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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (date of earliest event reported): **September 13, 2022**

AUGUSTA GOLD CORP.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

000-54653

(Commission
File Number)

41-2252162

(IRS Employer
Identification No.)

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

(Address of principal executive offices)

V6C 3E1

(Zip Code)

Registrant's telephone number, including area code: **(604) 687-1717**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

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.

Item 1.01 Entry into a Material Definitive Agreement

On September 13, 2022, Augusta Gold Corp. (the “**Company**”) entered into a secured note purchase agreement (the “**Purchase Agreement**”) with Augusta Investments Inc. (“**Augusta Investments**”) to offer and sell a secured promissory note of the Company (the “**Note**”) in exchange for Augusta Investments loaning the Company US\$22,232,561 (the “**Loan**”). The Loan and the issuance of the Note occurred on September 13, 2022. The Company used the Loan to make the second payment and deferred payment to Waterton Nevada Splitter LLC (“**Waterton**”) on September 13, 2022, in connection with the Company’s acquisition of its Reward gold project that closed on June 13, 2022.

The Purchase Agreement contains customary representations and warranties by the Company and Augusta Investments. The Purchase Agreement also contains certain covenants of the Company including maintaining its status as a reporting issuer, maintaining books and records, maintaining its properties, compliance with laws, not incurring additional indebtedness, except for liabilities for trade payables and expenses incurred in the ordinary course of business, and making certain filings to maintain and perfect the security interests of Augusta Investments under the Security Agreement (as defined below).

The Note bears interest at a rate of prime plus 3% and is for a maximum term of 12 months. The Note is secured by a first-priority, perfected security interest in all the assets of the Company pursuant to a guarantee and security agreement (the “**Security Agreement**”) and certain deeds of trust (the “**Deeds of Trust**”, collectively with the Purchase Agreement, the Note and the Security Agreement, the “**Loan Documents**”) to be finalized and filed by the Company in accordance with covenants in the Purchase Agreement and the Security Agreement.

Under the terms of the Note, the following events constitute an event of default permitting the holder of the Note to exercise remedies including accelerating the payment of the full amount of the Note plus Interest and exercising rights under the Security Agreement, including selling assets of the Company to satisfy obligations under the Note: (i) the Company shall default in the payment of any part of the principal or unpaid accrued interest on the Note for more than five (5) days after the maturity date or at a date fixed by acceleration or otherwise; (b) the Company shall fail to file the Deeds of Trust in accordance with the Purchase Agreement and such failure continues for more than 10 days or the Company shall fail to maintain perfected liens on all its assets in accordance with the Loan Documents and such failure continues for more than 30 days; (c) any representation or warranty made or deemed made by the Company in the Purchase Agreement or in the Security Agreement is incorrect in any material respect on the date as of which such representation or warranty was made or deemed made; (d) the Company fails to observe or perform (a) any covenant, condition or agreement contained in Section 3 or (b) any other covenant, obligation, condition or agreement contained in the Loan Documents and such failure continues for 30 days; (e) the Company fails to pay when due any of its material debts (other than debts arising under this Note) or any interest or premium thereon when due (whether by scheduled maturity, acceleration, demand or otherwise) and such failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to such debt; (f) one or more judgments or decrees in an amount exceeding in the aggregate \$1,000,000 shall be entered against the Company or its subsidiaries and such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; (g) the Company shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due, or shall file a voluntary petition for bankruptcy, or shall file any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, dissolution or similar relief under any present or future statute, law or regulation, or shall file any answer admitting the material allegations of a petition filed against the Company in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Company, or of all or any substantial part of the properties of the Company, or the Company or its respective directors or majority stockholders shall take any action looking to the dissolution or liquidation of the Company; or (h) within sixty (60) days after the commencement of any proceeding against the Company seeking any bankruptcy reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have been dismissed, or within sixty (60) days after the appointment without the consent or acquiescence of the Company of any trustee, receiver or liquidator of the Company or of all or any substantial part of the properties of the Company, such appointment shall not have been vacated.

The payment of the obligations of the Company under the Note is also guaranteed by each of the subsidiaries of the Company pursuant to the Security Agreement.

The Company paid Augusta Investments an origination fee of 0.5% of the amount of the Loan on the closing of the issuance of the Note pursuant to the Purchase Agreement.

The above is a summary of the material terms of the Purchase Agreement, the Note and the Security Agreement and is qualified in its entirety by the complete terms and conditions of such agreements, which are filed herewith as Exhibits 10.1, 10.2 and 10.3, respectively.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On September 13, 2022, the Company completed the payment to Waterton of the second payment and the deferred payment under that certain membership interest purchase agreement (“MIPA”) with Waterton, as previously disclosed in the Company’s Current Reports on Form 8-K as filed with the Commission on June 16, 2022 and July 7, 2022, which reports are incorporated herein by reference. Upon making the payments to Waterton, the Company’s obligations to Waterton under the MIPA are complete and Waterton no longer has a security interest over the Reward property pursuant to the previously disclosed Deed of Trust.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth under Item 1.01 of this Current Report is hereby incorporated by reference into this Item 2.03.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Name
<u>10.1</u>	<u>Secured Promissory Note Purchase Agreement with Augusta Investments</u>
<u>10.2</u>	<u>Secured Promissory Note with Augusta Investments</u>
<u>10.3</u>	<u>Security Agreement with Augusta Investments</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirement 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.

AUGUSTA GOLD CORP.

Date: September 19, 2022

By: /s/ Tom Ladner

Name: Tom Ladner

Title: VP Legal

AUGUSTA GOLD CORP.

SECURED PROMISSORY NOTE PURCHASE AGREEMENT

THIS SECURED PROMISSORY NOTE PURCHASE AGREEMENT (the “**Agreement**”) is effective as of September 13, 2022 (the “**Effective Date**”) and executed by and among Augusta Gold Corp., a Delaware corporation (the “**Company**”), and Augusta Investments Inc., a British Virgin Islands corporation (the “**Purchaser**”).

RECITAL

WHEREAS, to provide the Company with additional working capital to conduct its business and to timely complete the payment of the Second Payment and the Deferred Payment pursuant to that certain membership interest purchase agreement dated June 13, 2022 (the “**CR Reward Agreement**”) by and between the Company and Waterton Nevada Splitter, LLC (the “**Waterton**”), the Purchaser is willing to loan to the Company up to an aggregate amount of \$22,232,560.80 subject to the conditions set forth herein.

AGREEMENT

Now, THEREFORE, in consideration of the foregoing, and the representations, warranties, covenants and conditions set forth below, the Company and the Purchaser, intending to be legally bound, hereby agree as follows:

1. AMOUNT AND TERMS OF THE LOAN

1.1 The Loan. Subject to the terms of this Agreement, the Purchaser agrees to lend to the Company at the Closing (as hereinafter defined) the amount of 22,232,560.80 (the “**Loan Amount**”) against the issuance and delivery by the Company of a secured promissory note for such amount, in the form attached hereto as **EXHIBIT A** (the “**Note**”), with the Note to be secured by a first priority, perfected security interest in all the property of the Company pursuant to the guaranty and security agreement in the form attached hereto as **EXHIBIT B** (the “**Security Agreement**”) and such Deeds of Trust, Assignment of Leases, Rents and Contracts (each a “**Deed of Trust**”) over the Company’s real property, mining claims and mining leases encompassing each of the Company’s Bullfrog Gold Project and Reward Gold Project to be filed by the Company within 5 days of the Closing Date, in such form as reasonable satisfactory to the Purchaser.

2. CLOSING AND DELIVERY

2.1 Closing. The sale and purchase of the Note (the “**Closing**”) shall be held on the Effective Date or at such other date and time as the Company and Purchaser may mutually agree (such date is hereinafter referred to as the “**Closing Date**”).

2.2 Delivery. At the Closing: (a) the Purchaser shall deliver to the Company a certified check or wire transfer of immediately available funds in the amount of the Loan Amount less an origination fee of \$111,162.80 (the “**Origination Fee**”); and (b) the Company shall issue and deliver to the Purchaser the Note and the Security Agreement in favor of the Purchaser payable in the principal amount of the Loan Amount.

2.3 Closing Conditions.

(a) **Company Closing Conditions.** The obligations of the Company to sell the Notes and enter into the Security Agreement are subject to the following conditions:

(i) the Company having obtained all required corporate, regulatory, stock exchange and third party consents necessary for the execution and delivery of the Note and the Security Agreement;

(ii) the purchase of the Note by the Purchaser shall be legally permitted by all applicable laws to which the Company and the Purchaser, each of their respective subsidiaries, are subject, and all authorizations, approvals or permits of, or filings with, any governmental body that are required by applicable law in connection with the lawful sale and issuance of the Note by the Company shall have been duly obtained by the Company and shall be effective; and

(iii) the representations and warranties of the Purchaser contained herein shall be true and correct at the Closing Date and the Purchaser shall have performed and complied with all terms, covenants, agreements and conditions to be performed or complied with by it at or prior to the Closing Date.

The foregoing conditions are for the exclusive benefit of the Company, provided that any of the said conditions may be waived in writing in whole or in part by the Company without prejudice to the Company's right of rescission in the event of the non-fulfilment and/or non-performance of any other conditions, any such waiver to be binding on the Company only if in writing.

(b) **Purchaser Closing Conditions.** The obligations of the Purchaser to purchase the Notes and pay the Loan Amount to the Company are subject to the following conditions:

(i) the Company shall have completed all necessary steps and all necessary proceedings shall have been taken to authorize the issuance of the Notes and the execution and delivery of the Security Agreement;

(ii) the purchase of the Note by the Purchaser shall be legally permitted by all applicable laws to which the Company and the Purchaser, each of their respective subsidiaries, are subject, and all authorizations, approvals or permits of, or filings with, any governmental body that are required by applicable law in connection with the lawful sale and issuance of the Note by the Company shall have been duly obtained by the Company and shall be effective;

(iii) the representations and warranties of the Company contained herein shall be true and correct at the Closing Date and the Company shall have performed and complied with all terms, covenants, agreements and conditions to be performed or complied with by it at or prior to the Closing Date; and

(iv) the Security Agreement shall have been executed and delivered by each subsidiary of the Company required to execute and deliver such document.

The foregoing conditions are for the exclusive benefit of the Purchaser, provided that any of the said conditions may be waived in writing in whole or in part by the Purchaser without prejudice to the Purchaser's right of rescission in the event of the non-fulfilment and/or non-performance of any other conditions, any such waiver to be binding on the Purchaser only if in writing.

3. REPRESENTATIONS, WARRANTIES THE COMPANY

The Company hereby represents and warrants to the Purchaser as of the Closing as follows:

3.1 Organization, Good Standing and Qualification. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. Each subsidiary of the Company required to execute and deliver the Security Agreement (the “**Subsidiaries**”) is an entity duly incorporated or organized, as the case may be, validly existing and in good standing under the laws of the jurisdiction of such incorporation or organization. The Company and each Subsidiary has the requisite corporate or company power to own and operate its properties and assets and to carry on its business as now conducted and as proposed to be conducted. The Company and each Subsidiary is duly qualified and is authorized to do business and is in good standing as a foreign corporation or company in all jurisdictions in which the nature of its activities and of its properties (both owned and leased) makes such qualification necessary, except for those jurisdictions in which failure to do so would not have a material adverse effect on the Company or its business.

3.2 Company Power. The Company has all requisite corporate power to execute and deliver this Agreement, to issue the Note and to execute and deliver the Security Agreement and the Deeds of Trust (collectively, the “**Loan Documents**”) and to carry out and perform its obligations under the terms of the Loan Documents. Each Subsidiary has all requisite corporate or company power to execute and deliver the Security Agreement and the Deeds of Trust to which it is a party and to carry out and perform its obligations under the terms of the Security Agreement and such Deeds of Trust.

3.3 Authorization. All corporate action on the part of the Company, its directors and its stockholders necessary for the authorization of the Loan Documents and the execution, delivery and performance of all obligations of the Company under the Loan Documents, including the issuance and delivery of the Note and the execution and delivery of the Security Agreement and the Deeds of Trust and payment of the Origination Fee, has been taken. The Loan Documents, when executed and delivered by the Company, shall constitute valid and binding obligations of the Company enforceable in accordance with their terms, subject to laws of general application relating to bankruptcy, insolvency, the relief of debtors and, with respect to rights to indemnity, subject to federal and state securities laws. All corporate or company action on the part of each Subsidiary, its directors and its stockholders necessary for the authorization of the Security Agreement and Deeds of Trust required to be executed and delivered by such entity and the execution, delivery and performance of all obligations of such Subsidiary under the Security Agreement and such Deeds of Trust has been taken. The Security Agreement and the Deeds of Trust when executed and delivered by such Subsidiary, shall constitute valid and binding obligations of such Subsidiary enforceable in accordance with their terms, subject to laws of general application relating to bankruptcy, insolvency, the relief of debtors and, with respect to rights to indemnity, subject to federal and state securities laws.

3.4 Consents. All consents, approvals, orders, or authorizations of, or registrations, qualifications, designations, declarations, or filings with, any third parties or governmental authority, required on the part of the Company and each Subsidiary in connection with the valid execution and delivery of this Agreement, the offer, sale or issuance of the Note, the execution and delivery of the Security Agreement and the Deeds of Trust or the consummation of any other transaction contemplated hereby will have been obtained and will be effective at such time as required by such third party or governmental authority.

3.5 Compliance with Laws. To its knowledge, the Company and each Subsidiary is not in violation of any applicable statute, rule, regulation, order or restriction of any domestic or foreign government or any instrumentality or agency thereof in respect of the conduct of its business or the ownership of its properties, which violation would materially and adversely affect the business, assets, liabilities, financial condition or operations of the Company or such Subsidiary.

3.6 Compliance with Other Instruments. The Company and each Subsidiary is not in violation or default of any term of its certificate of incorporation or organization, or bylaws or operating agreement, or of any provision of any mortgage, indenture or contract to which it is a party and by which it is bound or of any judgment, decree, order or writ, other than such violations that would not individually or in the aggregate have a material adverse effect on the Company and the Subsidiaries taken as a whole. The execution, delivery and performance of the Loan Documents, and the consummation of the transactions contemplated by the Loan Documents will not result in any such violation or be in conflict with, or constitute, with or without the passage of time and giving of notice, either a default under any such provision, instrument, judgment, decree, order or writ or an event that results in the creation of any lien, charge or encumbrance upon any assets of the Company or the Subsidiaries or the suspension, revocation, impairment, forfeiture, or nonrenewal of any material permit, license, authorization or approval applicable to the Company or the Subsidiaries, their business or operations or any of their assets or properties. The issuance of the Note are not and will not be subject to any preemptive rights or rights of first refusal that have not been properly waived or complied with.

3.7 Offering. Assuming the accuracy of the representations and warranties of the Purchaser contained in Section 4 hereof, the offer, issue, and sale of the Note are and will be exempt from the registration and prospectus delivery requirements of the United States Securities Act of 1933, as amended (the “**Securities Act**”), and have been registered or qualified (or are exempt from registration and qualification) under the registration, permit, or qualification requirements of all applicable state securities laws.

3.8 Use of Proceeds. The Company shall use the proceeds of sale and issuance of the Note to timely pay the Second Payment and the Deferred Payment under the CR Reward Agreement and any remainder for the operation of its business.

3.9 No Bad Actor Events. No “bad actor” disqualifying event described in Rule 506(d)(1)(i)-(viii) under the Securities Act is applicable to the Company or any owner, manager or officer of the Company.

3.10 Security Documents.

(a) The Security Agreement will, upon execution and delivery thereof, be effective to create in favor of the Purchaser, legal, valid and enforceable first-priority liens on, and security interests in, the collateral described therein to the extent intended to be created thereby, and (1) when financing statements and other filings in appropriate form are filed in each applicable filing office for each applicable jurisdiction and (2) upon the taking of possession or control by the Purchaser of such collateral with respect to which a security interest may be perfected only by possession or control (which possession or control shall be given to the Purchaser to the extent possession or control by the Purchaser is required by the Security Agreement), the liens created by the Security Agreement shall constitute fully perfected first-priority liens on, and security interests in (to the extent intended to be created thereby), all right, title and interest of the grantors in such collateral to the extent perfection can be obtained by filing financing statements or the taking of possession or control, in each case subject to no liens other than permitted liens and the liens in favor of Waterton, with the liens in favor of Waterton to be promptly removed pursuant to Section 5.6 hereof.

(b) Upon recording thereof in the appropriate recording office, each Deed of Trust is effective to create, in favor of the Trustee, for its benefit and the benefit of the Purchaser as beneficiary, legal, valid and enforceable perfected first-priority liens on, and security interest in, all of the Company’s right, title and interest in and to the subject real property, mining claims and leases and the proceeds thereof, subject only to permitted liens and the liens in favor of Waterton, with the liens in favor of Waterton to be promptly removed pursuant to Section 5.6 hereof.

4. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

4.1 Organization, Good Standing and Qualification. The Purchaser is a corporation duly incorporated, validly existing and in good standing under the laws of the British Virgin Islands.

4.2 Company Power. The Purchaser has all requisite corporate power to execute and deliver this Agreement, to purchase the Note and to carry out and perform its obligations under the terms of the Loan Documents.

4.3 Authorization. All corporate action on the part of the Purchaser, its directors and its stockholders necessary for the authorization of the Loan Documents and the execution, delivery and performance of all obligations of the Purchaser under the Loan Documents has been taken. The Loan Documents, when executed and delivered by the Purchaser, shall constitute valid and binding obligations of the Purchaser enforceable in accordance with their terms, subject to laws of general application relating to bankruptcy, insolvency, the relief of debtors and, with respect to rights to indemnity, subject to federal and state securities laws.

4.4 Consents. All consents, approvals, orders, or authorizations of, or registrations, qualifications, designations, declarations, or filings with, any third parties or governmental authority, required on the part of the Purchaser in connection with the valid execution and delivery of this Agreement, the purchase of the Note or the consummation of any other transaction contemplated hereby will have been obtained and will be effective at such time as required by such third party or governmental authority.

4.5 Compliance with Laws. To its knowledge, the Purchaser is not in violation of any applicable statute, rule, regulation, order or restriction of any domestic or foreign government or any instrumentality or agency thereof which violation would prevent the consummation of the transactions contemplated in the Loan Documents.

4.6 Purchase for Own or Account. The Purchaser represents that it: (a) is acquiring the Note solely for its own account and beneficial interest for investment and not for sale or with a view to distribution of the Note or any part thereof; (b) has no present intention of selling (in connection with a distribution or otherwise), granting any participation in, or otherwise distributing the same; and (c) does not presently have reason to anticipate a change in such intention.

4.7 Information and Sophistication. Without lessening or obviating the representations and warranties of the Company set forth in Section 3, the Purchaser hereby: (a) acknowledges that it has received all the information that it has requested from the Company and that it considers necessary or appropriate for deciding whether to acquire the Note; and (b) represents that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Note and to obtain any additional information necessary to verify the accuracy of the information given to the Purchaser.

4.8 Ability to Bear Economic Risk. The Purchaser acknowledges that investment in the Note involves a high degree of risk and represents that it is able, without materially impairing its financial condition, to hold the Note for its duration and to suffer a complete loss of its investment. The Purchaser acknowledges that the Purchaser may suffer a complete loss of its investment in the Company.

4.9 Restricted Securities. The Purchaser acknowledges that the Note must be held indefinitely for its duration unless subsequently registered under the Securities Act or an exemption from such registration is available. The Purchaser acknowledges that it has been advised that the Note is deemed to be a “restricted security” as defined in Rule 144(a)(3) of the Securities Act and the Note will bear a legend in substantially the following form:

THE SECURITY REPRESENTED HEREBY HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITY, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AND, IF REQUESTED BY THE COMPANY, THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT.

The Note will also bear a legend in substantially the following form:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JANUARY 14, 2023.

4.10 Accredited Investor Status. The Purchaser is an “accredited investor” as such term is defined in Rule 501 under the Securities Act.

4.11 No Registration. The Purchaser understands that the Note, has not been, and will not be, registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends upon, among other things, the bona fide nature of the investment intent of the Purchaser and the accuracy of the Purchaser’s representations as expressed herein or otherwise made pursuant hereto. The Purchaser acknowledges and understands that the Company is under no obligation to register the Notes.

4.12 No General Solicitation or General Advertising. The Purchaser acknowledges that the Note was not offered to the Purchaser by means of any form of “general solicitation” or “general advertising” (as such terms are used in Regulation D under the Securities Act), or publicly disseminated advertisements or sales literature, including, but not limited to: (a) any advertisement, article, notice or other communication published in any newspaper, magazine, or similar media, or broadcast over television or radio or the internet; or (b) any seminar or meeting to which the Purchaser was invited by any of the foregoing means of communications. The Purchaser, in making the decision to purchase the Note, has relied upon independent investigation made by it and has not relied on any information or representations made by third parties.

4.13 Investment Experience. The Purchaser has substantial experience in evaluating and investing in companies similar to the Company and acknowledges that: (a) it can protect its own interests; and (b) it has such knowledge and experience in financial and business matters such that it is capable of evaluating the merits and risks of its investment in the Company, whether by reason of its own business and financial expertise, the business and financial expertise of certain professional advisors unaffiliated with the Company with whom such Purchaser may have consulted, or such Purchaser's preexisting business or personal relationship with the Company or any of its officers, managers or controlling persons.

4.14 No Public Market. The Purchaser understands and acknowledges that no public market now exists for the Note issued by the Company and that the Company has made no assurances that a public market will ever exist for the Note.

4.15 No Offering Memorandum. The Purchaser has not received and has not been provided with documents that may be construed as an "offering memorandum" under applicable securities legislation, and that the decision to enter into this Agreement and purchase the Note has not been based upon any oral or written representation as to fact or otherwise made by or on behalf of the Company except as set forth in this Agreement.

4.16 PATRIOT Act. The Purchaser represents that the funds representing its purchase of the Note hereunder that will be advanced by such Purchaser to the Company hereunder are not proceeds of crime as defined in the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the "**PATRIOT Act**") and the Purchaser acknowledges that the Company may in the future be required by law to disclose the Purchaser's name and other information relating to this Agreement and the Purchaser's purchase hereunder, on a confidential basis, pursuant to the PATRIOT Act. To the best of the Purchaser's knowledge (a) none of the funds to be provided by the Purchaser hereunder (i) have been or will be derived from or related to any activity that is deemed criminal under the law of the United States of America or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Purchaser, and (b) the Purchaser shall promptly notify the Company if the Purchaser discovers that any of such representations ceases to be true and provide the Company with appropriate information in connection therewith.

4.17 Tax Advisors; Tax Elections. The Purchaser has reviewed with the Purchaser's own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. The Purchaser is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Purchaser understands that the Purchaser (and not the Company) shall be responsible for any tax liability that may arise as a result of the transactions contemplated by this Agreement.

5. COVENANTS OF THE COMPANY

5.1 Securities Filings. The Company will, within the required time, file with any applicable securities agency, any documents, reports and information, in the required form, required to be filed by applicable securities laws in connection with the issuance of the Note, together with any applicable filing fees and other materials.

5.2 Reporting Issuer. The Company will continue to be a reporting issuer in good standing in British Columbia, and the Company will cause its Common Shares to continue to be listed for trading on the TSX or quoted on the OTC.

5.3 Books and Records. The Company will maintain and cause each Subsidiary to maintain, complete and accurate books and records, permit, and cause each subsidiary to permit, the Purchaser to have access to such books and records permit, and cause each subsidiary to permit, the Purchaser to have access to such books and records, and permit, and cause each subsidiary to permit, the Purchaser to inspect the properties and operations of the Company and each subsidiary on reasonable advance notice and during normal business hours.

5.4 Maintenance of Properties. Except to the extent that failure to do so could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, the Company and each Subsidiary shall (i) preserve, renew and maintain in full force and effect its legal existence under the laws of the jurisdiction of its organization; (ii) take all reasonable action to maintain all rights, privileges (including its good standing where applicable in the relevant jurisdiction), permits and franchises necessary or desirable in the normal conduct of its business; and (iii) maintain, preserve and protect all of its material tangible or intangible properties and equipment necessary in the operation of its business in good working order, repair and condition, ordinary wear and tear excepted and fire, casualty or condemnation excepted. As used herein, “**Material Adverse Effect**” means any change, effect, event, situation or condition that is materially adverse to the business, results or operations, properties or financial condition of the Company and its subsidiaries taken as a whole; provided, however, that in determining whether there has been a “Material Adverse Effect”, any adverse effect attributable to the following shall be disregarded: (a) events, changes, developments, conditions or circumstances in worldwide, national or local conditions or circumstances (political, economic, regulatory or otherwise) that adversely affect the Company’s industry generally unless there is a disproportionate adverse impact on Company or its subsidiaries, (b) an outbreak or escalation of war, armed hostilities, acts of terrorism, political instability or other national calamity, crisis or emergency, or any governmental response to any of the foregoing, in each case, whether occurring within or outside of Canada or the United States unless there is a disproportionate adverse impact on Company or its subsidiaries, (c) any change in law or accounting policies (and any changes resulting therefrom) unless there is a disproportionate adverse impact on Company or its subsidiaries or (d) any action or omission of the Company taken with the prior written consent of the Purchaser.

5.5 Compliance with Laws. The Company shall comply with the requirements of all laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except if the failure to comply therewith could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

5.6 Deeds of Trust. The Company will use its best efforts to (i) have Waterton file a deed of reconveyance and UCC-3 financing statement to lift the liens and deed of trust filed by Waterton on the Company’s Reward project promptly following payment of the Second Payment and Deferred Payment to Waterton and (ii) file the Deeds of Trust and UCC financing statements within 7 days of the Closing Date.

5.7 Additional Collateral; Additional Guarantors. At the Company’s expense, take all action either necessary or as reasonably requested by the Purchaser to ensure that the obligations under the Note continue to be secured by all of the assets of the Company and its subsidiaries, including promptly having any new subsidiary duly execute and deliver the Security Agreement and making any amendments to or filing any additional security documents as may be necessary to ensure that all real property, mining claims and leases and any rents or other proceeds thereof are secured by an applicable Deed of Trust.

5.8 Indebtedness. Except for the Note issued pursuant to this Agreement, the Company shall not incur, create, assume, become or be responsible in any manner, whether as debtor, obligor, guarantor, surety or otherwise, with respect to or permit to exist, or permit any of its subsidiaries to incur, create, assume, become or be liable in any manner, whether as debtor, obligor, surety or otherwise, with respect to or permit to exist, any indebtedness, except (i) debt existing prior to the Closing Date, and (iii) liabilities for trade payables and expenses incurred in the ordinary course of business.

6. FURTHER AGREEMENTS

Each party agrees and covenants that at any time and from time to time it will promptly execute and deliver to the other party such further instruments and documents and take such further action as the other party may reasonably require in order to carry out the full intent and purpose of this Agreement and to comply with state or federal securities laws or other regulatory approvals.

7. MISCELLANEOUS

7.1 Binding Agreement. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, expressed or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

7.2 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware without giving effect to conflicts of laws principles. FURTHER, BOTH THE COMPANY AND THE PURCHASER HEREBY WAIVE TRIAL BY JURY IN ANY ACTION TO ENFORCE THIS NOTE.

7.3 Counterparts. This Agreement may be executed concurrently in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterpart signatures of this Agreement that are delivered by facsimile or other electronic means shall have the same force and effect as original signatures.

7.4 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

7.5 Notices. All notices, payments, demands or communications required or permitted to be given by any provision of this Agreement shall be in writing and shall be deemed to be delivered, given and received for all purposes (a) as of the date and time of actual receipt, in the case of notices delivered personally; (b) one calendar day after deposit with a nationally recognized overnight delivery service; (c) if sent by electronic mail or facsimile, upon confirmed receipt by recipient; or (d) five calendar days after deposit in registered or certified United States mail return receipt requested, as applicable. If not emailed or faxed, such notices, payments, demands or communications shall be delivered personally to the recipient or to an officer of the recipient to whom the same is directed, or sent by registered or certified United States mail return receipt requested, or by nationally recognized overnight delivery service, addressed at the addresses specified on the signature page hereto or to such other address as may be specified from time to time by notice to parties hereto.

All notices, requests or other communications required or permitted to be delivered hereunder shall be delivered in writing, in each case to the address specified below or to such other address as such party may from time to time specify in writing in compliance with this provision:

(i) If to the Company:

Augusta Gold Corp.
Suite 555 – 999 Canada Place
Vancouver, British Columbia
V6C 3E1

Attention : Tom Ladner
E-mail : tladner@augustacorp.com

(ii) If to the Purchaser:

Augusta Investments Inc.
Suite 555 – 999 Canada Place
Vancouver, British Columbia
V6C 3E1

Attention : Yoana Thomas
Email: YThomas@augustacorp.com

7.6 Modification; Waiver. Any modification or waiver of any provision of this Agreement or consent to departure therefrom shall be effective only upon the written consent of the Company and the Purchaser. Any provision of the Notes may be amended or waived by the written consent of the Company and the Purchaser.

7.7 Expenses. The Company and the Purchaser shall each bear its respective expenses and legal fees incurred with respect to this Agreement and the transactions contemplated herein.

7.8 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power or remedy accruing to the Purchaser, upon any breach or default of the Company under the Loan Documents shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character by the Purchaser of any breach or default under this Agreement, or any waiver by the Purchaser of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in writing and that all remedies, either under this Agreement, or by law or otherwise afforded to the Purchaser, shall be cumulative and not alternative.

7.9 Interpretation. For purposes of this Agreement (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. The definitions given for any defined terms in this Agreement shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Unless the context otherwise requires, references herein: (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

7.10 Entire Agreement. This Agreement, the exhibits hereto, and the other Loan Documents constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof and no party shall be liable or bound to any other party in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein or therein.

7.11 Survival. The representations, warranties, covenants and agreements made herein shall survive the execution and delivery of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this **SECURED PROMISSORY NOTE PURCHASE AGREEMENT** as of the date first written above.

AUGUSTA GOLD CORP.

By: /s/ Purni Parikh

Name: Purni Parikh

Title: Sr. VP, Corp. Affairs & Corp. Secretary

PURCHASER:

Augusta Investments Inc.:

By: /s/ Richard Warke

Name: Richard Warke

Title: Director

[SIGNATURE PAGE TO SECURED PROMISSORY NOTE PURCHASE AGREEMENT OF AUGUSTA GOLD CORP.]

EXHIBIT A

NOTE

EXHIBIT B

GUARANTY AND SECURITY AGREEMENT

THE SECURITY REPRESENTED HEREBY HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITY, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AND, IF REQUESTED BY THE COMPANY, THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JANUARY 14, 2023.

\$22,232,560.80

September 13, 2022

**AUGUSTA GOLD CORP.
SECURED PROMISSORY NOTE**

FOR VALUE RECEIVED, Augusta Gold Corp., a Delaware corporation (the "**Company**"), promises to pay to Augusta Investments Inc. or its assigns (the "**Lender**"), the principal sum of \$22,232,560.80, together with all accrued and unpaid interest thereon as set forth below.

This Note shall rank senior to all other notes of the Company with preference and priority in all payments on account of principal and interest. All capitalized terms not defined and used herein shall have the meaning as defined in the Secured Promissory Note Purchase Agreement dated September 13, 2022 (the "**Purchase Agreement**").

The Purchase Agreement, this Note issued pursuant thereto, the Security Agreement (as defined in the Purchase Agreement) and the Deeds of Trust (as defined in the Purchase Agreement) are collectively referred to herein as the "**Loan Documents**." The obligations under this Note are secured by the Security Agreement and the Deeds of Trust. As used herein, "**Business Day**" means a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close.

1. Principal and Interest. The entire unpaid balance of principal and all accrued and unpaid interest shall be due and payable on the Maturity Date (the "Term"). The "Maturity Date" shall be the earlier of (i) September 13, 2023 and (ii) the date that is one Business Day following the date on which the Company closes its next financing transaction or the last in a series of financing transactions where the cumulative, aggregate net proceeds of such financing or series of financings are sufficient to pay the obligations under this Note. During the Term, interest on the unpaid principal balance of this Note shall accrue at the Prime Plus Rate (as defined below). Interest will be calculated per each calendar month (pro rated for the portion of the first calendar month in which this Note is issued and for any portion of a month in which the Maturity Date occurs from the beginning of such month through and including the Maturity Date) to be calculated in arrears on the first day of each calendar month for the preceding calendar month or on the Maturity Date (the "Interest Calculation Date"). All computations of interest at the Prime Plus Rate shall be made on the basis of a year of 365 days for the actual number of days elapsed in each calendar month for which interest is being calculated. As used herein, on each Interest Calculation Date, the "Prime Plus Rate" will mean (a) a rate which is three percent (3%) above the annual rate of interest published in The Wall Street Journal as the "Prime Rate (base rate on corporate loans posted by at least 75% of the nation's 30 largest banks)" on the Interest Calculation Date or if such publication or reference is no longer published, (b) such other comparable interest rate index selected by mutual agreement of the Company and the Lender that is readily available to the public and verifiable by the Company and the Lender but is beyond the control of either party (adjusted from time to time to reflect any changes in such rate determined hereunder) or (c) the maximum rate from time to time permitted by applicable law. Notwithstanding any provision to the contrary herein, in no event shall the applicable interest rate at any time exceed the maximum interest rate allowed under applicable law.

2. Payment. The Company may prepay this Note in whole or in part at any time. All payments of interest and principal shall be in lawful money of the United States of America no later than 12:00 PM New York Time on the date on which such payment is due. All payments shall be applied first to costs of collection, if any, then to accrued and unpaid interest, and thereafter to principal. Payment of principal and interest hereunder shall be made by check delivered to the Lender at the address furnished to the Company for that purpose or by wire transfer of immediately available funds to an account designated in writing by the Lender to the Company. Whenever any payment to be made hereunder shall be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension will be taken into account in calculating the amount of interest payable under this Note.

Notwithstanding the foregoing, in the event of (a) any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, (b) any consolidation, merger or sale of all or substantially all of the assets of the Company, or (c) any transfer of more than fifty percent (50%) of the voting power of the Company, in each case prior to the Maturity Date, other than involving a transaction with a person who controls, is controlled by or is under common control with the Company, the Lender shall be entitled to receive in cash upon such event the principal amount plus the amount of any interest accrued on this Note through to the date of such event, such payment to be made no later than the Business Day immediately following the consummation of such event.

3. Covenants. Until all amounts in this Note have been paid in full, the Company:

(a) shall comply with the covenants of the Company set forth in Section 5 of the Purchase Agreement and Section 5 of the Security Agreement;

(b) shall pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings, and reserves in conformity with GAAP with respect thereto have been provided on its books;

(c) shall as soon as possible and in any event within two (2) Business Days after it becomes aware that an Event of Default has occurred, notify the Lender in writing of the nature and extent of such Event of Default and the action, if any, it has taken or proposes to take with respect to such Event of Default;

(d) shall at the Company's expense, take all action either necessary or as reasonably requested by the Lender to ensure that the obligations to pay principal, interest and all other amounts under this Note continue to be secured by substantially all of the assets of the Company and its subsidiaries, including: (i) upon the formation or acquisition of any new direct or indirect wholly owned subsidiary by the Company or any Subsidiary, within thirty (30) days after such formation or acquisition, or such longer period as Lender may agree in writing in its discretion, notify Lender thereof and cause each such new subsidiary to duly execute and deliver to the Lender joinders to the Security Agreement as Guarantors and duly execute and deliver such other security agreements and documents, as reasonably requested by and in form and substance reasonably satisfactory to Lender, in each case granting liens on all assets of such new subsidiary, (ii) cause each such new subsidiary (and the parent of each such new subsidiary that is a Guarantor) to deliver any and all certificates representing equity interests (to the extent certificated) and intercompany notes (to the extent certificated), accompanied by undated stock powers or other appropriate instruments of transfer executed in blank, (iii) take and cause such new subsidiary and each direct or indirect parent of such subsidiary to take whatever action (including the filing of Uniform Commercial Code financing statements and intellectual property security agreements, and delivery of stock and membership interest certificates) as may be necessary in the reasonable opinion of the Lender to vest in the Lender valid and perfected liens on all assets of such subsidiary, and (iv) upon the request of the Lender, promptly execute and deliver such further instruments and do or cause to be done such further acts as may be necessary or advisable to carry out the intent and purposes of this Note, the Security Agreement and the Deeds of Trust;

(e) shall not incur, create, assume or suffer to exist any lien on any of its property or assets, whether now owned or hereinafter acquired except for (each a "**Permitted Lien**") (a) liens for taxes not yet due or which are being contested in good faith by appropriate proceedings; (b) non-consensual liens arising by operation of law, arising in the ordinary course of business, and for amounts which are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings; (c) liens on the Company's Reward Gold Project in favor of Waterton (such liens to be removed upon payment of the Second Payment and Deferred Payment under the CR Reward Agreement) and (d) liens created pursuant to the Security Agreement and the Deeds of Trust;

(f) shall not enter into any business, directly or indirectly, except for those businesses in which the Borrower is engaged on the date of this Note or that are reasonably related thereto;

(g) shall not permit the equity interests of any subsidiary of the Company to be owned by any person other than the Company or a wholly-owned subsidiary of the Company;

(h) shall not use the proceeds of this Note for any other purpose other than those set forth in Section 3.8 of the Purchase Agreement;

4. Default. The following events shall be considered “Events of Default”:

(a) the Company shall default in the payment of any part of the principal or unpaid accrued interest on this Note for more than five (5) days after the Maturity Date or at a date fixed by acceleration or otherwise;

(b) the Company shall fail to file the Deeds of Trust in accordance with the Purchase Agreement and such failure continues for more than 10 days or the Company shall fail to maintain perfected liens on all its assets in accordance with the Loan Documents and such failure continues for more than 30 days;

(c) any representation or warranty made or deemed made by the Company to the Lender herein, in the Purchase Agreement or in the Security Agreement is incorrect in any material respect on the date as of which such representation or warranty was made or deemed made;

(d) the Company fails to observe or perform (a) any covenant, condition or agreement contained in Section 3 or (b) any other covenant, obligation, condition or agreement contained in the Loan Documents and such failure continues for 30 days;

(e) the Company fails to pay when due any of its material debts (other than debts arising under this Note) or any interest or premium thereon when due (whether by scheduled maturity, acceleration, demand or otherwise) and such failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to such debt;

(f) one or more judgments or decrees in an amount exceeding in the aggregate \$1,000,000 shall be entered against the Company or its subsidiaries and such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof;

(g) the Company shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due, or shall file a voluntary petition for bankruptcy, or shall file any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, dissolution or similar relief under any present or future statute, law or regulation, or shall file any answer admitting the material allegations of a petition filed against the Company in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Company, or of all or any substantial part of the properties of the Company, or the Company or its respective directors or majority stockholders shall take any action looking to the dissolution or liquidation of the Company; or

(h) within sixty (60) days after the commencement of any proceeding against the Company seeking any bankruptcy reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have been dismissed, or within sixty (60) days after the appointment without the consent or acquiescence of the Company of any trustee, receiver or liquidator of the Company or of all or any substantial part of the properties of the Company, such appointment shall not have been vacated.

5. Remedies. Upon the occurrence of an Event of Default, at the option and upon the declaration of the Lender, the entire unpaid principal and accrued and unpaid interest on the Notes shall, without presentment, demand, protest, or notice of any kind, all of which are hereby expressly waived, be forthwith due and payable, and the Lender may, immediately and without expiration of any period of grace, enforce payment of all amounts due and owing under the Notes and exercise any and all other remedies granted to them under the Loan Documents, at law, in equity or otherwise.

6. **Waiver.** The Company hereby waives demand, notice, presentment, protest and notice of dishonor. No failure to exercise and no delay in exercising on the part of the Lender, of any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

7. **Costs and Fees.** The Company agrees to pay the Lender's reasonable costs in collecting and enforcing this Note upon and during the continuance of any Event of Default, including reasonable attorneys' fees.

8. **Security for Obligations.** The Company's obligations as set forth in and represented by this Note are secured by a pledge of certain assets of the Company in accordance with the terms of a Security Agreement and Deeds of Trust. Upon an Event of Default, the Lender shall have the right to exercise the remedies referenced therein.

9. **Amendments and Waivers; Resolutions of Disputes; Notice.** The amendment or waiver of any terms of this Note, the resolution of any controversy or claim arising out of or relating to this Note and any provision of notice shall be conducted pursuant to the terms of the Purchase Agreement.

10. **Notices.** All notices under this Note shall be given pursuant to the provisions of Section 7.5 of the Purchase Agreement.

11. **Assignment.** Neither party may assign or transfer this Note without the express written consent of the other party; provided however, the Lender may assign or transfer this Note to any affiliated entity of the Lender without the prior written consent of the Company. This Note shall inure to the benefit of, and be binding upon, the parties and their permitted assigns.

12. **USA PATRIOT Act.** The Company hereby notifies the Lender that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify, and record information that identifies the Lender, which information includes the name of the Lender and other information that will allow the Company to identify the Lender in accordance with the US PATRIOT Act, and the Lender agrees to provide such information from time to time to the Company.

13. **Interpretation.** For purposes of this Note (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Note as a whole. The definitions given for any defined terms in this Note shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Unless the context otherwise requires, references herein: (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Note shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

14. **Miscellaneous.** This Note shall be governed by and construed under the laws of the State of Delaware. FURTHER, BOTH THE COMPANY AND THE LENDER HEREBY WAIVE TRIAL BY JURY IN ANY ACTION TO ENFORCE THIS NOTE.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has executed this Note as of the date set forth above.

AUGUSTA GOLD CORP.

By: /s/ Purni Parikh
Name: Purni Parikh
Its: SVP, Corporate Affairs

Signature Page to Augusta Gold Corp. Secured Promissory Note

GUARANTY AND SECURITY AGREEMENT

THIS GUARANTY AND SECURITY AGREEMENT, dated as of September 13, 2022 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the provisions hereof, this “**Security Agreement**”), made by and among Augusta Gold Corp., a Delaware corporation, (the “**Company**”), Bullfrog Mines LLC, a Delaware limited liability company (“**Bullfrog**”), CR Reward LLC, a Nevada limited liability company (“**Reward**”), Rocky Mountain Minerals Corp., a Nevada corporation (“**RMMC**”), Standard Gold Corp., a Nevada (“**Standard**”), and Augusta Gold (BC) Corp. (“**Augusta BC**”, together with the Company, Bullfrog, Reward, RMMC, and Standard, the “**Grantors**”)(each of Bullfrog, Reward, RMMC, Standard and Augusta BC, a “**Guarantor**”), Augusta Investments Inc. (the “**Lender**”) and such other parties as may become Secured Parties from time to time party hereto (each of the Lender and such additional parties, a “**Secured Party**” and collectively, the “**Secured Party**”, as the context may require).

RECITALS

WHEREAS, pursuant to that certain Secured Promissory Note Purchase Agreement dated as of September 13, 2022 (as amended, restated, supplemented, or otherwise modified from time to time, the “**Purchase Agreement**”), among the Company, as issuer, and Lender, as purchaser, the Company has agreed to issue and sell, and Lender has agreed to purchase, a Secured Promissory Note upon the terms and subject to the conditions set forth therein (the “**Note**”);

WHEREAS, this Security Agreement is given by the Grantors in favor of the Secured Parties to secure the payment and performance of all of the Secured Obligations (as defined below); and

WHEREAS, it is a condition to the execution and delivery of the Purchase Agreement and to the obligations of the Lender to purchase the Note from and after the date of this Security Agreement that the Grantors execute and deliver this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions.

- (a) Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Purchase Agreement.
- (b) Unless otherwise specified herein, all references to Sections and Schedules herein are to Sections and Schedules of this Security Agreement.
- (c) Unless otherwise defined herein, terms used herein that are defined in the UCC shall have the meanings assigned to them in the UCC. However, if a term is defined in Article 9 of the UCC differently than in another Article of the UCC, the term has the meaning specified in Article 9.
- (d) For purposes of this Agreement, the following terms shall have the following meanings:
 - “**Collateral**” has the meaning set forth in Section 2.

“**Default**” shall mean any condition or event which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

“**Event of Default**” has the meaning set forth in the Note, as applicable.

“**Excluded Property**” shall mean any (i) general intangible, lease, license, contract or agreement to which a Grantor is a party, and any of its rights or interests thereunder, only and solely to the extent that a security interest therein is prohibited by or in violation of (x) any applicable law, or (y) a term, provision or condition of any such general intangible, lease, license, contract or agreement (unless in each case, such applicable law, term, provision or condition would be rendered ineffective with respect to the creation of such security interest pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law or principles of equity), (ii) fixed or capital assets (including equipment) owned by a Grantor that is subject to a purchase money lien or a capital lease obligation, if (but only to the extent that and only for so long as such purchase money indebtedness or capital lease restricts the granting of a lien therein to Secured Party) the grant of a security interest therein would constitute a violation of a valid and enforceable restriction in the related purchase money or capital lease documentation (unless any required consents shall have been obtained), and (iii) monies, checks, securities or other items on deposit or otherwise held in deposit accounts or trust accounts specifically and exclusively used for payroll, payroll taxes, deferred compensation and other employee wage and benefit payments to or for the direct benefit of a Grantor’s employees; provided, however, that the foregoing shall cease to be treated as “Excluded Property” (and shall constitute Collateral) immediately at such time as the contractual or legal prohibition shall no longer be applicable and to the extent severable, such security interest shall attach immediately to any portion of such general intangible, lease, license, contract or agreement not subject to the prohibitions specified in (x) or (y) above, provided, that Excluded Property shall not include any Proceeds (to the extent such Proceeds are not Excluded Property) of any such general intangible, lease, license, contract, property, equipment or agreement or any goodwill of a Grantor’s business associated therewith or attributable thereto.

“**Proceeds**” means “proceeds” as such term is defined in Section 9-102 of the UCC and, in any event, shall include, without limitation, all dividends or other income from the Collateral, collections thereon or distributions with respect thereto.

“**Secured Obligations**” has the meaning set forth in Section 3.

“**UCC**” means the Uniform Commercial Code as in effect from time to time in the State of Texas or, when the laws of any other state govern the method or manner of the perfection or enforcement of any security interest in any of the Collateral, the Uniform Commercial Code as in effect from time to time in such state.

2. Grant of Security Interest. Each Grantor hereby grants to the Secured Party a first priority security interest in all of the following property, whether now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest, wherever located (collectively, the “**Collateral**”), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of its Secured Obligations:

- (a) all Accounts;
- (b) all Chattel Paper;
- (c) all Contracts;
- (d) all Deposit Accounts and all moneys;
- (e) all Documents;
- (f) all Equipment;
- (g) all General Intangibles;
- (h) all Instruments;
- (i) all Intellectual Property;
- (j) all Inventory;
- (k) all Investment Property;
- (l) all Letter-of-Credit Rights;
- (m) all Farm Products;

- (n) all Goods and other property not otherwise described above (except for any property specifically excluded from any defined term used in any clause of this section above);
- (o) all books and records pertaining to the Collateral;
- (p) all Commercial Tort Claims; and
- (q) to the extent not otherwise included, all Proceeds, Supporting Obligations and products of any and all of the foregoing and all collateral security and guarantees given by any person with respect to any of the foregoing.

Notwithstanding the foregoing, "Collateral" shall not include any Excluded Property.

3. Secured Obligations. The Collateral secures the due and prompt payment and performance of:

(a) the obligations of such Grantor from time to time arising under the Purchase Agreement, the Note, this Security Agreement, any other Loan Documents or otherwise with respect to the due and prompt payment of (i) the principal of and interest on the Note (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise and (ii) all other monetary obligations, including fees, costs, attorneys' fees and disbursements, reimbursement obligations, contract causes of action, expenses and indemnities, whether primary, secondary, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of such Grantor under or in respect of the Purchase Agreement, the Note, this Security Agreement, or any other Loan Documents; and

(b) all other covenants, duties, debts, obligations and liabilities of any kind of such Grantor under or in respect of the Purchase Agreement, the Note, this Security Agreement, or any other Loan Documents or any other document made, delivered or given in connection with any of the foregoing, in each case whether evidenced by a note or other writing, whether allowed in any bankruptcy, insolvency, receivership or other similar proceeding, whether arising from an extension of credit, issuance of a letter of credit, acceptance, loan, guaranty, indemnification or otherwise, and whether primary, secondary, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, fixed or otherwise (all such obligations, covenants, duties, debts, liabilities, sums and expenses set forth in this Section 3 being herein collectively called the "Secured Obligations").

4. Perfection of Security Interest and Further Assurances.

(a) Each Grantor hereby irrevocably authorizes the Secured Party at any time and from time to time to file in any relevant jurisdiction any financing statements and amendments thereto that contain the information required by Article 9 of the UCC of each applicable jurisdiction for the filing of any financing statement or amendment relating to the Collateral, including any financing or continuation statements or other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the first priority security interest granted by the Grantor hereunder, without the signature of the Grantor where permitted by law, including the filing of a financing statement describing the Collateral as all assets now owned or hereafter acquired by the Grantor, or words of similar effect. Each Grantor agrees to provide all information required by the Secured Party pursuant to this Section within a reasonable amount of time to the Secured Party upon request.

(b) Each Grantor agrees that at any time and from time to time, at the expense of such Grantor, such Grantor will: (i) upon Secured Party's request, take all reasonably necessary action in order to grant to Secured Party a first priority security interest in Grantor's real estate; (ii) upon Grantor's filing of any commercial tort claim, promptly notify the Secured Party thereof; and (iii) within a reasonable amount of time, execute and deliver all further instruments and documents, obtain such agreements from third parties, and take all further action, that the Secured Party may reasonably request, in order to create and/or maintain the validity, perfection or priority of and protect any security interest granted or purported to be granted hereby or to enable the Secured Party to exercise and enforce its rights and remedies hereunder or under any other agreement with respect to any Collateral.

5. Secured Party Appointed Attorney-in-Fact. Each Grantor hereby appoints the Secured Party the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time during the continuance of an Event of Default in the Secured Party's discretion to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Security Agreement (but the Secured Party shall not be obligated to and shall have no liability to such Grantor or any third party for failure to do so or take action). This appointment, being coupled with an interest, shall be irrevocable. Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof.

6. Secured Party May Perform. If a Grantor fails to perform any obligation contained in this Agreement, the Secured Party may itself perform, or cause performance of, such obligation (solely to the extent necessary to preserve the existence of its security interest in the Collateral), and the expenses of the Secured Party incurred in connection therewith shall be payable by such Grantor; provided that the Secured Party shall not be required to perform or discharge any obligation of a Grantor.

7. Reasonable Care. The Secured Party shall have no duty with respect to the care and preservation of the Collateral beyond the exercise of reasonable care. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property, it being understood that the Secured Party shall not have any responsibility for (a) ascertaining or taking action with respect to any claims, the nature or sufficiency of any payment or performance by any party under or pursuant to any agreement relating to the Collateral or other matters relative to any Collateral, whether or not the Secured Party has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Collateral. Nothing set forth in this Agreement, nor the exercise by the Secured Party of any of the rights and remedies hereunder, shall relieve a Grantor from the performance of any obligation on a Grantor's part to be performed or observed in respect of any of the Collateral.

8. Remedies Upon Default.

(a) If any Event of Default shall have occurred and be continuing, the Secured Party, without any other notice to or demand upon the Grantors, may assert all rights and remedies of a secured party under the UCC or other applicable law, including, without limitation, the right to take possession of, hold, collect, sell, lease, deliver, grant options to purchase or otherwise retain, liquidate or dispose of all or any portion of the Collateral. If notice prior to disposition of the Collateral or any portion thereof is necessary under applicable law, written notice mailed to the Grantor at its notice address as provided in Section 12 hereof ten days prior to the date of such disposition shall constitute reasonable notice, but notice given in any other reasonable manner shall be sufficient. So long as the sale of the Collateral is made in a commercially reasonable manner, the Secured Party may sell such Collateral on such terms and to such purchaser(s) as the Secured Party in its absolute discretion may choose, without assuming any credit risk and without any obligation to advertise or give notice of any kind other than that necessary under applicable law. Without precluding any other methods of sale, the sale of the Collateral or any portion thereof shall have been made in a commercially reasonable manner if conducted in conformity with reasonable commercial practices of creditors disposing of similar property. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against the Secured Party arising out of the exercise by it of any rights hereunder. Each Grantor hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling the Collateral and any other security for the Secured Obligations or otherwise. At any such sale, unless prohibited by applicable law, the Secured Party or any custodian may bid for and purchase all or any part of the Collateral so sold free from any such right or equity of redemption. Neither the Secured Party nor any custodian shall be liable for failure to collect or realize upon any or all of the Collateral or for any delay in so doing, nor shall it be under any obligation to take any action whatsoever with regard thereto. The Secured Party shall not be obligated to clean-up or otherwise prepare the Collateral for sale.

(b) If the Secured Party shall determine to exercise its rights to sell all or any of the Collateral pursuant to this Section, each Grantor agrees that, upon request of the Secured Party, such Grantor will, at its own expense, do or cause to be done all such acts and things as may be necessary to make such sale of the Collateral or any part thereof valid and binding and in compliance with applicable law.

9. No Waiver and Cumulative Remedies. The Secured Party shall not by any act (except by a written instrument pursuant to Section 11), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

10. Security Interest Absolute. Each Grantor hereby waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. All rights of the Secured Party and liens and security interests hereunder, and all Secured Obligations of each Grantor hereunder, shall be absolute and unconditional irrespective of:

- (a) any illegality or lack of validity or enforceability of any Secured Obligation or any related agreement or instrument;
- (b) any change in the time, place or manner of payment of, or in any other term of, the Secured Obligations, or any rescission, waiver, amendment or other modification of the Purchase Agreement, this Security Agreement, the Note, the other Loan Documents or any other agreement, including any increase in the Secured Obligations resulting from any extension of additional credit or otherwise;
- (c) any taking, exchange, substitution, release, impairment or non-perfection of any Collateral or any other collateral, or any taking, release, impairment, amendment, waiver or other modification of any guaranty, for all or any of the Secured Obligations;

- (d) any manner of sale, disposition or application of proceeds of any Collateral or any other collateral or other assets to all or part of the Secured Obligations;
- (e) any default, failure or delay, willful or otherwise, in the performance of the Secured Obligations;
- (f) any defense, set-off or counterclaim (other than a defense of payment or performance) that may at any time be available to, or be asserted by, the Grantor against the Secured Party; or
- (g) any other circumstance (including, without limitation, any statute of limitations) or manner of administering the Note or any existence of or reliance on any representation by the Secured Party that might vary the risk of a Grantor or otherwise operate as a defense available to, or a legal or equitable discharge of, a Grantor or any other grantor, guarantor or surety.

11. Guarantee.

(a) To induce the Lender to purchase the Note, each Guarantor hereby, jointly and severally, absolutely, unconditionally and irrevocably, guarantees, as primary obligor and not merely as surety, the full and punctual payment when due, whether at stated maturity or earlier, by reason of acceleration, mandatory prepayment or otherwise in accordance with any Loan Document, of all the Secured Obligations of the Company and the other Guarantors whether existing on the date hereof or hereinafter incurred or created (the “**Guarantor Obligations**”). The Guarantor Obligations shall include, without limitation, interest accruing at the then applicable rate provided in the Note after the maturity thereof and interest accruing at the then applicable rate provided in the Note after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Company, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with the Purchase Agreement, the Note, this Security Agreement or any other Loan Documents, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including all fees and disbursements of counsel to the Lender that are required to be paid by the Company pursuant to the terms of any of the foregoing agreements) and all obligations and liabilities of such Guarantor that arise or may arise under or in connection with this Agreement or any other Loan Document to which such Guarantor is a party, in each case whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including all fees and disbursements of counsel to the Lender that are required to be paid by such Guarantor pursuant to the terms of any such Loan Document). Each Guarantor’s Guarantee hereunder constitutes a guarantee of payment and not of collection.

(b) Any term or provision of this Security Agreement or any other Loan Document to the contrary notwithstanding, the maximum aggregate amount for which any Guarantor shall be liable hereunder shall not exceed the maximum amount for which such Guarantor can be liable without rendering the obligations of such Guarantor under this Guarantee or any other Loan Document, as it relates to such Guarantor, subject to avoidance under applicable laws relating to fraudulent conveyance or fraudulent transfer (including the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act, the Uniform Voidable Transactions Act and Section 548 of title 11 of the United States Code or any applicable provisions of comparable laws) (collectively, the “**Fraudulent Transfer Laws**”). Any analysis of the provisions of this Guarantee for purposes of the Fraudulent Transfer Laws shall take into account the right of contribution established in Section 11(f) hereof and, for purposes of such analysis, give effect to any discharge of intercompany debt as a result of any payment made under this Guarantee.

(c) Each Guarantor agrees that the Secured Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing this Guarantee or affecting the rights and remedies of any Secured Party hereunder.

(d) This Guarantee shall remain in full force and effect until the Termination Date occurs.

(e) No payment made by the Company, any of the Guarantors, any other guarantor or any other person or received or collected by the Lender from the Company, any of the Guarantors, any other guarantor or any other person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Secured Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder, and each Guarantor shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Secured Obligations or any payment received or collected from such Guarantor in respect of the Guarantor Obligations), remain liable for the Guarantor Obligations up to the maximum liability of such Guarantor hereunder until the Termination Date occurs.

(f) Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 11(g) hereof. The provisions of this Section shall in no respect limit the obligations and liabilities of any Guarantor to the Lender, and each Guarantor shall remain liable to the Lender for the full amount guaranteed by such Guarantor hereunder.

(g) Notwithstanding any payment made by any Guarantor hereunder or any set-off or application of funds of any Guarantor by the Lender, no Guarantor shall be entitled to be subrogated to any of the rights of the Lender against the Company or any other Guarantor or any collateral security or guarantee or right of offset held by the Lender for the payment of the Secured Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Company or any other Guarantor in respect of payments made by such Guarantor under this Guarantee, until the Termination Date occurs. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time prior to the Termination Date, such amount shall be held by such Guarantor for the benefit of the Lender, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Lender in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Lender, if required), to be applied against the Secured Obligations, whether matured or unmatured.

(h) Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Guarantor Obligations made by the Lender may be rescinded by the Lender and any of the Guarantor Obligations continued, and the Guarantor Obligations, or the liability of any other person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Lender, and the Purchase Agreement and the other Loan Documents, and any other documents executed and delivered in connection therewith may be amended, amended and restated, supplemented or otherwise modified or terminated, in whole or in part, as the Lender may deem advisable from time to time in accordance with the Purchase Agreement, and any collateral security, guarantee or right of offset at any time held by the Lender for the payment of the Guarantor Obligations may be sold, exchanged, waived, surrendered or released. The Lender shall not have any obligation to protect, secure, perfect or insure any lien at any time held by it as security for the Guarantor Obligations or for this Guarantee or any property subject thereto.

(i) Each Guarantor waives to the fullest extent permitted by applicable law any and all notice of the creation, renewal, extension or accrual of any of the Secured Obligations and notice of or proof of reliance by the Lender upon this Guarantee or acceptance of the guarantee contained in this Section 11. The Secured Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Guarantee and all dealings between the Company and any of the Guarantors, on the one hand, and the Lender, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon this Guarantee. Each Guarantor, to the fullest extent permitted by applicable law, waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Company or any of the Guarantors with respect to the Secured Obligations, other than in connection with any cure periods applicable to the Company. Each Guarantor waives, to the fullest extent permitted by applicable law, any right such Guarantor may now have or hereafter acquire to revoke, rescind, terminate or limit (except as expressly provided herein) this Guarantee or any of its obligations hereunder. Each Guarantor understands and agrees, to the fullest extent permitted by applicable law, that this Guarantee shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of the Purchase Agreement or any other Loan Documents, any of the Guarantor Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Company or any other person against the Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Company or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Company with respect to any Secured Obligations, or of such Guarantor under this Guarantee, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, the Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Company any other Guarantor or any other person or against any collateral security or guarantee for the Guarantor Obligations or any right of offset with respect thereto, and any failure by the Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from the Company, any other Guarantor or any other person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Company, any other Guarantor or any other person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Lender against any Guarantor. For the purposes hereof, "demand" shall include the commencement and continuance of any legal proceedings.

(j) This Guarantee shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Guarantor Obligations is rescinded or must otherwise be restored or returned by the Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Company or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

(k) Each Guarantor hereby guarantees that payments hereunder will be paid to the Lender without set-off or counterclaim in United States dollars in the manner for payments set forth in the Note.

12. Amendments. None of the terms or provisions of this Security Agreement may be amended, modified, supplemented, terminated or waived, and no consent to any departure by the Grantor therefrom shall be effective unless the same shall be in writing and signed by the Secured Party and the Grantors, and then such amendment, modification, supplement, waiver or consent shall be effective only in the specific instance and for the specific purpose for which made or given.

13. Addresses For Notices. All notices and other communications provided for in this Security Agreement shall be in writing and shall be given in the manner and become effective as set forth in the Purchase Agreement, and addressed to the respective parties at their addresses as specified in the Purchase Agreement (with notice to any Grantor being made to the address for the Company therein) or as to either party at such other address as shall be designated by such party in a written notice to each other party.

14. Continuing Security Interest; Further Actions. This Security Agreement shall create a continuing lien on and security interest in the Collateral and shall (a) subject to Section 14, remain in full force and effect until payment and performance in full of the Secured Obligations (and termination of the Notes), (b) be binding upon the Grantor, its successors and assigns, and (c) inure to the benefit of the Secured Party and its successors, transferees and assigns; provided that the Grantor may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Secured Party.

15. Termination; Release. On the date on which all Secured Obligations have been indefeasibly paid and performed in full in cash (the “**Termination Date**”), the Secured Party will, at the request and sole expense of the Grantors, (a) duly assign, transfer and deliver to or at the direction of the Grantors (without recourse and without any representation or warranty) such of the Collateral as may then remain in the possession of the Secured Party, together with any monies at the time held by the Secured Party hereunder, and (b) execute and deliver to the Grantors a proper instrument or instruments acknowledging the satisfaction and termination of this Security Agreement.

16. Governing Law. This Security Agreement shall be governed by and construed under the laws of the State of Delaware. FURTHER, BOTH THE COMPANY AND THE LENDER HEREBY WAIVE TRIAL BY JURY IN ANY ACTION TO ENFORCE THIS NOTE.

17. Counterparts. This Security Agreement and any amendments, waivers, consents or supplements hereto may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (i.e., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Agreement.

18. Integration. The Purchase Agreement, this Security Agreement, the Note and the other Loan Documents constitute the entire contract among the parties with respect to the subject matter hereof and supersede all previous agreements and understandings, oral or written, with respect thereto. The Recitals to this Agreement are hereby incorporated by reference and made a part of this Security Agreement for all purposes.

19. Titles and Subtitles. The titles and subtitles used in this Security Agreement are used for convenience only and are not to be considered in construing or interpreting this Security Agreement.

20. Interpretation. For purposes of this Security Agreement (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Security Agreement as a whole. The definitions given for any defined terms in this Agreement shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Unless the context otherwise requires, references herein: (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Security Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

21. Assignment. No party may assign or transfer this Security Agreement without the express written consent of the other party. This Security Agreement shall inure to the benefit of, and be binding upon, the parties and their permitted assigns.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

AUGUSTA GOLD CORP.,

a Delaware corporation, as a Grantor

By: /s/ Purni Parikh
Name: Purni Parikh
Title: Sr. VP, Corp. Affairs & Corp. Secretary

BULLFROG MINES LLC,

a Delaware limited liability company, as a Guarantor and Grantor

By: /s/ Purni Parikh
Name: Purni Parikh
Title: Secretary

CR REWARD LLC,

a Nevada limited liability company, as a Guarantor and Grantor

By: /s/ Purni Parikh
Name: Purni Parikh
Title: Secretary

ROCKY MOUNTAIN MINERALS CORP.,

a Nevada corporation, as a Guarantor and Grantor

By: /s/ Tom Ladner
Name: Tom Ladner
Title: Secretary

STANDARD GOLD CORP.,

a Nevada corporation, as a Guarantor and Grantor

By: /s/ Tom Ladner
Name: Tom Ladner
Title: Secretary

AUGUSTA GOLD (BC) CORP.,

a British Columbia corporation, as a Guarantor Grantor

By: /s/ Purni Parikh
Name: Purni Parikh
Title: Secretary

[Signature Page to Guaranty and Security Agreement]

SECURED PARTY

AUGUSTA INVESTMENTS INC.

By: /s/ Richard Warke
Name: Richard Warke
Title: Director

[Signature Page to Guaranty and Security Agreement]