656	730,433
Impairment of mineral properties (Note 2(h))	65,000	10,000	55,000
Mineral exploration	899,504	95,852	529,017
Total Expenses	3,412,605	405,439	1,318,543
Loss From Operations	(3,412,605)	(405,439)	(1,318,543)
Other Income (Expense)			
Accounts payable written off	33,564	-	33,564
Interest income	11,005	2,591	8,414
Interest expense	(47,721)	(10,693)	(17,981)
	(3,152)	(8,102)	23,997
Net Loss	(3,415,757)	(413,541)	(1,294,546)
Net Loss Per Share Basic and Diluted		(0.01)	(0.03)
Weighted Average Shares Outstanding		42,366,000	41,079,000

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(The accompanying notes are an integral part of these consolidated financial statements)

Lincoln Gold Corporation
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
(Expressed in U.S. dollars)

	Accumulated From September 25, 2003 (Date of Inception) to December 31, 2006 \$	Year Ended December 31, 2006 \$	Year Ended December 31, 2005 \$
Operating Activities			
Net loss	(3,415,757)	(413,541)	(1,294,546)
Adjustments to reconcile net loss to net cash used in operating activities:			
Accounts payable written off	(33,564)	-	(33,564)
Depreciation	4,866	2,888	1,978
Impairment of mineral properties	65,000	10,000	55,000
Stock-based compensation	1,218,996	73,333	108,000
Changes in operating assets and liabilities:			
Prepaid expenses and deposits	(4,893)	6,409	(11,302)
Account payable and accrued liabilities	(18,349)	17,886	(47,130)
Due to related parties	6,760	(1,320)	(219)
Net Cash Used in Operating Activities	(2,176,941)	(304,345)	(1,221,783)
Investing Activities			
Cash acquired on acquisition of subsidiary	68	-	-
Mineral property acquisition costs	(55,000)	-	(55,000)
Purchase of property and equipment	(9,306)	-	(9,306)
Net Cash Flows Used in Investing Activities	(64,238)	-	(64,306)
Financing Activities			
Advances from related parties	4,180	-	-
Repayment of advances from related parties	(4,180)	-	(4,180)
Proceeds from loan payable	46,000	-	-
Repayment of loan payable	(46,000)	-	(46,000)
Issuance of note payable	100,000	-	(100,000)
Proceeds from issuance of common stock	2,226,850	215,000	1,483,500
Share issuance costs	(63,710)	(21,500)	(42,210)
Net Cash Flows Provided by Financing Activities	2,263,140	193,500	1,291,110
Increase (Decrease) in Cash	21,961	(110,845)	5,021
Cash Beginning of Period	-	132,806	127,785
Cash End of Period	21,961	21,961	132,806
Non-cash Investing and Financing Activities			
Shares issued for mineral property costs	10,000	10,000	-
Supplemental Disclosures			
Interest paid	35,000	-	35,000
Income tax paid	-	-	-

(The accompanying notes are an integral part of these consolidated financial statements)

Lincoln Gold Corporation

(An Exploration Stage Company)

Consolidated Statements of Stockholders Equity (Deficit)

For the period from September 25, 2003 (Date of Inception) to December 31, 2006

(Expressed in U.S. dollars)

	Common Stock		Stock	Additional	Common	Deficit	
	Number of	Amount	Subscriptions	Paid-in	Stock	Accumulated	Total
	Shares	\$	Receivable	Capital	Subscribed	During the	
			\$	\$	\$	Exploration	
						Stage	
						\$	\$
Balance							
September 25,							
2003 (Date of							
Inception)	-	-	-	-	-	-	-
Shares issued for							
cash at \$0.001 per							
share	850,000	850	-	-	-	-	850
Shares issued for							
cash at \$0.01 per							
share	1,550,000	1,550	-	13,950	-	-	15,500
Net loss for the							
period	-	-	-	-	-	(16,319)	(16,319)
Balance,	2,400,000	2,400	-	13,950	-	(16,319)	31
December 31,							
2003							
Adjustment to							
number of shares							
issued							
and outstanding							
as a result of the							
acquisition of							
Lincoln Gold							
Corp.:							
Remove							
shares of Lincoln							
Gold							
Corp.	(2,400,000)	(2,400)	-	2,400	-	-	-
Add shares of							
Lincoln Gold							
Corporation							
(formerly Braden							
Technologies	11,400,000	11,400	-	(11,400)	-	-	-
Inc.)							
Fair value of							
shares issued in							

connection with the acquisition of Lincoln Gold Corp.	24,000,000	24,000	-	(4,950)	-	(19,050)	-
Net asset deficiency of legal parent at date of reverse take-over transaction	-	-	-	-	-	(102,302)	(102,302)
Shares issued for cash at \$0.50 per share	700,000	700	-	349,300	-	-	350,000
Shares issued for cash at \$0.30 per share	2,300,000	2,300	(528,000)	687,700	-	-	162,000
Stock-based compensation	-	-	-	1,037,663	-	-	1,037,663
Net loss for the year	-	-	-	-	-	(1,691,351)	(1,691,351)
Balance, December 31, 2004	38,400,000	38,400	(528,000)	2,074,663	-	(1,829,022)	(243,959)
Proceeds from stock subscriptions receivable	-	-	528,000	-	-	-	528,000
Shares issued for cash at \$0.30 per share	3,145,000	3,145	-	940,355	-	-	943,500
Share issuance costs	-	-	-	(42,210)	-	-	(42,210)
Shares issued for cash at \$0.60 per share pursuant to the exercise of stock options	20,000	20	-	11,980	-	-	12,000
Shares issued for services at \$0.36 per							