

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

FORM 10-K

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

For the fiscal year ended December 31, 2022

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

Commission File No. 000-54653



AUGUSTA GOLD CORP.
(Exact Name of Registrant as Specified in Its Charter)

| | |
|---|---|
| <u>Delaware</u> (State or Other Jurisdiction Of Incorporation or Organization) | <u>41-2252162</u> (I.R.S. Employer Identification Number) |
| <u>Suite 555 - 999 Canada Place Vancouver, BC, Canada</u> (Address of Principal Executive Offices) | <u>V6C 3E1</u> (Zip Code) |

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

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

Securities registered pursuant to Section 12(g) of the Act: Common Stock, \$0.0001 par value per share

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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

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

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

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common stock was last sold as of the last business day of the registrant's most recently completed second fiscal quarter was \$103,758,034.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 85,929,753 shares of common stock par value \$0.0001, were outstanding on March 15, 2023.

| Auditor Firm ID: | Auditor Name: | Auditor Location: |
|-------------------------|------------------------|--------------------------|
| 731 | DAVIDSON & COMPANY LLP | Vancouver, Canada |

TABLE OF CONTENTS

| | |
|---|-----|
| <u>CAUTIONARY NOTE TO INVESTORS REGARDING MINERAL ESTIMATES</u> | ii |
| <u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u> | iii |
| <u>GLOSSARY OF SELECTED MINING TERMS</u> | v |
| <u>USE OF NAMES</u> | vii |
| <u>CURRENCY</u> | vii |
| <u>METRIC CONVERSION TABLE</u> | vii |
| <u>PART I</u> | 1 |
| <u>ITEM 1. BUSINESS</u> | 1 |
| <u>ITEM 1A. RISK FACTORS</u> | 6 |
| <u>ITEM 1B. UNRESOLVED STAFF COMMENTS</u> | 16 |
| <u>ITEM 2. PROPERTIES</u> | 16 |
| <u>ITEM 3. LEGAL PROCEEDINGS</u> | 31 |
| <u>ITEM 4. MINE SAFETY DISCLOSURES</u> | 31 |
| <u>PART II</u> | 32 |
| <u>ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES</u> | 32 |
| <u>ITEM 6. [RESERVED]</u> | 33 |
| <u>ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u> | 33 |
| <u>ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u> | 36 |
| <u>ITEM 8. FINANCIAL STATEMENTS</u> | 36 |
| <u>ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE</u> | 36 |
| <u>ITEM 9A. CONTROLS AND PROCEDURES</u> | 36 |
| <u>ITEM 9B. OTHER INFORMATION</u> | 37 |
| <u>ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTION</u> | 37 |
| <u>PART III</u> | 38 |
| <u>ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE</u> | 38 |
| <u>ITEM 11. EXECUTIVE COMPENSATION</u> | 42 |
| <u>ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u> | 45 |
| <u>ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE</u> | 48 |
| <u>ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES</u> | 49 |
| <u>PART IV</u> | 50 |
| <u>ITEM 15. EXHIBITS</u> | 50 |
| <u>ITEM 16. FORM 10-K SUMMARY</u> | 50 |
| <u>SIGNATURES</u> | 51 |

**CAUTIONARY NOTE TO INVESTORS REGARDING ESTIMATES OF MEASURED,
INDICATED AND INFERRED RESOURCES AND PROVEN AND PROBABLE MINERAL RESERVES**

We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) and applicable Canadian securities laws, and as a result we report our mineral reserves and mineral resources according to two different standards. U.S. reporting requirements are governed by subpart 1300 of Regulation S-K under the Exchange Act (“**S-K 1300**”). Canadian reporting requirements for disclosure of mineral properties are governed by NI 43-101. Both sets of reporting standards have similar goals in terms of conveying an appropriate level of confidence in the disclosures being reported, but the standards embody slightly different approaches and definitions.

In our public filings in the U.S. and Canada and in certain other announcements not filed with the SEC, we disclose proven and probable reserves and measured, indicated and inferred resources, each as defined in S-K 1300 and NI 43-101. As currently reported, there are no material differences in our disclosed measured, indicated and inferred resource under each of S-K 1300 and NI 43-101. The estimation of measured resources and indicated resources involve greater uncertainty as to their existence and economic feasibility than the estimation of proven and probable reserves, and therefore investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into S-K 1300-compliant or NI 43-101-compliant reserves. The estimation of inferred resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources, and therefore it cannot be assumed that all or any part of inferred resources will ever be upgraded to a higher category. Therefore, investors are cautioned not to assume that all or any part of inferred resources exist, or that they can be mined legally or economically.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K and the exhibits attached hereto contain “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, as amended, and “forward-looking information” within the meaning of applicable Canadian securities legislation, collectively “forward-looking statements”. Such forward-looking statements concern our anticipated results and developments in the operations of the Company in future periods, planned exploration activities, the adequacy of the Company’s financial resources and other events or conditions that may occur in the future. Forward-looking statements are frequently, but not always, identified by words such as “expects,” “anticipates,” “believes,” “intends,” “estimates,” “potential,” “possible” and similar expressions, or statements that events, conditions or results “will,” “may,” “could” or “should” (or the negative and grammatical variations of any of these terms) occur or be achieved. These forward looking statements may include, but are not limited to, statements concerning:

- the Company’s strategies and objectives, both generally and in respect of the Bullfrog Gold Project and Reward Gold Project;
- the recommendations of the Technical Reports for the Bullfrog Gold Project and Reward Gold Project;
- the Company’s decisions regarding the timing and costs of exploration programs with respect to, and the issuance of the necessary permits and authorizations required for, the Company’s exploration programs at the Bullfrog Gold Project and Reward Gold Project;
- the Company’s estimates of the quality and quantity of the mineralized materials at its mineral properties;
- the potential discovery and delineation of mineral deposits/reserves and any expansion thereof beyond the current estimate;
- the Company’s expectation that it will become a gold producer;
- the Company’s estimates of future operating and financial performance;
- the Company’s potential funding requirements and sources of capital, including near-term sources of additional cash and long-term financing through the sale of equity and/or debt financings and through the exercise of stock options and warrants;
- the Company’s expectation that the Company will continue to raise capital;
- the Company’s expectation that the Company will continue to incur losses and will not pay dividends for the foreseeable future;
- the Company’s estimates of its future cash position;
- the Company’s anticipated general business and economic conditions;
- the Company’s ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations; and
- that the Company will operate at a loss for the foreseeable future.

Such forward-looking statements reflect the Company’s current views with respect to future events and are subject to certain known and unknown risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, risks related to:

- our history of losses;
- negative cash flow;
- our limited operating history;
- increased costs affecting our financial condition;
- the Bullfrog Gold Project and Reward Gold Project being in the exploration stage;
- whether the Bullfrog Gold Project and Reward Gold Project are feasible;
- the Bullfrog Gold Project and Reward Gold Project requiring substantial capital investment;
- our inability to obtain required permits;
- our status as a junior mining company;
- difficulties in managing growth;
- our potential loss of key persons;
- risks related to the evolving novel coronavirus (“COVID-19”) pandemic and health crisis and the governmental and regulatory actions taken in response thereto;
- the risks of mineral exploration;

- evaluation uncertainty in estimating mineralized material;
- changes in estimates of mineralized material;
- our exploration projects not succeeding;
- price volatility of gold and silver;
- environmental regulations;
- challenges to title to our properties;
- amendments to mining law;
- supply shortages;
- inability to maintain infrastructure to conduct exploration activities;
- new regulation related to climate change;
- relationships with communities in which we operate;
- newly adopted mining disclosure regulations;
- evolving corporate standards;
- Canadian reporting requirements; and
- The price of the shares of common stock being volatile.

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. This list of factors that may affect any of the Company's forward-looking statements is not exhaustive. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including without limitation those discussed in "Part I, Item 1A, Risk Factors", of this Annual Report on Form 10-K as well as other factors described elsewhere in this report and the Company's other reports filed with the SEC.

The Company's forward-looking statements contained in this Annual Report on Form 10-K are based on the beliefs, expectations and opinions of management as of the date of this Annual Report. The Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

GLOSSARY OF SELECTED MINING TERMS

| | |
|---------------------------------|--|
| Ag | Silver |
| Au | Gold |
| Breccia | Broken sedimentary and volcanic rock fragments cemented by a fine-grained matrix |
| Clastic Rock | Fragments, or clasts, of pre-existing minerals |
| Cutoff Grade | The grade (i.e., the concentration of metal or mineral in rock) that determines the destination of the material during mining. For purposes of establishing “prospects of economic extraction,” the cut-off grade is the grade that distinguishes material deemed to have no economic value (it will not be mined in underground mining or if mined in surface mining, its destination will be the waste dump) from material deemed to have economic value (its ultimate destination during mining will be a processing facility). Other terms used in similar fashion as cut-off grade include net smelter return, pay limit, and break-even stripping ratio. |
| Deposit | A mineralized body which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures. Such a deposit does not qualify as a commercially mineable ore body or as containing reserves or ore, unless final legal, technical and economic factors are resolved |
| Detachment Fault | A regionally extensive, gently dipping normal fault that is commonly associated with extension in large blocks of the earth’s crust |
| g/t | Grams per metric tonne |
| Metamorphic Rock | Rock that has transformed to another rock form after intense heat and pressure |
| Miocene | A geologic era that extended from 5 million to 23 million years ago |
| Mineralization | The concentration of metals and their chemical compounds within a body of rock |
| Net Smelter Royalty | A percentage payable to an owner or lessee from the production or net proceeds received by the operator from a smelter or refinery, less transportation, insurance, smelting and refining costs and penalties as set out in a royalty agreement. |
| Paleozoic | A geologic era extending from 230 million to 540 million years ago |
| Photogrammetry | The science of making measurements from photographs; the output is typically a map or a drawing |
| Proterozoic | A geologic era extending from 540 million years to 2,500 million years ago. |
| Reverse Circulation (RC) | A drilling method whereby drill cuttings are returned to the surface through the annulus between inner and outer drill rods, thereby minimizing contamination from wall rock. |
| Rhyolite | An igneous, volcanic extrusive rock containing more than 65% silica. |
| Schist | A group metamorphic rocks that contain more than 50% platy and elongated minerals such as mica. |
| Siliciclastic Rock | Non-carbonate sedimentary rocks that are almost exclusively silicas-bearing, either as quartz or silicate minerals. |
| Tertiary | A geologic era from 2.6 million to 65 million years ago. |

S-K 1300 Definitions

| | |
|-----------------------------------|--|
| Exploration Stage Issuer | An “exploration stage issuer” is an issuer that has no material property with mineral reserves disclosed. |
| Exploration Stage Property | An “exploration stage property” is a property that has no mineral reserves disclosed. |
| Development Stage Issuer | A “development stage issuer” is an issuer that is engaged in the preparation of mineral reserves for extraction on at least one material property. |
| Development Stage Property | A “development stage property” is a property that has mineral reserves disclosed, pursuant to this subpart, but no material extraction. |
| Indicated Mineral Resource | An “indicated mineral resource” is that part of a mineral resource for which quantity and grade or quality are estimated on the basis of adequate geological evidence and sampling. The level of geological certainty associated with an indicated mineral resource is sufficient to allow a qualified person to apply modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Because an indicated mineral resource has a lower level of confidence than the level of confidence of a measured mineral resource, an indicated mineral resource may only be converted to a probable mineral reserve. |
| Inferred Mineral Resource | An “inferred mineral resource” is that part of a mineral resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. The level of geological uncertainty associated with an inferred mineral resource is too high to apply relevant technical and economic factors likely to influence the prospects of economic extraction in a manner useful for evaluation of economic viability. Because an inferred mineral resource has the lowest level of geological confidence of all mineral resources, which prevents the application of the modifying factors in a manner useful for evaluation of economic viability, an inferred mineral resource may not be considered when assessing the economic viability of a mining project, and may not be converted to a mineral reserve. |
| Measured Mineral Resource | A “measured mineral resource” is that part of a mineral resource for which quantity and grade or quality are estimated on the basis of conclusive geological evidence and sampling. The level of geological certainty associated with a measured mineral resource is sufficient to allow a qualified person to apply modifying factors, as defined in this section, in sufficient detail to support detailed mine planning and final evaluation of the economic viability of the deposit. Because a measured mineral resource has a higher level of confidence than the level of confidence of either an indicated mineral resource or an inferred mineral resource, a measured mineral resource may be converted to a proven mineral reserve or to a probable mineral reserve. |
| Mineral Reserve | A “mineral reserve” is an estimate of tonnage and grade or quality of indicated and measured mineral resources that, in the opinion of the qualified person, can be the basis of an economically viable project. More specifically, it is the economically mineable part of a measured or indicated mineral resource, which includes diluting materials and allowances for losses that may occur when the material is mined or extracted. |

| | |
|----------------------------------|--|
| Mineral Resource | A “mineral resource” is a concentration or occurrence of material of economic interest in or on the Earth’s crust in such form, grade or quality, and quantity that there are reasonable prospects for economic extraction. A mineral resource is a reasonable estimate of mineralization, taking into account relevant factors such as cut-off grade, likely mining dimensions, location or continuity, that, with the assumed and justifiable technical and economic conditions, is likely to, in whole or in part, become economically extractable. It is not merely an inventory of all mineralization drilled or sampled. |
| Modifying Factors | Modifying factors are the factors that a qualified person must apply to indicated and measured mineral resources and then evaluate in order to establish the economic viability of mineral reserves. A qualified person must apply and evaluate modifying factors to convert measured and indicated mineral resources to proven and probable mineral reserves. These factors include, but are not restricted to: Mining; processing; metallurgical; infrastructure; economic; marketing; legal; environmental compliance; plans, negotiations, or agreements with local individuals or groups; and governmental factors. The number, type and specific characteristics of the modifying factors applied will necessarily be a function of and depend upon the mineral, mine, property, or project. |
| Probable Reserve | A “probable mineral reserve” is the economically mineable part of an indicated and, in some cases, a measured mineral resource. |
| Production Stage Issuer | A “production stage issuer” is an issuer that is engaged in material extraction of mineral reserves on at least one material property. |
| Production Stage Property | A “production stage property” is a property with material extraction of mineral reserves. |
| Proven Reserve | A “proven mineral reserve” is the economically mineable part of a measured mineral resource and can only result from conversion of a measured mineral resource. |

USE OF NAMES

In this Annual Report on Form 10-K, unless the context otherwise requires, the terms “we”, “us”, “our”, “Augusta Gold”, “Augusta Gold Corp.” or the “Company” refer to Augusta Gold Corp., a Delaware corporation, and its subsidiaries.

CURRENCY

References to CDN or C\$ refer to Canadian currency and USD or \$ to United States currency.

METRIC CONVERSION TABLE

| To Convert Metric Measurement Units | To Imperial Measurement Units | Multiply by |
|--|--------------------------------------|--------------------|
| Hectares | Acres | 2.4710 |
| Meters | Feet | 3.2808 |
| Kilometers | Miles | 0.6214 |
| Tonnes | Tons (short) | 1.1023 |
| Liters | Gallons | 0.2642 |
| Grams | Ounces (troy) | 0.0322 |
| Grams per tonne | Ounces (troy) per ton (short) | 0.0292 |

PART I

ITEM 1. BUSINESS

General Corporate Overview

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

The Bullfrog Gold Project is located approximately 120 miles north-west of Las Vegas, Nevada and 4 miles west of Beatty, Nevada. The Reward Gold Project is located seven miles from the Bullfrog Gold Project. The Company owns, controls or has acquired mineral rights on federal patented and unpatented mining claims in the State of Nevada for the purpose of exploration and potential development of gold, silver, and other metals. The Company plans to review opportunities and acquire additional mineral properties with current or historic precious and base metal mineralization with meaningful exploration potential. See “Part I - Item 2 - Properties” in this Annual Report on Form 10-K for a further description of the Bullfrog and Reward gold projects.

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

Augusta Gold Corp. was incorporated under the laws of the State of Delaware on July 23, 2007 as Kopr Resources Corp. On July 21, 2011, the Company changed its name to “Bullfrog Gold Corp.” On January 26, 2021, the Company changed its name to “Augusta Gold Corp.” and completed a consolidation of its shares of common stock on the basis of one (1) new share of common stock for every six (6) old shares of common stock (the “Consolidation”).

Recent Development of the Business

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

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

The Acquisition Transaction closed on October 26, 2020. Through the Company’s acquisition of the Equity Interests, the Company acquired rights to 1,500 acres of land adjoining the Company’s Bullfrog Gold deposit. Additional details on the Acquisition Transaction are set out in this Annual Report under “Part I - Item 2 - Properties” – “Bullfrog Gold Project, Nye County, Nevada” - “Location, Property Description and Ownership” - “Barrick Claims”.

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

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

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

On June 13, 2022, the Company completed the acquisition of the outstanding membership interests (collectively, the “CR Interests”) of CR Reward LLC, a wholly-owned subsidiary of Waterton (“CR Reward”), pursuant to a membership interest purchase agreement (the “Reward Agreement”) with Waterton Nevada Splitter, LLC (“Waterton”). CR Reward holds the Reward Project located seven miles from the Company’s Bullfrog Project in Nevada. The CR Interests were acquired for the following consideration: (a) \$12,500,000 in cash paid at the closing; plus (b) the issuance of 7,800,000 shares of Augusta Gold common stock at the closing; plus (c) \$22,121,398 in cash paid on September 14, 2022.

On September 14, 2022, the Company also announced that it had entered into a loan with a company owned by the Company’s executive chairman for \$22,232,561. The loan bears interest at a rate of prime plus 3%, is for a maximum period of 12 months, and is secured by the Company’s Bullfrog and Reward projects.

On January 20, 2023, the Company announced that it had closed a bought deal offering of units of Augusta Gold (the “Units”) for aggregate gross proceeds of approximately C\$11.5 million, including the full exercise of the over-allotment option in the amount of C\$1.5 million. Pursuant to the Offering, a total of 6,725,147 Units were sold at a price of C\$1.71 per Unit. Each Unit was comprised of one share of the Company’s common stock and one-half of one common stock purchase warrant (each whole common stock purchase warrant, a “Warrant”). Each Warrant entitles the holder to acquire one share of the Company’s common stock at a price of C\$2.30 until January 20, 2026.

Availability of Raw Materials

All of the raw materials we require to carry on our business are readily available through normal supply or business contracting channels in Canada and the United States. As a result, we do not believe that we will experience any shortages of required personnel, equipment or supplies in the foreseeable future.

Dependence on a Few Contracts

Our business is not substantially dependent on any contract such as a contract to sell the major part of the Company’s products or services or to purchase the major part of its requirements for goods, services or raw materials, or on any franchise or license or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends. Rather, our ability to continue making the holding, assessment, lease and option payments necessary to maintain our interest in our mineral projects is of primary concern. We do not presently anticipate any difficulties in this regard in the current financial year.

Competition

We compete with other mining companies in connection with the acquisition, exploration, financing and development of gold properties. There is competition among mining companies for a limited number of gold acquisition and exploration opportunities. We may compete with other mining companies for mining claims in regions adjacent to our existing claims. Some of these competing mining companies have substantially greater financial and technical resources than us. As a result, we may have difficulty acquiring attractive gold projects at reasonable prices.

We compete with other mining companies to retain expert consultants required to complete our geological, project development, and analytical and metallurgical studies. We also compete with other mining companies to hire mining engineers, geologists and other skilled personnel in the mining industry, and for exploration and development services. In competing for qualified mineral exploration personnel, we may be required to pay compensation or benefits relatively higher than those paid in the past, and the availability of qualified personnel may be limited in high-demand commodity cycles.

We will be subject to competition and unforeseen limited sources of supplies in the industry in the event spot shortages for certain equipment such as bulldozers and excavators and services, such as contract drilling that we will need to conduct exploration. There is also significant competition for power in Beatty, Nevada. If we are unsuccessful in securing the products, equipment, services and power we need, we may have to suspend our exploration plans until we are able to secure them.

Compliance with Government Regulation

The exploration and development of a mining property is subject to regulation by a number of federal and state government authorities. These include the United States Environmental Protection Agency (“EPA”) and the United States Bureau of Land Management (“BLM”) as well as the various state environmental protection agencies. The regulations address many environmental issues relating to air, soil and water contamination and apply to many mining related activities including exploration, mine construction, mineral extraction, ore milling, water use, waste disposal and use of toxic substances. In addition, we are subject to regulations relating to labor standards, occupational health and safety, mine safety, general land use, export of minerals and taxation. Many of the regulations require permits or licenses to be obtained and the filing of Notices of Intent and Plans of Operations, the absence of which or inability to obtain will adversely affect the ability for us to conduct our exploration, development and operation activities. The failure to comply with the regulations and terms of permits and licenses may result in fines or other penalties or in revocation of a permit or license or loss of a prospect.

Federal

On lands owned by the United States, mining rights are governed by the General Mining Law of 1872, as amended, which allows the location of mining claims on certain federal lands upon the discovery of a valuable mineral deposit and compliance with location requirements. The exploration of mining properties and development and operation of mines is governed by both federal and state laws. Federal laws that govern mining claim location and maintenance and mining operations on federal lands are generally administered by the BLM. Additional federal laws, governing mine safety and health, also apply. State laws also require various permits and approvals before exploration, development or production operations can begin. Among other things, a reclamation plan must typically be prepared and approved, with bonding in the amount of projected reclamation costs. The bond is used to ensure that proper reclamation takes place, and the bond will not be released until that time. Local jurisdictions may also impose permitting requirements (such as conditional use permits or zoning approvals).

Nevada

In Nevada, initial stage surface exploration activities that do not disturb the surface, do not require any permits. Notice-level exploration permits (“NOI”) are required (through the BLM) for the Bullfrog Gold Project to perform drilling or other surface disturbing activities with less than five acres extent. More extensive disturbance requires submittal and approval of a “Plan of Operations” and “Environmental Assessment” from the BLM.

In Nevada, we are also required to post bonds with the State of Nevada to secure our environmental and reclamation obligations on private land, with amount of such bonds reflecting the level of rehabilitation anticipated by the then proposed activities.

If in the future we are successful in defining a commercially viable mineral deposit on our property interests, then if and when we commence any mineral production, we will also need to comply with laws that regulate or propose to regulate our mining activities, including the management and handling of raw materials, disposal, storage and management of hazardous and solid waste, the safety of our employees and post-mining land reclamation.

We cannot predict the impact of new or changed laws, regulations or permitting requirements, or changes in the ways that such laws, regulations or permitting requirements are enforced, interpreted or administered. Health, safety and environmental laws and regulations are complex, are subject to change and have become more stringent over time. It is possible that greater than anticipated health, safety and environmental capital expenditures or reclamation and closure expenditures will be required in the future. We expect continued government and public emphasis on environmental issues will result in increased future investments for environmental controls at our operations.

Environmental Regulation

Our mineral projects are subject to various federal, state and local laws and regulations governing protection of the environment. These laws are continually changing and, in general, are becoming more restrictive. The development, operation, closure, and reclamation of mining projects in the United States requires numerous notifications, permits, authorizations, and public agency decisions. Compliance with environmental and related laws and regulations requires us to obtain permits issued by regulatory agencies, and to file various reports and keep records of our operations. Certain of these permits require periodic renewal or review of their conditions and may be subject to a public review process during which opposition to our proposed operations may be encountered. We are currently operating under various permits for activities connected to mineral exploration, reclamation, and environmental considerations. Our policy is to conduct business in a way that safeguards public health and the environment. We believe that our operations are conducted in material compliance with applicable laws and regulations.

Changes to current local, state or federal laws and regulations in the jurisdictions where we operate could require additional capital expenditures and increased operating and/or reclamation costs. Although we are unable to predict what additional legislation, if any, might be proposed or enacted, additional regulatory requirements could impact the economics of our projects.

U.S. Federal Laws

The Comprehensive Environmental, Response, Compensation, and Liability Act (“CERCLA”), and comparable state statutes, impose strict, joint and several liability on current and former owners and operators of sites and on persons who disposed of or arranged for the disposal of hazardous substances found at such sites. It is not uncommon for the government to file claims requiring cleanup actions, demands for reimbursement for government-incurred cleanup costs, or natural resource damages, or for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by hazardous substances released into the environment. The Federal Resource Conservation and Recovery Act (“RCRA”), and comparable state statutes, govern the disposal of solid waste and hazardous waste and authorize the imposition of substantial fines and penalties for noncompliance, as well as requirements for corrective actions. CERCLA, RCRA and comparable state statutes can impose liability for clean-up of sites and disposal of substances found on exploration, mining and processing sites long after activities on such sites have been completed.

The Clean Air Act (“CAA”), as amended, restricts the emission of air pollutants from many sources, including exploration, development, mining and processing activities. The Company’s current exploration activities and any future development, mining or processing operations by the Company may produce air emissions, including fugitive dust and other air pollutants from stationary equipment, storage facilities and the use of mobile sources such as trucks and heavy construction equipment, which are subject to review, monitoring and/or control requirements under the CAA and state air quality laws. New facilities may be required to obtain permits before development, mining and processing work can begin, and existing facilities may be required to incur capital costs in order to remain in compliance. In addition, permitting rules may impose limitations on our production levels or result in additional capital expenditures in order to comply with the rules.

The National Environmental Policy Act (“NEPA”) requires federal agencies to integrate environmental considerations into their decision-making processes by evaluating the environmental impacts of their proposed actions, including issuance of permits to mining facilities, and assessing alternatives to those actions. If a proposed action could significantly affect the environment, the agency must prepare a detailed statement known as an Environmental Impact Statement (“EIS”). The EPA, other federal agencies, and any interested third parties will review and comment on the scoping of the EIS and the adequacy of and findings set forth in the draft and final EIS. This process can cause delays in issuance of required permits or result in changes to a project to mitigate its potential environmental impacts, which can in turn impact the economic feasibility of a proposed project.

The Clean Water Act (“CWA”), and comparable state statutes, impose restrictions and controls on the discharge of pollutants into waters of the United States. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by the EPA or an analogous state agency. The CWA regulates storm water at mining facilities and requires a storm water discharge permit for certain activities. Such a permit requires the regulated facility to monitor and sample storm water run-off from its operations. The CWA and regulations implemented thereunder also prohibit discharges of dredged and fill material in wetlands and other waters of the United States unless authorized by an appropriately issued permit. The CWA and comparable state statutes provide for civil, criminal and administrative penalties for unauthorized discharges of pollutants and impose liability on parties responsible for those discharges for the costs of cleaning up any environmental damage caused by the release and for natural resource damages resulting from the release.

The Safe Drinking Water Act (“SDWA”) and the Underground Injection Control (“UIC”) program promulgated thereunder, regulate the drilling and operation of subsurface injection wells. The EPA directly administers the UIC program in some states and in others the responsibility for the program has been delegated to the state. The program requires that a permit be obtained before drilling a disposal or injection well. Violation of these regulations and/or contamination of groundwater by exploration, development, mining, processing or other related activities may result in fines, penalties, and remediation costs, among other sanctions and liabilities under the SDWA and state laws. In addition, third party claims may be filed by landowners and other parties claiming damages for alternative water supplies, property damages, and bodily injury.

Nevada

Other Nevada regulations govern operating and design standards for the construction and operation of any source of air contamination and landfill operations. Any changes to these laws and regulations could have an adverse impact on our financial performance and results of operations by, for example, requiring changes to operating constraints, technical criteria, fees or surety requirements.

Employees

As of the date of this filing, the Company has 12 employees (including shared employees). We continue to engage various independent contractors and consultants to fulfill additional needs. Additional employees will be hired on an as needed basis.

The Company's management values the benefits that diversity can bring and seeks to maintain a management team and workforce comprised of talented and dedicated executives and employees with a diverse mix of experience, skills and backgrounds collectively reflecting the strategic needs of the business and the nature of the environment in which the Company operates. In identifying qualified candidates for available positions within the Company, the Company's management will consider prospective candidates based on merit, having regard to those competencies, expertise, skills, background and other qualities identified from time to time by management being important in fostering a diverse and inclusive culture which solicits multiple perspectives and views and is free of conscious or unconscious bias and discrimination. The Company's management will give due consideration to characteristics, such as gender, age, ethnicity, disability, sexual orientation and geographic representation.

Gold Price History

The price of gold is volatile and is affected by numerous factors, all of which are beyond our control, such as the sale or purchase of gold by various central banks and financial institutions, inflation, recession, fluctuation in the relative values of the U.S. dollar and foreign currencies, changes in global gold demand and political and economic conditions.

The following table presents the high, low and average afternoon fixed prices in U.S. dollars for an ounce of gold on the London Bullion Market over the past five years:

| Year | High | Low | Average |
|-------------|-------------|------------|----------------|
| 2018 | 1,355 | 1,178 | 1,269 |
| 2019 | 1,546 | 1,270 | 1,393 |
| 2020 | 2,067 | 1,474 | 1,770 |
| 2021 | 1,943 | 1,684 | 1,797 |
| 2022 | 2,039 | 1,628 | 1,800 |

Data Source: www.kitco.com

Seasonality

The Company's business operations, including exploration of the Bullfrog and Reward gold projects, are not subject to material restrictions on our operations due to seasonality.

Environmental Responsibility

Augusta Gold is committed to effective environmental stewardship. We have implemented and continue to develop business practices that are designed to reduce negative environmental impacts. We believe part of being a good corporate citizen requires a dedicated focus on how our industry, precious metals mining, affects the environment. In planning our development of the Bullfrog and Reward gold projects, we strive towards a more environmentally sound project development plan at the projects and within the local community.

Available Information

We make available, free of charge, on or through our Internet website, at www.augustagold.com, our Annual Report on Form 10-K, our quarterly reports on Form 10-Q and our current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act. Our Internet website and the information contained therein or connected thereto are not intended to be, and are not incorporated into this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

You should carefully consider the following risk factors in addition to the other information included in this Annual Report on Form 10-K. Each of these risk factors could materially and adversely affect our business, operating results and financial condition, as well as materially and adversely affect the value of an investment in our Common Shares. The risks described below are not the only ones facing the Company. Additional risks that we are not presently aware of, or that we currently believe are immaterial, may also adversely affect our business, operating results and financial condition. We cannot assure you that we will successfully address these risks or that other unknown risks exist that may affect our business.

Financial Risks

We have a history of losses and expect to continue to incur losses in the future.

With the exception of the current fiscal year, we have incurred losses since inception, have negative cash flow from operating activities and expect to continue to incur losses in the future.

We have an accumulated deficit of approximately \$40,000,000 as of December 31, 2022. We expect to continue to incur losses unless and until such time as our Bullfrog or Reward gold projects or one of our future acquired properties enters into commercial production and generates sufficient revenues to fund continuing operations. We recognize that if we are unable to generate cash flows from mining operations and dispositions of our properties, we will not be able to earn profits or continue operations. At this early stage of our operation, we also expect to face the risks, uncertainties, expenses and difficulties frequently encountered by companies at the start up stage of their business development. We cannot be sure that we will be successful in addressing these risks and uncertainties and our failure to do so could have a materially adverse effect on our financial condition.

Negative Operating Cash Flow

The Company is an exploration stage issuer and has not generated cash flow from operations. The Company is devoting significant resources to the advancement of its Bullfrog and Reward gold projects and to actively pursue exploration and development opportunities, however, there can be no assurance that it will generate positive cash flow from operations in the future. The Company expects to continue to incur negative consolidated operating cash flow and losses until such time as it achieves commercial production at a particular project. The Company currently has negative cash flow from operating activities.

We have a limited operating history on which to base an evaluation of our business and prospects.

Since our inception we have had no revenue from operations. We have no history of producing metals from any of our properties. Our Bullfrog and Reward gold projects are exploration stage properties. Advancing properties from exploration into the development stage requires significant capital and time, and successful commercial production from a property, if any, will be subject to completing feasibility studies, permitting and construction of the mine, processing plants, roads, and other related works and infrastructure. As a result, we are subject to all of the risks associated with developing and establishing new mining operations and business enterprises including:

- completion of feasibility studies to verify reserves and commercial viability, including the ability to find sufficient gold/silver mineral reserves to support a commercial mining operation;
- the timing and cost, which can be considerable, of further exploration, preparing feasibility studies, permitting and construction of infrastructure, mining and processing facilities;
- the availability and costs of drill equipment, exploration personnel, skilled labor and mining and processing equipment, if required;
- the availability and cost of appropriate smelting and/or refining arrangements, if required;
- compliance with environmental and other governmental approval and permit requirements;
- the availability of funds to finance exploration, development and construction activities, as warranted;
- potential opposition from non-governmental organizations, environmental groups, local groups or local inhabitants which may delay or prevent development activities;
- potential increases in exploration, construction and operating costs due to changes in the cost of fuel, power, materials and supplies; and
- potential shortages of mineral processing, construction and other facilities related supplies.

The costs, timing and complexities of exploration, development and construction activities may be increased by the location of our properties and demand by other mineral exploration and mining companies. It is common in exploration programs to experience unexpected problems and delays during drill programs and, if commenced, development, construction and mine start-up. Accordingly, our activities may not result in profitable mining operations and we may not succeed in establishing mining operations or profitably producing metals at any of our properties.

We may need to obtain additional financing to fund our exploration programs.

If we raise additional funds by issuing additional equity or convertible debt securities, the ownership of existing stockholders may be diluted and the securities that we may issue in the future may have rights, preferences or privileges senior to those of the current holders of our common stock. If we raise additional funds by issuing debt, we could be subject to debt covenants that could place limitations on our operations and financial flexibility.

Increased costs could affect our financial condition.

We anticipate that costs at our projects and properties that we may explore or develop will frequently be subject to variation from one year to the next due to a number of factors, such as changing grade, metallurgy and revisions to mine plans, if any, in response to the physical shape and location of the body. In addition, costs are affected by the price of commodities such as fuel, steel, rubber, and electricity. Such commodities are at times subject to volatile price movements, including increases that could make production at certain operations less profitable. A material increase in costs at any significant location could have a significant effect on our profitability.

Operating Risks

Our Bullfrog and Reward gold projects are in the exploration stage.

The Bullfrog and Reward gold projects have estimated mineral resources, but there has not been a mineral reserve estimation in accordance with S-K 1300. There is no assurance that we can establish the existence of any mineral reserves on the Bullfrog or Reward gold projects in commercially exploitable quantities. Until we can do so, we cannot earn any revenues from the projects and if we do not do so, we will lose all of the funds that we expend on exploration. If we do not discover any mineral reserves in a commercially exploitable quantity, the exploration component of our business could fail.

The probability of an individual prospect ever having a “reserve” that meets the requirements of the SEC’s S-K 1300 standards is extremely remote; in all probability our projects do not contain any “reserves” and any funds that we spend on exploration could be lost. Even if we do eventually discover a mineral reserve on our project, there can be no assurance that they can be developed into producing mines and extract those minerals. Both mineral exploration and development involve a high degree of risk and few mineral properties which are explored are ultimately developed into producing mines.

The commercial viability of an established mineral deposit will depend on a number of factors including, by way of example, the size, grade and other attributes of the mineral deposit, the proximity of the mineral deposit to infrastructure such as a smelter, roads and a point for shipping, government regulation and market prices. Most of these factors will be beyond our control, and any of them could increase costs and make extraction of any identified mineral deposit unprofitable.

We cannot be assured that the Bullfrog or Reward gold projects are feasible or that a feasibility study will accurately forecast economic results.

The Bullfrog and Reward gold projects are our principal assets. Our future profitability depends largely on the economic feasibility of the projects. Before arranging financing for development and production at either the Bullfrog or Reward gold projects, we will have to complete a feasibility study. The results of our feasibility study may not be as favorable as the results of our prior studies. There can be no assurance that mining processes and results including potential gold production rates, revenue, capital and operating costs including taxes and royalties will not vary unfavorably from the estimates and assumptions included in such feasibility study.

The Bullfrog and Reward gold projects require substantial capital investment and we may be unable to raise sufficient capital on favorable terms or at all.

The exploration and, if warranted, development and operation of the Bullfrog and Reward gold projects will require significant capital. Our ability to raise sufficient capital and/or secure a development partner on satisfactory terms, if at all, will depend on several factors, including a favorable feasibility study, acquisition of the requisite permits, macroeconomic conditions, and future gold prices. Uncontrollable factors or other factors such as lower gold prices, unanticipated operating or permitting challenges, perception of environmental impact or, illiquidity in the debt markets or equity markets, could impede our ability to finance the Bullfrog or Reward gold projects on acceptable terms, or at all, including the cost of such capital and other conditions of financing arrangements that impose restrictive covenants and security interests that may affect the Company's ability to operate as intended and ultimately its ability to continue as a going concern.

We may not be able to get the required permits at the Bullfrog and Reward gold projects in a timely manner or at all.

Any delay in acquiring the requisite permits, or failure to receive required governmental approvals could delay or prevent the start of exploration or, if warranted, development of the Bullfrog and Reward gold projects. If we are unable to acquire permits to explore, develop or mine the property, then the projects cannot be developed and operated. In addition, the property would have no reserves under S-K 1300, which could result in an impairment of the carrying value of the project.

We are a junior gold exploration company with no mining operations, and we may never have any mining operations in the future.

Our business is exploring for gold and other minerals. In the event that we discover commercially exploitable gold or other deposits, we will not be able to generate any sales from them unless the gold or other minerals are actually mined, or we sell all or a part of our interest. Accordingly, we will need to find some other entity to mine our properties on our behalf, mine them ourselves or sell our rights to mine to third parties. Mining operations in the United States are subject to many different federal, state, and local laws and regulations, including stringent environmental, health and safety laws. In the event we assume any operational responsibility for mining our properties, it is possible that we will be unable to comply with current or future laws and regulations, which can change at any time. It is possible that changes to these laws will be adverse to any potential mining operations. Moreover, compliance with such laws may cause substantial delays and require capital outlays in excess of those we anticipate, adversely affecting any potential mining operations of ours. Our future mining operations, if any, may also be subject to liability for pollution or other environmental damage. It is possible that we will choose to not be insured against this risk because of high insurance costs or other reasons.

Difficulties we may encounter managing our growth could adversely affect our results of operations.

As our business needs expand, we may need to hire a significant number of employees. This expansion may place a significant strain on our managerial and financial resources. To manage the potential growth of our operations and personnel, we will be required to:

- improve existing, and implement new, operational, financial and management controls, reporting systems and procedures;
- install enhanced management information systems; and
- train, motivate and manage our employees.

We may not be able to install adequate management information and control systems in an efficient and timely manner, and our current or planned personnel, systems, procedures and controls may not be adequate to support our future operations. If we are unable to manage growth effectively, our business would be seriously harmed.

If we lose key personnel or are unable to attract and retain additional qualified personnel, we may not be able to successfully manage our business and achieve our objectives.

We believe our future success will depend upon our ability to retain our key management. We may not be successful in attracting and retaining employees in the future and the loss of the key members of management would have a material adverse effect on our operations.

The outbreak of the coronavirus pandemic may impact the Company's plans and activities

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

Mining Risks

The nature of mineral exploration and production activities involves a high degree of risk and the possibility of uninsured losses.

Exploration for minerals is highly speculative and involves much greater risk than many other businesses. Most exploration programs do not result in the discovery of mineralization, and any mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Our operations are, and any future development or mining operations we may conduct will be, subject to all of the operating hazards and risks normally incident to exploring for and development of mineral properties, such as, but not limited to:

- economically insufficient mineralized material;
- the ability to find sufficient gold, silver or other metal reserves to support a profitable mining operation;
- fluctuation in production costs that make mining uneconomical;
- labor disputes;
- unanticipated variations in grade and geological characteristics;
- environmental events such as storms and flooding;
- water availability;
- difficult surface or underground conditions;
- industrial accidents;
- unexpected metallurgical response;
- mechanical and equipment performance limitations;
- geotechnical constraints; and
- decrease in the value of mineralized material due to lower gold and/or silver prices.

Any of these risks can materially and adversely affect, among other things, the development of properties, production quantities and rates, costs and expenditures, potential revenues and production dates. We currently have very limited insurance to guard against some of these risks. If we determine that capitalized costs associated with any of our mineral interests are not likely to be recovered, we would incur a write-down of our investment in these interests. All of these factors may result in losses in relation to amounts spent which are not recoverable, or result in additional expenses.

Estimates of mineral resources are subject to evaluation uncertainties that could result in project failure.

Unless otherwise indicated, mineral resource figures presented in this Annual Report and in our filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by independent geologists and mining engineers. When making determinations about whether to advance any of our projects to development, we must rely upon such estimates as to mineral resources, mineral reserves and grades on our properties.

Our exploration and future mining operations, if any, are and would be faced with risks associated with being able to accurately predict the quantity and quality of resources/reserves using sampling techniques and known resource estimation methodologies. Estimates of resources/reserve on our properties would be made using samples obtained from drilling programs. There is an inherent variability of assays between paired samples (proximal to each other) that cannot be reasonably eliminated. Additionally, there also may be unknown geologic details that have not been identified or correctly defined at the current level of accumulated knowledge about our properties. This could result in uncertainties that cannot be reasonably eliminated from the process of estimating resources/reserves.

Any material changes in resources/reserve estimates and grades will affect the economic viability of placing a property into production and a property's return on capital.

As we have not completed feasibility studies on our Bullfrog or Reward gold projects and have not commenced actual production, resource estimates may require adjustments or downward revisions. In addition, the grade ultimately mined, if any, may differ from that indicated by our technical reports and drill results. Minerals recovered in small scale tests may not be duplicated in large scale tests under existing on-site conditions or in production scale.

The mineral resource estimates contained in this Annual Report have been determined based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for gold or silver may render portions of our mineral resources uneconomic and result in reduced reported mineralization or adversely affect any commercial viability determinations we may reach. Any material reductions in estimates of mineral resources, or of our ability to extract mineral resources, could have a material adverse effect on our share price and the value of our properties.

Our exploration activities on our properties may not be commercially successful, which could lead us to abandon our plans to develop our properties and our investments in exploration.

Our long-term success depends on our ability to identify mineral deposits on our existing Bullfrog and Reward gold projects and other properties we may acquire, if any, that we can then develop into commercially viable mining operations. Mineral exploration is highly speculative in nature, involves many risks and is frequently non-productive. These risks include unusual or unexpected geologic formations, and the inability to obtain suitable or adequate equipment, or labor. The success of gold, silver and other commodity exploration is determined in part by the following factors:

- the identification of potential mineralization based on surficial analysis;
- availability of government-granted exploration permits;
- the quality of our management and our geological and technical expertise; and
- the capital available for exploration and development work.

Substantial expenditures are required to establish proven and probable mineral reserves through drilling and analysis, to develop metallurgical processes to extract metal, and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Whether a mineral deposit will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which fluctuate widely; and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. We may invest significant capital and resources in exploration activities and abandon such investments if we are unable to identify commercially exploitable mineral reserves. The decision to abandon a project may have an adverse effect on the market value of our securities and the ability to raise future financing.

The volatility of the price of gold and silver could adversely affect our future operations and, if warranted, our ability to develop our properties.

The potential for profitability of our operations, the value of our Bullfrog and Reward gold projects or other properties we may acquire, the market price of our shares of common stock and our ability to raise funding to conduct continued exploration and development, if warranted, are directly related to the market price of gold and silver. Our decision to put a mine into production and to commit the funds necessary for that purpose must be made long before the first revenue from production would be received. A decrease in the price of gold and/or silver may prevent our properties from being economically mined or result in the write-off of assets whose value is impaired as a result of lower gold and silver prices. The prices of gold and silver are affected by numerous factors beyond our control, including inflation, fluctuation of the U.S. dollar and foreign currencies, global and regional demand, the sale of gold by central banks, and the political and economic conditions of major gold and silver producing countries throughout the world.

The volatility in gold prices is illustrated in the table presented under “Part I - Item 1. Business - Gold Price History” above.

The volatility of metal prices represents a substantial risk which no amount of planning or technical expertise can fully eliminate. In the event gold and/or silver prices decline or remain low for prolonged periods of time, we might be unable to develop our properties, which may adversely affect our results of operations, financial performance and cash flows.

We are subject to significant governmental regulations, which affect our operations and costs of conducting our business.

Our current and future operations are and will be governed by laws and regulations, including:

- laws and regulations governing mineral concession acquisition, prospecting, development, mining and production;
- laws and regulations related to exports, taxes and fees;
- labor standards and regulations related to occupational health and mine safety; and
- environmental standards and regulations related to waste disposal, toxic substances, land use and environmental protection.

Companies engaged in exploration activities often experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Failure to comply with applicable laws, regulations and permits may result in enforcement actions, including the forfeiture of mineral claims or other mineral tenures, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. We may be required to compensate those suffering loss or damage by reason of our mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits.

Existing and possible future laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation, could have a material adverse impact on our business and cause increases in capital expenditures or require abandonment or delays in exploration.

Our business is subject to extensive environmental regulations which may make exploring for or mining prohibitively expensive, and which may change at any time.

All our operations are subject to extensive environmental regulations which can make exploration expensive or prohibit it altogether. We may be subject to potential liabilities associated with the pollution of the environment and the disposal of waste products that may occur as the result of exploring and other related activities on our properties. We may have to make payments to remedy environmental pollution, which may reduce the amount of money that we have available to use for exploration. This may adversely affect our financial position, which may cause shareholders to lose their investment. If we are unable to fully remedy an environmental problem, we might be required to suspend operations or to enter into interim compliance measures pending the completion of the required remedy. If our properties are mined and we retain any operational responsibility for doing so, our potential exposure for remediation may be significant, and this may have a material adverse effect upon our business and financial position. We have not purchased insurance for potential environmental risks (including potential liability for pollution or other hazards associated with the disposal of waste products from our exploration activities).

If we mine one or more of our properties and retain operational responsibility for mining, then such insurance may not be available to us on reasonable terms or at a reasonable price. All of our exploration and, if warranted, development activities may be subject to regulation under one or more local, state and federal environmental impact analyses and public review processes. Future changes in applicable laws, regulations and permits or changes in their enforcement or regulatory interpretation could have significant impact on some portion of our business, which may require us to re-evaluate our business from time to time. These risks include, but are not limited to, the risk that regulatory authorities may increase bonding requirements beyond our financial capability. Inasmuch as posting of bonding in accordance with regulatory determinations is a condition to the right to operate under all material operating permits, increases in bonding requirements could prevent operations even if we are in full compliance with all substantive environmental laws.

Our property titles may be challenged. We are not insured against any challenges, impairments or defects to our mineral claims or property titles. We have not fully verified title to our properties.

Unpatented claims were created and maintained in accordance with the federal General Mining Law of 1872. Unpatented claims are unique U.S. property interests and are generally considered to be subject to greater title risk than other real property interests because the validity of unpatented claims is often uncertain. This uncertainty arises, in part, out of the complex federal and state laws and regulations under the General Mining Law. Although the annual payments and filings for these claims, permits and patents have been maintained, we have conducted limited title search on our properties. The uncertainty resulting from not having comprehensive title searches on the properties leaves us exposed to potential title suits. Defending any challenges to our property titles may be costly, and may divert funds that we could otherwise use for exploration activities and other purposes. In addition, unpatented claims are always subject to possible challenges by third parties or contests by the federal government, which, if successful, may prevent us from exploiting our discovery of commercially extractable gold. Challenges to our title may increase our costs of operation or limit our ability to explore on certain portions of our properties. We are not insured against challenges, impairments or defects to our property titles, nor do we intend to carry extensive title insurance in the future.

Possible amendments to the General Mining Law could make it more difficult or impossible for us to execute our business plan.

The U.S. Congress has considered proposals to amend the General Mining Law of 1872 that would have, among other things, permanently banned the sale of public land for mining. The proposed amendment would have expanded the environmental regulations to which we are subject and would have given Indian tribes the ability to hinder or prohibit mining operations near tribal lands. The proposed amendment would also have imposed a royalty of 8% of gross revenue on new mining operations located on federal public land, which would have applied to substantial portions of our properties. The proposed amendment would have made it more expensive or perhaps too expensive to recover any otherwise commercially exploitable gold deposits which we may find on our properties. While at this time the proposed amendment is no longer pending, this or similar changes to the law in the future could have a significant impact on our business.

Market forces or unforeseen developments may prevent us from obtaining the supplies and equipment necessary to explore for gold and other minerals.

Gold exploration, and resource exploration in general, requires engaging contractors, and may result in unforeseen shortages of supplies and/or equipment that could result in the disruption of our planned exploration activities. Current demand for exploration drilling services, equipment and supplies is robust and could result in suitable equipment and skilled manpower being unavailable at scheduled times for our exploration program. Fuel prices are extremely volatile as well. We will attempt to locate suitable equipment, materials, manpower and fuel if we have sufficient funds to do so. If we cannot find the equipment and supplies needed for our various exploration programs, we may have to suspend some or all of them until equipment, supplies, funds and/or skilled manpower become available. Any such disruption in our activities may adversely affect our exploration activities and financial condition.

We may not be able to maintain the infrastructure necessary to conduct exploration activities.

Our exploration activities depend upon adequate infrastructure. Reliable roads, bridges, power sources and water supply are important factors which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect our exploration activities and financial condition.

Regulations and pending legislation governing issues involving climate change could result in increased operating costs, which could have a material adverse effect on our business.

A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to various climate change interest groups and the potential impact of climate change. Legislation and increased regulation regarding climate change could impose significant costs on us, our venture partners and our suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Any adopted future climate change regulations could also negatively impact our ability to compete with companies situated in areas not subject to such limitations. Given the emotion, political significance and uncertainty around the impact of climate change and how it should be dealt with, we cannot predict how legislation and regulation will affect our financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by us or other companies in our industry could harm our reputation. The potential physical impacts of climate change on our operations are highly uncertain, and would be particular to the geographic circumstances in areas in which we operate. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. These impacts may adversely impact the cost, production and financial performance of our operations.

Our relationship with the communities in which we operate impacts the future success of our operations.

Our relationship with the communities in which we operate is important to ensure the future success of our existing operations. While we believe our relationships with the communities in which we operate are strong, there is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Certain non-governmental organizations (“NGOs”), some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices. Adverse publicity generated by such NGOs or others related to extractive industries generally, or its operations specifically, could have an adverse effect on our reputation or financial condition and may impact its relationship with the communities in which we operate. While we believe that we operate in a socially responsible manner, there is no guarantee that our efforts in this respect will mitigate this potential risk.

Newly adopted rules regarding mining property disclosure by companies reporting with the SEC may result in increased operating and legal costs.

On October 31, 2018, the SEC adopted new rules to modernize mining property disclosure in reports filed with the SEC in order to harmonize SEC disclosure requirements with international standards. These rules are not effective until the Company’s first full fiscal year beginning on or after January 1, 2021. The Company currently reports mineralized material and reserves in Canada in compliance with NI 43-101. Because the Company files its reports with the SEC on U.S. domestic forms, under the new rules, the Company will be required to comply with the new SEC mining property disclosure requirements. These changes to the Company’s reporting requirements could result in increased compliance costs.

General Risks

Our business is subject to evolving corporate governance and public disclosure regulations that have increased both our compliance costs and the risk of noncompliance, which could have an adverse effect on our stock price.

We are subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including the SEC, applicable securities regulatory authorities in Canada, the Canadian Securities Exchange, applicable Canadian authorities and the Financial Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity and many new requirements have been created in response to laws enacted by Congress, making compliance more difficult and uncertain. Our efforts to comply with new regulations have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

We are required to comply with Canadian securities regulations and are subject to additional regulatory scrutiny in Canada.

We are a “reporting issuer” in Canada. As a result, our disclosure outside the United States differs from the disclosure contained in our SEC filings. Our reserve and resource estimates disseminated outside the United States are not directly comparable to those made in filings subject to SEC reporting and disclosure requirements, as we generally report reserves and resources in accordance with Canadian practices. These practices are different from the practices used to report reserve and resource estimates in reports and other materials filed with the SEC. It is Canadian practice to report measured, indicated, and inferred resources, which are generally not permitted in disclosures filed with the SEC. In the United States, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. United States investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Further, “inferred resources” have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Disclosure of “contained ounces” is permitted disclosure under Canadian regulations; however, the SEC only permits issuers to report “resources” as in-place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization, reserves, and resources contained in disclosures released outside the United States may not be comparable to information made public by other United States companies subject to the reporting and disclosure requirements of the SEC.

We are also subject to increased regulatory scrutiny and costs associated with complying with securities legislation in Canada. For example, we are subject to civil liability for misrepresentations in written disclosure and oral statements. Legislation has been enacted in these provinces which creates a right of action for damages against a reporting issuer, its directors and certain of its officers in the event that the reporting issuer or a person with actual, implied, or apparent authority to act or speak on behalf of the reporting issuer releases a document or makes a public oral statement that contains a misrepresentation or the reporting issuer fails to make timely disclosure of a material change. We do not anticipate any particular regulation that would be difficult to comply with. However, failure to comply with regulations may result in civil awards, fines, penalties, and orders that could have an adverse effect on us.

Our stock price may be volatile.

The stock market in general has experienced volatility that often has been unrelated to the operating performance of any specific public company. The market price of our common stock is likely to be highly volatile and could fluctuate widely in price in response to various factors, many of which are beyond our control, including the following:

- changes in our industry;
- competitive pricing pressures;
- our ability to obtain working capital financing;
- additions or departures of key personnel;
- limited “public float” in the hands of a small number of persons whose sales or lack of sales could result in positive or negative pricing pressure on the market prices of our common stock;
- sales of our common stock;
- our ability to execute our business plan;
- operating results that fall below expectations;
- loss of any strategic relationship;
- regulatory developments;
- economic and other external factors; and
- period-to-period fluctuations in our financial results.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock.

We have never paid nor do we expect in the near future to pay dividends.

We have never paid cash dividends on our capital stock and do not anticipate paying any cash dividends on our common stock for the foreseeable future. Investors should not rely on an investment in our Company if they require income generated from dividends paid on our capital stock. Any income derived from our common stock would only come from rise in the market price of our common stock, which is uncertain and unpredictable.

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

Our shares of common stock are currently considered a “penny stock.” The SEC has adopted Rule 15c-9 which generally defines “penny stock” to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. The shares of common stock are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and “accredited investors.” The term “accredited investor” refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC, which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer’s account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer’s confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser’s written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the shares of common stock. Consequently, these penny stock rules may affect the ability of broker-dealers to trade in the shares of common stock.

Offers or availability for sale of a substantial number of shares of our common stock may cause the price of our common stock to decline.

If our stockholders sell substantial amounts of our common stock in the public market upon the expiration of any statutory holding period, under Rule 144, or issued upon the exercise of outstanding options or warrants or upon the conversion of our Series B Preferred Stock, it could create a circumstance commonly referred to as an “overhang” and in anticipation of which the market price of our common stock could fall. The existence of an overhang, whether or not sales have occurred or are occurring, also could make more difficult our ability to raise additional financing through the sale of equity or equity related securities in the future at a time and price that we deem reasonable or appropriate.

We are dependent upon information technology systems, which are subject to disruption, damage, failure and risks associated with implementation and integration.

We are dependent upon information technology systems in the conduct of our operations. Our information technology systems are subject to disruption, damage or failure from a variety of sources, including, without limitation, computer viruses, security breaches, cyber-attacks, natural disasters and defects in design. Cybersecurity incidents, in particular, are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions in systems, unauthorized release of confidential or otherwise protected information and the corruption of data. Various measures have been implemented to manage our risks related to information technology systems and network disruptions. However, given the unpredictability of the timing, nature and scope of information technology disruptions, we could potentially be subject to operational delays, the compromising of confidential or otherwise protected information, destruction or corruption of data, security breaches, other manipulation or improper use of our systems and networks or financial losses from remedial actions, any of which could have a material adverse effect on our cash flows, competitive position, financial condition or results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

Technical Report Summaries

The technical report for the Bullfrog Gold Project is the technical report summary, prepared pursuant to S-K 1300, entitled “S-K 1300 Technical Report, Mineral Resource Estimate, Bullfrog Gold Project, Nye County, Nevada” with an effective date of December 31, 2021, and an issue date of March 16, 2022 (the “Bullfrog Technical Report”).

The Bullfrog Technical Report was prepared by Forte Dynamics, Inc. under the supervision of Russ Downer, P. Eng. and Adam House, MMSA QP, each of whom is a qualified person under S-K 1300 and NI 43-101.

The description of the Bullfrog Gold Project contained herein is based upon the Bullfrog Technical Report.

The technical report for the Reward Gold Project is the technical report summary, prepared pursuant to S-K 1300, entitled “Mineral Resource Estimate for the Reward Project, Nye County, Nevada” with an effective date of May 31, 2022, and an issue date of June 29, 2022 (the “Reward Technical Report”).

The Reward Technical Report was prepared by Michael Dufresne, M.Sc., P. Geol., P.Geo, and Timothy D. Scott, SME, each of whom is a qualified person under S-K 1300 and NI 43-101.

The description of the Reward Gold Project contained herein is based upon the Reward Technical Report.

Summary of Mineral Properties

Augusta Gold currently has interests in four gold exploration properties located in the state of Nevada, including the Bullfrog Gold Project and the Reward Gold Project. Each of the properties are exploration stage properties with measured, indicated and inferred resources but no known mineral reserves and our primary operations are exploring these properties to move them towards a development decision.

Ownership Interests

- At our Bullfrog Project, we have four option/lease/purchase agreements in place and, with the additional claims it has located, give it control of 734 unpatented lode mining claims and mill site claims, and 87 patented mining claims. The claims do not have an expiration date, as long as the fees and obligations are maintained. For additional details see “Bullfrog Gold Project, Nye County Nevada – Property Holdings” below.
- At our Reward Project, the project encompasses 123 unpatented Bureau of Land Management (BLM) placer and lode mining claims and six patented placer mining claims, totalling approximately 2,333 net acres (944 hectares). Only the patented claims have been legally surveyed. Under United States mining law, claims may be renewed annually for an unlimited number of years upon a small payment per claim (currently \$155 per claim due to the BLM and an aggregate \$1,502 due to Nye County) and the same claim status-whether lode or placer-may be used for exploration or exploitation of the lodes or placers.

Several blocks of unpatented claims are leased by CR Reward from underlying owners, and are referred to as Connolly, Webster, Orser-McFall and Van Meeteren leases.

In total our options and leases cover 15,998 net acres in the aggregate, consisting of a mix of 93 patented mining claims, 857 unpatented mining claims either leased with option to purchase, or joint ventured, and private property leases.

Summary Mineral Resources

Summary Mineral Resources at End of Fiscal Year Ended December 31, 2022

| | Measured mineral resources (koz) | Indicated mineral resources (koz) | Measured and indicated mineral resources (koz) | Inferred mineral resources (koz) |
|-------------------------|---|--|---|---|
| Gold | | | | |
| United States (Nevada) | | | | |
| <i>Bullfrog Project</i> | 526.7 | 682.6 | 1,209.3 | 257.9 |
| <i>Reward Project</i> | 169.9 | 256.8 | 426.7 | 27.1 |
| Total Gold | 696.6 | 939.4 | 1636.0 | 285.0 |
| Silver | | | | |
| United States (Nevada) | | | | |
| <i>Bullfrog Project</i> | 1309.1 | 1557.5 | 2866.6 | 515.7 |
| Total Silver | 1309.1 | 1557.5 | 2866.6 | 515.7 |

Bullfrog Gold Project, Nye County, Nevada

Summary Disclosure

We hold the Bullfrog Project through our wholly-owned subsidiaries Bullfrog Mines, Rocky Mountain Minerals Corp., a Nevada corporation (“RMMC”) and Standard Gold Corp., a Nevada corporation (“SGC”).

Property Location and Access

The Bullfrog Gold Project is located in the Bullfrog Hills of Nye County, Nevada and in the southern half of the Bullfrog Mining District (Figure 1). Project properties are located in Sections 3, 4, 5, 6, 8, 9, 10, 14, 15, 16, 17, 21, 22, 23, 25, 26, 35 and 36 of T11S, R46E and Sections 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, and 23 of T12S, R46E, Mt. Diablo Meridian.

The Bullfrog Gold Project is accessible via a 2½ hour (120 mile) drive north of Las Vegas, Nevada on US Highway 95. Las Vegas, the largest city in Nevada, is serviced by a major international airport, and has ample equipment, supplies and services to support many of the project’s needs. The project is 4 miles west of the Town of Beatty, Nevada via a paved highway. Beatty has a population of approximately 1,000 and can provide basic housing, services, and supplies. Access around the project is by a series of reasonably good gravel roads that extend to the open pit mines and most of the significant exploration areas.

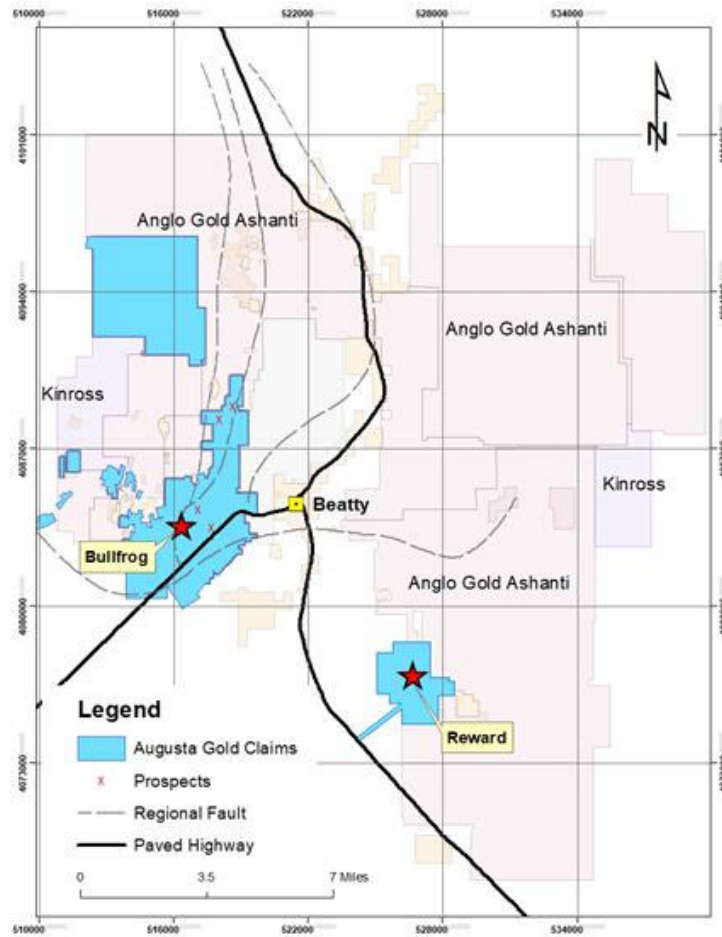


Figure 1: Location Map

Project Stage

The Bullfrog Gold Project is an exploration stage property with measured, indicated and inferred mineral resources but no known mineral reserves.

Mineral Resources Estimates

Mineral resources utilize all new drilling through the end of 2021 in addition to updated geologic models and database improvements by the Company’s staff. Three-dimensional block models for each area (Bullfrog, Montgomery-Shoshone and Bonanza) were created using Vulcan software. Surfaces and solids representing topography, overburden, geologic units, historic stope shapes and gold mineralization were incorporated into the resource models. Resource estimates utilize drill hole, survey, analytical and bulk density information provided by the project personnel. Gold and silver values have been given null values for all material that has been historically mined by both open pit and underground methods. Bulk density has been adjusted for backfill material placed in the historical open pit and underground operations.

Mineral resources are pit constrained using reasonable cost assumptions, however detailed costing and economic evaluations have not been performed. The resources only consider mining mineralization and waste that will take place on lands controlled by the Company. Pit slope parameters are based on the existing pit wall angles and vary by geology, depth and lateral extent. Different metallurgical recoveries were assigned to oxide and sulphide material and used in the calculation of the optimized pit shells.

Mineral resources are reported inside optimized pit shells with Minemax software using high-level economic assumptions, geotechnical pit slope parameters and property boundaries. Estimated mineral resources for the Bullfrog Project are being reported for the Bullfrog, Montgomery-Shoshone and Bonanza areas, respectively.

The following table presents the combined global gold and silver mineral resources for the three areas, Bullfrog, Montgomery-Shoshone and Bonanza, at the Bullfrog Gold Project.

Bullfrog Gold Project - Summary of Gold and Silver Mineral Resources at the End of the Fiscal Year Ended December 31, 2022 Based on \$1,550/oz. Gold and \$20/oz. Silver

| Combined Global Resources - Oxide and Sulphide | | | | | |
|---|------------------------|---------------------------|---------------------------|-------------------------------|-------------------------------|
| Classification | Tonnes (Mt) | Au grade (g/t) | Ag grade (g/t) | Au Contained (koz) | Ag Contained (koz) |
| Measured | 30.13 | 0.544 | 1.35 | 526.68 | 1,309.13 |
| Indicated | 40.88 | 0.519 | 1.18 | 682.61 | 1,557.49 |
| Measured and Indicated | 71.01 | 0.530 | 1.26 | 1,209.29 | 2,866.62 |
| Inferred | 16.69 | 0.481 | 0.96 | 257.90 | 515.72 |

Notes:

- Oxide estimated Mineral Resources are reported within a pit shell using the Lerch Grossman algorithm, a gold price of US\$1,550/oz and a recovery of 82% for Au and silver price of US\$20/oz and a recovery of 20% For Ag.
- Sulphide estimated Mineral Resources are reported within a pit shell using the Lerch Grossman algorithm, a gold price of US\$1,550/oz and a recovery of 50% for Au and silver price of US\$20/oz and a recovery of 12% for Ag. No sulphide material was reported for Montgomery-Shoshone or Bonanza.
- Mining costs for mineralized material and waste are US\$2.25/tonne.
- Processing, general and administration, and refining costs are US\$5.00/tonne, US\$0.50/tonne, and US\$0.05/tonne respectively.
- Due to rounding, some columns or rows may not compute as shown.
- Estimated Mineral Resources are stated as in situ dry metric tonnes.
- The estimate of Mineral Resources may be materially affected by legal, title, taxation, socio-political, marketing, or other relevant issues.

The following tables present the gold and silver mineral resources for each of the three project areas, Bullfrog, Montgomery-Shoshone and Bonanza.

Bullfrog Gold Project - Bullfrog Area, Gold and Silver Mineral Resources at the End of the Fiscal Year Ended December 31, 2022 Based on \$1,550/oz. Gold and \$20/oz. Silver

| Mineral Resources - Bullfrog | | | | | | |
|-------------------------------------|------------------------|--------------------|-----------------------|-----------------------|---------------------------|---------------------------|
| Redox | Classification | Tonnes (Mt) | Au grade (g/t) | Ag grade (g/t) | Au Contained (koz) | Ag Contained (koz) |
| Oxide | Measured | 24.50 | 0.537 | 1.28 | 422.77 | 1,010.02 |
| | Indicated | 36.32 | 0.515 | 1.14 | 602.02 | 1,332.18 |
| | Measured and Indicated | 60.82 | 0.524 | 1.20 | 1,024.79 | 2,342.20 |
| | Inferred | 14.40 | 0.460 | 0.77 | 213.06 | 358.49 |
| | | | | | | |
| Sulphide | Measured | 1.30 | 0.710 | 1.28 | 29.77 | 53.52 |
| | Indicated | 1.99 | 0.625 | 1.32 | 39.94 | 84.47 |
| | Measured and Indicated | 3.29 | 0.659 | 1.30 | 69.72 | 137.99 |
| | Inferred | 1.05 | 0.657 | 1.14 | 22.14 | 38.53 |
| | | | | | | |
| Total - Oxide and Sulphide | Measured | 25.80 | 0.545 | 1.28 | 452.55 | 1,063.54 |
| | Indicated | 38.31 | 0.521 | 1.15 | 641.96 | 1,416.65 |
| | Measured and Indicated | 64.12 | 0.531 | 1.20 | 1,094.51 | 2,480.19 |
| | Inferred | 15.44 | 0.474 | 0.80 | 235.20 | 397.02 |
| | | | | | | |

Notes:

1. Oxide estimated Mineral Resources are reported within a pit shell using the Lerch Grossman algorithm, a gold price of US\$1,550/oz and a recovery of 82% for Au and silver price of US\$20/oz and a recovery of 20% For Ag.
2. Sulphide estimated Mineral Resources are reported within a pit shell using the Lerch Grossman algorithm, a gold price of US\$1,550/oz and a recovery of 50% for Au and silver price of US\$20/oz and a recovery of 12% for Ag.
3. Mining costs for mineralized material and waste are US\$2.25/tonne.
4. Processing, general and administration, and refining costs are US\$5.00/tonne, US\$0.50/tonne, and US\$0.05/tonne respectively.
5. Due to rounding, some columns or rows may not compute as shown.
6. Estimated Mineral Resources are stated as in situ dry metric tonnes.
7. The estimate of Mineral Resources may be materially affected by legal, title, taxation, socio-political, marketing, or other relevant issues.

Bullfrog Gold Project - Montgomery-Shoshone Area, Gold and Silver Mineral Resources at the End of the Fiscal Year Ended December 31, 2022 Based on \$1,550/oz. Gold and \$20/oz. Silver

| Mineral Resources - Montgomery-Shoshone | | | | | | |
|--|------------------------|--------------------|-----------------------|-----------------------|---------------------------|---------------------------|
| Redox | Classification | Tonnes (Mt) | Au grade (g/t) | Ag grade (g/t) | Au Contained (koz) | Ag Contained (koz) |
| Oxide | Measured | 1.97 | 0.637 | 3.35 | 40.35 | 212.12 |
| | Indicated | 1.35 | 0.555 | 2.85 | 24.04 | 123.66 |
| | Measured and Indicated | 3.32 | 0.603 | 3.15 | 64.38 | 335.78 |
| | Inferred | 1.05 | 0.586 | 3.45 | 19.76 | 116.41 |
| | | | | | | |

Notes:

1. Oxide estimated Mineral Resources are reported within a pit shell using the Lerch Grossman algorithm, a gold price of US\$1,550/oz and a recovery of 82% for Au and silver price of US\$20/oz and a recovery of 20% For Ag.
2. Sulphide estimated Mineral Resources are reported within a pit shell using the Lerch Grossman algorithm, a gold price of US\$1,550/oz and a recovery of 50% for Au and silver price of US\$20/oz and a recovery of 12% for Ag. No sulphide material was reported for Montgomery-Shoshone.
3. Mining costs for mineralized material and waste are US\$2.25/tonne.
4. Processing, general and administration, and refining costs are US\$5.00/tonne, US\$0.50/tonne, and US\$0.05/tonne respectively.
5. Due to rounding, some columns or rows may not compute as shown.
6. Estimated Mineral Resources are stated as in situ dry metric tonnes.
7. The estimate of Mineral Resources may be materially affected by legal, title, taxation, socio-political, marketing, or other relevant issues.

Bullfrog Gold Project - Bonanza Area, Gold and Silver Mineral Resources at the End of the Fiscal Year Ended December 31, 2022 Based on \$1,550/oz. Gold and \$20/oz. Silver

| Mineral Resources - Bonanza | | | | | | |
|------------------------------------|------------------------|--------------------|-----------------------|-----------------------|---------------------------|---------------------------|
| Redox | Classification | Tonnes (Mt) | Au grade (g/t) | Ag grade (g/t) | Au Contained (koz) | Ag Contained (koz) |
| | Measured | 2.35 | 0.446 | 0.44 | 33.78 | 33.48 |
| | Indicated | 1.22 | 0.422 | 0.44 | 16.61 | 17.17 |
| Oxide | Measured and Indicated | 3.58 | 0.438 | 0.44 | 50.40 | 50.65 |
| | Inferred | 0.19 | 0.473 | 0.37 | 2.94 | 2.28 |

Notes:

1. Oxide estimated Mineral Resources are reported within a pit shell using the Lerch Grossman algorithm, a gold price of US\$1,550/oz and a recovery of 82% for Au and silver price of US\$20/oz and a recovery of 20% For Ag.
2. Sulphide estimated Mineral Resources are reported within a pit shell using the Lerch Grossman algorithm, a gold price of US\$1,550/oz and a recovery of 50% for Au and silver price of US\$20/oz and a recovery of 12% for Ag. No sulphide material was reported for Bonanza.
3. Mining costs for mineralized material and waste are US\$2.25/tonne.
4. Processing, general and administration, and refining costs are US\$5.00/tonne, US\$0.50/tonne, and US\$0.05/tonne respectively.
5. Due to rounding, some columns or rows may not compute as shown.
6. Estimated Mineral Resources are stated as in situ dry metric tonnes.
7. The estimate of Mineral Resources may be materially affected by legal, title, taxation, socio-political, marketing, or other relevant issues

In each case above, Estimated Mineral Resources have not changed from December 31, 2021 to December 31, 2022 due to the fact that Bullfrog Gold Project is in the exploration stage and no new resources were added to the project through exploration activities in 2022. The material assumptions underlying mineral resources as previously disclosed at December 31, 2021 remain current in all material respects.

Property Holdings

We have four option/lease/purchase agreements in place and, with the additional claims it has located, give it control of 734 unpatented lode mining claims and mill site claims, and 87 patented mining claims. The claims do not have an expiration date, as long as the fees and obligations are maintained.

NPX Assignment of Lands

In September 2011, we issued 14.4 million shares of the Company to the shareholders of SGC to acquire 100% of SGC and its assets. SGC is a private Nevada corporation and now wholly owned by the Company. Concurrently, NPX Metals, Inc. (“NPX”) and Bull Frog Holding, Inc. (“BHI”) assigned all title and interests in 79 claims and two patents to SGC. The Company granted a production royalty of 3% NSR on the property to NPX and BHI, plus an aggregate 3% NSR cap on any acquired lands within one mile of the 2011 boundary. Thus, NPX and BHI would not receive any royalty on acquisitions having a 3% or greater NSR.

Mojave Gold Option

In March 2014, we formed RMMC, a private Nevada corporation, as a wholly owned subsidiary, specifically for holding and acquiring assets. On October 29, 2014, RMMC exercised an option to purchase from Mojave Gold Mining Co. 12 patents west and adjacent to our initial property holdings and that cover the NE half of the M-S pit. Mojave was paid 750,000 shares of our common stock plus \$16,000. RMMC agreed to make annual payments totaling \$180,000 over nine years to fully exercise the option, and expend as a minimum work commitment for the benefit of the Property \$100,000 per year and a total of \$500,000 over five years on the properties and surrounding lands within one-half mile of the 12 Mojave patents. Alternatively, RMMC can pay cash to Mojave at 50% of the difference between the minimum required and the actual expenditures. Mojave retained a sliding scale Net Smelter Return royalty ranging from 1% for gold prices below \$1,200/ounce and up to 4% for gold prices above \$3,200 per ounce.

Lunar Landing Lease

On July 1, 2017, RMMC entered a lease with Lunar Landing LLC on 24 patents in the Bullfrog District:

- Two patents are adjacent and west of the M-S pit that could allow potential expansion of the pit down dip of the Polaris vein and stock work system.
- Ten patents have provided the Company with contiguous and connecting lands between the M-S and Bullfrog pits. These patents will also allow further expansions of the Bullfrog pit to the north and east.
- Four patents are within 0.5 to 1.2 miles west of the Bullfrog pit in the vicinity of the Bonanza Mountain open pit mine.
- Eight patents are in an exploration target area located about 1.5 miles NW of the Bullfrog pit and where the Company has owned the Aurium patent since 2011.

The lease includes the following:

- The Company paid \$26,000 on signing and is scheduled to annually pay \$16,000 for years 2-5, \$21,000 for years 6-10, \$25,000 for years 11-15, \$30,000 for years 16-20, \$40,000 for years 21-25 and \$45,000 for years 26-30.
- Production royalty of 5% net smelter returns with the right to buy-down to 2.5%.
- The Company is to expend as a work commitment not less than \$50,000 per year and \$500,000 in total to maintain the lease.
- The Company has rights to commingle ores and the flexibility to operate the Project as a logical land and mining unit.

Brown Claims

On January 29, 2018, RMMC purchased two patented claims (the “Brown Claims”), thereby eliminating minor constraints to expand the Bullfrog pit to the north. As partial consideration for the Brown Claims, RMMC granted the sellers of the Brown Claims a 5% net smelter returns royalty on the Brown Claims, of which 2.5% can be purchased by RMMC for aggregate consideration of US\$37,500.

Barrick Claims

On October 26, 2020, the Company completed its acquisition of Bullfrog Mines pursuant to the MIPA with the Barrick Parties.

Pursuant to the MIPA, the Company purchased from the Barrick Parties all of the Equity Interests in Bullfrog Mines for aggregate consideration of (i) 54,600,000 units of the Company, each unit consisting of one share of common stock of the Company and one four-year warrant purchase one share of common stock of the Company at an exercise price of C\$0.30 (such number of units and exercise price are set out on a pre-Consolidation basis), (ii) a 2% net smelter returns royalty (the “Barrick Royalty”) granted on all minerals produced from all of the patented and unpatented claims (subject to the adjustments set out below), pursuant to a royalty deed, dated October 26, 2020 by and among Bullfrog Mines and the Barrick Parties (the “Royalty Deed”), (iii) the Company granting indemnification to the Barrick Parties pursuant to an indemnity deed, dated October 26, 2020 by and among the Company, the Barrick Parties and Bullfrog Mines, and (iv) certain investor rights, including anti-dilution rights, pursuant to the investor rights agreement, dated October 26, 2020, among the Company, Augusta Investments Inc., and Barrick.

Through the Company’s acquisition of the Equity Interests, the Company acquired rights to the 1,500 acres of claims adjoining the Company’s Bullfrog Gold deposit.

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

Abitibi Royalties Option

On December 9, 2020, Bullfrog Mines entered into a mining option agreement with Abitibi Royalties (USA) Inc. (“Abitibi”) granting Bullfrog Mines the option (the “Abitibi Option”) to acquire forty-three unpatented lode mining claims to the south of the Bullfrog deposit. The Abitibi Option was amended on December 9, 2022, to extend the exercise deadline and to increase the last payment amount required to exercise the option. Bullfrog Mines made an initial payment to Abitibi of C\$25,000 and exercised the Abitibi Option in full on January 30, 2023, by:

- Paying to Abitibi C\$50,000 in cash before December 9, 2021;
- Paying to Abitibi C\$78,750 in cash before January 30, 2023; and
- Granting to Abitibi a 2% net smelter royalty on the claims subject to the Abitibi Option on January 30, 2023, of which Bullfrog Mines has the option to purchase 0.5% for C\$500,000 on or before December 9, 2030.

Other Property Holding Payments

All the unpatented lode mining claims are on U.S. public land administered by the Bureau of Land Management (“BLM”) and, therefore, are subject to exploration and development permits as required by the several current regulations. The unpatented lode mining claims require annual payments of \$155 per claim to the BLM and \$12 per claim to Nye County.

Infrastructure

Augusta Gold maintains sufficient surface rights to support mining operations, including areas for potential waste disposal, tailings storage, heap leach pads and potential mill sites. The Company recently located additional mining claims and is pursuing the acquisition of other lands in the area. Most claim blocks are contiguous, and the water rights that Barrick held through Bullfrog Mines were indirectly acquired by Augusta Gold as part of its acquisition of Bullfrog Mines.

The towns of Beatty, Pahrump and Tonopah in Nye County have populations that support mining operations in the area.

Valley Electric Association based in Pahrump, Nevada owns a 138 KV transmission line and a 24.9 KV distribution line that remain on-site and serviced mining at the site previously. The substation connected to the 24.9 KV line remains on-site, but the transformers and switchgear have been removed. Current monthly demand and energy rates are \$3.75/kw and \$0.12/kw-h, respectively.

Pumping from relatively shallow wells completed near the bottom of the Bullfrog pit is required to access deeper mineralization and could produce most of the Project water needs. Water may also be available from Barrick’s production wells located a few miles south of Highway 374, possibly from the Town of Beatty wellfield in Section 2, and to a limited extent from deepening the M-S pit.

Geological Setting, Mineralization, and Deposit Type

The Bullfrog Gold Project is in the southern Walker Lane trend within brittle upper-plate volcanic host rocks that were severely broken from dominant detachment faulting and associated dip-slip and strike-slip displacements. Epithermal solutions permeated the broken host rocks in the Montgomery-Shoshone (M-S) and Bullfrog deposits precipitating micron-sized and relatively high-grade gold (Au) within major quartz-calcite veins and disseminated gold in associated stock-work veins. The veins contain gangue minerals other than quartz, such as calcite and manganese oxides, the latter of which contributes associated silver (Ag) recoveries and gold.

The strike length of the Bullfrog mineralization is about 1,600 m, including the underground portion which accounts for about 600 m of the strike length. True widths mined in the underground, where the ore cutoff was 3.0 g/t Au, typically average 5-10 m and local zones may be as much as 15-20 m wide. The highest grades typically correlate with zones of black manganese-rich material, where much of the early manganiferous calcite has been leached out, rendering the vein a rubble zone of quartz, calcite, and wad. Veins continue up dip and down dip, but the gold grades and thicknesses diminish rapidly above and below these elevations.

As in the underground mine, the highest grades in the open pit were associated with veins and vein breccias along the MP fault and its immediate hanging wall. Higher ore grades also occurred in veins along the UP fault, but widths were generally narrow. Zones of quartz stockwork veins and breccia were developed between the MP and UP faults in intensely silicified and adularized wall rocks. The ore zone in the hanging wall of the MP fault, was termed the upper stockwork zone (Jorgensen et al., 1989). Many of the stockwork veins are subparallel in strike to the MP and UP faults, but dip more steeply. A zone of stockwork quartz veins also occurs in the footwall latite lavas (Tr1g) immediately beneath the MP fault, but here the ore zone is usually <10-15 m thick. This was termed the lower stockwork zone (Jorgensen et al., 1989). In this zone individual veins are often subparallel to the MP fault, and vein densities are typically in the range of 5-15%.

In most parts of the open pit, mineralized rock is truncated by the erosional surface and gravels. The ore zone thinned up-dip and only a modest amount of ore was probably lost to erosion. Below the open pit, ore grade values persist.

In the Bullfrog mineralization, the high-grade zones do not comprise obvious discrete plunging ore shoots. Instead high-grade ore zones are developed along the plane of the MP fault/vein, within 10-20° of the dip of the fault. The overall geometry of these zones is that of elongate lenses in the plane of the fault, with long dimensions that strike roughly north-south at a low angle of plunge. The highest gold grades roughly coincided with the oxidation-reduction boundary in the deposit and the pre-mining water table, and modest localized supergene enrichment of precious metals near this boundary is suggested.

The gold deposits of the southern Bullfrog Hills are contained in epithermal quartz-calcite veins and stockworks.

Historical Operations

In 1904 the Original Bullfrog and Montgomery-Shoshone mines were discovered by local prospectors. Prospecting activity was widespread over the Bullfrog Hills and encompassed a 200 square mile area but centered within a two-mile radius around the town of Rhyolite and included part of the Company's property. The Montgomery-Shoshone mine reportedly produced about 67,000 ounces of gold averaging 0.47 gold opt prior to its closure in 1911. The District produced about 94,000 ounces of gold prior to 1911. Mines in the District were sporadically worked from 1911 through 1941, but the Company has no production records of such limited activities.

The Company's Providence lode mining claim designated by the Surveyor General as Survey No. 2470 was located in October 1904, surveyed in April 1906, patented in May 1906 and recorded in Nye County Nevada in June 1908. The unpatented Lucky Queen claim is immediately east and adjacent to the Providence patent and is believed to have been located in the same time period but was not patented.

With the rise of precious metal prices in the early 1970's, the Bullfrog District again underwent intense prospecting and exploration activity for gold as well as uranium. Companies exploring the area included Texas Gas Exploration, Inc., Phillips Uranium, Tenneco /Copper Range, U.S. Borax, Western States Minerals, Rayrock, St. Joe American and successors Bond, Lac and Barrick Minerals, Noranda, Angst Mining Company, Placer Dome, Lac-Sunshine Mining Company Joint Venture, Homestake, and others. In addition to these major companies, several junior mining companies and individuals were involved as prospectors, promoters and owners. These scientific investigations yielded a new deposit model for the gold deposits that were mined by others in the Bullfrog District. The identification and understanding of the detachment fault system led to significant changes in exploration program techniques, focus, and success.

In 1982 St. Joe American, Inc. initiated drilling in the Montgomery-Shoshone mine area. By 1986, sixty holes had been drilled and a mineral inventory was defined. Subsequent drilling outlined a reported 2.9 million ounces of gold equivalent in the Bullfrog deposit. A series of corporate takeovers transferred ownership from St. Joe, to Bond Gold, to Lac Minerals and eventually to Barrick Minerals. Production started in 1989 and recovered approximately 200,000 ounces of gold annually from a conventional, 9,000 ton/day cyanidation mill mainly fed from open pit operations and later supplemented with underground production. Barrick discontinued production operations in 1999 and completed reclamation in 2003. Thereafter several groups continued exploration on a limited basis on some of the lands currently held by the Company, but no reserves were ever defined by these companies on those portions of the Company's lands.

Exploration and Drilling

The Company's exploration activities to date have focused on the following:

- Exploration drilling, data acquisition and geologic modeling;
- Acquiring, organizing, digitizing and vetting electronic and paper data bases obtained from Barrick mainly related to drill data, metallurgy and project infrastructure; and
- Maintaining and expanding the land holdings.

The project drilling includes 1,311 holes, for a total of 263,757 meters completed between 1983 and early 2021. The holes were drilled using both core and reverse circulation methods, as detailed in the drilling section of this report.

The following table summarizes project drilling by year:

Table 1: Project Drilling by Year

| Year | Total Drilling | | Coring | | Reverse Circulation | |
|-------|----------------|---------|--------|--------|---------------------|---------|
| | Holes | Meters | Holes | Meters | Holes | Meters |
| 1983 | 6 | 975 | 6 | 975 | 0 | 0 |
| 1984 | 37 | 3,560 | | 0 | 37 | 3,560 |
| 1985 | 3 | 303 | | 0 | 3 | 303 |
| 1986 | 29 | 3,364 | | 0 | 29 | 3,364 |
| 1987 | 163 | 29,479 | 3 | 732 | 163 | 28,747 |
| 1988 | 321 | 66,325 | 32 | 6,121 | 321 | 60,204 |
| 1989 | 71 | 12,285 | | 0 | 71 | 12,285 |
| 1990 | 154 | 37,114 | 33 | 3,676 | 154 | 33,438 |
| 1991 | 79 | 22,954 | 42 | 3,627 | 79 | 19,327 |
| 1992 | 23 | 4,907 | | 0 | 23 | 4,907 |
| 1993 | 9 | 387 | | 0 | 9 | 387 |
| 1994 | 210 | 31,362 | 9 | 1,412 | 210 | 29,951 |
| 1995 | 99 | 22,370 | 3 | 248 | 99 | 22,122 |
| 1996 | 58 | 15,254 | 19 | 3,329 | 45 | 11,924 |
| 2020 | 26 | 4,405 | 1 | 502 | 25 | 3,903 |
| 2021 | 43 | 14,820 | 38 | 12,749 | 5 | 2,071 |
| 2022 | 6 | 2,596 | 6 | 2,596 | 0 | 0 |
| Total | 1,337 | 272,460 | 192 | 35,967 | 1,273 | 236,493 |

A total of 69 drill holes, 30 reverse circulation (RC) and 39 core holes have been drilled by Augusta from 2020-2021. The purpose of the drilling was to further define resources and the ultimate limits of the Bullfrog and Montgomery-Shoshone pits and gather data to support advanced geotechnical and metallurgical studies. The 2020 program also fulfilled a final work commitment for the Company to purchase a 100% interest in lands under lease from Barrick by mid-September 2020. Two holes were drilled at the Paradise Ridge target.

Permitting

Baseline studies necessary to advance permitting are in progress.

The following outlines the general framework for permitting a mine in Nevada and the required permits. Many of the permits discussed herein apply to the construction stage and are not currently being pursued.

Exploration activities on Federal mining claims on BLM lands requires a Notice of Intent (NOI) for exploration activities under five acres of disturbance and a Plan of Operations for larger scale exploration activities. A Plan of Operations is also required with the Nevada Department of Environmental Protection (NDEP) to fulfill the State of Nevada permitting obligations on private and public lands, respectively. Reclamation bonds related to environmental liabilities need to be calculated and posted to cover activities on the Project. Additional permits and bonding will be required for developing, constructing, operating, and reclaiming the Project.

Additional Baseline Studies will be required to update the historical studies completed by Barrick. This will include geochemistry, hydrologic studies of the in-pit water and water in existing wells, plant, wildlife and threatened and endangered species surveys, meteorological information, and cultural surveys:

- **Water Pollution Control Permits (WPCP):** The WPCP application must address the open pit, heap leach pad, mining activities and water management systems with respect to potentially degrading of the waters of Nevada. Sufficient engineering, design and modeling data must be included in the WPCP. A Tentative Permit Closure Plan must be submitted to the NDEP-BMRR in conjunction with the WPCP. A Final Permanent Closure Plan will be needed two years prior to Project closure.
- **Air Quality:** An application for a Class II Air Quality Permit must be prepared using Bureau of Air Pollution Control (BAPC) forms. The application must include descriptions of the facilities, a detailed emission inventory, plot plans, process flow diagrams and a fugitive dust control plan for construction and operation of the Project. A Mercury Operating Permit and a Title V Operating permit will also be necessary for processing loaded carbon or electro-winning precipitates.
- **Water Right:** Additional water rights will need to be acquired from third parties or obtained from the Nevada Division of Water Resources (NDWR) for producing Project water.
- **Industrial Artificial Pond:** Water storage ponds, which are part of the water management systems, will require Industrial Artificial Pond permits (IAPP) from the Nevada Department of wildlife. Approval from the Nevada State Engineer's Office is also required if embankments exceed specified heights.

Additional minor permits will be required for the project to advance to production and are listed in Table 8.

Table 8: Additional Minor Permits Required

| Notification/Permit | Agency |
|--|---|
| Mine Registry | Nevada Division of Minerals |
| Mine Opening Notification | State Inspector of Mines |
| Solid Waste Landfill | Nevada Bureau of Waste Management |
| Hazardous Waste Management Permit | Nevada Bureau of Waste Management |
| General Storm Water Permit | Nevada Bureau of Water Pollution Control |
| Hazardous Materials Permit | State Fire Marshall |
| Fire and Life Safety | State Fire Marshall |
| Explosives Permit | Bureau of Alcohol, Tobacco, Firearms & Explosives |
| Notification of Commencement of Operation | Mine Safety and Health Administration |
| Radio License | Federal Communications Commission |
| Public Water Supply Permit | NV Division of Environmental Protection |
| MSHA Identification Number and MSHA Coordination | U.S. Department of Labor Mine Safety and Health Administration (MSHA) |
| Septic Tank | NDEP-Bureau of Water Pollution Control |
| Petroleum Contaminated Soils | NV Division of Environmental Protection |

2023 Project Exploration Plans

Subject to funding, the Company’s focus in 2023 for exploration at the Bullfrog Gold Project is drilling at the Gap Target, an epithermal lithocap at the northern end of the Bullfrog land package, as well as continued support of ongoing permitting and engineering work.

Reward Gold Project, Nye County, Nevada

Property Location and Access

The Reward Gold Project (the “Project” or “Reward Project”) is situated about 11.3 km (7 miles) south-southeast of the town of Beatty, NV about 3.2 km (2 miles) east of US Highway 95 in Nye County (Figure 1). The Project can be accessed from Beatty by paved road on Highway 95 followed by traveling two miles east on a gravel road. Several dirt roads diverge into various canyons of the Bare Mountains. The Project area lies within Sections 1, 2, 3, 4, 9, 10, 11 and 16 of Township 13 South, Range 47 East and Sections 33, 34, and 35 of Township 12 South, Range 47 East, all referred to the Mount Diablo Baseline and Meridian. The Project can be accessed from Beatty by paved road on Highway 95 followed by traveling two miles east on a gravel road. Several dirt roads diverge into various canyons of the Bare Mountains.

Project Stage

The Project is an exploration stage property with measured, indicated and inferred mineral resources but no known mineral reserves.

Mineral Resource Estimates

Mineral Resources were classified using a combination of assessment of geological confidence, data quality and grade continuity. Reasonable prospects of eventual economic extraction were considered by constraining the estimate within a conceptual pit shell that used the assumptions in Table 9.

Table 9. Reward Conceptual Open Pit Parameters.

| Parameter | Unit (Imperial) | Cost (Imperial) | Unit (Metric) | Cost (Metric) |
|-----------------------------|------------------------|------------------------|----------------------|----------------------|
| Gold Price | US\$/oz | 1,700 | US\$/g | 54.656 |
| Gold Metallurgical Recovery | % | 80 | % | 80 |
| Pit Wall Angles | ° | 48-58 | ° | 48-58 |
| Mining Cost | US\$/st | 2.00 | US\$/tonne | 2.20 |
| Processing Rate | Mst/a | 3 | Mtonne/a | 2.7 |
| Processing Cost | US\$/st | \$ 5.50 | US\$/tonne | \$ 6.06 |
| G & A Cost | US\$/st | 0.75 | US\$/tonne | 0.80 |
| Cut-off Grade (break even) | oz/st | 0.0047 | g/tonne | 0.158 |
| Royalty | % | 3 | % | 3 |

The Mineral Resource Estimate for the Reward Project is presented in Table 10 below.

Table 10. Reward Project Mineral Resource Estimate at December 31, 2022 Based on USD\$1,700/oz. Au

| Classification | Tonnage (Mt) | Average Grade (g/t) | Contained Au (koz) |
|---|---------------------|----------------------------|---------------------------|
| Good Hope | | | |
| Measured | 6.19 | 0.86 | 169.9 |
| Indicated | 10.76 | 0.69 | 240.0 |
| M&I Total | 16.94 | 0.75 | 409.9 |
| Inferred | 0.29 | 0.56 | 5.3 |
| Gold Ace | | | |
| Indicated | 0.83 | 0.63 | 16.8 |
| Inferred | 1.03 | 0.73 | 21.8 |
| Reward (Combined Good Hope and Gold Ace) | | | |
| Measured | 6.19 | 0.86 | 169.9 |
| Indicated | 11.58 | 0.69 | 256.8 |
| M&I Total | 17.77 | 0.75 | 426.7 |
| Inferred | 1.23 | 0.68 | 27.1 |

Notes:

1. Oxide estimated Mineral Resources are reported within a pit shell using the Lerch Grossman algorithm, a gold price of US\$1,700/oz and a recovery of 80% for Au were utilized.
2. Mining costs for mineralized material and waste are US\$2.20/tonne.
3. Processing and general and administration are US\$6.06/tonne and US\$0.83/tonne per tonne processed, respectively.
4. Due to rounding, some columns or rows may not compute as shown.
5. Estimated Mineral Resources are stated as in situ dry metric tonnes and are partially diluted.
6. The estimate of Mineral Resources may be materially affected by legal, title, taxation, socio-political, marketing, or other relevant issues.
7. The effective date of the Reward mineral resource estimate is December 31, 2022.

Estimated Mineral Resources have not changed from May 22, 2022 (the date estimates were initially reported to the Commission in the Company Current Report on Form 8-K dated July 7, 2022) to December 31, 2022 due to the fact that the Reward Gold Project is in the exploration stage and no new resources were added to the project through exploration activities in the remainder of 2022. The material assumptions underlying mineral resources as previously disclosed at May 31, 2022 remain current in all material respects.

Property Holdings

The Project area lies within Sections 1, 2, 3, 4, 9, 10, 11 and 16 of Township 13 South, Range 47 East and Sections 33, 34, and 35 of Township 12 South, Range 47 East, all referred to the Mount Diablo Baseline and Meridian.

Canyon Resources Corporation (Canyon Resources) holds a 100% interest in the mineral claims that form the Project. In 2008, Canyon Resources assigned all of the patented and unpatented claims comprising the Project to an entity which was subsequently converted into CR Reward.

The Project encompasses 123 unpatented Bureau of Land Management (BLM) placer and lode mining claims and six patented placer mining claims, totalling approximately 2,333 net acres (944 hectares). Only the patented claims have been legally surveyed. Under United States mining law, claims may be renewed annually for an unlimited number of years upon a small payment per claim (currently \$155 per claim due to the BLM and an aggregate \$1,502 due to Nye County) and the same claim status-whether lode or placer-may be used for exploration or exploitation of the lodes or placers.

Several blocks of unpatented claims are leased by CR Reward from underlying owners, and are referred to as Connolly, Webster, Orser-McFall and Van Meeteren leases.

Connolly Lease

This lease agreement (the Connolly Lease), effective as of September 28th, 2004, covers a two-third interest in each of the Sunshine and Reward unpatented lode claims (collectively, the Connolly Claims). The Connolly Lease is for an initial term of 20 years and continues so long thereafter as the Project remains in commercial production. A 3% NSR royalty is payable on any minerals mined from the Connolly Claims, but is reduced to 2% due to the fact that CR Reward only owns a two-third interest in the Connolly Claims. Annual advance minimum royalty payments are payable under the Connolly Lease in an amount equal to \$10,000 per year. These annual advance minimum royalty payments shall be applied toward, credited against and fully deductible from earned mineral production royalty payments due from the Connolly Claims.

Webster Lease

This lease agreement (the Webster lease), effective as of November 9, 2004 (as amended on November 9th, 2004 and November 8th, 2006), covers a one-third interest in each of the Sunshine and Reward unpatented lode claims and a half interest in the Good Hope unpatented lode claim (collectively, the Webster Claims). The Webster Lease is for an initial term of 20 years and continues so long thereafter as the Project remains in commercial production. A 3% NSR royalty is payable on any minerals mined from the Webster Claims, but is (i) reduced to 1% on the Sunshine and Reward claims due to the fact that the lessee only owns a one-third interest, and (ii) reduced to 1.5% on the Good Hope claim due to the fact that CR Reward only owns a half interest in this claim. Annual advance minimum royalty payments are payable under the Webster Lease in an amount equal to \$7,500 per year. The annual advance minimum royalty payments paid in any given year may be applied toward, credited against and fully deductible from any earned mineral production royalty payments due on the Webster Claims during the calendar year in which such annual advance minimum royalty payments are due.

Orser-McFall Lease

This lease agreement (the Orser-McFall Lease), effective as of February 5, 2005 (as amended on August 18th, 2005 and November 14th, 2006), applies to 12 unpatented lode and six unpatented placer mining claims (collectively, the Orser-McFall Claims). The Orser-McFall Lease is for an initial term of 20 years and continues so long thereafter as the Project remains in commercial production. The lessors under the Orser-McFall Lease own 100% of the Orser-McFall Claims, except for the Good Hope claim, in which they own a half interest (the other half being owned by the Daniel D. Webster Living Trust and leased to CR Reward pursuant to the Webster Lease). A 3% NSR royalty is payable on minerals mined from the Orser-McFall Claims, but is reduced to 1.5% on the Good Hope claim due to the fact that the lessee only owns a half interest in that claim. Annual advance minimum royalty payments are payable under the Orser-McFall Lease in an amount equal to \$20,000 per year. These annual advance minimum royalty payments shall be applied toward, credited against and fully deductible from earned mineral production royalty payments due from the Orser-McFall Claims.

Van Meeteren et al Lease

This lease agreement (the Van Meeteren Lease), effect as of December 1st, 2011 (applies to the Double RS and the Durlers Hope unpatented placer claims (the Van Meeteren Claims). The Van Meeteren Lease is for an initial term of 20 years and continues so long thereafter as the Project remains in commercial production or CR Reward is actively conducting exploration, development, reclamation or remediation operations. A 3% NSR royalty is payable on minerals mined from the Van Meeteren Claims. Annual advance minimum royalty payments are payable under the Van Meeteren Lease in an amount equal to \$15/acre from 2011 through 2020, for a total of \$1,800 per year, and \$20/acre from and after 2021, for a total of \$2,400 per year. These annual advance minimum royal payments are recoupable from earned mineral production royalties. All payments described above have been timely paid by CR Reward and its predecessor and the agreements are all in good standing.

The Project area mainly consists of Federal public domain lands administered by the BLM. There are no State or private tracts within the Project area, except the six patented claims owned by CR Reward, all of which carry surface and mineral rights ownership.

The Project is not subject to any other back-in rights payments, agreements or encumbrances.

CR Reward has the right to use 391,494 m³ (317.39 acre-ft) of water annually under Application No. 61412, Certificate No. 16384 and Permit No. 76390.

The Amargosa River basin is an enclosed basin, and the water rights are thus not affected by the Colorado River Compact or other agreements.

Infrastructure

The Project is located seven miles by road southeast of Beatty, a town of approximately 1,000 people that serves as a transit hub and service centre for travellers between Las Vegas and Reno, and those going to Death Valley. Several motels and restaurants, gas stations, a post office, and several small stores provide basic services.

The Project is currently serviced by an existing 14.4/24.9 kV power line owned and operated by Valley Electric. A water well currently provides water for exploration activities.

Project employees would likely be recruited from the local area, including the communities of Beatty, Amargosa, and Pahrump, located within Nye County, and the regional urban centre of Las Vegas, located within Clark County. There is available nearby accommodation to the Project site in Beatty and other smaller communities

The Project has sufficient land area, with adjacent public-domain lands also potentially available, to allow mine development, including space for the mining operations, waste rock disposal facilities (WRDs), heap leach pads and processing plants.

Geological Setting, Mineralization and Deposit Type

Mineralization in the Good Hope Deposit and Golden Ace Zone can be classified as examples of a structurally controlled, locally disseminated, sediment hosted, mesothermal quartz vein gold deposit.

The Project is hosted within the Bare Mountain Complex which lies within an intricate tectonic setting of the Nevada Basin and Range Province.

The Bare Mountain Complex consist of up to 6,096 m (20,000 ft) of Upper Proterozoic to Paleozoic marine sedimentary rocks in the lower plate that have been juxtaposed against Miocene silicic volcanic sequences in the upper plate. The lower plate units were deformed through folding, thrust faulting, low and high angle normal faulting during a Mesozoic compression event, and have been metamorphosed from lower amphibolite to sub-greenschist grade. Two dominant normal fault sets have been mapped in the lower plate, including the moderately east-dipping Bare Mountain and Gold Ace faults, and shallowly southeast-dipping faults that cut or curve into east-dipping faults.

The Project is located on the southwestern flank of the Bare Mountain Complex and is underlain by moderately-deformed marine clastic and carbonate rocks of Late Proterozoic and Late Cambrian age that have been metamorphosed to greenschist grade. Tertiary and younger alluvium cover the lower slopes and the adjacent Armagosa Valley to the south and west. The east-dipping Gold Ace fault, locally termed the Good Hope fault zone, separates northeast dipping Late Proterozoic to Early Cambrian units in the footwall block from Middle to Late Cambrian units in the hanging wall block.

The gold mineralization in the Good Hope Deposit is spatially associated with, and along, the Good Hope fault zone, and is primarily hosted in altered and veined Wood Canyon Formation, and to a lesser extent, in the Juhl and Sutton Members of the Stirling Formation. Mineralization hosted along the contact between the Sutton and Morris Marble Members of the Stirling Formation is referred to as the Gold Ace Zone. Although there are small historic prospects along the Good Hope fault zone, most of the historic production came from the Gold Ace Zone.

Historical Operations

Historical exploration of the Project was completed by several other companies from 1976 to 2004, including Galli Exploration Associates (Galli Exploration), Teco Inc. (Teco), St. Joe Minerals Corporation (St Joe), Gexa Gold Corp (Gexa), Cloverleaf Gold Inc. (Cloverleaf), Homestake Mining Company (Homestake), Pathfinder Gold Corporation (Pathfinder), Bond Gold Exploration Inc. (Bond Gold), Barrick, US Nevada Gold Search (USNGS), Rayrock Mines, Inc (Rayrock), Glamis Gold, Ltd. (Glamis Gold), and Marigold Mining Company (Marigold Mining). Historical exploration included airborne geophysics, reverse circulation (RC) and core drilling, initial metallurgical testwork, mineral resource estimates and technical studies.

Canyon Resources acquired the Project in 2004, and together with Atna Resources Ltd. (Atna) and CR Reward, have completed data compilation and validation, ground induced polarization/resistivity geophysical surveys, RC and core drilling, mineral resource and mineral reserve estimates, metallurgical testwork, permitting studies, environmental baseline studies, and technical studies. The following permits and authorizations were granted to CR Reward in 2007:

- Plan of Operations authorized under N-82840.
- Water Pollution Control Permit (WPCP); WPCP NEV2007101.
- General construction permit; NVR100000 CSW-17415.
- Water rights permitted by Nevada Division of Water Resources (NDWR) under Mining, Milling, & Domestic permit 76390.
- Mining reclamation permit granted by the Bureau of Mining Regulation and Reclamation (BMRR) under mine site permit #0300.
- Nevada Bureau of Air Pollution Control (BAPC) authorized Class II Air Quality permit AP1041-2492.

Permitting

The current Project area includes public and private lands within Nye County, Nevada. The Project, therefore, falls under the jurisdiction and permitting requirements of Nye County, the State of Nevada (primarily the BMRR) and the BLM.

The following permits and authorizations were granted to CR Reward:

- Plan of Operations authorized under N-82840.
- Water Pollution Control Permit (WPCP); WPCP NEV2007101.
- Water rights permitted by Nevada Division of Water Resources (NDWR) under Mining, Milling, & Domestic permit 76390 and permit 89658.
- Mining reclamation permit granted by the Bureau of Mining Regulation and Reclamation (BMRR) under mine site permit #0300.
- Nevada Bureau of Air Pollution Control (BAPC) authorized Class II Air Quality permit AP1041-2492.

The reader is referred to Evans et al. (2019) for additional information regarding permitting considerations for mining activities at the Project. Regarding exploration activities, during early phases of exploration, when surface disturbance is generally limited, authorization from the BLM is conditionally granted under a notice (40 CFR § 3890.21). There are currently no exploration notices associated with the Project and none are likely to be granted given the Project has a mine plan of operations (MPO) that was granted in 2020.

2023 Project Exploration Plans

Subject to funding, the Company's focus in 2023 for exploration at the Reward Project is expanding the resource down-dip, and performing infill drilling where there are gaps in the current resource model.

ITEM 3. LEGAL PROCEEDINGS

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

ITEM 4. MINE SAFETY DISCLOSURES

Pursuant to Section 1503(a) of the Dodd-Frank Act, issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose specified information about mine health and safety in their periodic reports. These reporting requirements are based on the safety and health requirements applicable to mines under the Federal Mine Safety and Health Act of 1977 (the "Mine Act") which is administered by the U.S. Department of Labor's Mine Safety and Health Administration ("MSHA"). During the fiscal year ended December 31, 2021, none of the Company's or its subsidiaries' properties or projects was subject to regulation by MSHA under the Mine Act and thus no disclosure is required under Section 1503(a) of the Dodd-Frank Act.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

The Company's common stock is quoted for trading on the OTCQB under the symbol "AUGG" and is traded on the Toronto Stock Exchange (or TSX) under the symbol "G". Over-the-counter market quotations on the OTCQB reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

As at March 14, 2023, there were 85,929,753 Common Shares issued and outstanding, and the Company had approximately 85 shareholders of record. On March 14, 2023, the closing price of the shares of common stock as reported by the Toronto Stock Exchange was C\$1.20 and as quoted on OTCQB was \$0.89.

Dividend Policy

The Company has not paid any cash dividends on our common stock and do not anticipate paying any cash dividends in the foreseeable future.

Unregistered Sales of Equity Securities

All unregistered sales of equity securities by the Company were previously reported on Form 8-K.

Recent Repurchases of Securities

None.

Securities Authorized for Issuance under Equity Compensation Plans

On September 30, 2011, the Company's Board of Directors adopted the 2011 Equity Incentive Plan. The 2011 Equity Incentive Plan reserves 750,000 shares of common stock for grant to directors, officers, consultants, advisors or employees of the Company. There was a total of 750,000 options granted from the 2011 Plan in March 2015 (the "March 2015 Options"), with no outstanding options as of December 31, 2022.

On December 1, 2017, our Board of Directors adopted the 2017 Equity Incentive Plan. The 2017 Equity Incentive Plan reserves 2,300,000 shares of common stock for grant to directors, officers, consultants, advisors or employees of the Company. There was a total of 675,000 options granted from the 2017 Plan in December 2017 (the "December 2017 Options"), with 225,002 outstanding as of December 31, 2022.

On February 22, 2021, the Company's Board of Directors approved a new stock option plan (the "Plan"). The aggregate number of shares of common stock of the Company (a "Share") that may be reserved for issuance pursuant to the Plan shall not exceed 10% of the number of Shares issued and outstanding from time to time. The Company granted 5,825,000 options to officers, directors and employees of the Company in February 2021, 500,000 on August 30, 2021, 350,000 options on June 9, 2022, and 100,000 options on August 8, 2022, with 4,975,000 outstanding as of December 31, 2022.

The following table sets forth equity compensation plan information as of December 31, 2022.

| Plan Category | Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (column a) | Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (column b) | Number of Securities Remaining Available for Issuance under Equity Compensation Plans (excluding securities reflected in column (a)) |
|--|---|---|---|
| Equity compensation plans not approved by security holders | 225,002 | \$ 0.86 | 0 |
| Equity compensation plans approved by security holders | 4,975,000 | \$ 1.48 | 3,442,973 |
| Total | 5,200,002 | \$ 1.45 | 3,442,973 |

Note: C\$ converted to US\$ based on an exchange rate of C\$1.00/US\$0.7383.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our consolidated financial statements for the two years ended December 31, 2022, and 2021, and the related notes thereto, which have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including, but not limited to, those set forth under the section heading "Item 1A. Risk Factors" above and elsewhere in this Annual Report on Form 10-K. See section heading "Cautionary Note Regarding Forward-Looking Statements" above.

Results of Operations

Twelve Months Ended December 31, 2022 Compared to December 31, 2021

| | Twelve Months Ended | |
|---|----------------------------|---------------------|
| | 12/31/22 | 12/31/21 |
| Operating expenses | | |
| General and administrative | \$ 5,087,128 | \$ 4,664,565 |
| Lease expense | 21,000 | 16,000 |
| Exploration, evaluation and project expense | 5,739,534 | 7,909,333 |
| Accretion expense | 77,941 | 24,749 |
| Depreciation expense | 44,057 | 44,057 |
| Total operating expenses | <u>10,969,660</u> | <u>12,658,704</u> |
| Net operating loss | (10,969,660) | (12,658,704) |
| Revaluation of warrant liability | (7,852,349) | 15,857,500 |
| Interest expense | (721,924) | 0 |
| Foreign currency exchange gain (loss) | (176,279) | 253,236 |
| Net income (loss) | <u>\$ (19,720,212)</u> | <u>\$ 3,452,032</u> |

For the twelve months ending December 31, 2022, the Company increased general and administrative expenses by approximately \$422,000. The increase was due to the following year over year variances:

| Twelve months ending | 12/31/2022 | 12/31/2021 | Variance |
|-----------------------------------|---------------------|---------------------|-------------------|
| Accounting fees | \$ 309,000 | \$ 257,000 | \$ 52,000 |
| Legal and other professional fees | 1,397,000 | 500,000 | 897,000 |
| Marketing expense | 50,000 | 87,000 | (37,000) |
| Payroll | 677,000 | 1,548,000 | (871,000) |
| Corporate expenses & rent | 176,000 | 273,000 | (97,000) |
| Share based compensation | 2,164,000 | 1,560,000 | 604,000 |
| Insurance | 162,000 | 121,000 | 41,000 |
| Stock exchange fees | 132,000 | 239,000 | (107,000) |
| Other general expenses | 20,000 | 80,000 | (60,000) |
| Total | \$ 5,087,000 | \$ 4,665,000 | \$ 422,000 |

- Accounting fees increase resulted from higher costs for review procedures along with additional consulting fees needed for required regulatory filings and tax compliance. Management believes these increased costs will continue in future fiscal periods.
- Legal fees and professional fees increased due to a legal agreement that was finalized in June 2022 along with professional consulting fees and an increase in franchise tax fees and other expenses. Management does believe that legal costs will be higher than prior periods moving forward due to the Company's increased compliance costs and the implementation of regulatory changes in relation to property disclosure requirements in our filings with the SEC.
- Marketing expense was lower as 2021 had additional amounts that were used for company and shareholder awareness projects.
- The majority of payroll and corporate expenses was from the Company's agreement to share office space, equipment, personnel, consultants and various administrative services for the Company's head office located in Vancouver, BC Canada. Management expects payroll costs to increase in 2023 due to increased personnel and consultants added in the prior six months that will be retained moving forward.
- The Company granted options to officers, directors and employees of the Company pursuant to the terms of the Company's Stock Option Plan; 4,041,667 in the first quarter 2021 (adjusted for 1,783,333 canceled options); 500,000 in the third quarter 2021; 350,000 in the second quarter 2022; and 100,000 in the third quarter 2022.
- Stock exchange fee variance is a result of the initial listing fee paid to the TSX in April 2021. Annual exchange fees will continue.

For the twelve months ending December 31, 2022, there was a variance \$2,169,000 for the same period in 2021 in exploration and evaluation expenses. The increase was due to the following year over year variances:

| Twelve months ending | 12/31/2022 | 12/31/2021 | Variance |
|-----------------------------|---------------------|---------------------|-----------------------|
| Drilling | \$ 1,572,000 | \$ 3,992,000 | \$ (2,420,000) |
| Consultants/Contractors | 2,607,000 | 1,670,000 | 937,000 |
| Supplies and equipment | 382,000 | 743,000 | (361,000) |
| Assay | 84,000 | 543,000 | (459,000) |
| Water haulage | 0 | 389,000 | (389,000) |
| Overhead and payroll | 778,000 | 298,000 | 480,000 |
| Permits and fees | 291,000 | 268,000 | 23,000 |
| Other | 26,000 | 6,000 | 20,000 |
| Total | \$ 5,740,000 | \$ 7,909,000 | \$ (2,169,000) |

In the fourth quarter of 2022, the Company continued with test work on metallurgical drill core samples from the Bullfrog deposit. Preparation of a technical report for the Reward project continued.

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

| <u>Issue Date</u> | <u>Expiration Date</u> | <u>Warrants Issued</u> | <u>Exercise Price</u> |
|-------------------|------------------------|------------------------|-----------------------|
| October 2020 | October 2024 | 18,333,333 | C\$1.80 |
| March 2021 | March 2024 | 3,777,784 | C\$2.80 |

Liquidity and Capital Resources

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

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

On January 20, 2023, the Company announced that it had closed a bought deal offering of units of Augusta Gold (the "Units") for aggregate gross proceeds of approximately C\$11.5 million, including the full exercise of the over-allotment option in the amount of C\$1.5 million. Pursuant to the Offering, a total of 6,725,147 Units were sold at a price of C\$1.71 per Unit. Each Unit was comprised of one share of the Company's common stock and one-half of one common stock purchase warrant (each whole common stock purchase warrant, a "Warrant"). Each Warrant entitles the holder to acquire one share of the Company's common stock at a price of C\$2.30 until January 20, 2026.

Liquidity

As of December 31, 2022, the Company had total liquidity of \$333,000 in cash and cash equivalents. The Company had negative working capital of \$26,141,000 and an accumulated deficit of \$39,894,000. For the twelve months ended December 31, 2022, the Company had negative operating cash flows before changes in working capital of \$9,582,000 and a net loss of \$19,720,000.

As of December 31, 2021, the Company had total liquidity of \$19,582,000 in cash and cash equivalents. The Company had working capital of \$18,530,000 and an accumulated deficit of \$20,174,000. For the twelve months ended December 31, 2021, the Company had negative operating cash flows before changes in working capital of \$10,776,000 and a net income of \$3,452,000.

The Company expects that it will operate at a loss for the foreseeable future and believes the current cash and cash equivalents and working capital will be sufficient for it to maintain its currently held properties, fund its planned exploration, and fund its currently anticipated general and administrative costs for at least the next 12 months from the date of this report. However, the Company does expect that it will be required to raise additional funds through public or private equity financings in the future in order to continue in business in the future past the immediate 12-month period. Should such financing not be available in that time-frame, the Company will be required to reduce its activities and will not be able to carry out all of its presently planned exploration and, if warranted, development activities on its currently anticipated scheduling.

Capital Management

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

As of December 31, 2022, the capital structure of the Company consists of 79,204,606 shares of common stock, par value \$0.0001. The Company manages the capital structure and adjusts it in response to changes in economic conditions, its expected funding requirements, and risk characteristics of the underlying assets. The Company's funding requirements are based on cash forecasts. In order to maintain or adjust the capital structure, the Company may issue new debt, new shares and/or consider strategic alliances. Management reviews its capital management approach on a regular basis. The Company is not subject to any externally imposed capital requirements.

Contractual obligations and commitments

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

| | <u><1 year</u> | <u>1 - 3 years</u> | <u>4 - 5 years</u> | <u>>5 years</u> | <u>Total</u> |
|---------------------|-------------------|--------------------|--------------------|--------------------|-------------------|
| Leases | \$ 116,557 | \$ 150,594 | \$ 50,000 | \$ 650,000 | \$ 967,151 |
| Capital Expenditure | 30,000 | - | - | - | 30,000 |
| | <u>\$ 146,557</u> | <u>\$ 150,594</u> | <u>\$ 50,000</u> | <u>\$ 650,000</u> | <u>\$ 997,151</u> |

Off Balance Sheet Arrangements

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

Critical Accounting Policies and Use of Estimates

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

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

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS

Our financial statements appear beginning at page F-1.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We conducted an evaluation of the effectiveness of our "disclosure controls and procedures" ("Disclosure Controls"), as defined by Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of December 31, 2022, the end of the period covered by this Annual Report on Form 10-K. The Disclosure Controls evaluation was done under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer.

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

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

With respect to the fiscal year ending December 31, 2022, our management, including our Chief Executive Officer and Chief Financial Officer, has concluded that our Disclosure Controls were effective as of December 31, 2021.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our management is also required to assess and report on the effectiveness of our internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 ("Section 404"). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2022. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control - Integrated Framework 2013 and determined that our internal controls over financial reporting are effective.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Attestation Report of the Registered Public Accounting Firm

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, which permanently exempts non-accelerated filers from complying with Section 404(b) of the Sarbanes-Oxley Act of 2002.

Changes in Internal Control Over Financial Reporting

There have not been any changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended December 31, 2022, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTION

Not Applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors and Executive Officers

The following persons are our executive officers and directors and hold the positions set forth opposite their respective names.

| Name | Age | Position |
|--------------------|------------|--|
| Richard Warke | 63 | Executive Chairman |
| John Boehner | 73 | Director |
| Daniel Earle | 42 | Director |
| Poonam Puri | 50 | Director |
| Lenard Boggio | 68 | Director |
| Donald R. Taylor | 66 | President, Chief Executive Officer, Director |
| Michael McClelland | 45 | Chief Financial Officer |
| Purni Parikh | 53 | Senior Vice President, Corporate Affairs and Corporate Secretary |
| Johnny Pappas | 63 | Vice President, Environmental & Permitting |
| Jim Wickens | 58 | Vice President, Operations |
| Tom Ladner | 33 | Vice President, Legal |

Richard Warke (appointed January 7, 2021)

Executive Chairman

Richard Warke is a Vancouver-based Canadian business executive with more than 35 years of experience in the international resource sector. In 2005, Mr. Warke founded the Augusta Group of Companies which has an unrivaled track record of value creation in the mining sector.

From 2006 and until 2018 Augusta founded, managed, and funded three world class mineral discoveries. Ventana Gold, discovered the La Bodega gold deposit in Colombia, now reported to host over 10Moz of gold, Augusta sold the company for \$1.3B in 2011. Augusta Resource, advanced the Rosemont copper project in Arizona through drilling, feasibility and permitting to become one of the largest copper deposits in United States, it was sold for \$667M in 2014. Arizona Mining, discovered the Taylor deposit and grew the Hermosa-Taylor deposit into one of the top five primary zinc deposits globally, largest in United States, prior to its sale for \$2.1B in 2018.

Currently, Augusta Group is comprised of private businesses and public companies that currently includes Titan Mining Corporation, Augusta Gold Corp. and Solaris Resources Inc. Titan Mining operates a zinc mine in New York State, Augusta Gold is exploring for a gold mine in a prolific mining district in Nevada, and Solaris Resources is advancing a portfolio of copper and gold assets in the Americas, including a high-grade, world-class resource at its copper and gold project Warintza in Ecuador.

In addition, in 2017 Mr. Warke co-founded Equinox Gold which has now become a mid-tier gold producer and one of the fastest growing gold companies in the Americas growing to over a \$3.0B market cap with mines in US, Mexico and Brazil.

During the course of his career, Mr. Warke has established a reputation for building successful companies by generating pioneering transactions in the mining sector through prudent investing in earlier stages of the mine cycle. His specialization is surfacing value through award-winning exploration efforts and rapidly advancing projects with consistent access to low-cost capital through exploration, feasibility, and permitting to point of sale or into production. His expertise, combined with his extensive relationships across the global mining sector, have resulted in rapid growth and a proven track record of success making him a widely-recognized strategic partner and a sought after industry expert for commentary on business, mining and related topics.

John Boehner (appointed January 7, 2021)

Director

John Boehner served as the 53rd Speaker of the United States House of Representatives from 2011 to 2015. A member of the Republican Party, Mr. Boehner was the U.S. Representative from Ohio's 8th congressional district, serving from 1991 to 2015. He previously served as the House Minority Leader from 2007 until 2011, and House Majority Leader from 2006 until 2007. Following his career in government service, Mr. Boehner joined Squire Patton Boggs, a global law and public policy firm. He earned a Bachelor of Arts in business administration from Xavier University.

Daniel Earle

Director

Daniel Earle has over 17 years of experience in the mining sector and capital markets, covering projects ranging from early stage exploration through feasibility and engineering to production. Mr. Earle is currently the President and CEO of Solaris Resources and also serves on its Board of Directors. Prior to joining Solaris in November 2019, he was a Vice President and Director at TD Securities where he covered the mining sector for over 12 years and established himself as a thought leader in the space. Prior to joining TD Securities in 2007, Mr. Earle was a senior executive with a number of Canadian and U.S. public mineral exploration and mining companies. He is a graduate and scholar of the Lassonde Mineral Engineering Program at the University of Toronto.

Poonam Puri (appointed January 7, 2021)

Director

Poonam Puri is an experienced corporate director and professor of business law at Osgoode Hall Law School in Toronto. She is also a practicing lawyer and affiliated scholar at Davies Ward Phillips & Vineberg LLP. Ms. Puri currently serves on the boards of several public companies and Crown corporations including Colliers International Group Inc, DRI Healthcare Trust and the Canada Infrastructure Bank. She is also chair of the board of directors of Holland Bloorview Kids Rehabilitation Hospital in Toronto. Ms. Puri has been recognized with the Peter Dey Governance Achievement Award, the Law Society Medal, the Ontario Attorney General's David Walter Mundell Medal, and the Royal Society of Canada's Yvan Allaire Medal for excellence in contributions to governance. She is a past recipient of Canada's Top 40 under 40 and has been recognized as one of the top 25 most influential lawyers in Canada by Canadian Lawyer Magazine. Ms. Puri earned her Bachelor of Laws degree from the University of Toronto, and she holds a Masters of Law degree from Harvard Law School.

Lenard Boggio (appointed January 20, 2021)

Director

Len Boggio was formerly a partner of PricewaterhouseCoopers LLP (PwC) where he served for more than 30 years until his retirement in May 2012. During that time, he was Leader of the B.C. Mining Group of PwC, a senior member of PwC's Global Mining Industry Practice and an auditor of Canadian, U.S. U.K. and other internationally-listed mineral resource and energy clients. Mr. Boggio is a Fellow of the Chartered Professional Accountants of Canada (FCPA, FCA) and has served as president of the British Columbia Institute of Chartered Accountants and chairman of the Canadian Institute of Chartered Accountants.

Donald R. Taylor, P.G. (appointed CEO April 13, 2021)

President, CEO and Director

Donald R. Taylor has 30 years of mineral exploration experience with precious and base metals on five continents, taking projects from exploration to mine development. He is the recipient of the Prospectors and Developers Association of Canada's 2018 Thayer Lindsley Award for the 2014 discovery of the Taylor lead-zinc-silver deposit in Arizona. Mr. Taylor has worked extensively for large and small cap companies, including Arizona Mining, BHP Minerals, Bear Creek Mining, American Copper and Nickel, Doe Run Resources and Westmont Mining Company. He is a Licensed Professional Geologist in several eastern and western states and a qualified person as defined by National Instrument 43-101. Mr. Taylor has a Bachelor of Science degree in Geology from Southeast Missouri State University and a Master of Science degree from the University of Missouri at Rolla.

Michael McClelland, CPA, CA

CFO

Michael McClelland has over 15 years of experience in accounting and finance. He was formerly the Chief Financial Officer of Bisha Mining Share Company, an operating subsidiary of Nevsun Resources. Prior to that he worked for Goldcorp as the Mine General Manager at Wharf Resources (now owned by Coeur Mining), and prior to that was Director of Finance, Canada and USA. Mr. McClelland started his career at KPMG LLP as a Senior Accountant with the mining group. He is a Chartered Accountant and has a Bachelor of Arts in Economics from Simon Fraser University in British Columbia, Canada.

Purni Parikh

Senior Vice President, Corporate Affairs and Corporate Secretary

Purni Parikh has over 25 years of public company experience in the mining sector including corporate affairs and finance, legal and regulatory administration, and governance. Ms. Parikh joined Augusta Gold in October, 2020. She is President of the Augusta Group of Companies, and Senior Vice President, Corporate Affairs of Solaris Resources Inc. and Titan Mining Corporation. Ms. Parikh was previously Senior Vice President, Corporate Affairs and Corporate Secretary of Arizona Mining Inc. and Newcastle Gold Ltd., and Vice President, Corporate Secretary Augusta Resource Corporation and Ventana Gold Corp. prior to their acquisition. Ms. Parikh obtained a Certificate in Business from the University of Toronto and a Gemology degree. She holds the ICD.D designation from the Institute of Corporate Directors, and has worked extensively with boards.

Johnny Pappas

Vice President, Environmental & Permitting

Johnny Pappas has a distinguished career in the field of environmental management and permitting. Mr. Pappas recently, from January 2016 to August 2018, held the position of Vice-President, Environmental and Permitting for Arizona Mining where he directed the permitting of the Hermosa Taylor Deposit Project, Director of Environmental Affairs for Romarco Minerals Inc., from September 2009 to December 2015, where he was instrumental in directing the federal and state permitting of the Haile Gold Mine; the first gold mine permitted east of the Mississippi in the last 20 years. He was previously, from May 2008 to August 2009, the Environmental Manager of the Climax Mine. In addition, he has held several Senior Environmental Engineer positions with PacifiCorp, Plateau Mining and Santa Fe Pacific Gold. Mr. Pappas holds a B.Sc. degree in Geology and Business Administration. Mr. Pappas is recognized as a leader in his field and has won numerous awards including: the 2003 “Best of the Best” Award - awarded by the Department of Interior’s Office of Surface Mining in recognition for extraordinary personal commitment and outstanding contribution for the reclamation success at the Castle Gate Mine and the 2003 “Excellence in Surface Coal Mining Reclamation” Award.

Jim Wickens

Vice President, Operations

Jim Wickens brings over 35 years of experience in mining and operations. He has spent most of his career in operations with major gold producers Placer Dome and Barrick Gold in Canada and the United States. He was the Process Manager for Haile Gold Mine through the feasibility study and detailed engineering phases of the project. In addition to operations, Mr. Wickens has worked as a consultant to the mining industry in the fields of equipment supply and metallurgical laboratory testing. Mr. Wickens is active in the SME. currently serving on the MPD Executive Committee, and is the Founder and Past-Chairman of the Nevada Mineral Processors Subsection of SME. In 2022, Mr. Wickens was awarded a SME President’s Citation for Individual Service for his work pioneering the Nevada Mineral Processors Subsection. He obtained his B.A.Sc. in Mining and Mineral Process Engineering from the University of British Columbia in 1987.

Tom Ladner

Vice President, Legal

Tom Ladner is Vice President Legal for Augusta Gold Corp. and the Augusta Group of Companies, including Solaris Resources Inc., Titan Mining Corporation and Armor Minerals Inc. Mr. Ladner brings legal, securities and mining expertise to the Company, having advised on multiple M&A transactions valued in excess of C\$1 billion and more than 25 public market financings raising in aggregate more than C\$750 million. Prior to joining the Augusta Group in 2020, Mr. Ladner practiced law in the Securities and Capital Markets group of a major Canadian law firm. Mr. Ladner has his Honors in Business Administration (with distinction) from the Richard Ivey School of Business and his Juris Doctor from Western University.

Number and Terms of Office of Officers and Directors

The number of directors is established by the Board of Directors. Our Board currently consists of six (6) directors. Each elected director will serve until the Company’s next annual meeting of shareholders and until a successor is elected and qualified.

Our officers are appointed by the Board and serve at the discretion of the Board, rather than for specific terms of office. Our Board is authorized to appoint persons to the offices set forth in our Amended and Restated Bylaws as it deems appropriate.

Arrangements between Officers and Directors

Except as set forth below, to our knowledge, there is no arrangement or understanding between any of our directors or officers and any other person, including directors and officers, pursuant to which the director or officer was selected to serve as an officer.

Mr. Warke is the sole officer and director of Augusta Investments Inc. (“Augusta”), the Company’s largest stockholder. On October 26, 2020, the Company closed a private placement of units with Augusta pursuant to which Augusta gained control of the Company. Upon gaining control Augusta appointed Daniel Earle and Donald Taylor as directors of the Company and Michael McClelland and Johnny Pappas as officers of the Company. Subsequently, Augusta’s appointed directors also appointed Purni Parikh and Tom Ladner as officers of the Company and Mr. Warke as the Chairman of the Company. Augusta controls 22,084,688 shares of common stock with the right to acquire an additional 18,865,727 shares underlying warrants and 533,333 vested options representing 39.4% of the issued and outstanding voting shares of the Company on a partially diluted basis as of the date hereof.

On September 14, 2022, the Company announced that it had entered into a loan with a company owned by the Company’s executive chairman for \$22,232,561. The loan bears interest at a rate of prime plus 3%, is for a maximum period of 12 months, and is secured by the Company’s Bullfrog and Reward projects.

Family Relationships

None of our directors or executive officers are related by blood, marriage, or adoption to any other director, executive officer, or other key employees.

Other Directorships

Other than John Boehner who is a director of Acreage Holdings, Inc., Lenard Boggio who is a director of Equinox Gold Corp., and Poonam Puri who is a director of Colliers International Group Inc., none of the directors of Augusta Gold are also directors of issuers with a class of securities registered under Section 12 of the Exchange Act (or which otherwise are required to file periodic reports under the Exchange Act).

Legal Proceedings

We are not aware of any of our directors or officers being involved in any legal proceedings in the past ten years relating to any matters in bankruptcy, insolvency, criminal proceedings (other than traffic and other minor offenses) or being subject to any of the items set forth under Item 401(f) of Regulation S-K.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires the Company’s officers and directors, and persons who own more than 10% of the Shares, to file reports of ownership and changes of ownership of such securities with the SEC.

Based solely on a review of the reports received by the SEC, the Company believes that, during the fiscal year ended December 31, 2020, the Company’s officers, directors and greater than 10% owners timely filed all reports they were required to file under Section 16(a).

Code of Business Conduct and Ethics

On February 8, 2021, we adopted a code of business conduct and ethics that applies to our directors, officers, employees, consultants, contractors, subcontractors and other agents of the Company. Our code of business conduct and ethics is available at our website which is located at www.augustagold.com. We will post any amendments to, or waivers from, including an implicit waiver, the Code of Ethics on that website.

Audit Committee and Audit Committee Financial Experts

We have a standing Audit Committee and audit committee charter, which complies with Rule 10A-3 of the Exchange Act. Our Audit Committee was established in accordance with Section 3(a)(58)(A) of the Exchange Act. Our Audit Committee is composed of three directors, Lenard Boggio, Daniel Earle and Poonam Puri, each of whom, in the opinion of the Board, are independent (in accordance with Rule 10A-3 of the Exchange Act and the requirements of Section 803A of the NYSE American Company Guide) and financially literate (pursuant to the requirements of Section 803B of the NYSE American Company Guide). Lenard Boggio satisfies the requirement of a “financial expert” as defined under Item 407(d)(5) of Regulation S-K.

Director Nomination Procedures

On February 8, 2021, we adopted a Nominating and Corporate Governance Committee and approved a charter for the committee. The charter can be found on our website at www.augustagold.com.

There have been no material changes to the procedures pursuant to which a stockholder may recommend a nominee to the Board. The Nominating and Corporate Governance Committee does not have a set policy for whether or how stockholders are to recommend nominees for consideration by the Board. Recommendations for director nominees made by stockholders are subject to the same considerations as nominees selected by the Corporate Governance and Nominating Committee or the Board.

ITEM 11. EXECUTIVE COMPENSATION

The table below sets forth, for the last two fiscal years, the compensation earned by our named executive officers consisting of our executive chairman, chief executive officer, chief financial officer, VP Environmental Permitting and our former chief executive officer.

Summary Compensation Table

| Name and Principal Position | Year | Salary ⁽²⁾ (\$) | Bonus ⁽⁴⁾ (\$) | Stock Awards (\$) ⁽¹⁾ | Option Awards (\$) ⁽¹⁾ | Non-Equity Incentive Plan Compensation | Nonqualified Deferred Compensation Earnings | All Other Compensation (\$) | Total (\$) |
|--|------|-------------------------------|------------------------------|-------------------------------------|--------------------------------------|--|---|-----------------------------|--------------|
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) |
| Richard Warke, Executive Chairman | 2022 | \$ 268,964 | -- | -- | \$ 88,845 | -- | -- | -- | \$ 357,809 |
| | 2021 | \$ 239,325 | -- | -- | \$ 871,672 | -- | -- | -- | \$ 1,110,997 |
| Donald Taylor, Chief Executive Officer ⁽³⁾ | 2022 | \$ 250,000 | -- | -- | \$ 93,283 | -- | -- | -- | \$ 343,283 |
| | 2021 | \$ 179,166 | -- | -- | \$ 584,794 | -- | -- | -- | \$ 763,960 |
| Michael McClelland, Chief Financial Officer | 2022 | \$ 129,885 | \$ 48,029 | -- | \$ 44,423 | -- | -- | -- | \$ 222,337 |
| | 2021 | \$ 72,654 | \$ 37,119 | -- | \$ 435,836 | -- | -- | -- | \$ 545,609 |
| Maryse Belanger, Chief Executive Officer ⁽³⁾ | 2022 | -- | -- | -- | -- | -- | -- | -- | -- |
| | 2021 | \$ 100,231 | -- | -- | -- | -- | -- | -- | \$ 100,231 |
| Johnny Pappas, VP Environmental Permitting | 2022 | \$ 200,000 | -- | -- | \$ 38,260 | -- | -- | -- | \$ 238,260 |
| | 2021 | \$ 160,000 | -- | -- | \$ 381,357 | -- | -- | -- | \$ 541,357 |
| Jim Wickens, VP Operations | 2022 | \$ 122,500 | -- | -- | \$ 232,012 | -- | -- | -- | \$ 354,512 |
| | 2021 | -- | -- | -- | -- | -- | -- | -- | -- |

(1) Represents the aggregate grant date fair value computed in accordance with FASB 123.

(2) Messrs Warke and McClelland were paid in C\$ and translated into US\$ using the average 2022 exchange rate per Bank of Canada of 1.3013 and 1.2535 for 2021. Payments made by the Company to Mr. Warke were to Augusta Capital Corporation, a private company 100% beneficially held by Mr. Warke.

(3) Ms. Belanger was appointed CEO October 26, 2020. Ms. Belanger's salary was paid in C\$ and translated into US\$ at the average exchange rate for the fourth quarter of 2020 of 1.3030 and at the average of the first and second quarters of 2021 of 1.2471 per Bank of Canada. The Company appointed Mr. Taylor as CEO on April 13, 2021. Ms. Belanger resigned from the Company on that same date.

(4) Paid in the first quarter of 2023.

Consulting Agreements

The Company has entered into a consulting agreement with Augusta Capital Corporation, a private company 100% beneficially held by Mr. Warke, Chairman of the Company. Under the terms of the agreement, Augusta Capital Corporation is paid a monthly rate of C\$29,167 and is eligible for an annual success fee of C\$245,000 at the discretion of the Board. In the event of a change of control, Augusta Capital Corporation shall be paid a success fee of C\$1,785,000. The agreement went into effect January 1, 2021 and remains in effect until terminated.

Employment Agreements

Donald Taylor, Michael McClelland, Johnny Pappas and Jim Wickens

The Company has entered into an employment or letter agreement with each of Mr. Taylor, Mr. McClelland and Mr. Pappas for an indefinite term. Each agreement provides for a base salary (as may be adjusted annually), a bonus, grant of Options, vacation time and various standard benefits including life, disability, medical, dental and reimbursement of reasonable expenses. Where applicable, the payment of a bonus is tied to corporate, operational and individual performance and the grant of Options are at the discretion of the Board. Bonuses are paid at the discretion of the Compensation Committee and the Board. Refer to the Summary Compensation Table above for compensation paid to, earned by or accrued for each of Mr. Taylor, Mr. McClelland and Mr. Pappas for fiscal year ended December 31, 2022.

Change of Control - Donald R. Taylor

If Mr. Taylor's employment is terminated without cause or by him for good reason, the Company shall pay (in addition to basic entitlements for unpaid base salary to the date of termination, accrued and outstanding vacation pay and reimbursement for properly incurred business expenses) an amount in cash equal to one and one-half times his then base annual salary. Mr. Taylor will also be entitled to retain any vested securities granted to him under any compensation plan of the Company in accordance with such compensation plan. If Mr. Taylor is terminated without cause or resigns for any reason within six months following a Change of Control, he will be entitled to an amount in cash equal to one times the aggregate of his then base annual salary and target bonus. All unvested Options held by Mr. Taylor at the time of a Change of Control will vest on the date of such Change of Control.

Change of Control - Michael McClelland

If Mr. McClelland's employment is terminated without cause or by him for good reason the Company will pay (in addition to basic entitlements for unpaid base salary to the date of termination, accrued and outstanding vacation pay and reimbursement for properly incurred business expenses) an amount in cash equal to one and one-half times the aggregate of his then base annual salary attributed to the Company. Mr. McClelland will also be entitled to retain any vested securities granted to him under any compensation plan of the Company in accordance with such compensation plan. In the event that Mr. McClelland is terminated without cause or resigns for any reason within six months following a Change of Control, he will be entitled to an amount in cash equal to two times the aggregate of his then base annual salary and target bonus attributed to the Company. All unvested Options held by Mr. McClelland at the time of a Change of Control will vest on the date of such Change of Control.

Change of Control - Johnny Pappas

If Mr. Pappas' employment is terminated without cause or by him for good reason the Company will pay (in addition to basic entitlements for unpaid base salary to the date of termination, accrued and outstanding vacation pay and reimbursement for properly incurred business expenses) an amount in cash equal to one-half times the aggregate of his then base annual salary. Mr. Pappas will also be entitled to retain any vested securities granted to him under any compensation plan of the Company in accordance with such compensation plan. In the event that Mr. Pappas is terminated without cause or resigns for any reason within six months following a Change of Control, he will be entitled to an amount in cash equal to one and one-half times the aggregate of his then base annual salary and target bonus. All unvested Options held by Mr. Pappas at the time of a Change of Control will vest on the date of such Change of Control.

Change of Control – Jim Wickens

If Mr. Wickens' employment is terminated without cause or by him for good reason the Company will pay (in addition to basic entitlements for unpaid base salary to the date of termination, accrued and outstanding vacation pay and reimbursement for properly incurred business expenses) an amount in cash equal to two months plus one month for every year of service to a maximum of six months. Mr. Wickens will also be entitled to retain any vested securities granted to him under any compensation plan of the Company in accordance with such compensation plan. In the event that Mr. Wickens is terminated without cause or resigns for any reason within six months following a Change of Control, he will be entitled to an amount in cash equal to one and one-half times the aggregate of his then base annual salary and target bonus. All unvested Options held by Mr. Wickens at the time of a Change of Control will vest on the date of such Change of Control.

Maryse Belanger

On April 13, 2021, Ms. Maryse Belanger resigned as Chief Executive Officer, President and a director of the Company for personal reasons. Ms. Belanger's resignation as a director of the Company was not a result of any disagreement with the Company, known to an executive officer of the Company, on any matter relating to the Company's operations, policies or practice.

Outstanding equity awards at year end December 31, 2022

The following table sets forth the stock options granted to our named executive officers as of December 31, 2022. No stock appreciation rights have been awarded.

| Name | Option Awards | | | | Stock Awards |
|--------------------|--|--|----------------------------|-----------------------------|---|
| | Number of Securities Underlying Unexercised Options: (#) Exercisable | Number of Securities Underlying Unexercised Options: (#) Unexercisable | Option Exercise Price (\$) | Name Option Expiration Date | Number of Shares or Units of Stock that Have Not Vested (#) |
| Richard Warke | 266,667 | 533,333 | C\$ 2.00 | 2/22/2026 | -- |
| Donald Taylor | 175,000 | 175,000 | C\$ 2.00 | 2/22/2026 | -- |
| Donald Taylor | 166,667 | 333,333 | C\$ 2.00 | 8/30/2026 | -- |
| Michael McClelland | 133,333 | 266,667 | C\$ 2.00 | 2/22/2026 | -- |
| Johnny Pappas | 116,667 | 233,333 | C\$ 2.00 | 2/22/2026 | -- |
| Jim Wickens | -- | 250,000 | C\$ 2.05 | 6/01/2027 | -- |

Director Compensation

The following table shows compensation paid to our directors (excluding compensation included under our summary compensation table above) for service as directors during the year ended December 31, 2022.

| Name | Fees Earned or Paid in Cash (\$) | Stock Awards (\$)* | Option Awards (\$) | All Other Compensation (\$) | Total (\$) |
|---------------|----------------------------------|--------------------|--------------------|-----------------------------|------------|
| John Boehner | -- | -- | -- | -- | -- |
| Daniel Earle | -- | -- | -- | -- | -- |
| Poonam Puri | -- | -- | -- | -- | -- |
| Lenard Boggio | -- | -- | -- | -- | -- |

* Represents the aggregate grant date fair value computed in accordance with FASB 123.

Compensation of Directors

Directors that were also executive officers received no monetary compensation for serving as a Director. Non-executive directors are granted non-qualified stock options as compensation. Such stock option awards are determined at the sole discretion of the Company's Compensation Committee.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following tables set forth certain information as of the approximate date of this filing regarding the beneficial ownership of our common stock by:

- each person or entity who, to our knowledge, owns more than 5% of our common stock;
- our named executive officers;
- each director; and
- all of our executive officers and directors as a group.

The percentages of common stock beneficially owned are reported on the basis of regulations of the Securities and Exchange Commission governing the determination of beneficial ownership of securities. Under the rules of the Securities and Exchange Commission, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of the security, or dispositive power, which includes the power to dispose of or to direct the disposition of the security. Shares of common stock that a person purpose has the right to acquire beneficial ownership of within 60 days of the date of this filing are deemed to be beneficially owned by the person holding such securities for the purpose of computing the percentage of ownership of such person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Except as indicated in the footnotes to this table, each beneficial owner named in the table below has sole voting and sole investment power with respect to all shares beneficially owned.

As of March 15, 2022 we had 85,929,753 shares of common stock outstanding.

Executive Officers and Directors

| Name and Address | Shares Owned | Percentage |
|--|-----------------|------------|
| Richard Warke ⁽¹⁾ Suite 555 - 999 Canada Place Vancouver, BC V6C 3E1 | 41,483,748 | 39.4% |
| Don Taylor ⁽²⁾ Suite 555 - 999 Canada Place Vancouver, BC V6C 3E1 | 890,000 | 1.0% |
| John Boehner ⁽³⁾ Suite 555 - 999 Canada Place Vancouver, BC V6C 3E1 | 350,000 | 0.4% |
| Lenard Boggio ⁽⁴⁾ Suite 555 - 999 Canada Place Vancouver, BC V6C 3E1 | 403,333 | 0.5% |
| Daniel Earle ⁽⁵⁾ Suite 2915, 181 Bay St Toronto, ON M5J 2T3 | 1,692,634 | 2.0% |
| Poonam Puri ⁽⁶⁾ Suite 555 - 999 Canada Place Vancouver, BC V6C 3E1 | 416,666 | 0.5% |
| Michael McClelland ⁽⁷⁾ Suite 555 - 999 Canada Place Vancouver, BC V6C 3E1 | 281,666 | 0.3% |
| Purni Parikh ⁽⁸⁾ Suite 555 - 999 Canada Place Vancouver, BC V6C 3E1 | 675,000 | 0.8% |
| Johnny Pappas ⁽⁹⁾ Suite 555 - 999 Canada Place Vancouver, BC V6C 3E1 | 356,666 | 0.4% |
| Jim Wickens Suite 555 - 999 Canada Place Vancouver, BC V6C 3E1 | 0 | 0.0% |
| Tom Ladner ⁽¹⁰⁾ Suite 555 - 999 Canada Place Vancouver, BC V6C 3E1 | 175,000 | 0.2% |
| All executive officers and directors as a group (11 persons) | 46,724,713 | 42.8% |

Other 5% or Greater Stockholders (Common Stock)

| Name and Address | Shares Owned | Percentage |
|--|--------------|------------|
| Barrick Gold Corporation ⁽¹¹⁾ Brookfield Place TD Canada Trust Tower 161 Bay Street, Suite 3700, Toronto, ON M5J 2S1 | 18,200,000 | 19.2% |
| Waterton Nevada Splitter, LLC P.O Box 309, Uglund House Grand Cayman Cayman Islands | 7,800,000 | 6.7% |
| The Beling Family Trust David Beling, Trustee 897 Quail Run Drive Grand Junction, CO 81505 | 4,693,701 | 5.5% |

- (1) Includes the following: 533,333 vested options, 22,084,688 shares of Common Stock and 18,865,727 shares underlying warrants, of which all of the shares of Common Stock and all of the shares underlying warrants are held by Augusta Investments Inc., a company wholly owned by Mr. Warke.
- (2) Includes the following: 516,666 vested options, 206,667 shares of Common Stock and 166,667 shares underlying warrants.
- (3) Includes the following: 350,000 vested options.
- (4) Includes the following: 350,000 vested options, 42,222 shares of Common Stock and 11,111 shares underlying warrants.
- (5) Includes the following: 350,000 vested options, 871,800 shares of Common Stock and 470,834 shares underlying warrants, of which all of the shares of Common Stock and all of the shares underlying warrants are held by 2210637 Ontario Ltd., a company wholly owned by Mr. Earle.
- (6) Includes the following: 350,000 vested options, 44,444 shares of Common Stock and 22,222 shares underlying warrants.
- (7) Includes the following: 266,666 vested options, 10,000 shares of Common Stock and 5,000 shares underlying warrants.
- (8) Includes the following: 266,666 vested options, 216,667 shares of Common Stock and 191,667 shares underlying warrants, of which 166,667 shares of Common Stock and 166,667 shares underlying warrants are held by Lions Gate Holdings Inc.
- (9) Includes the following: 266,666 vested options, 60,000 shares of Common Stock and 30,000 shares underlying warrants.
- (10) Includes the following: 100,000 vested options, 50,000 shares of Common Stock and 25,000 shares underlying warrants.
- (11) Includes 9,100,000 shares underlying warrants.

Change in Control

We are not aware of any arrangement that might result in a change in control in the future. We have no knowledge of any arrangements, including any pledge by any person of our securities, the operation of which may at a subsequent date result in a change in the Company's control.

Equity Compensation Plans

See the discussion under the heading "Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities".

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Certain Relationships and Related Transactions

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.

Related Person Transactions Policy and Procedure

Augusta Gold's Code of Ethics requires it to avoid, wherever possible, all related party transactions that could result in actual or potential conflicts of interests, except under guidelines approved by the Chairman of the Audit Committee or the Board. Related-party transactions are defined as transactions in which (1) the aggregate amount involved will or may be expected to exceed \$120,000 in any calendar year, (2) Augusta Gold or any of its subsidiaries is a participant, and (3) any (a) executive officer, director or nominee for election as a director, (b) greater than 5% beneficial owner of Augusta Gold's shares of common stock, or (c) immediate family member, of the persons referred to in clauses (a) and (b), has or will have a direct or indirect material interest (other than solely as a result of being a director or a less than 10% beneficial owner of another entity). A conflict of interest situation can arise when a person takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest may also arise if a person, or a member of his or her family, receives improper personal benefits as a result of his or her position.

Our audit committee, pursuant to its written charter, is responsible for reviewing and approving related-party transactions to the extent we enter into such transactions. The audit committee will consider all relevant factors when determining whether to approve a related party transaction, including whether the related party transaction is on terms no less favorable to us than terms generally available from an unaffiliated third-party under the same or similar circumstances and the extent of the related party's interest in the transaction.

Director Independence

We currently have six directors serving on our Board of Directors. We are not listed on a national securities exchange, but for purposes of this disclosure we have selected the independence requirements of the NYSE American LLC. Using the definition of independence set forth in the rules of the NYSE American, John Boehner, Lenard Boggio, Daniel Earle and Poonam Puri would be considered independent directors of the Company.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Audit Fees

For the fiscal year ended December 31, 2022, the fees billed by Davidson & Company LLP, our principal accountant, to us for services rendered for the review of the financial statements included in the quarterly reports on Form 10-Q filed with the SEC were \$42,006 and \$45,549 for the audit of the 2021 annual financial statements.

Audit-Related Fees

For the fiscal years ended December 31, 2022, and 2021, there were no fees billed to us by our principal accountant for the audit or review of the financial statements that are not reported above under Audit Fees.

Tax Fees

For the fiscal year ended December 31, 2022, there were \$31,060 tax fees billed to us by our principal accountant for the 2021 tax return. For the fiscal year ended December 31, 2021, there were \$15,800 tax fees billed to us by our principal accountant for the 2020 tax return.

All Other Fees

For the fiscal years ended December 31, 2022, and 2021, there were no fees billed to us by our principal accountant for services other than services described above.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors

The policy of our Audit Committee is to pre-approve all audit and permissible non-audit services provided by the independent auditors. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. The independent auditors and management are required to periodically report to our Board of Directors regarding the extent of services provided by the independent auditors in accordance with this pre-approval, and the fees for the services performed to date. The Audit Committee may also pre-approve particular services on a case-by-case basis. Our Audit Committee approved all services that our independent accountants provided to us in the past two fiscal years.

PART IV

ITEM 15. EXHIBITS

(a) (1)(2) Financial Statements: See index to financial statements and supporting schedules.

(a) (3) Exhibits

The information required by Section (a)(3) of Item 15 is set forth on the Exhibit Index that follows the signatures page of this Form 10-K and is incorporated herein by reference.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Sections 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 15, 2023

AUGUSTA GOLD CORP.

By: /s/ Donald R. Taylor
Name: Donald R. Taylor
Title: President and Chief Executive Officer
(Principal Executive Officer)

Date: March 15, 2023

AUGUSTA GOLD CORP.

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

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Donald R. Taylor as his or her attorney-in-fact, with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorney-in-fact, or his or her substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

| <u>SIGNATURE</u> | <u>TITLE</u> | <u>DATE</u> |
|---|---|----------------|
| <u>/s/ Donald R. Taylor</u> Donald R. Taylor | President and Chief Executive Officer (Principal Executive Officer) | March 15, 2023 |
| <u>/s/ Michael McClelland</u> Michael McClelland | Chief Financial Officer (Principal Financial and Accounting Officer) | March 15, 2023 |
| <u>/s/ Richard Warke</u> Richard Warke | Executive Chairman | March 15, 2023 |
| <u>/s/ John Boehner</u> John Boehner | Director | March 15, 2023 |
| <u>/s/ Daniel Earle</u> Daniel Earle | Director | March 15, 2023 |
| <u>/s/ Poonam Puri</u> Poonam Puri | Director | March 15, 2023 |
| <u>/s/ Donald R. Taylor</u> Donald R. Taylor | Director | March 15, 2023 |
| <u>/s/ Lenard Boggio</u> Lenard Boggio | Director | March 15, 2023 |

EXHIBIT INDEX

| Exhibit No. | Description |
|-------------|--|
| 2.1 | (1) Agreement and Plan of Merger, dated as of September 30, 2011, by and among Bullfrog Gold Corp., Standard Gold Corp. and Bullfrog Gold Acquisition Corp. |
| 2.2 | (1) Certificate of Merger, dated September 30, 2011 merging Bullfrog Gold Acquisition Corp. with and into Standard Gold Corp. |
| 3.1 | (17) Amended and Restated Certificate of Incorporation |
| 3.2 | (20) Amended and Restated Bylaws |
| 4.1 | * Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 |
| 4.3 | (10) Form of Warrant |
| 4.4 | (14) Form of Warrant |
| 4.5 | (18) Form of Warrant |
| 4.6 | (24) Form of Warrant Indenture |
| 4.7 | (24) Form of Compensation Warrant |
| 10.1 | (3) Form of Directors and Officers Indemnification Agreement |
| 10.2 | (3) Bullfrog Gold Corp. 2011 Equity Incentive Plan |
| 10.3 | (3) Form of 2011 Incentive Stock Option Agreement |
| 10.4 | (3) Form of 2011 Non-Qualified Stock Option Agreement |
| 10.5 | (1) Agreement of Conveyance, Transfer and Assignment of Assets and Assumption of Obligations between Standard Gold Corp and Aurum National Holdings Ltd |
| 10.6 | (1) Amended and Restated Agreement of Conveyance, Transfer and Assignment of Assets and Assumption of Obligations between Standard Gold Corp, Bullfrog Holdings, Inc. and NPX Metals, Inc. |
| 10.7 | (1) Option to Purchase and Royalty Agreement between Standard Gold Corp. and Southwest Exploration, Inc. |
| 10.8 | (1) Employment Agreement between the Company and Mr. David Beling*** |
| 10.9 | (5) Option Agreement dated March 23, 2015 |
| 10.10 | (8) Form of Warrant |
| 10.11 | (9) 2017 Equity Incentive Plan*** |
| 10.12 | (11) 2021 Stock Option Plan*** |
| 10.13 | (12) Term Sheet |
| 10.14 | (12) Letter Agreement Mineral Lease and Option to Purchase |
| 10.15 | (13) Amendment to Letter Agreement |
| 10.16 | (13) Second Amendment to Letter Agreement |
| 10.17 | (14) Membership Interest Purchase Agreement |
| 10.18 | (15) Form of Indemnity Agreement |
| 10.19 | (15) Form of Royalty Deed |
| 10.20 | (15) Form of Investor Rights Agreement |
| 10.21 | (19) Stock Option Plan*** |
| 10.22 | (21) Membership Interest Purchase Agreement dated April 21, 2022 |
| 10.23 | (22) Deed of Trust |
| 10.24 | (23) Secured Promissory Note Purchase Agreement |
| 10.25 | (23) Secured Promissory Note |
| 10.26 | (23) Security Agreement |
| 21 | (3) List of Subsidiaries |
| 23.1 | * Consent of Davidson & Company LLP |
| 31.1 | * Certification of Chief Executive Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | * Certification of Chief Financial Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | * Certification of Chief Executive Officer filed pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2 | * Certification of Chief Financial Officer filed pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 101.INS | * Inline XBRL Instance Document |
| 101.SCH | * Inline XBRL Taxonomy Extension Schema Document. |
| 101.CAL | * Inline XBRL Taxonomy Extension Calculation Linkbase Document. |
| 101.DEF | * Inline XBRL Taxonomy Extension Definition Linkbase Document. |
| 101.LAB | * Inline XBRL Taxonomy Extension Label Linkbase Document. |
| 101.PRE | * Inline XBRL Taxonomy Extension Presentation Linkbase Document. |
| 104 | * Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

* Filed herewith

** Furnished herewith.

*** Indicates management contract or compensatory arrangement.

- (1) Incorporated by reference to the Company's Form S-1/A, filed with the SEC on December 18, 2012.
- (2) Incorporated by reference to the Company's Current Report on Form 8-K, filed with the SEC on July 22, 2011
- (3) Incorporated by reference to the Company's Current Report on Form 8-K, filed with the SEC on October 6, 2011.
- (4) Incorporated by reference to the Company's Annual Report on Form 10-K, filed with the SEC on February 27, 2012.
- (5) Incorporated by reference to the Company's Current Report on Form 8-K, filed with the SEC on March 26, 2015.
- (6) Incorporated by reference to the Company's Current Report on Form 8-K, filed with the SEC on February 27, 2017.
- (7) Incorporated by reference to the Company's Current Report on Form 8-K, filed with the SEC on November 20, 2012.
- (8) Incorporated by reference to the Company's Current Report on Form 8-K, filed with the SEC on May 24, 2017.
- (9) Incorporated by reference to the Company's Current Report on Form 8-K, filed with the SEC on December 4, 2017.
- (10) Incorporated by reference to Company's Current Report on Form 8-K filed with the SEC January 21, 2020.
- (11) Incorporated by reference to Company's Current Report on Form 8-K filed with the SEC February 26, 2021.
- (12) Incorporated by reference to Company's Current Report on Form 8-K filed with the SEC September 11, 2020.
- (13) Incorporated by reference to Company's Current Report on Form 8-K filed with the SEC October 9, 2020.
- (14) Incorporated by reference to Company's Current Report on Form 8-K filed with the SEC October 15, 2020.
- (15) Incorporated by reference to Company's Current Report on Form 8-K filed with the SEC October 29, 2020.
- (16) Incorporated by reference to the Company's Annual Report on Form 10-K filed with the SEC on March 15, 2021
- (17) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 11, 2021
- (18) Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on March 5, 2021
- (19) Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on February 26, 2021
- (20) Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on August 13, 2021
- (21) Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on April 27, 2022
- (22) Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on June 16, 2022
- (23) Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on September 19, 2022
- (24) Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on January 20, 2023

AUGUSTA GOLD CORP.
Index to Consolidated Financial Statements

| | |
|--|-----|
| <u>Report of Independent Registered Public Accounting Firm</u> | F-2 |
| <u>Consolidated Balance Sheets</u> | F-4 |
| <u>Consolidated Statements of Operations</u> | F-5 |
| <u>Consolidated Statements of Stockholders' Equity (Deficit)</u> | F-6 |
| <u>Consolidated Statements of Cash Flows</u> | F-7 |
| <u>Notes to Consolidated Financial Statements</u> | F-8 |

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of
Augusta Gold Corp.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Augusta Gold Corp. (the “Company”), as of December 31, 2022 and 2021, and the related consolidated statements of operations, changes in stockholders’ equity (deficit), and cash flows for the years ended December 31, 2022 and 2021, and the related notes (collectively referred to as the “financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Augusta Gold Corp. as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years ended December 31, 2022 and 2021, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has a working capital deficiency of approximately \$26.1 million, which raises substantial doubt about its ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatements of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.



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Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which they relate.

Description of Critical Audit Matter – Asset Retirement Obligation

As described in Note 1 to the consolidated financial statements, the Company's asset retirement obligation ("ARO") totaled \$2.8 million at December 31, 2022. We considered the Company's ARO a critical audit matter due to high professional judgement by management when assessing this obligation, including the assessment of the nature and extent of future work to be performed, the future cost of performing the rehabilitation work, the timing of when the rehabilitation will take place and economic assumptions such as the discount rate and inflation rates applicable to future cash outflows associated with rehabilitation activities to bring them to their present value.

How we addressed Critical Audit Matter

We reviewed the Company's calculation of its ARO, and verified the valuation of the principal components of the provision in accordance with ASC 410-20. To audit the ARO liability, our procedures included evaluating the methodology used, and testing the significant assumptions in the ARO calculations. We held discussions and assessed the qualifications of management's expert who prepares the estimates, and obtained corroborating information with regards to the nature, timing, and amount of the anticipated cash outflows. We also compared assumptions including the credit-adjusted risk-free rate, and inflation rate to current market data. Finally we performed recalculation to verify the accuracy of the estimate.

Description of the Critical Audit Matter – Acquisition of CR Reward LLC

As described in Note 2 to the consolidated financial statements, the Company acquired the outstanding membership interests of CR Reward LLC ("CR Reward") during the year, for total consideration of \$46.2 million in cash and shares. We considered the acquisition a critical audit matter due to the importance of the transaction to the users of the financial statements in addition to the significance of management estimates involved. Material management estimates and judgments were required to determine the value of consideration paid, the allocation of the consideration to the fair values of the assets and liabilities acquired, and the determination of whether the transaction constituted an asset acquisition or business combination under ASC 805.

How we addressed the Critical Audit Matter

We reviewed the acquisition agreement, CR Reward's acquisition date assets and liabilities, and the guidance under ASC 805 to determine whether the transaction was an asset acquisition or business combination. We verified that management had identified the measurement date for the transaction based on the closing date of the acquisition. We reviewed management's estimates and judgements in determining the fair value of consideration paid, including non-cash consideration, deferred consideration, and transaction costs. Finally we assessed that a materially complete listing of acquired assets and liabilities had been prepared, and that the purchase consideration was appropriately allocated on the basis of relative fair value among the acquired assets and liabilities.

Except for the matter described in the *Going Concern* section, we have determined that there are no other critical audit matters to communicate in our auditor's report.

We have served as the Company's auditor since 2019.

/s/ DAVIDSON & COMPANY LLP

Vancouver, Canada

Chartered Professional Accountants

March 15, 2023

PCAOB ID Number: 731

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

| Assets | 12/31/22 | 12/31/21 |
|---|-----------------|-----------------|
| Current assets | | |
| Cash | \$ 332,813 | \$ 19,581,707 |
| Prepaid | 156,959 | 193,055 |
| Deferred stock issuance costs | 121,424 | 0 |
| Deposits | 7,028 | 7,028 |
| Total current assets | 618,224 | 19,781,790 |
| Other assets | | |
| Property and equipment, net | 1,088,449 | 293,515 |
| Mineral properties, net | 58,962,286 | 12,077,511 |
| Total other assets | 60,050,735 | 12,371,026 |
| Total assets | \$ 60,668,959 | \$ 32,152,816 |
| Liabilities and Stockholders' Equity (Deficit) | | |
| Current liabilities | | |
| Accounts payable | \$ 2,906,285 | \$ 284,047 |
| Note payable and accrued interest - related party | 22,843,322 | 0 |
| Asset retirement obligation | 1,009,496 | 968,000 |
| Total current liabilities | 26,759,103 | 1,252,047 |
| Long term liabilities | | |
| Asset retirement obligation, net of current | 1,804,939 | 900,265 |
| Warrant liability | 15,615,406 | 7,760,757 |
| Total long term liabilities | 17,420,345 | 8,661,022 |
| Total liabilities | 44,179,448 | 9,913,069 |
| Stockholders' equity | | |
| Preferred stock, 250,000,000 shares authorized, \$0.0001 par value | 0 | 0 |
| Preferred stock series A, 5,000,000 shares designated and authorized, \$.0001 par value; zero issued and outstanding as of 12/31/22 and 12/31/21 | 0 | 0 |
| Preferred stock series B, 45,000,000 shares designated and authorized, \$.0001 par value; issued and outstanding preferred stock series B shares convertible into zero and 677,084 shares of common stock as of 12/31/22 and 12/31/21, respectively | 0 | 67 |
| Common stock, 750,000,000 shares authorized, \$.0001 par value; 79,204,606 shares issued and outstanding as of 12/31/22 and 70,519,188 shares issued and outstanding as of 12/31/21 | 7,920 | 7,052 |
| Additional paid in capital | 56,375,344 | 42,406,169 |
| Accumulated deficit | (39,893,753) | (20,173,541) |
| Total stockholders' equity | 16,489,511 | 22,239,747 |
| Total liabilities and stockholders' equity | \$ 60,668,959 | \$ 32,152,816 |
| Commitments and contingencies (Note 6) | | |

See accompanying notes to consolidated financial statements

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

| | Twelve Months Ended | |
|--|----------------------------|---------------------|
| | 12/31/22 | 12/31/21 |
| Operating expenses | | |
| General and administrative | \$ 5,087,128 | \$ 4,664,565 |
| Lease expense | 21,000 | 16,000 |
| Exploration, evaluation and project expense | 5,739,534 | 7,909,333 |
| Accretion expense | 77,941 | 24,749 |
| Depreciation expense | 44,057 | 44,057 |
| Total operating expenses | <u>10,969,660</u> | <u>12,658,704</u> |
| Net operating loss | (10,969,660) | (12,658,704) |
| Revaluation of warrant liability | (7,852,349) | 15,857,500 |
| Interest expense | (721,924) | 0 |
| Foreign currency exchange gain (loss) | (176,279) | 253,236 |
| Net income (loss) | <u>\$ (19,720,212)</u> | <u>\$ 3,452,032</u> |
| Weighted average common shares outstanding – basic | <u>75,373,892</u> | <u>68,251,261</u> |
| Weighted average common shares outstanding – diluted | <u>75,373,892</u> | <u>69,070,013</u> |
| Earnings (loss) per common share – basic | <u>\$ (0.26)</u> | <u>\$ 0.05</u> |
| Earnings (loss) per common share – diluted | <u>\$ (0.26)</u> | <u>\$ 0.05</u> |

See accompanying notes to consolidated financial statements

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

| | Preferred Stock Shares Issued | Preferred Stock | Common Stock Shares Issued | Common Stock | Additional Paid In Capital | Accumulated Deficit | Total Stockholders' Equity (Deficit) |
|-------------------------------|--|----------------------------|---|-------------------------|---|--------------------------------|---|
| December 31, 2020 | 3,093,751 | \$ 309 | 55,842,715 | \$ 5,584 | \$26,276,997 | \$ (23,625,573) | 2,657,317 |
| Conversion of warrants | 0 | 0 | 4,015,915 | 401 | 4,494,250 | 0 | 4,494,651 |
| Conversion of preferred stock | (2,416,667) | (242) | 2,416,667 | 242 | 0 | 0 | 0 |
| Conversion of options | 0 | 0 | 688,334 | 69 | 325,181 | 0 | 325,250 |
| Stock based compensation | 0 | 0 | 0 | 0 | 1,560,452 | 0 | 1,560,452 |
| Placement - March | 0 | 0 | 7,555,557 | 756 | 13,056,047 | 0 | 13,056,803 |
| Warrant liability | 0 | 0 | 0 | 0 | (3,306,758) | 0 | (3,306,758) |
| Net loss | 0 | 0 | 0 | 0 | 0 | 3,452,032 | 3,452,032 |
| December 31, 2021 | <u>677,084</u> | <u>\$ 67</u> | <u>70,519,188</u> | <u>\$ 7,052</u> | <u>\$42,406,169</u> | <u>\$ (20,173,541)</u> | <u>\$ 22,239,747</u> |
| Conversion of warrants | 0 | \$ 0 | 208,334 | \$ 21 | \$ 289,317 | \$ 0 | 289,338 |
| Stock based compensation | 0 | 0 | 0 | 0 | 2,164,055 | 0 | 2,164,055 |
| Conversion of preferred stock | (677,084) | (67) | 677,084 | 67 | 0 | 0 | 0 |
| Purchase of CR Reward | 0 | 0 | 7,800,000 | 780 | 11,515,803 | 0 | 11,516,583 |
| Net loss | 0 | 0 | 0 | 0 | 0 | (19,720,212) | (19,720,212) |
| December 31, 2022 | <u>0</u> | <u>\$ 0</u> | <u>79,204,606</u> | <u>\$ 7,920</u> | <u>\$56,375,344</u> | <u>\$ (39,893,753)</u> | <u>\$ 16,489,511</u> |

See accompanying notes to consolidated financial statements

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

| | Twelve Months Ended | |
|---|----------------------------|----------------------|
| | 12/31/22 | 12/31/21 |
| Cash flows from operating activities | | |
| Net income (loss) | \$ (19,720,212) | \$ 3,452,032 |
| Adjustments to reconcile net income (loss) to net cash used in operating activities | | |
| Accretion expense | 77,941 | 24,749 |
| Depreciation expense | 44,057 | 44,057 |
| Revaluation of warrant liability | 7,852,349 | (15,857,500) |
| Share based compensation | 2,164,055 | 1,560,452 |
| Change in operating assets and liabilities: | | |
| Prepaid expenses | 36,096 | 34,085 |
| Deferred stock issuance costs | (121,424) | 0 |
| Debt issuance costs | (46,317) | 0 |
| Deposits | 0 | 324,961 |
| Accounts payable | 2,434,042 | (462,762) |
| Accrued interest | 657,079 | 0 |
| Asset retirement obligation | (132,629) | (158,822) |
| Net cash used in operating activities | <u>(6,754,963)</u> | <u>(11,038,748)</u> |
| Cash flows from investing activity | | |
| Acquisition of mineral properties | (34,176,839) | (79,897) |
| Acquisition of property and equipment | (838,991) | (312,579) |
| Net cash used in investing activities | <u>(35,015,830)</u> | <u>(392,476)</u> |
| Cash flows from financing activities | | |
| Proceeds from private placement of stock | 0 | 13,056,803 |
| Proceeds from note payable - related party | 22,232,561 | 0 |
| Proceeds from conversion of options | 0 | 325,250 |
| Proceeds from conversion of warrants | 289,338 | 3,289,151 |
| Net cash provided by financing activities | <u>22,521,899</u> | <u>16,671,204</u> |
| Net increase (decrease) in cash | <u>(19,248,894)</u> | <u>5,239,980</u> |
| Cash, beginning of period | 19,581,707 | 14,341,727 |
| Cash, end of period | <u>\$ 332,813</u> | <u>\$ 19,581,707</u> |
| Noncash investing and financing activities | | |
| Interest and taxes paid | \$ 0 | \$ 0 |
| Revaluation of asset retirement obligation | \$ 99,576 | \$ 866,638 |
| Reclassification of warrant liability upon conversion | \$ 0 | \$ 1,205,507 |
| Incurance of asset retirement obligation | \$ 1,100,434 | \$ 0 |
| Stock issued for purchase of CR Reward | \$ 11,516,583 | \$ 0 |
| Conversion of preferred stock | \$ 67 | \$ 242 |
| Exploration and evaluation cost in accounts payable | \$ 208,919 | \$ 18,423 |
| Warrant liability from units placement | \$ 0 | \$ 3,306,758 |

See accompanying notes to consolidated financial statements

AUGUSTA GOLD CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Nature of Business

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

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

Basis of Presentation and Statement of Compliance

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

Basis of Measurement

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

Principles of Consolidation

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

Going Concern and Management’s Plans

As at December 31, 2022, the Company has a working capital deficiency of approximately \$26,100,000. The ability of the Company to meet its obligations and continue operations is dependent on its ability to obtain additional debt or equity financing. These circumstances raise substantial doubt about the Company’s ability to continue as a going concern.

Cash, Cash Equivalents and Concentration

The Company considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. The Company places its cash with high credit quality financial institutions in the United States and Canada. On December 31, 2022, the Company’s cash balance was \$332,813. To reduce its risk associated with the failure of such financial institution, the Company will evaluate, as needed, the rating of the financial institution in which it holds deposits.

Use of Estimates

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

Foreign Currency Translation

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

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

Property and Equipment

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

Leases

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

Mineral Property Acquisition and Exploration Costs

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

The Company is required to reclaim the property at the Bullfrog Project and Reward Project at the end of their useful lives. In accordance with FASB ASC 410-20, Asset Retirement and Environmental Obligations, the Company recognized the fair value of a liability for an ARO in the amount of \$1,774,193 at the Bullfrog Project and \$1,040,242 at the Reward Project. During the period ended December 31, 2022, we incurred certain costs related to the ARO estimate that has an effect on the accretion and estimated costs.

| | 2022 | 2021 |
|----------------------------------|---------------------|-------------------|
| Balance, January 1 | \$ 1,868,265 | \$ 1,135,700 |
| Accretion | 77,941 | 24,749 |
| Costs applied to ARO balance | (132,629) | (158,822) |
| Acquisition of CR Reward ARO | 1,100,434 | 0 |
| Change in estimates | (99,576) | 866,638 |
| Balance, December 31 (current) | <u>\$ 1,009,496</u> | <u>\$ 968,000</u> |
| Balance, December 31 (long term) | <u>\$ 1,804,939</u> | <u>\$ 900,265</u> |
| Life of mine | 2028 | 2028 |
| Discount rate | 4.0% | 1.5% |
| Inflation rate (average) | 2.2% | 2.0% |

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

At December 31, 2022, the estimated future cash flows have been determined using real cash flows and discounted using a rate of 4.0% and a total undiscounted amount for the estimated future cash flows is \$1,868,708 at the Bullfrog Project and \$1,313,204 at the Reward Project.

The Bullfrog and CR Reward projects have surety bonding in place with the Bureau of Land Management for \$1,765,661 and \$1,161,725 respectively.

Fair Value of Financial Instruments

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

- Level 1 - Valuation based on quoted market prices in active markets for identical assets and liabilities.
- Level 2 - Valuation based on quoted market prices for similar assets and liabilities in active markets.
- Level 3 - Valuation based on unobservable inputs that are supported by little or no market activity, therefore requiring management's best estimate of what market participants would use as fair value.

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

Income Taxes

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

The Company reports a liability, if any, for unrecognized tax benefits resulting from uncertain tax positions taken, or expected to be taken, in an income tax return. The Company has elected to classify interest and penalties related to unrecognized income tax benefits, if and when required, as part of income tax expense in the statement of operations. No liability has been recorded for uncertain income tax positions, or related interest or penalties as of December 31, 2022 and December 31, 2021. The periods ended December 31, 2022, 2020, 2019 and 2018 are open to examination by taxing authorities.

Long Lived Assets

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

Preferred Stock

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

Stock-Based Compensation

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

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

Derivative Financial Instruments

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

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

Earnings (Loss) per Common Share

The following table shows basic and diluted earnings per share:

| | Twelve Months Ended | |
|---|----------------------------|-------------------|
| | 12/31/2022 | 12/31/2021 |
| Basic and Diluted Earnings (Loss) per Common Share | | |
| Earnings (loss) | \$ (19,720,212) | \$ 3,452,032 |
| Basic weighted average shares outstanding | 75,373,892 | 68,251,261 |
| Assumed conversion of dilutive shares | 0 | 818,752 |
| Diluted weighted average common shares outstanding, assuming conversion of common stock equivalents | 75,373,892 | 69,070,013 |
| Basic Earnings (Loss) Per Common Share | \$ (0.26) | \$ 0.05 |
| Diluted Earnings (Loss) Per Common Share | \$ (0.26) | \$ 0.05 |

Certain options and warrants and all preferred shares were included in the computation of diluted shares outstanding for the twelve months ended December 31, 2021. The options and warrants that were not included in the diluted weighted average shares calculation because they were “out-of-the money”. In periods where the Company has a net loss, all common stock equivalents are excluded as they would be anti-dilutive. The following details the dilutive and anti-dilutive shares:

| | Dilutive shares In the money | Anti-dilutive shares Out of the money | Total |
|------------------|---|--|-------------------|
| Options | 141,668 | 4,658,334 | 4,800,002 |
| Warrants | 0 | 31,427,195 | 31,427,195 |
| Preferred shares | 677,084 | 0 | 677,084 |
| Total | <u>818,752</u> | <u>36,085,529</u> | <u>36,904,281</u> |

Risks and Uncertainties

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

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

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

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

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

Recent Accounting Pronouncements

The FASB issued the following Accounting Standards Updates, which have not had, and are not expected to have a material impact on our financial condition, results of operations, cash flows or related disclosures upon adoption:

- Equity Instruments: ASU 2021-04, Earnings Per Share (Topic 260), Debt – Modifications and Extinguishments (Subtopic 470-50), Compensation – Stock Compensation (Topic 718), and Derivatives and Hedging – Contracts in Entity’s Own Equity (Subtopic 815-40) Issuer’s Accounting for Certain Modifications or Exchanges of Freestanding Equity – Classified Written Call Options). This update was effective for our fiscal year beginning January 1, 2022.
- Leases: ASU 2021-05, Leases – Certain Lease Payments with Variable Lease Payments (ASC 842). This update was effective for our fiscal year beginning January 1, 2022.

NOTE 2 - MINERAL PROPERTIES

| | <u>Mineral properties</u> | <u>Property and equipment</u> | <u>Total</u> |
|--|-------------------------------|-----------------------------------|-----------------------------|
| Cost | | | |
| As of December 31, 2020 | \$ 11,130,976 | \$ 25,625 | \$ 11,156,601 |
| Additions | 946,535 | 312,579 | 1,259,114 |
| As of December 31, 2021 | 12,077,511 | 338,204 | 12,415,715 |
| Additions | 46,884,775 | 838,991 | 47,723,766 |
| As of December 31, 2022 | <u>\$ 58,962,286</u> | <u>\$ 1,177,195</u> | <u>\$ 60,139,481</u> |
| Accumulated depreciation | | | |
| As of December 31, 2020 | \$ 0 | \$ 632 | \$ 632 |
| Depreciation expense | <u>0</u> | <u>44,057</u> | <u>44,057</u> |
| As of December 31, 2021 | 0 | 44,689 | 44,689 |
| Depreciation expense | <u>0</u> | <u>44,057</u> | <u>44,057</u> |
| As of December 31, 2022 | <u>\$ 0</u> | <u>\$ 88,746</u> | <u>\$ 88,746</u> |
| Net book value on December 31, 2022 | <u>\$ 58,962,286</u> | <u>\$ 1,088,449</u> | <u>\$ 60,050,735</u> |

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

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

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

See Note 6 Commitments, for discussion of additions to mineral properties.

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

Consideration:

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

On June 13, 2022, the Company completed the acquisition of the outstanding membership interests (collectively, the “CR Interests”) of CR Reward LLC, a wholly-owned subsidiary of Waterton (“CR Reward”), pursuant to a membership interest purchase agreement with Waterton Nevada Splitter, LLC (“Waterton”). CR Reward holds the Reward Project located seven miles from the Company’s Bullfrog Project in Nevada. The CR Interests were acquired for the following consideration: (a) \$12,500,000 in cash paid at the closing; plus (b) the issuance of 7,800,000 shares of Augusta Gold common stock at closing; plus (c) \$22,126,000 in cash paid on September 14, 2022 (comprising collectively the “Second Payment” and the “Deferred Payment”).

Management has determined that the CR Reward acquisition does not constitute a business combination because the acquired assets do not contain processes sufficient to constitute a business in accordance with ASC 805. As a result, the consideration is measured based on the cost accumulation model and allocated to the acquired assets on the basis of relative fair value, with no resulting goodwill or bargain purchase gain being recognized. Share-based payments issued in conjunction with the acquisition are valued based on the fair value of the consideration issued, measured at the grant date in accordance with ASC 718.

The following is the consideration paid in the CR Reward acquisition:

Consideration:

| | |
|--|----------------------|
| Cash | \$ 12,500,000 |
| Grant date fair value of 7,800,000 shares issued | 11,516,583 |
| Transaction fees | 61,488 |
| Second Payment | 4,626,000 |
| Deferred Payment | 17,500,000 |
| Total consideration | <u>\$ 46,204,071</u> |

Net assets acquired

| | |
|----------------------------------|----------------------|
| Cash | \$ 1,299 |
| Prepays | 9,658 |
| Property and plant | 838,992 |
| Mineral properties | 46,465,056 |
| Accounts payable | (10,500) |
| Asset retirement obligation | (1,100,434) |
| Total net assets acquired | <u>\$ 46,204,071</u> |

NOTE 3 - STOCKHOLDER’S EQUITY

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

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

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

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

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

Recent Sales of Unregistered Securities

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

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

On June 13, 2022, 7,800,000 shares of common stock of the Company ("Common Shares") were issued for the purchase of CR Reward. See Note 2 for additional information.

In addition to the above, the Company issued the following common shares for the twelve months ending December 31, 2022, and 2021:

Options converted to common shares

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

Warrants converted to common shares

| Date | Shares | | |
|-------------|---------------|-----|------|
| January-21 | 387,467 | C\$ | 1.20 |
| January-21 | 266,685 | \$ | 0.60 |
| January-21 | 83,333 | \$ | 0.90 |
| February-21 | 573,174 | C\$ | 1.20 |
| February-21 | 941,669 | \$ | 0.60 |
| March-21 | 41,667 | C\$ | 1.20 |
| March-21 | 50,000 | \$ | 0.60 |
| April-21 | 41,667 | C\$ | 1.20 |
| April-21 | 312,501 | \$ | 0.90 |
| May-21 | 41,667 | C\$ | 1.20 |
| May-21 | 1,229,167 | \$ | 0.90 |
| October-21 | 6,500 | C\$ | 1.20 |
| December-21 | 40,418 | C\$ | 1.20 |
| June-22 | 208,334 | C\$ | 1.80 |

Preferred shares converted to common shares

| Date | Shares |
|-------------|---------------|
| January-21 | 2,416,667 |
| May-22 | 677,084 |

Convertible Preferred Stock

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

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

On May 4, 2022, 677,084 shares of Series B Preferred Stock were converted shares of common stock. As of December 31, 2022, there were no Preferred Stock shares outstanding.

Common Stock Options

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

The details with respect to option grants over the years ended December 31, 2022 and 2021 are as follows:

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

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

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

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

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

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

The Company granted 350,000 options to an officer and an employee of the Company, pursuant to the terms of the Company's Stock Option Plan. The Black Scholes option pricing model was used to estimate the aggregate fair value of the June 2022 options of \$324,816 with the following inputs:

| Options | Exercise Price | Expected Life | Volatility | Risk Free Interest Rate |
|----------------|-----------------------|----------------------|-------------------|--------------------------------|
| 350,000 | C\$2.05 | 3.5 years | 83.7% | 2.94% |

The Company granted 100,000 options to two employees of the Company, pursuant to the terms of the Company's Stock Option Plan. The Black Scholes option pricing model was used to estimate the aggregate fair value of the August 2022 options of \$99,021 with the following inputs:

| Options | Exercise Price | Expected Life | Volatility | Risk Free Interest Rate |
|----------------|-----------------------|----------------------|-------------------|--------------------------------|
| 100,000 | C\$1.96 | 3.5 years | 80.3% | 3.14% |

Stock Option Repricing

Effective September 29, 2022, the Company's board of directors repriced certain previously granted and still outstanding vested and unvested stock option awards under the Company's Plan held by current employees, officers and directors. As a result, the exercise price for these awards was lowered to C\$2.00 per share. No other terms of the repriced stock options were modified, and the repriced stock options will continue to vest according to their original vesting schedules and will retain their original expiration dates. As a result of the repricing, 4,541,667 vested and unvested stock options outstanding as of September 29, 2022, with original exercise prices of C\$3.00, were repriced.

The repricing on September 29, 2022, resulted in incremental stock-based compensation expense of \$480,250, of which \$188,233 related to vested stock option awards and was expensed on the repricing date, and \$292,017 related to unvested stock option awards is being amortized on a straight-line basis over the remaining vesting period of those awards ranging from 5 months to 23 months.

For the twelve months ended December 31, 2022, the Company recognized share-based compensation expense related to the stock options of \$2,164,055. The options are vested based on years of service, with certain options vested after two years and other options vested after three years.

Stock Option Activity

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

| | Number of Options | Weighted Average Exercise Price | Weighted Average Remaining Contractual Life (Years) | Aggregate Intrinsic Value |
|--|----------------------|--|--|---------------------------------|
| Balance at December 31, 2020 | 913,336 | \$ 0.57 | 6.26 | \$ 1,286,650 |
| Exercised | 688,334 | 0.47 | 0 | 0 |
| Issued | 6,325,000 | C\$ 3.00 | 0 | 0 |
| Canceled | 1,750,000 | C\$ 3.00 | 0 | 0 |
| Balance at December 31, 2021 | 4,800,002 | \$ 1.55 | 4.36 | 29,817 |
| Exercised | 0 | 0.00 | 0 | 0 |
| Issued | 450,000 | C\$ 2.03 | 5.00 | 0 |
| Canceled | 50,000 | C\$ 2.00 | 0 | 0 |
| Balance at December 31, 2022 | 5,200,002 | \$ 1.56 | 3.45 | \$ 57,468 |
| Options exercisable at December 31, 2022 | 2,025,002 | \$ 1.51 | 3.55 | \$ 57,468 |

Warrant Activity

Total outstanding warrants of 31,002,785 as of December 31, 2022, were as follows:

| | Warrants Issued | | | Total |
|---|-----------------|------------|-----------|------------|
| Warrants issued (includes expired warrants) | 1,434,522 | 27,433,335 | 3,777,784 | 32,645,641 |
| Issued date | 1/16/2020 | 10/26/2020 | 3/4/2021 | |
| Expiration date | 1/15/2022 | 10/26/2024 | 3/4/2024 | |
| Exercise price (Canadian \$) | \$ 1.20 | \$ 1.80 | \$ 2.80 | |
| Balance at December 31, 2020 | 1,348,636 | 27,433,335 | 0 | 28,781,971 |
| Exercised | 1,132,560 | 0 | 0 | 1,132,560 |
| Issued | 0 | 0 | 3,777,784 | 3,777,784 |
| Expired | 0 | 0 | 0 | 0 |
| Balance at December 31, 2021 | 216,076 | 27,433,335 | 3,777,784 | 31,427,195 |
| Exercised | 0 | 208,334 | 0 | 208,334 |
| Issued | 0 | 0 | 0 | 0 |
| Expired | 216,076 | 0 | 0 | 216,076 |
| Balance at December 31, 2022 | 0 | 27,225,001 | 3,777,784 | 31,002,785 |

NOTE 4 - DERIVATIVE FINANCIAL INSTRUMENTS

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

The value of the October 2020 Warrants of \$11,439,156 has been calculated on the date of issuance of October 26, 2020, using Black-Scholes valuation technique. For the twelve months ending December 31, 2022, the warrant liability was valued at \$13,604,506 with the following assumptions:

| | 10/26/20 | 12/31/21 | 12/31/22 |
|-----------------------------------|----------|-----------|-----------|
| Fair market value of common stock | \$ 1.26 | \$ 0.95 | \$ 1.40 |
| Exercise price | \$ 1.38 | \$ 1.42 | \$ 1.33 |
| Term | 4 years | 2.8 years | 1.8 years |
| Volatility range | 68.4% | 78.8% | 101.5% |
| Risk-free rate | 0.18% | 0.97% | 4.41% |

The value of the March 2021 Warrants of \$3,306,758 has been calculated on the date of issuance of March 4, 2021, using Black-Scholes valuation technique. For the twelve months ending December 31, 2022, the warrant liability was valued at \$2,010,900 with the following assumptions:

| | 3/4/21 | 12/31/21 | 12/31/22 |
|-----------------------------------|---------|-----------|-----------|
| Fair market value of common stock | \$ 1.97 | \$ 0.95 | \$ 1.40 |
| Exercise price | \$ 2.21 | \$ 2.22 | \$ 2.07 |
| Term | 3 years | 2.2 years | 1.2 years |
| Volatility range | 72.7% | 81.8% | 116.0% |
| Risk-free rate | 0.32% | 0.73% | 4.73% |

NOTE 5 - RELATED PARTY

On September 13, 2022, the Company entered into a secured note purchase agreement (the “Purchase Agreement”) with Augusta Investments Inc. (“Augusta Investments”), which is under common control of a director of Augusta Gold, to offer and sell a secured promissory note of the Company (the “Note”) in exchange for Augusta Investments loaning the Company \$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 on September 13, 2022, in connection with the Company’s acquisition of its Reward gold project that closed on June 13, 2022.

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”).

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 following is the balance of the Loan as of December 31, 2022:

| | |
|-------------------------------|----------------------|
| Total principal | \$ 22,232,561 |
| Deferred financing costs, net | (46,317) |
| Accrued interest | 657,078 |
| Total | <u>\$ 22,843,322</u> |

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

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

| | <u>Twelve Months Ended</u> | |
|-----------------------|----------------------------|---------------------|
| | <u>12/31/2022</u> | <u>12/31/2021</u> |
| Salaries and benefits | \$ 323,047 | \$ 932,470 |
| Office | 90,587 | 175,398 |
| Operating expenses | 85,832 | 97,910 |
| Total | <u>\$ 499,466</u> | <u>\$ 1,205,778</u> |

The Company is committed to payments for office leases premises through 2024 in the total amount of approximately \$183,000 based on the Company’s current share of rent paid. The Company is jointly liable for rent payments and uses the assets jointly. Payments by fiscal year are:

| | |
|-------|-------------------|
| 2023 | 95,557 |
| 2024 | 87,594 |
| Total | <u>\$ 183,151</u> |

The Company granted 5.8 million stock options in February 2021 to officers, directors and employees of the Company, pursuant to the terms of the Company’s Stock Option Plan. The Options have an exercise price of C\$3.00 per share and expire five years from the date of grant. Additionally, as part of the 5.8 million stock options issued the CEO, CFO and directors received 350,000, 400,000 and 2,200,000, respectively. Ms. Maryse Belanger resigned as Chief Executive Officer, President and a Director of Augusta Gold. On April 13, 2021, Mr. Donald Taylor, was appointed President and Chief Executive Officer and received 500,000 options in August 2021 and compensation of \$158,333. There were 4,575,000 officers, directors and employees options issued and outstanding as of December 31, 2021 with a share based compensation expense of \$1,560,452.

During 2022, there were 450,000 stock options issued to officers and employees of the Company. Of those options, 350,000 have a C\$2.05 exercise price and 100,000 have a C\$1.96 exercise price and all expire five years from date of grant. As of December 31, 2022, there were 4,975,000 options issued and outstanding to officers, directors and employees of the Company with a share based compensation expense of \$2,164,055.

The Company entered into a consulting arrangement with Augusta Capital Corporation (“ACC”), a private company 100% beneficially held by the Company’s Executive Chairman. ACC invoiced the Company C\$350,000 and C\$116,668 during 2022 and 2021, respectively, for consulting services.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

The Company has four leases underlying the Reward property which require annual advance royalty payments according to the following schedules. These leases are out of the scope of ASC 842 *Leases*, and any advance royalty paid is expensed off as exploration expenses. Once in production, each agreement attracts payment of net smelter royalties as per the following table.

| | <u>Connolly</u> | <u>Webster (1)</u> | <u>Orser</u> | <u>Meeteren</u> | <u>Total</u> |
|-----------------|-----------------|--------------------|--------------|-----------------|--------------|
| 2023 | \$ 10,000 | \$ 7,500 | \$ 20,000 | \$ 2,400 | \$ 39,900 |
| 2024 | - | - | \$ 20,000 | \$ 2,400 | \$ 22,400 |
| 2025 | - | - | - | \$ 2,400 | \$ 2,400 |
| 2026 | - | - | - | \$ 2,400 | \$ 2,400 |
| 2027 | - | - | - | \$ 2,400 | \$ 2,400 |
| 2028 | - | - | - | \$ 2,400 | \$ 2,400 |
| 2029 | - | - | - | \$ 2,400 | \$ 2,400 |
| 2030 | - | - | - | \$ 2,400 | \$ 2,400 |
| Applicable NSRs | 3% | 3% | 3% | 3% | |

(1) All amounts of annual advance minimum royalties paid during a calendar year shall be applied toward all amounts of earned mineral production royalties payable during that calendar year.

On July 1, 2017, RMM entered a 30-year Mineral Lease (the “Lunar Lease”) with Lunar Landing, LLC (“Lunar”) involving 24 patented mining claims underlying part of the Bullfrog property. Lunar owns a 100% undivided interest in the mining claims.

Under the Lunar Lease, RMM shall expend as minimum work commitments of \$50,000 per year starting in 2017 until a cumulative of \$500,000 of expense has been incurred. If RMM fails to perform its obligations under the Lunar Lease, and in particular fails to make any payment due to Lunar thereunder, Lunar may declare RMM in default by giving RMM written notice of default which specifies the obligation(s) which RMM has failed to perform. If RMM fails to remedy a default in payment within fifteen (15) days of receiving the notice of default or fails to remedy or commence to remedy any other default within thirty (30) days of receiving notice, Lunar may terminate the Lunar Lease and RMM shall peaceably surrender possession of the properties to Lunar. Notice of default or of termination shall be in writing and served in accordance with the Lunar Lease. RMM has made all required payments and has paid Lunar \$111,000 as of December 31, 2022, and makes lease payments on the following schedule:

| <u>Payment due July</u> | <u>Annual Payment</u> |
|-------------------------|-----------------------|
| 2023-2026 | \$ 21,000 |
| 2027-2031 | \$ 25,000 |
| 2032-2036 | \$ 30,000 |
| 2037-2041 | \$ 40,000 |
| 2042-2046 | \$ 45,000 |

On October 29, 2014, RMM entered into an Option Agreement (the “Mojave Option”) with Mojave Gold Mining Corporation (“Mojave”). Mojave holds the purchase rights to 100% of 12 patented mining claims. This property is contiguous to the Company’s Bullfrog Project.

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

In order to maintain in force, the working right and option granted to RMM, and to exercise the Mojave Option, the Company issued Mojave 750,000 shares of Company common stock and paid \$16,000 in October 2014, and RMM must pay to Mojave a total of \$190,000 over the next 10 years of which the Company has made all required payments and paid \$160,000 as of December 31, 2022, and one remaining payment for \$30,000 to be paid in 2023.

On December 9, 2020, Bullfrog Mines entered into a mining option agreement with Abitibi Royalties (USA) Inc. (“Abitibi”) granting Bullfrog Mines the option (the “Abitibi Option”) to acquire forty-three unpatented lode mining claims to the south of the Bullfrog deposit. The Abitibi Option was amended on December 9, 2022, to extend the exercise deadline and to increase the last payment amount required to exercise the option. Bullfrog Mines made an initial payment to Abitibi of C\$25,000 and exercised the Abitibi Option in full on January 30, 2023, by:

- Paying to Abitibi C\$50,000 in cash before December 9, 2021;
- Paying to Abitibi C\$78,750 in cash before January 30, 2023; and
- Granting to Abitibi a 2% net smelter royalty on the claims subject to the Abitibi Option on January 30, 2023, of which Bullfrog Mines has the option to purchase 0.5% for C\$500,000 on or before December 9, 2030.

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

NOTE 7 - INCOME TAXES

The effective income tax rate for the years ended December 31, 2022, and 2021 consisted of the following:

| | <u>2022</u> | <u>2021</u> |
|---|-------------|-------------|
| Federal statutory income tax rate on net loss | 21.0% | 21.0% |
| Change in valuation allowance | -24.9% | -24.9% |
| Tax rate change | -3.9% | -3.9% |
| Effective tax rate | <u>0.0%</u> | <u>0.0%</u> |

The components of the deferred tax assets and liabilities as of December 31, 2022, and 2021 are as follows:

| | <u>2022</u> | <u>2021</u> |
|---|----------------------|----------------------|
| Deferred tax assets: | | |
| Federal and state net operating loss carryovers | \$ 7,101,189 | \$ 4,948,126 |
| Other | (51,856) | (125,526) |
| Mineral property | 846,917 | 590,282 |
| Stock compensation | 1,181,448 | 643,248 |
| Warrant revaluation | 4,395,374 | 6,348,253 |
| Total deferred tax asset | <u>\$ 13,473,072</u> | <u>\$ 12,404,383</u> |
| Less: valuation allowance | <u>(13,473,072)</u> | <u>(12,404,383)</u> |
| Deferred tax asset | <u>\$ 0</u> | <u>\$ 0</u> |

The Company has approximately a \$28,553,000 and \$20,001,000 net operating loss carryover as of December 31, 2022, and December 31, 2021, respectively. The net operating loss may offset against taxable income, with \$6,619,000 of the net operating loss carryover begins expiring in 2030 and \$21,934,000 with no expiry date may be subject to U.S. Internal Revenue Code Section 382 limitations.

The Company has provided a valuation allowance that eliminates the deferred tax asset as of December 31, 2022, and 2021, as the likelihood of the realization of the tax benefits cannot be determined.

The Company and our subsidiaries file annual US Federal income tax returns and annual income tax returns for the state of and Colorado. Income taxing authorities have conducted no formal examinations of our past Federal or state income tax returns and supporting records.

NOTE 8 - SUBSEQUENT EVENTS

On January 20, 2023, the Company closed a “bought deal” underwritten offering (the “Offering”) of 6,725,147 units (“Units”) of the Company at a price of C\$1.71 per Unit, including the units issued pursuant to the full exercise of the over-allotment option by the underwriters in the Offering (the “Underwriters”), for aggregate gross proceeds of approximately C\$11.5 million before deducting Offering expenses.

In connection with the closing of the Offering, the Company entered into a Warrant Indenture dated January 20, 2023 (the “Warrant Indenture”) with Endeavor Trust Corporation, as the warrant agent, pursuant to which the Company issued Warrants to purchase up to a maximum of 3,362,573 Warrant Shares. Each Warrant is exercisable at any time after January 20, 2023, and prior to January 20, 2026.

In connection with the Offering, the Company paid the Underwriters cash compensation equal to 5.0% of the aggregate gross proceeds of the Offering and issued to the Underwriters 336,257 common stock purchase warrants (the “Compensation Warrants”). Each Compensation Warrant is exercisable for one share of common stock (each, a “Compensation Warrant Share”) at a price of C\$1.71 for a period of 12 months following the closing of the Offering.

Description of Securities

Holders of the shares of common stock, par value \$0.0001, in the capital of the Company (the “Common Stock”) are entitled to one vote for each share on all matters submitted to a stockholder vote. Holders of Common Stock do not have cumulative voting rights. Therefore, subject to the rights of any outstanding Preferred Stock, holders of a majority of the shares of Common Stock voting for the election of directors can elect all of the directors. Holders of the Company’s Common Stock representing one-third of the voting power of the Company’s capital stock issued, outstanding and entitled to vote, represented in person or by proxy, are necessary to constitute a quorum at any meeting of stockholders. Directors are elected by a plurality of the votes. A vote by the holders of a majority of the Company’s outstanding shares is required to effectuate certain fundamental corporate changes such as merger or an amendment to the Company’s certificate of Incorporation.

Holders of the Company’s Common Stock are entitled to share in all dividends that the board of directors, in its discretion, declares from legally available funds. In the event of a liquidation, dissolution or winding up, each outstanding share entitles its holder to participate pro rata in all assets that remain after payment of liabilities and after providing for each class of stock, if any, having preference over the Common Stock. The Company’s Common Stock has no pre-emptive rights, no conversion rights and there are no redemption provisions applicable to the Company’s Common Stock under our constating documents.

Pursuant to an investor rights agreement between us, Augusta Investments Inc. and Barrick Gold Corporation, provided Augusta Investments Inc. or Barrick Gold Corporation own more than 10% of the Company’s Common Stock on the relevant measurement date (calculated on a partially diluted basis), such investor separately has (i) a right to participate in any offering of the Company’s Common Stock (or securities convertible or exercisable for Common Stock), on the same terms as other participants in the offering, to maintain their then current ownership percentage in the Company and (ii) a top-up right to purchase securities to cure the dilutive effect of the issuance of shares of Common Stock on conversion or exercise of certain convertible or derivative securities of the Company where the monetary value of the dilution is greater than \$250,000.

Anti-Takeover Provisions

Our Certificate of Incorporation contains provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. We are also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together, these provisions may make it more difficult to affect the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities.

These provisions:

- grant our board of directors the ability to designate the terms of and issue new series of Preferred Stock, which can be created and issued by the board of directors without prior stockholder approval, with rights senior to those of the Common Stock; and
 - impose limitations on our stockholders’ ability to call special stockholder meetings.
-

Further, Mr. Richard Warke, our Executive Chairman, controls 22,039,388 shares of common stock with the right to acquire an additional 18,865,727 shares underlying warrants and a further right to acquire 266,667 shares underlying options representing 41.87% of the issued and outstanding voting shares of the Company on a partially diluted basis as of August 18, 2022 and Barrick Gold Corporation controls 9,100,000 shares of common stock with the right to acquire an additional 9,100,000 shares underlying warrants, representing 20.61% of the issued and outstanding voting shares of the Company on a partially diluted basis as of August 18, 2022 and Barrick Gold Corporation has the right to designate a director nominee for nomination by our Board to election as a director by the stockholders for so long a Barrick owns 10% of the Company's Common Stock (on a partially diluted basis). The large concentration of our voting shares in two stockholders and Barrick's nomination right makes it more difficult to effect the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities.

Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses including attorneys' fees, judgments, fines and amounts paid in settlement in connection with various actions, suits or proceedings, whether civil, criminal, administrative or investigative other than an action by or in the right of the corporation, a derivative action, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, if they had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification only extends to expenses including attorneys' fees incurred in connection with the defense or settlement of such actions, and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's certificate of incorporation, bylaws, agreement, a vote of stockholders or disinterested directors or otherwise.

The Company's Certificate of Incorporation and By-Laws provide that it will indemnify and hold harmless, to the fullest extent permitted by Section 145 of the Delaware General Corporation Law, as amended from time to time, each person that such section grants us the power to indemnify.

The Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability for:

- any breach of the director's duty of loyalty to the corporation or its stockholders;
- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- payments of unlawful dividends or unlawful stock repurchases or redemptions; or
- any transaction from which the director derived an improper personal benefit.

The Company's Certificate of Incorporation and By-Laws provide that, to the fullest extent permitted by applicable law, none of our directors will be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, provided that the By-Laws state that no such indemnity shall be made in respect of any matter as to which a director or officer shall have been adjudged to be liable to the Company, unless and only to the extent that the court in which such action or suit was brought shall determine, upon application, that, despite the adjudication of liability but in view of all the circumstances of the case, such director or officer is fairly and reasonably entitled to indemnity for such expenses which the court deems proper. Any repeal or modification of this provision will be prospective only and will not adversely affect any limitation, right or protection of a director of our Company existing at the time of such repeal or modification.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 (No. 333-266055) of Augusta Gold Corp. of our report dated March 15, 2023, relating to the consolidated financial statements appearing in the Annual Report on Form 10-K of Augusta Gold Corp. for the years ended December 31, 2022 and 2021.

We also consent to the reference to us under the caption “Experts” in this Registration Statement.

/s/ DAVIDSON & COMPANY LLP

Vancouver, Canada

Chartered Professional Accountants

March 15, 2023



1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Davidson-co.com

CERTIFICATION

I, Donald R. Taylor, certify that:

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

Date: March 15, 2023

By: /s/ "Donald R. Taylor"

Donald R. Taylor
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, Michael McClelland, certify that:

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

Date: March 15, 2023

By: /s/ "Michael McClelland"

Michael McClelland
Chief Financial Officer
(Principal Financial and Accounting Officer)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

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

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

Date: March 15, 2023

By: /s/ "Donald R. Taylor"

Donald R. Taylor
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

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

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

Date: March 15, 2023

By: /s/ "Michael McClelland"

Michael McClelland
Chief Financial Officer
(Principal Financial and Accounting Officer)