

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For quarterly period ended **March 31, 2022**

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

Commission File Number **000-54653**



AUGUSTA GOLD CORP.

(Exact name of registrant as specified in its charter)

Delaware

41-2252162

(State or other jurisdiction of
incorporation or organization)

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

**Suite 555 - 999 Canada Place
Vancouver, BC, Canada**

V6C 3E1

(Address of principal executive offices)

(Zip Code)

(604) 687-1717

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None.

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 No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 71,196,272 shares of common stock, par value \$0.0001, were outstanding on May 9, 2022.

AUGUSTA GOLD CORP.

TABLE OF CONTENTS TO FORM 10-Q

<u>PART I. FINANCIAL INFORMATION</u>	1
ITEM 1 - CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)	
<u>ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	16
<u>ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES AND MARKET RISK</u>	20
<u>ITEM 4 - CONTROLS AND PROCEDURES</u>	20
<u>PART II. OTHER INFORMATION</u>	21
<u>ITEM 1 - LEGAL PROCEEDINGS</u>	21
<u>ITEM 1A - RISK FACTORS</u>	21
<u>ITEM 2 - UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>	21
<u>ITEM 3 - DEFAULTS UPON SENIOR SECURITIES</u>	21
<u>ITEM 4 - MINE SAFETY DISCLOSURES</u>	21
<u>ITEM 5 - OTHER INFORMATION</u>	21
<u>ITEM 6 - EXHIBITS</u>	21
<u>SIGNATURE</u>	22

PART I. FINANCIAL INFORMATION

AUGUSTA GOLD CORP.
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2022 AND DECEMBER 31, 2021
(Expressed in US dollars)

	<u>3/31/22</u>	<u>12/31/21</u>
Assets		
Current assets		
Cash	\$ 19,024,422	\$ 19,581,707
Prepaid	134,302	193,055
Deposits	7,028	7,028
Total current assets	<u>19,165,752</u>	<u>19,781,790</u>
Other assets		
Equipment, net	282,501	293,515
Mineral properties, net	12,198,388	12,077,511
Total other assets	<u>12,480,889</u>	<u>12,371,026</u>
Total assets	<u>\$ 31,646,641</u>	<u>\$ 32,152,816</u>
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities		
Accounts payable	\$ 461,408	\$ 284,047
Asset retirement obligation	1,039,786	968,000
Total current liabilities	<u>1,501,194</u>	<u>1,252,047</u>
Long term liabilities		
Asset retirement obligation, net of current	921,441	900,265
Warrant liability	7,966,950	7,760,757
Total long term liabilities	<u>8,888,391</u>	<u>8,661,022</u>
Total liabilities	10,389,585	9,913,069
Stockholders' equity		
Preferred stock, 250,000,000 shares authorized, \$0.0001 par value	0	0
Preferred stock series A, 5,000,000 shares designated and authorized, \$.0001 par value; zero issued and outstanding as of 3/31/22 and 12/31/21	0	0
Preferred stock series B, 45,000,000 shares designated and authorized, \$.0001 par value; issued and outstanding preferred stock series B shares convertible into 677,084 shares of common stock as of 3/31/22 and 12/31/21	67	67
Common stock, 750,000,000 shares authorized, \$.0001 par value; 70,519,188 shares issued and outstanding 3/31/22 and 12/31/21	7,052	7,052
Additional paid in capital	42,844,691	42,406,169
Accumulated deficit	<u>(21,594,754)</u>	<u>(20,173,541)</u>
Total stockholders' equity	<u>21,257,056</u>	<u>22,239,747</u>
Total liabilities and stockholders' equity	<u>\$ 31,646,641</u>	<u>\$ 32,152,816</u>

See accompanying notes to consolidated financial statements

AUGUSTA GOLD CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in US dollars)

	Three Months Ended	
	3/31/22	3/31/21
Operating expenses		
General and administrative	\$ 1,067,879	\$ 1,338,457
Exploration, evaluation and project expense	338,639	2,584,323
Accretion expense	7,099	4,940
Depreciation expense	11,014	8,066
Total operating expenses	<u>1,424,631</u>	<u>3,935,786</u>
Net operating loss	(1,424,631)	(3,935,786)
Revaluation of warrant liability	(206,193)	(7,007,886)
Foreign currency exchange gain	209,611	195,326
Net loss	<u>\$ (1,421,213)</u>	<u>\$ (10,748,346)</u>
Weighted average common shares outstanding – basic and diluted	<u>70,519,188</u>	<u>62,269,355</u>
Earnings (loss) per common share – basic and diluted	<u>\$ (0.02)</u>	<u>\$ (0.17)</u>

See accompanying notes to consolidated financial statements

AUGUSTA GOLD CORP.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in US dollars)

	Preferred Stock Shares Issued	Preferred Stock	Common Stock Shares Issued	Common Stock	Additional Paid In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
December 31, 2020	3,093,750	\$ 309	55,842,715	\$ 5,584	\$ 26,276,997	\$ (23,625,573)	2,657,317
Conversion of warrants	0	0	2,343,995	234	2,912,948	0	2,913,182
Conversion of preferred stock	(2,416,667)	(242)	2,416,667	242	0	0	0
Conversion of options	0	0	688,334	69	325,181	0	325,250
Stock based compensation	0	0	0	0	234,277	0	234,277
Placement - March	0	0	7,555,557	756	13,056,047	0	13,056,803
Warrant liability	0	0	0	0	(3,306,758)	0	(3,306,758)
Net loss	0	0	0	0	0	(10,748,346)	(10,748,346)
March 31, 2021	<u>677,083</u>	<u>\$ 67</u>	<u>68,847,268</u>	<u>\$ 6,885</u>	<u>\$ 39,498,692</u>	<u>\$ (34,373,919)</u>	<u>\$ 5,131,725</u>
December 31, 2021	677,084	\$ 67	70,519,188	\$ 7,052	\$ 42,406,169	\$ (20,173,541)	22,239,747
Stock based compensation	0	0	0	0	438,522	0	438,522
Net loss	0	0	0	0	0	(1,421,213)	(1,421,213)
March 31, 2022	<u>677,084</u>	<u>\$ 67</u>	<u>70,519,188</u>	<u>\$ 7,052</u>	<u>\$ 42,844,691</u>	<u>\$ (21,594,754)</u>	<u>\$ 21,257,056</u>

See accompanying notes to consolidated financial statements

AUGUSTA GOLD CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in US dollars)

	Three Months Ended	
	3/31/22	3/31/21
Cash flows from operating activities		
Net loss	\$ (1,421,213)	\$ (10,748,346)
Adjustments to reconcile net loss to net cash used in operating activities		
Accretion expense	7,099	4,940
Depreciation expense	11,014	8,066
Revaluation of warrant liability	206,193	7,007,886
Share based compensation	438,522	234,277
Change in operating assets and liabilities:		
Prepaid expenses	58,753	113,167
Deposits	0	249,961
Accounts payable	177,361	366,309
Asset retirement obligation	(35,014)	(47,466)
Net cash used in operating activities	(557,285)	(2,811,206)
Cash flows from investing activity		
Acquisition of mineral properties	0	(176,878)
Acquisition of equipment	0	(135,701)
Net cash used in investing activities	0	(312,579)
Cash flows from financing activities		
Proceeds from private placement of stock	0	13,056,803
Proceeds from conversion of options	0	325,250
Proceeds from conversion of warrants	0	1,777,874
Net cash provided by financing activities	0	15,159,927
Net increase (decrease) in cash	(557,285)	12,036,142
Cash, beginning of period	19,581,707	14,341,727
Cash, end of period	<u>\$ 19,024,422</u>	<u>\$ 26,377,869</u>
Noncash investing and financing activities		
Interest and taxes paid	\$ 0	\$ 0
Revaluation of asset retirement obligation	\$ 120,877	\$ 631,702

See accompanying notes to consolidated financial statements

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Augusta Gold Corp. (formerly known as Bullfrog Gold Corp., the “Company”) is a junior exploration company engaged in the acquisition and exploration of properties that may contain gold, silver, and other metals in the United States. The Company’s target properties are those that have been the subject of historical exploration. The Company owns, controls or has acquired mineral rights on Federal patented and unpatented mining claims in the state of Nevada for the purpose of exploration and potential development of gold, silver, and other metals. The Company plans to review opportunities and acquire additional mineral properties with current or historic precious and base metal mineralization with meaningful exploration potential.

The Company’s properties do not have any reserves. The Company plans to conduct exploration and engineering evaluation programs on these properties with the objective of ascertaining whether any of its properties contain economic concentrations of precious and base metals that are prospective for mining.

Basis of Presentation and Statement of Compliance

The accompanying consolidated financial statements (the “consolidated financial statements”), have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Basis of Measurement

These consolidated financial statements have been prepared on the going concern basis, under the historical cost convention, except for certain financial instruments that are measured at fair value as described herein.

Principles of Consolidation

The consolidated financial statements include the accounts of Augusta Gold Corp. and its wholly owned subsidiaries, Standard Gold Corp. (“Standard Gold”), Bullfrog Mines LLC (“Bullfrog Mines”) and Rocky Mountain Minerals Corp. (“Rocky Mountain Minerals” or “RMM”). All significant inter-entity balances and transactions have been eliminated in consolidation.

Cash, Cash Equivalents and Concentration

The Company considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. The Company places its cash with high credit quality financial institutions in the United States and Canada. On March 31, 2022, the Company’s cash balance was approximately \$19,024,000. To reduce its risk associated with the failure of such financial institution, the Company will evaluate, as needed, the rating of the financial institution in which it holds deposits.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates have been made for share based compensation, asset retirement obligation, warrant liability and whether acquisition of Bullfrog Mines constituted an asset acquisition or business combination.

Foreign Currency Translation

The Company is exposed to currency risk on transactions and balances in currencies other than the functional currency. The Company has not entered any contracts to manage foreign exchange risk.

The functional currency of the Company and its subsidiaries is the US dollar; therefore, the Company is exposed to currency risk from financial assets and liabilities denominated in Canadian dollars.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 15 years. Additions, renewals, and betterments that significantly extend the life of the asset are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation and amortization are removed from the accounts, and any related gain or loss is reflected in income for the period.

Leases

The Company has adopted Financial Accounting Standards Board (FASB) ASU 2016-02, Leases (Topic 842), for reporting leases. Leases of 12 months or less will be accounted for similar to existing guidance for operating leases. For leases with a lease term greater than one year, the Company recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding lease obligation.

Mineral Property Acquisition and Exploration Costs

Mineral property exploration costs are expensed as incurred until economic reserves are quantified. To date, the Company has not established any proven or probable reserves on its mineral properties. Costs of lease, exploration, carrying and retaining unproven mineral lease properties are expensed as incurred. The Company has chosen to expense all mineral exploration costs as incurred given that it is still in the exploration stage. Once the Company has identified proven and probable reserves in its investigation of its properties and upon development of a plan for operating a mine, it would enter the development stage and capitalize future costs until production is established. When a property reaches the production stage, the related capitalized costs will be amortized over the estimated life of the probable-proven reserves. When the Company has capitalized mineral properties, these properties will be periodically assessed for impairment of value and any diminution in value. To date, the Company has not established the commercial feasibility of any exploration prospects; therefore, all exploration costs are being expensed. Costs of property and equipment acquisitions are being capitalized.

The Company is required to reclaim the property at the Bullfrog Project at the end of its useful life. In accordance with FASB ASC 410-20, Asset Retirement and Environmental Obligations, the Company recognized the fair value of a liability for an ARO in the amount of \$1,961,227. During the period ended March 31, 2022, we incurred certain costs related to the ARO estimate that has an effect on the accretion and estimated costs.

	2022	2021
Balance, January 1	\$ 1,868,265	\$ 1,135,700
Accretion	7,099	4,940
Costs applied to ARO balance	(35,014)	(47,466)
Change in estimates	120,877	631,702
Balance, March 31 (current)	<u>\$ 1,039,786</u>	<u>\$ 0</u>
Balance, March 31 (long term)	<u>\$ 921,441</u>	<u>\$ 1,724,876</u>
Life of mine	2028	2028
Discount rate	2.4%	1.7%
Inflation rate	<u>2.0%</u>	<u>1.8%</u>

Although the ultimate amounts for future site reclamation and remediation are uncertain, the best estimate of these obligations was based on information available, including current legislation, third-party estimates, and management estimates. The amounts and timing of the mine closure obligations will vary depending on several factors including future operations and the ultimate life of the mine, future economic conditions, and changes in applicable environmental regulations.

At March 31, 2022, the estimated future cash flows have been determined using real cash flows and discounted using a rate of 2.4% and a total undiscounted amount for the estimated future cash flows is \$2,042,046.

Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair value:

Level 1 - Valuation based on quoted market prices in active markets for identical assets and liabilities.

Level 2 - Valuation based on quoted market prices for similar assets and liabilities in active markets.

Level 3 - Valuation based on unobservable inputs that are supported by little or no market activity, therefore requiring management's best estimate of what market participants would use as fair value.

The fair value of cash, deposits and accounts payable approximates their carrying values due to their short term to maturity. The warrant liabilities are measured using level 3 inputs (Note 4).

Income Taxes

Income taxes are accounted for under the asset and liability method in accordance with ASC 740, "Income Taxes". Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial carrying amounts of existing assets and liabilities and their respective tax bases as well as operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance to the extent that the recoverability of the asset is unlikely to be recognized.

The Company reports a liability, if any, for unrecognized tax benefits resulting from uncertain tax positions taken, or expected to be taken, in an income tax return. The Company has elected to classify interest and penalties related to unrecognized income tax benefits, if and when required, as part of income tax expense in the statement of operations. No liability has been recorded for uncertain income tax positions, or related interest or penalties as of December 31, 2021 and December 31, 2020. The periods ended December 31, 2021, 2020, 2019, 2018 and 2017 are open to examination by taxing authorities.

Long Lived Assets

The Company assesses the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. When the Company determines that the carrying value of long-lived assets may not be recoverable based upon the existence of one or more indicators of impairment and the carrying value of the asset cannot be recovered from projected undiscounted cash flows, the Company records an impairment charge. The Company measures any impairment based on a projected discounted cash flow method using a discount rate determined by management to be commensurate with the risk inherent in the current business model. Significant management judgment is required in determining whether an indicator of impairment exists and in projecting cash flows.

Preferred Stock

The Company accounts for its preferred stock under the provisions of the ASC on Distinguishing Liabilities from Equity, which sets forth the standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. This standard requires an issuer to classify a financial instrument that is within the scope of the standard as a liability if such financial instrument embodies an unconditional obligation to redeem the instrument at a specified date and/or upon an event certain to occur. The Company has determined that its preferred stock does not meet the criteria requiring liability classification as its obligation to redeem these instruments is not based on an event certain to occur. Future changes in the certainty of the Company's obligation to redeem these instruments could result in a change in classification.

Stock-Based Compensation

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment Topic of ASC 718 which requires recognition in the consolidated financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). This ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

The estimated fair value of each stock option as of the date of grant was calculated using the Black-Scholes pricing model. The Company estimates the volatility of its common stock at the date of grant based on Company stock price history. The Company determines the expected life based on the simplified method given that its own historical share option exercise experience does not provide a reasonable basis for estimating expected term. The Company uses the risk-free interest rate on the implied yield currently available on U.S. Treasury issues with an equivalent remaining term approximately equal to the expected life of the award. The Company has never paid any cash dividends on its common stock and does not anticipate paying any cash dividends in the foreseeable future. The shares of common stock subject to the stock-based compensation plan shall consist of unissued shares, treasury shares or previously issued shares held by any subsidiary of the Company, and such number of shares of common stock are reserved for such purpose.

Derivative Financial Instruments

The Company accounts for derivative instruments in accordance with Financial Accounting Standards Board (“FASB”) ASC 815, Derivatives and Hedging (“ASC 815”), which requires additional disclosures about the Company’s objectives and strategies for using derivative instruments, how the derivative instruments and related hedged items are accounted for, and how the derivative instruments and related hedging items affect the financial statements. The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risk. Terms of convertible debt and equity instruments are reviewed to determine whether or not they contain embedded derivative instruments that are required under ASC 815 to be accounted for separately from the host contract and recorded on the balance sheet at fair value. The fair value of derivative liabilities, if any, is required to be revalued at each reporting date, with corresponding changes in fair value recorded in current period operating results. Pursuant to ASC 815, an evaluation of specifically identified conditions is made to determine whether the fair value of warrants issued is required to be classified as equity or as a derivative liability.

Certain warrants are treated as derivative financial liabilities. The estimated fair value, based on the Black-Scholes model, is adjusted on a quarterly basis with gains or losses recognized in the statement of loss and comprehensive loss. The Black-Scholes model is based on significant assumptions such as volatility, dividend yield, expected term and liquidity discounts

Earnings (Loss) per Common Share

The Company incurred net losses during the three months ended March 31, 2022 and 2021. As such, the Company excluded the following from computation as the effect would be anti-dilutive:

	<u>3/31/2022</u>	<u>3/31/2021</u>
Options	4,800,002	6,050,000
Warrants	31,211,119	33,099,098
Preferred shares	677,084	677,084
Total	<u>36,688,205</u>	<u>39,826,182</u>

Risks and Uncertainties

Since the formation of the Company, it has not generated any revenues. As an early-stage company, the Company is subject to all the risks inherent in the initial organization, financing, expenditures, complications and delays inherent in a new business. Our business is dependent upon the implementation of our business plan. There can be no assurance that our efforts will be successful or that we will ultimately be able to generate revenue or attain profitability.

Natural resource exploration, and exploring for gold, is a business that by its nature is very speculative. There is a strong possibility that we will not discover gold or any other mineralization which can be mined or extracted at a profit. Even if we do discover gold or other deposits, the deposit may not be of the quality or size necessary for us or a potential purchaser of the property to make a profit from mining it. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected geological formations, geological formation pressures, fires, power outages, labor disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labor are just some of the many risks involved in mineral exploration programs and the subsequent development of gold deposits.

The Company business is exploring for gold and other minerals. If the Company discovers commercially exploitable gold or other deposits, revenue from such discoveries will not be generated unless the gold or other minerals are actually mined.

Mining operations in the United States are subject to many different federal, state, and local laws and regulations, including stringent environmental, health and safety laws. In the event operational responsibility is assumed for mining our properties, the Company may be unable to comply with current or future laws and regulations, which can change at any time. Changes to these laws may adversely affect any of the Company potential mining operations. Moreover, compliance with such laws may cause substantial delays and require capital outlays greater than those the Company anticipate, adversely affecting any potential mining operations. Future mining operations, if any, may also be subject to liability for pollution or other environmental damage. The Company may choose to not be insured against this risk because of high insurance costs or other reasons.

The Company's exploration and development activities may be affected by existing or threatened medical pandemics, such as the novel coronavirus (COVID-19). A government may impose strict emergency measures in response to the threat or existence of an infectious disease, such as the emergency measures imposed by governments of many countries and states in response to the COVID-19 virus pandemic. As such, there are potentially significant economic and social impacts of infectious diseases, including but not limited to the inability of the Company to develop and operate as intended, shortage of skilled employees or labor unrest, inability to access sufficient healthcare, significant social upheavals or unrest, disruption to operations, supply chain shortages or delays, travel and trade restrictions, government or regulatory actions or inactions (including but not limited to, changes in taxation or policies, or delays in permitting or approvals, or mandated shut downs), declines in the price of precious metals, capital markets volatility, availability of credit, loss of investor confidence and impact on economic activity in affected countries or regions. In addition, such pandemics or diseases represent a serious threat to maintaining a skilled workforce in the mining industry and could be a major health-care challenge for the Company. There can be no assurance that the Company or the Company's personnel will not be impacted by these pandemic diseases and the Company may ultimately see its workforce productivity reduced or incur increased medical costs/insurance premiums as a result of these health risks. COVID-19 is rapidly evolving and the effects on the mining industry and the Company are uncertain. The Company may not be able to accurately predict the impact of infectious disease, including COVID-19, or the quantum of such risks. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by pandemics on global financial markets, which may reduce resources, share prices and financial liquidity and may severely limit the financing capital available to the Company.

Recent Accounting Pronouncements

The Company is not aware of any recent accounting pronouncements expected to have a material impact on the consolidated financial statements.

NOTE 2 - MINERAL PROPERTIES AND EQUIPMENT

	<u>Mineral properties</u>	<u>Plant and equipment</u>	<u>Total</u>
Cost			
As of December 31, 2020	\$ 11,130,976	\$ 25,625	\$ 11,156,601
Change in ARO estimate	866,638	0	866,638
Additions	79,897	312,579	392,476
As of December 31, 2021	12,077,511	338,204	12,415,715
Change in ARO estimate	120,877	0	120,877
Additions	0	0	0
As of March 31, 2022	<u>\$ 12,198,388</u>	<u>\$ 338,204</u>	<u>\$ 12,536,592</u>
Accumulated depreciation			
As of December 31, 2020	\$ 0	\$ 632	\$ 632
Depreciation expense	0	44,057	44,057
As of December 31, 2021	0	44,689	44,689
Depreciation expense	0	11,014	11,014
As of March 31, 2022	<u>\$ 0</u>	<u>\$ 55,703</u>	<u>\$ 55,703</u>
Net book value on March 31, 2022	<u>\$ 12,198,388</u>	<u>\$ 282,501</u>	<u>\$ 12,480,889</u>

On October 26, 2020, the Company completed its acquisition of Bullfrog Mines pursuant to the Membership Interest Purchase Agreement (the “MIPA”) among the Company, Homestake Mining Company of California (“Homestake”), and Lac Minerals (USA) LLC (“Lac Minerals” and together with Homestake, the “Barrick Parties”).

Pursuant to the MIPA, the Company purchased from the Barrick Parties all of the equity interests in Bullfrog Mines LLC for aggregate consideration of (i) 9,100,000 units of the Company, each unit consisting of one share of common stock of the Company and one four-year warrant purchase one share of common stock of the Company at an exercise price of C\$1.80 (such number of units and exercise price are set out on a pre Reverse Stock Split basis), (ii) a 2% net smelter returns royalty (the “Barrick Royalty”) granted on all minerals produced from all of the patented and unpatented claims (subject to the adjustments set out below), pursuant to a royalty deed, dated October 26, 2020 by and among Bullfrog Mines and the Barrick Parties (the “Royalty Deed”), (iii) the Company granting indemnification to the Barrick Parties pursuant to an indemnity deed, dated October 26, 2020 by and among the Company, the Barrick Parties and Bullfrog Mines, and (iv) certain investor rights, including anti-dilution rights, pursuant to the investor rights agreement dated October 26, 2020, among the Company, Augusta Investments Inc., and Barrick Gold Corporation.

Pursuant to the Royalty Deed, the Barrick Royalty is reduced to the extent necessary so that royalties burdening any individual parcel or claim included in the Barrick Properties on October 26, 2020, inclusive of the Barrick Royalty, would not exceed 5.5% in the aggregate, provided that the Barrick Royalty in respect of any parcel or claim would not be less than 0.5%, even if the royalties burdening a parcel or claim included in the Barrick Properties would exceed 5.5%.

The following is the consideration paid in the acquisition, which was allocated entirely to mineral properties:

Consideration:

Grant date fair value of 9,100,000 units issued	\$ 8,342,880
Transaction fees	97,571
Asset retirement obligation	1,130,631
Total	\$ 9,571,082

NOTE 3 - STOCKHOLDER’S EQUITY

On January 11, 2021, the Company filed a Certificate of Amendment to its Certificate of Incorporation to change the name of the Company to “Augusta Gold Corp.” and effect a reverse stock split of the Company’s shares of common stock on the basis of one (1) post-split share for every six (6) pre-split shares (the “Reverse Stock Split”).

On January 26, 2021, the Certificate of Amendment went effective. As a result of the Reverse Stock Split, every six (6) shares of the Company’s issued and outstanding common stock, par value \$0.0001 was converted into one (1) share of common stock, par value \$0.0001. There was no change in the par value of the common stock. The Reverse Stock Split did not change the authorized number of shares of common stock or preferred stock of the Company.

No fractional shares were issued in connection with the Reverse Stock Split. Stockholders who otherwise would be entitled to receive fractional shares because they hold a number of pre-Reverse Stock Split shares of the Company’s common stock not evenly divisible by six (6), had the number of post-Reverse Split Shares of the Company’s common stock to which they were entitled rounded up to the next whole number of shares of the Company’s common stock. No stockholders received cash in lieu of fractional shares.

All share information has been retrospectively restated for the Reverse Stock Split.

Pursuant to the terms of the Company’s Series B Convertible Preferred Stock (the “Series B Preferred Shares”), the conversion price/terms at which Series B Preferred Shares may be converted into shares of common stock were proportionately adjusted to reflect the Reverse Stock Split by dividing the number of pre-Reverse Stock Split shares acquirable upon conversion of Series B Preferred Shares by six (6). In addition, pursuant to their terms, a proportionate adjustment was made to the per share exercise price, multiplying the price by six (6), and number of shares issuable, dividing the number of shares issuable by six (6), under all of the Company’s outstanding stock options and warrants to purchase shares of common stock, and the number of shares reserved for issuance pursuant to the Company’s equity compensation plans was reduced proportionately.

Recent Sales of Unregistered Securities

On March 4, 2021, the Company closed a private placement (the “Private Placement”) of units of the Company (the “Units”) at a price of C\$2.25 per Unit (“Offering Price”), each Unit comprised of one share of common stock of the Company (a “Unit Share”) and one half of one common stock purchase warrant (each full warrant, a “Warrant”). Each Warrant entitles the holder to acquire one share of common stock (a “Warrant Share”) at an exercise price of C\$2.80 per Warrant Share for a period of three (3) years from the date of issuance.

Pursuant to the Private Placement, the Company issued 7,555,557 Unit Shares and 3,777,784 Warrants for gross aggregate proceeds of C\$17 million. Finders’ fees of C\$450,000 were paid in connection with the Private Placement.

In addition to the above, the Company issued the following common shares for the twelve months ending December 31, 2021:

Options converted to common shares

Date	Shares	Price
January-21	295,833	\$ 0.15
January-21	333,334	\$ 0.82
February-21	59,167	\$ 0.15

Warrants converted to common shares

Date	Shares	Price
January-21	387,467	CAD \$ 1.20
January-21	266,685	\$ 0.60
January-21	83,333	\$ 0.90
February-21	573,174	CAD \$ 1.20
February-21	941,669	\$ 0.60
March-21	41,667	CAD \$ 1.20
March-21	50,000	\$ 0.60
April-21	41,667	CAD \$ 1.20
April-21	312,501	\$ 0.90
May-21	41,667	CAD \$ 1.20
May-21	1,229,167	\$ 0.90
October-21	6,500	CAD \$ 1.20
December-21	40,418	CAD \$ 1.20

Preferred shares converted to common shares

Date	Shares
January-21	2,416,667

Convertible Preferred Stock

In August 2011, the Board of Directors designated 5,000,000 shares of Preferred Stock as Series A Preferred Stock. Each share of Series A Preferred Stock is convertible into one share of common stock at the option of the preferred holder. The Series A Preferred Stock is not entitled to receive dividends and does not possess redemption rights. The Company is prohibited from effecting the conversion of the Series A Preferred Stock to the extent that, as a result of the conversion, the holder of such shares would beneficially own more than 4.99% (or, if this limitation is waived by the holder upon no less than 61 days prior notice to us, 9.99%) in the aggregate of the issued and outstanding shares of our common stock. The holders of the Company’s Series A Preferred Stock are also entitled to certain liquidation preferences upon the liquidation, dissolution or winding up of the business of the Company.

In October 2012, the Board of Directors designated 5,000,000 shares of Preferred Stock as Series B Preferred Stock. In July 2016, the Board of Directors increased the total Series B Preferred Stock designated to 7,500,000. Each share of Series B Preferred Stock is convertible into one share of common stock at the option of the preferred holder. The Series B Preferred Stock is not entitled to receive dividends and does not possess redemption rights. The Company is prohibited from effecting the conversion of the Series B Preferred Stock to the extent that, as a result of the conversion, the holder of such shares would beneficially own more than 4.99% (which may be increased or waived upon no less than 61 days prior notice) in the aggregate of the issued and outstanding shares of our common stock. For a period of 24 months from the issue date, the holder of Series B Preferred Stock were entitled to price protection as determined in the subscription agreement. The Company has evaluated this embedded lower price issuance feature in accordance with ASC 815 and determined that it is clearly and closely related to the host contract and is therefore accounted for as an equity instrument.

As of March 31, 2022, the Company had outstanding shares of Series B Preferred Stock convertible into 677,084 shares of common stock.

Common Stock Options

On February 22, 2021, the Company's Board of Directors approved a new stock option plan (the "Plan"). The aggregate number of shares of common stock of the Company (a "Share") that may be reserved for issuance pursuant to the Plan shall not exceed 10% of the number of Shares issued and outstanding from time to time.

The Company granted 4,075,000 options to officers and employees of the Company, pursuant to the terms of the Company's Stock Option Plan. The Black Scholes option pricing model was used to estimate the aggregate fair value of the February 2021 officers and employees' options of \$4,440,080 with the following inputs:

Options	Exercise Price	Expected Life	Volatility	Risk Free Interest Rate
4,075,000	C\$ 3.00	3.5 years	70.1%	0.22%

The Company granted 1,750,000 options to directors of the Company, pursuant to the terms of the Company's Stock Option Plan. The Black Scholes option pricing model was used to estimate the aggregate fair value of the February 2021 directors' options of \$1,874,166 with the following inputs:

Options	Exercise Price	Expected Life	Volatility	Risk Free Interest Rate
1,750,000	C\$ 3.00	3.25 years	71.4%	0.22%

The Company granted 500,000 options to an officer of the Company, pursuant to the terms of the Company's Stock Option Plan. The Black Scholes option pricing model was used to estimate the aggregate fair value of the August 2021 options of \$209,961 with the following inputs:

Options	Exercise Price	Expected Life	Volatility	Risk Free Interest Rate
500,000	C\$ 3.00	3.5 years	68.8%	0.40%

For the three months ended March 31, 2022, the Company recognized share-based compensation expense related to the stock options of \$438,522. The options are vested based on years of service, with certain options vested after two years and other options vested after three years.

A summary of the stock options as of March 31, 2022, and changes during the periods are presented below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Balance at December 31, 2020	913,336	0.57	6.26	1,286,650
Exercised	688,334	0.47	0	0
Issued	6,325,000	C\$ 3.00	0	0
Canceled	1,750,000	C\$ 3.00	0	0
Balance at December 31, 2021	4,800,002	2.30	4.36	29,817
Exercised	0	0.00	0	0
Issued	0	0.00	0	0
Canceled	0	0.00	0	0
Balance at March 31, 2022	4,800,002	2.33	4.11	29,817
Options exercisable at March 31, 2022	1,875,002	2.22	4.30	29,817

Total outstanding warrants of 31,211,119 as of March 31, 2022 were as follows:

	Warrants Issued			Total
Warrants issued	1,434,522	27,433,335	3,777,784	32,645,641
Issued date	1/16/2020	10/26/2020	3/4/2021	
Expiration date	1/15/2022	10/26/2024	3/4/2024	
Exercise price (Canadian \$)	C\$ 1.20	C\$ 1.80	C\$ 2.80	
Balance at December 31, 2021	216,076	27,433,335	3,777,784	31,427,195
Exercised	0	0	0	0
Issued	0	0	0	0
Expired	216,076	0	0	216,076
Balance at March 31, 2022	0	27,433,335	3,777,784	31,211,119

NOTE 4 - DERIVATIVE FINANCIAL INSTRUMENTS

The October 2020 Warrants and March 2021 Warrants have an exercise price in Canadian dollars while the Company's functional currency is US dollars. Therefore, in accordance with ASU 815 - Derivatives and Hedging, the October 2020 Warrants and March 2021 Warrants have a derivative liability value.

The value of the October 2020 Warrants of \$11,439,156 has been calculated on the date of issuance of October 26, 2020 using Black-Scholes valuation technique. For the three months ending March 31, 2022 the warrant liability was valued at \$7,287,540 with the following assumptions:

	10/26/20	12/31/21	3/31/22
Fair market value of common stock	\$ 1.26	\$ 0.95	\$ 0.97
Exercise price	\$ 1.38	\$ 1.42	\$ 1.44
Term	4 years	2.8 years	2.6 years
Volatility range	68.4%	78.8%	82.1%
Risk-free rate	0.18%	0.97%	2.45%

The value of the March 2021 Warrants of \$3,306,758 has been calculated on the date of issuance of March 4, 2021 using Black-Scholes valuation technique. For the three months ending March 31, 2022 the warrant liability was valued at \$679,410 with the following assumptions:

	3/4/21	12/31/21	3/31/22
Fair market value of common stock	\$ 1.97	\$ 0.95	\$ 0.97
Exercise price	\$ 2.21	\$ 2.22	\$ 2.24
Term	3 years	2.2 years	1.9 years
Volatility range	72.7%	81.8%	75.4%
Risk-free rate	0.32%	0.73%	2.28%

NOTE 5 - RELATED PARTY

On October 26, 2020, the Company entered an arrangement to share office space, equipment, personnel, consultants and various administrative services with other companies related by virtue of certain directors and management in common. These services have been provided through a management company equally owned by each company party to the arrangement. Costs incurred by the management company are allocated and funded by the shareholders of the management company based on time incurred and use of services. If the Company's participation in the arrangement is terminated, the Company will be obligated to pay its share of the rent payments for the remaining term of the office space rental agreement.

The Company was charged for the following with respect to this arrangement for the three months ended March 31, 2022 and 2021:

	Three Months Ended	
	3/31/2022	3/31/2021
Salaries and benefits	\$ 88,257	\$ 376,321
Office	10,840	76,379
Operating expenses	7,920	66,227
Total	<u>\$ 107,017</u>	<u>\$ 518,927</u>

The Company is committed to payments for office leases premises through 2024 in the total amount of approximately \$160,000 based on the Company's current share of rent paid. The Company is jointly liable for rent payments and uses the assets jointly. Payments by fiscal year are:

2022	\$ 56,466
2023	56,466
2024	47,055
Total	<u>\$ 159,987</u>

For the three months ended March 31, 2022, the Company recognized share-based payments expense to related parties of \$438,522 and for the three months ended March 31, 2021 of \$234,277.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

On July 1, 2017, RMM entered a 30-year Mineral Lease (the "Lunar Lease") with Lunar Landing, LLC ("Lunar") involving 24 patented mining claims situated in the Bullfrog Mining District, Nye County, Nevada. Lunar owns a 100% undivided interest in the mining claims.

Under the Lunar Lease, RMM shall expend as minimum work commitments of \$50,000 per year starting in 2017 until a cumulative of \$500,000 of expense has been incurred. If RMM fails to perform its obligations under the Lunar Lease, and in particular fails to make any payment due to Lunar thereunder, Lunar may declare RMM in default by giving RMM written notice of default which specifies the obligation(s) which RMM has failed to perform. If RMM fails to remedy a default in payment within fifteen (15) days of receiving the notice of default or fails to remedy or commence to remedy any other default within thirty (30) days of receiving notice, Lunar may terminate the Lunar Lease and RMM shall peaceably surrender possession of the properties to Lunar. Notice of default or of termination shall be in writing and served in accordance with the Lunar Lease. RMM has made all required payments and has paid Lunar \$90,000 as of March 31, 2022 and makes lease payments on the following schedule:

Years Ending December 31	Annual Lease Payment (\$)
2019-2022	16,000
2023-2027	21,000
2028-2032	25,000
2033-2037	30,000
2038-2042	40,000
2043-2047	45,000

On October 29, 2014, RMM entered into an Option Agreement (the "Mojave Option") with Mojave Gold Mining Corporation ("Mojave"). Mojave holds the purchase rights to 100% of 12 patented mining claims located in Nye County, Nevada. This property is contiguous to the Company's Bullfrog Project and covers approximately 156 acres, including the northeast half of the M-S pit mined by Barrick Gold in the 1990s.

Mojave granted to RMM the sole and immediate working right and option with respect to the property until the 10th anniversary of the closing date, to earn a 100% interest in and to the property free and clear of all charges encumbrances and claims, except a sliding scale Net smelter return (or NSR) royalty.

In order to maintain in force, the working right and option granted to RMM, and to exercise the Mojave Option, the Company issued Mojave 750,000 shares of Company common stock and paid \$16,000 in October 2014, and RMM must pay to Mojave a total of \$190,000 over the next 10 years of which the Company has made all required payments and paid \$130,000 as of March 31, 2022. Future payments will be due as follows:

Payment due October	Annual Payment
2022	\$ 30,000
2023	\$ 30,000

On March 23, 2015, Rocky Mountain Minerals Corp. a wholly owned subsidiary of the Company, entered into a Mineral Lease and Option to Purchase Agreement with Barrick Bullfrog Inc. involving patented mining claims, unpatented mining claims, and mill site claims located approximately four miles west of Beatty, Nevada. As discussed in note 2, this agreement was terminated and replaced with the aforementioned MIPA.

On December 9, 2020, Bullfrog Mines entered into an option agreement with Abitibi Royalties (USA) Inc. (“Abitibi”) granting Bullfrog Mines the option (the Abitibi Option) to acquire forty-three unpatented lode mining claims to the south of the Bullfrog deposit. Bullfrog Mines made an initial and second annual payment to Abitibi of C\$25,000 and C\$50,000 and can exercise the Abitibi Option by:

- Paying to Abitibi C\$75,000 in cash or shares of Company common stock by December 9, 2022; and
- Granting to Abitibi a 2% net smelter royalty on the claims subject to the Abitibi Option by December 9, 2022, of which Bullfrog Mines would have the option to purchase 0.5% for C\$500,000 on or before December 9, 2030.

In order to exercise the Abitibi Option, Bullfrog Mines is also required to keep the underlying claims in good standing.

The Company is from time to time involved in various legal proceedings related to its business. Except as disclosed here in, management does not believe that adverse decisions in any pending or threatened proceedings or that amounts that may be required to be paid by reason thereof will have a material adverse effect on the Company’s financial condition or results of operations.

NOTE 7 - SUBSEQUENT EVENTS

The Company announced on April 21, 2022 that it has entered into an agreement to acquire the Reward Project, located just seven miles from the Company’s Bullfrog Project in Nevada. The Company will purchase the Reward Project from Waterton Nevada Splitter LLC (“Waterton”) for the following consideration:

- \$12.5M cash paid on closing of the Transaction (“Closing”) with cash on hand;
- \$15.0M comprised of 7,800,000 Augusta Gold shares paid on Closing with the remaining payable at the time of Augusta Gold’s next equity financing, in cash or Augusta Gold shares, provided the additional amount of shares does not result in Waterton owning more than 9.99% of Augusta Gold’s issued and outstanding shares; and
- \$17.5M cash paid within 90 days of Closing (the “Deferred Payment”), which is backstopped by the Company’s Executive Chairman and significant shareholder, Mr. Richard Warke.

Closing of the Transaction is subject to several conditions, including receipt of all required regulatory approvals.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements in this Management's Discussion and Analysis ("MD&A"), other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements". Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "would," "expect," "intend," "could," "estimate," "should," "anticipate," or "believe," and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable law. Readers should carefully review the risk factors and related notes included under Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the Securities and Exchange Commission on March 17, 2022.

The following MD&A is intended to help readers understand the results of our operation and financial condition, and is provided as a supplement to, and should be read in conjunction with, our Interim Unaudited Financial Statements and the accompanying Notes to Interim Unaudited Financial Statements under Part 1, Item 1 of this Quarterly Report on Form 10-Q.

Unless otherwise indicated or unless the context otherwise requires, all references in this document to "we," "us," "our," the "Company," and similar expressions refer to Augusta Gold Corp., and depending on the context, its subsidiaries.

Company History and Recent Events

General Corporate Overview

Augusta Gold is an exploration stage gold company focused on building a long-term business that delivers stakeholder value through developing the Company's Bullfrog Gold Project and pursuing accretive merger and acquisition opportunities. We are focused on exploration and advancement of gold exploration and potential development projects, which may lead to gold production or strategic transactions such as joint venture arrangements with other mining companies or sales of assets for cash and/or other consideration. At present we are in the exploration stage and do not mine, produce or sell any mineral products and we do not currently generate cash flows from mining operations.

The Bullfrog Gold Project is located approximately 120 miles north-west of Las Vegas, Nevada and 4 miles west of Beatty, Nevada. The Company owns, controls or has acquired mineral rights on federal patented and unpatented mining claims in the State of Nevada for the purpose of exploration and potential development of gold, silver, and other metals. The Company plans to review opportunities and acquire additional mineral properties with current or historic precious and base metal mineralization with meaningful exploration potential.

The Company is led by a management team and board of directors with a proven track record of success in financing and developing mining assets and delivering shareholder value.

Recent Development of the Business

On October 9, 2020, the Company entered into a membership interest purchase agreement (the "MIPA") among the Company, Homestake Mining Company of California ("Homestake"), and Lac Minerals (USA) LLC ("Lac Minerals" and together with Homestake, the "Barrick Parties").

Pursuant to the MIPA, the Company agreed to purchase from the Barrick Parties, and the Barrick Parties agreed to sell to the Company, all of the equity interests (the "Equity Interests") in Bullfrog Mines LLC ("Bullfrog Mines"), the successor by conversion of Barrick Bullfrog Inc. (the "Acquisition Transaction").

The Acquisition Transaction closed on October 26, 2020. Through the Company's acquisition of the Equity Interests, the Company acquired rights to 1,500 acres of land adjoining the Company's Bullfrog Gold deposit.

Following closing of the Acquisition Transaction, the Company's board and management was reconstituted to include Maryse Belanger as President, CEO and director, and Messrs. Donald Taylor and Daniel Earle as directors of the Company joining Mr. David Beling as the sole pre-existing Company director.

On January 7, 2021, the Company announced the appointment of Mr. Richard Warke, Ms. Poonam Puri and Mr. John Boehner as directors of the Company, the resignation of Mr. David Beling as a director of the Company, and the appointments of new members of management. On January 20, 2021, the Company announced the appointment of Mr. Len Boggio as a director of the Company.

On April 13, 2021, the Company announced the appointment of Mr. Donald Taylor as President and Chief Executive Officer of the Company and the resignation of Maryse Belanger as President, Chief Executive Officer and a director.

Results of Operations

Three Months Ended March 31, 2022 and 2021

	Three Months Ended	
	3/31/22	3/31/21
Operating expenses		
General and administrative	\$ 1,067,879	\$ 1,338,457
Exploration, evaluation and project expense	338,639	2,584,323
Accretion expense	7,099	4,940
Depreciation expense	11,014	8,066
Total operating expenses	<u>1,424,631</u>	<u>3,935,786</u>
Net operating loss	(1,424,631)	(3,935,786)
Revaluation of warrant liability	(206,193)	(7,007,886)
Foreign currency exchange gain	209,611	195,326
Net loss	<u>\$ (1,421,213)</u>	<u>\$ (10,748,346)</u>

For the three months ending March 31, 2022, the Company decreased general and administrative expenses by approximately \$270,000. The increase was due to the following year over year variances:

Three months ending	3/31/2022	3/31/2021	Variance
Accounting fees	\$ 89,000	\$ 95,000	\$ (6,000)
Legal and other professional fees	276,000	215,000	61,000
Marketing expense	14,000	77,000	(63,000)
Payroll	62,000	478,000	(416,000)
Corporate expenses & rent	19,000	143,000	(124,000)
Share based compensation	439,000	234,000	205,000
Insurance	42,000	26,000	16,000
Stock exchange fees	39,000	43,000	(4,000)
Other general expenses	88,000	27,000	61,000
Total	<u>\$ 1,068,000</u>	<u>\$ 1,338,000</u>	<u>\$ (270,000)</u>

- Accounting fees decrease resulted from fewer costs for additional consulting fees needed for required regulatory filings and tax compliance in 2021.
- Legal fees were needed for additional stock exchange listing compliance requirements in 2021 and there was a decrease of \$121,000 in legal fees for 2022. This decrease was offset by professional consulting fees of \$72,000 and an increase in franchise tax fees of \$110,000.
- Marketing expense was lower as 2021 had additional amounts that were used for Company and shareholder awareness projects.
- The payroll and corporate expenses was from the Company entering into an agreement to share office space, equipment, personnel, consultants and various administrative services for the Company's head office located in Vancouver, BC Canada. Management expects payroll costs to continue to be lower than prior periods due to decreased personnel and consultants used in the quarter.
- The Company granted 5,825,000 options to officers, directors and employees of the Company in the first quarter 2021, pursuant to the terms of the Company's Stock Option Plan. The Company recognized share-based compensation expense related to the stock options of \$439,000 and \$234,000 for the three months ending March 31, 2022 and 2021, respectively.

For the three months ending March 31, 2022, the Company decreased exploration, evaluation and project expenses by approximately \$2,384,000. The decrease was due to the following year over year variances:

Three months ending	3/31/2022	3/31/2021	Variance
Drilling	\$ 1,000	\$ 1,446,000	\$ (1,445,000)
Consultants/Contractors	120,000	556,000	(436,000)
Supplies and equipment	57,000	179,000	(122,000)
Assay	0	134,000	(134,000)
Water haulage	0	136,000	(136,000)
Overhead	14,000	115,000	(101,000)
Permits and fees	7,000	16,000	(9,000)
Other	140,000	2,000	138,000
Total	\$ 339,000	\$ 2,584,000	\$ (2,245,000)

In the first quarter of 2022, The Company continued test work on the metallurgical drill samples collected in 2021. Hydrogeologic modelling and geochemical characterization of the Bullfrog deposit was initiated and remains in-progress.

Additionally, Augusta and the BLM held a Baseline Kickoff Meeting, which included various federal, state, and local agencies, and the BLM assigned a Project Manager and Interdisciplinary Team to provide guidance, approve work plans, review, and approve baseline studies necessary to progress the permitting effort.

The revaluation of the warrant liability is based on the following warrants issued:

Issue Date	Expiration Date	Warrants Issued	Exercise Price
October 2020	October 2024	18,333,333	C\$ 1.80
March 2021	March 2024	3,777,784	C\$ 2.80

Liquidity and Capital Resources

The Company has no revenue generating operations from which it can internally generate funds. To date, the Company's ongoing operations have been financed by the sale of its equity securities by way of public offerings, private placements and the exercise of incentive stock options and share purchase warrants. The Company believes that it will be able to secure additional private placements and public financings in the future, although it cannot predict the size or pricing of any such financings. This situation is unlikely to change until such time as the Company can develop a bankable feasibility study on one of its projects.

On March 4, 2021, the Company issued 7,555,556 units pursuant to a private placement at a price of C\$2.25 per unit for gross proceeds of C\$17 million, each unit comprised of one share of common stock of the Company and one half of one common stock purchase warrant. Each whole warrant entitles the holder to acquire one share of common stock at an exercise price of C\$2.80 per share for a period of three (3) years from the date of issuance. Finders' fees of C\$450,000 were paid in connection with the private placement.

Liquidity

As of March 31, 2022, the Company had total liquidity of \$19,024,000 in cash and cash equivalents. The Company had working capital of \$17,665,000 and an accumulated deficit of \$21,595,000. For the three months ended March 31, 2022, the Company had negative operating cash flows before changes in working capital of \$758,000 and a net loss of \$1,412,000.

As of March 31, 2021, the Company had total liquidity of \$19,582,000 in cash and cash equivalents. The Company had working capital of \$18,530,000 and an accumulated deficit of \$34,374,000. For the three months ended March 31, 2021, the Company had negative operating cash flows before changes in working capital of \$3,493,000 and a net loss of \$10,748,000.

The Company expects that it will operate at a loss for the foreseeable future and believes that it will be required to raise additional funds through debt financing, public or private equity financing, or by other means in the coming months in order to continue in business. Should such financing not be available in that time-frame, the Company will be required to reduce its activities and will not be able to carry out all of its presently planned exploration and, if warranted, development activities on its currently anticipated scheduling.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development and exploration of its mineral properties and to maintain a flexible capital structure, which optimizes the costs of capital to an acceptable risk.

As of March 31, 2022, the capital structure of the Company consists of 70,519,188 shares of common stock, par value \$0.0001, and preferred stock Series B shares convertible into 677,084 shares of common stock, par value \$0.0001. The Company manages the capital structure and adjusts it in response to changes in economic conditions, its expected funding requirements, and risk characteristics of the underlying assets. The Company's funding requirements are based on cash forecasts. In order to maintain or adjust the capital structure, the Company may issue new debt, new shares and/or consider strategic alliances. Management reviews its capital management approach on a regular basis. The Company is not subject to any externally imposed capital requirements.

Contractual obligations and commitments

The Company's contractual obligations and commitments as of March 31, 2022 and their approximate timing of payment are as follows:

	<u><1 year</u>	<u>1 - 3 years</u>	<u>4 - 5 years</u>	<u>>5 years</u>	<u>Total</u>
Leases	\$ 152,466	\$ 166,521	\$ 46,000	\$ 675,000	\$ 1,039,987
Capital Expenditure	30,000	30,000	-	-	60,000
	<u>\$ 182,466</u>	<u>\$ 196,521</u>	<u>\$ 46,000</u>	<u>\$ 675,000</u>	<u>\$ 1,099,987</u>

Off Balance Sheet Arrangements

We do not engage in any activities involving variable interest entities or off-balance sheet arrangements.

Critical Accounting Policies and Use of Estimates

Stock based compensation is measured at grant date, based on the fair value of the award, and is recognized as an expense over the employee's requisite service period. We estimate the fair value of each stock option as of the date of grant using the Black-Scholes pricing model. The Company determines the expected life based on historical experience with similar awards, giving consideration to the contractual terms, vesting schedules and post-vesting forfeitures. The Company uses the risk-free interest rate on the implied yield currently available on U.S. Treasury issues with an equivalent remaining term approximately equal to the expected life of the award. The Company has never paid any cash dividends on its common stock and does not anticipate paying any cash dividends in the foreseeable future.

Mineral property exploration costs are expensed as incurred until such time as economic reserves are quantified. To date, the Company has not established any proven or probable reserves on its mineral properties. Costs of lease, exploration, carrying and retaining unproven mineral lease properties are expensed as incurred. The Company has chosen to expense all mineral exploration costs as incurred given that it is still in the exploration stage. Once the Company has identified proven and probable reserves in its investigation of its properties and upon development of a plan for operating a mine, it would enter the development stage and capitalize future costs until production is established. When a property reaches the production stage, the related capitalized costs will be amortized over the estimated life of the probable-proven reserves. When the Company has capitalized mineral properties, these properties will be periodically assessed for impairment of value and any diminution in value. To date, the Company has not established the commercial feasibility of any exploration prospects; therefore, all exploration costs are being expensed. Costs of property acquisitions are being capitalized, and a required payment of \$20,000 was made in 2018 to Mojave Gold Mining Corporation (“Mojave”) as part of the Option to Purchase Agreement (“Option”).

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES AND MARKET RISK

Not Applicable.

ITEM 4 - CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As required by Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) our management conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2022.

Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating and implementing possible controls and procedures.

Our management does not expect that our disclosure controls and procedures will prevent all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

With respect to the quarterly period ending March 31, 2022, under the supervision and with the participation of our management, we conducted an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act. Based upon our evaluation regarding the quarterly period ending March 31, 2022, our management, including our chief executive officer and chief financial officer, has concluded that its disclosure controls and procedures were effective.

Changes in Internal Controls

There have been no changes in the Company’s internal control over financial reporting during the three months ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, the Company’s internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

We know of no material, active or pending legal proceedings against the Company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

ITEM 1A - RISK FACTORS

There have been no material changes to the risk factors set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

ITEM 2 - UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

All unregistered sales of equity securities during the period covered by this report were previously disclosed on Form 8-K.

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4 - MINE SAFETY DISCLOSURES

None

ITEM 5 - OTHER INFORMATION

None

ITEM 6 - EXHIBITS

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on May 11, 2021)
3.2	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the SEC on August 13, 2021)
4.1	Form of Warrant from March 2021 Private Placement (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on March 5, 2021)
10.1	Stock Option Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on February 26, 2021)
31.1	Certification of Chief Executive Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Chief Financial Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification of Chief Executive Officer filed pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2	Certification of Chief Financial Officer filed pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
101.INS	Inline XBRL Instance Document *
101.SCH	Inline XBRL Taxonomy Extension Schema Document *
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document *
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document *
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document *
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document *
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herein

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 9, 2022

AUGUSTA GOLD CORP.

By: /S/ Donald R. Taylor

Name: Donald R. Taylor

Title: President and Chief Executive Officer
(Principal Executive Officer)

Date: May 9, 2022

AUGUSTA GOLD CORP.

By: /S/ Michael McClelland

Name: Michael McClelland

Title: Chief Financial Officer (Principal Financial
and Accounting Officer)

CERTIFICATION

I, Donald R. Taylor, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Augusta Gold Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2022

By: /s/ Donald R. Taylor
Donald R. Taylor
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, Michael McClelland, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Augusta Gold Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2022

By: /s/ Michael McClelland
Michael McClelland
Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Augusta Gold Corp. (the "Company"), for the fiscal quarter ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Donald R. Taylor, Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: May 9, 2022

By: /s/ Donald R. Taylor
Donald R. Taylor
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Augusta Gold Corp. (the "Company"), for the fiscal quarter ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael McClelland, Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: May 9, 2022

By: /s/ Michael McClelland
Michael McClelland
Chief Financial Officer
(Principal Financial and Accounting Officer)