

This prospectus is not related to a public offering. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities. This non-offering prospectus does not constitute a public offering of securities.

PROSPECTUS

NON-OFFERING PROSPECTUS

August 31, 2021



ATHENA GOLD CORPORATION
(the "Issuer")

This prospectus (the "**Prospectus**") is being filed with the British Columbia Securities Commissions for the purpose of complying with Policy 2 – *Qualification for Listing* published by the Canadian Securities Exchange (the "**Exchange**").

No securities are being offered pursuant to this Prospectus. This Prospectus is being filed with the British Columbia Securities Commission to enable the Issuer to become a reporting issuer pursuant to the applicable securities legislation in such province, and the Issuer is seeking a listing on the Exchange (the "**Listing**"). As no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Issuer from its general corporate funds.

The Issuer has applied to list its common shares on the Exchange and has received conditional approval for the listing of its common shares thereon. Listing will be subject to the Issuer fulfilling all of the listing requirements of the Exchange.

As at the date of this Prospectus, the Issuer does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., or a marketplace outside of Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc). As at the date of this Prospectus, the Common Shares currently trade in the United States on the OTCQB Venture Market ("OTCQB") under the trading symbol "AHNR". The OTCQB is an off-exchange interdealer marketplace for trading over-the-counter stocks provided and operated by the OTC Markets Group.

An investment in the securities of the Issuer is speculative and involves a high degree of risk. In reviewing this Prospectus, you should carefully consider the matters described under the heading "Risk Factors".

No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus.

The Issuer was incorporated and otherwise organized under the laws of the State of Delaware on December 23, 2003, under the name Golden West Brewing Company. On January 21, 2021, the Issuer changed its name to "Athena Gold Corporation". Each of the directors and officers of the Issuer, being John Power, Tyler Minnick, Brian Power, John

E. Hiner and Markus Janser, reside outside of Canada. The Issuer and each of the directors and officers has appointed the following agent for service of process in Canada:

| Name of Agent | Address of Agent |
|----------------------|---|
| Lotz & Company | 1170 – 1040 West Georgia Street Vancouver, British Columbia V6E 4H1 |

Donald Strachan, one of the authors of the Technical Report (as defined below), resides outside of Canada and has appointed the following agent for service of process:

| Name of Agent | Address of Agent |
|----------------------|---|
| Lotz & Company | 1170 – 1040 West Georgia Street Vancouver, British Columbia V6E 4H1 |

The auditor of the Issuer, MaloneBailey LLP, was incorporated under the laws of a foreign jurisdiction and has appointed the following agent for service of process:

| Name of Agent | Address of Agent |
|----------------------|---|
| Lotz & Company | 1170 – 1040 West Georgia Street Vancouver, British Columbia V6E 4H1 |

Prospective investors in Common Shares (as defined below) are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada even if the party has appointed an agent for service of process in Canada.

Unless otherwise noted, all currency amounts in this Prospectus are stated in U.S. dollars.

ATHENA GOLD CORPORATION
2010A Harbison Drive, Suite 312
Vacaville, California
95687

TABLE OF CONTENTS

| | |
|--|-----|
| Forward-Looking Statements | 1 |
| Metric Equivalents | 1 |
| Glossary | 2 |
| Glossary of Technical Terms | 4 |
| Prospectus Summary | 6 |
| Corporate Structure | 9 |
| General Development of the Business | 9 |
| Narrative Description of the Business..... | 12 |
| Use of Proceeds | 55 |
| Selected Financial Information and Management's Discussion and Analysis..... | 57 |
| Description of The Outstanding Securities..... | 58 |
| Consolidated Capitalization..... | 59 |
| Options to Purchase Securities | 59 |
| Prior Sales | 61 |
| Trading Price and Volume..... | 62 |
| Escrowed Securities | 62 |
| Principal Shareholders..... | 63 |
| Directors and Officers..... | 63 |
| Statement of Executive Compensation | 67 |
| Indebtedness of Directors and Executive Officers | 70 |
| Audit Committee and Corporate Governance | 71 |
| Plan of Distribution | 74 |
| Risk Factors | 74 |
| Promoters | 78 |
| Legal Proceedings..... | 79 |
| Interest of Management and Others in Material Transactions | 79 |
| Indebtedness of Directors and Executive Officers..... | 79 |
| Auditors | 79 |
| Registrar and Transfer Agent | 79 |
| Material Contracts | 80 |
| Experts..... | 80 |
| Other Material Facts | 80 |
| Financial Statements | 80 |
| | |
| Schedule "A" – Audit Committee Charter | A-1 |
| Schedule "B" – SEC Form 10-K for the years ended December 31, 2020 and December 31, 2019 | B-1 |
| Schedule "C" – SEC Form 10-Q for the Quarterly Period Ended June 30, 2021 | C-1 |
| Certificate of the Issuer | D-1 |
| Certificate of the Promoter | D-2 |

FORWARD-LOOKING STATEMENTS

This Prospectus contains "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information may include, but is not limited to, statements with respect to the future price of metals, historical estimates of mineralization, capital expenditures, success of exploration activities, permitting timelines, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the completion of regulatory approvals. In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information in this Prospectus includes, among other things, proposed expenditures for exploration work on the Property, results of such exploration work, economic viability of exploration at the Property, general and administrative expenses, expectations generally regarding completion of the Listing, the ability of the Issuer to raise further capital for corporate purposes, the utilization of funds available to the Issuer and treatment under applicable governmental regimes for permitting and approvals. See "Narrative Description of the Business – Recommendations", "Use of Proceeds" and "Risk Factors" below.

Such forward-looking information is based on a number of material factors and assumptions, including, but not limited in any manner, to those disclosed in any other of the Issuer's public filings and include that costs for exploration activities will not deviate significantly from recent trends, the ultimate determination of mineral reserves, if any, the availability and final receipt of required approvals, licenses and permits, sufficient working capital to develop and operate any proposed mine, access to adequate services and supplies, economic conditions, commodity prices, foreign currency exchange rates, interest rates, access to capital and debt markets and associated costs of funds, availability of a qualified work force, the ultimate ability to mine, process and sell mineral products on economically favourable terms. While the Issuer considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to, risks and uncertainties disclosed in this Prospectus. See "Risk Factors" below. The Issuer has no specific policies or procedures for updating forward-looking information. Forward-looking information is based upon management's beliefs, estimates and opinions on the date the statements are made and, other than as required by law, the Issuer does not intend, and undertakes no obligation, to update any forward-looking information to reflect, among other things, new information or future events.

Investors are cautioned against placing undue reliance on forward-looking information.

PRESENTATION OF FINANCIAL INFORMATION AND ACCOUNTING PRINCIPLES

The Issuer presents its financial statements in U.S. dollars. The audited financial statements of the Issuer for the years ended December 31, 2020, December 31, 2019 and December 31, 2018, and certain financial information set out in this Prospectus derived from such financial statements, have been prepared in accordance with U.S. GAAP. U.S. GAAP differs in certain material respects from IFRS.

METRIC EQUIVALENTS

For ease of reference, the following factors for converting Imperial measurements into metric equivalents are provided:

| To convert from Imperial | To Metric | Multiply by |
|--------------------------|-------------|-------------|
| Acres | Hectares | 0.404686 |
| Feet | Metres | 0.30480 |
| Miles | Kilometres | 1.609344 |
| Tons | Tonnes | 0.907185 |
| Ounces (troy)/ton | Grams/Tonne | 34.2857 |

GLOSSARY

- "2012 Credit Agreement"** means a credit facility agreement dated July 18, 2012 between John Gibbs and the Issuer, as modified, whereby the Issuer was provided an unsecured credit facility in the maximum borrowing amount of \$2,400,000, with the aggregate principal amount accruing interest at the rate of 5% per annum.
- "Associate"** means, if used to indicate a relationship with any person,
- (a) a partner, other than a limited partner, of that person,
 - (b) a trust or estate in which that person has a substantial beneficial interest or for which that person serves as trustee or in a similar capacity,
 - (c) an issuer in respect of which that person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the issuer, or
 - (d) a relative, including the spouse, of that person or a relative of that person's spouse, if the relative has the same home as that person.
- "Authors"** means Matthew R. Dumala and Donald G. Strachan., the Authors of the Technical Report.
- "Board" or "Board of Directors"** means the board of directors of the Issuer.
- "CEO"** means Chief Executive Officer.
- "CFO"** means Chief Financial Officer.
- "Common Shares"** means the shares of common stock in the capital of the Issuer with a par value of \$0.0001.
- "Escrow Agent"** means TSX Trust Company, which shall hold the Escrowed Securities in escrow in accordance with the terms of the Escrow Agreement.
- "Escrow Agreement"** means the escrow agreement to be entered into among the Issuer, the Escrow Agent and certain shareholders, pursuant to which the shareholder's Common Shares will be held in escrow pursuant to CSE Policy 2 – *Qualification for Listing*.
- "Escrowed Securities"** means the Common Shares that are held in escrow pursuant to the Escrow Agreement.
- "Exchange" or "CSE"** means the Canadian Securities Exchange.
- "Issuer"** means Athena Gold Corporation, a corporation incorporated under the laws of the State of Delaware on December 23, 2003, under the name Golden West Brewing Company. On December 11, 2009, the Issuer changed its name to "Athena Silver Corporation". The Issuer changed its name to "Athena Gold Corporation" on January 21, 2021.
- "Listing"** means the listing of the Common Shares for trading on the Exchange.
- "May 2021 Private Placement"** means the non-brokered private placement offering of up to 12,500,000 units in the capital of the Corporation (the "Units") at the subscription price of CAD \$0.08 per Unit for gross proceeds of up to CAD \$1,000,000, with each Unit consisting of one common share in the capital stock of the Issuer and one common share purchase warrant (each, a "Warrant"), with each Warrant entitling the holder thereof to purchase one common share in the capital stock of the Issuer at an exercise price of CAD \$0.15 per share for a period of 36 months from the closing of the offering.

The first tranche of the May 2021 Private Placement closed for gross proceeds of

CAD \$500,000 on May 25, 2021, and the Issuer will close a second tranche of at least \$100,000 prior to the Listing.

- "NI 41-101"** means National Instrument 41-101 – *General Prospectus Requirements*, of the Canadian Securities Administrators.
- "NI 43-101"** means National Instrument 43-101 – *Standards of disclosure for Mineral Projects*, of the Canadian Securities Administrators.
- "NI 45-106"** means National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.
- "NI 52-110"** means National Instrument 52-110 – *Audit Committees*, of the Canadian Securities Administrators.
- "Optionor"** means Nubian Resources Ltd., which was incorporated under the *Business Corporations Act* under the laws of the Province of British Columbia on October 28, 2004 under the name Shituru Cobalt Project Ltd. On April 19, 2006, the Optionor changed its name to "ICS Copper Systems Ltd." The Optionor changed its name to "Nubian Resources Ltd." on February 9, 2021.
- "Palmetto Prospect"** means the nine unpatented mining claims on the north flank of the Palmetto Mountains, approximately 20 miles southwest of Goldfield, Nevada.
- "Preferred Shares"** means the shares of preferred stock in the capital of the Issuer with a par value of \$0.0001.
- "Property"** means the 140 unpatented mining claims and two patented mining claims covering an area of 1,267.1 hectares, located approximately 45 miles southwest of Goldfield, Nevada.
- "Property Option Agreement"** means the option agreement dated December 11, 2020, made between the Issuer and the Optionor with respect to the Property and the Palmetto Prospect.
- "SEC"** means the United States Securities Exchange Commission.
- "SEDAR"** means the System for Electronic Document Analysis and Retrieval, the electronic filing system for the disclosure documents of public companies and investment funds across Canada via www.sedar.com.
- "Technical Report"** means the technical report dated August 26, 2021 and dated effective July 21, 2021 entitled "Technical Report for the Excelsior Springs Property, Esmeralda County, Nevada, USA" authored by Matthew R. Dumala and Donald G. Strachan.

GLOSSARY OF TECHNICAL TERMS

| | |
|---------------------|--|
| Adit | A horizontal or nearly horizontal passage driven from the surface for the working or dewatering of a mine. If driven through the hill or mountain to the surface on the opposite side it would be a tunnel. |
| Ag | Chemical symbol for silver. |
| Al | Chemical symbol for aluminum. |
| Anomalous | A description of anything statistically out of the ordinary. |
| As | Chemical symbol for arsenic. |
| Au | Chemical symbol for gold. |
| B | Chemical symbol for boron. |
| Ba | Chemical symbol for barium. |
| Be | Chemical symbol for beryllium. |
| Bi | Chemical symbol for bismuth. |
| Chalcopyrite | A sulphide of copper common to most copper mineral deposits. |
| Chlorite | A member of a group of minerals resembling micas (the tabular crystals of chlorite cleave into small, thin flakes or scales that are flexible, but not elastic like those of micas); they may also be considered as clay minerals when very fine grained. Chlorites are widely distributed, especially in low-grade metamorphic rocks, or as alteration products of ferromagnesian minerals. |
| Ca | Chemical symbol for calcium. |
| Cd | Chemical symbol for cadmium. |
| Ce | Chemical symbol for cerium. |
| Co | Chemical symbol for cobalt. |
| Cr | Chemical symbol for chromium. |
| Cs | Chemical symbol for cesium. |
| Cu | Chemical symbol for copper. |
| EM | Electromagnetic. |
| Epidote | A lustrous yellow-green crystalline mineral, common in metamorphic rocks. It consists of a hydroxyl silicate of calcium, aluminum, and iron. |
| Fe | Chemical symbol for iron. |
| Feldspar | A common silicate mineral that occurs in all rock types and decomposes to form much of the clay in soil, including kaolinite. |
| Ga | Chemical symbol for gallium. |
| Ge | Chemical symbol for germanium. |
| Geochemical | Pertaining to various chemical aspects (e.g. concentration, associations of elements) of natural media such as rock, soil and water. |
| Hf | Chemical symbol for hafnium. |
| Hg | Chemical symbol for mercury. |
| Igneous Rock | A rock formed by the crystallization of magma or lava. |
| In | Chemical symbol for indium. |
| K | Chemical symbol for potassium (kalium). |
| La | Chemical symbol for lanthanum. |
| Li | Chemical symbol for lithium. |
| Magnetite | A grey-black magnetic mineral which consists of an oxide of iron and is an important form of iron ore. |
| Metamorphic | Pertaining to the process of metamorphism or to its results. |
| Mg | Chemical symbol for magnesium. |

| | |
|-----------------------|--|
| Mineralization | The presence of minerals of possible economic value – and also the process by which concentration of economic minerals occurs. |
| Mn | Chemical symbol for manganese. |
| Mo | Chemical symbol for molybdenum. |
| Na | Chemical symbol for sodium. |
| Nb | Chemical symbol for niobium. |
| Ni | Chemical symbol for nickel. |
| P | Chemical symbol for phosphorus. |
| Pb | Chemical symbol for lead. |
| Pd | Chemical symbol for palladium. |
| Ppb | Parts per billion. |
| Ppm | Parts per million. |
| Pt | Chemical symbol for platinum. |
| Pyrite | An iron sulphide. |
| Rb | Chemical symbol for rubidium. |
| Re | Chemical symbol for rhenium. |
| S | Chemical symbol for sulphur. |
| Sb | Chemical symbol for antimony (stibium). |
| Sc | Chemical symbol for scandium. |
| Se | Chemical symbol for Selenium. |
| Sn | Chemical symbol for Tin (Stannum). |
| Sr | Chemical symbol for Strontium. |
| Ta | Chemical symbol for Tantalum. |
| Te | Chemical symbol for Tellurium. |
| Th | Chemical symbol for Thorium. |
| Ti | Chemical symbol for Titanium. |
| Tl | Chemical symbol for Thallium. |
| U | Chemical symbol for Uranium. |
| V | Chemical symbol for Vanadium. |
| W | Chemical symbol for tungsten (wolfram). |
| Y | Chemical symbol for Yttrium. |
| Stockwork | A complex system of structurally controlled or randomly oriented veins. |
| V | Chemical symbol for vanadium. |
| Zn | Chemical symbol for zinc. |
| Zr | Chemical symbol for zirconium. |

PROSPECTUS SUMMARY

The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

The Issuer: The Issuer was incorporated under the laws of the State of Delaware on December 23, 2003, under the name Golden West Brewing Company. On December 11, 2009, the Issuer changed its name to "Athena Silver Corporation". The Issuer changed its name to "Athena Gold Corporation" on January 21, 2021.

The Issuer's corporate office is located at 2010A Harbison Drive, Unit 312, Vacaville, California, USA, 95687 and its registered office is located at 1013 Centre Road, Suite 403-A, Wilmington, New Castle, Delaware, U.S.A., 19805

The Issuer's Business: The Issuer is engaged in the business of mineral exploration and the acquisition of mineral property assets. Its objective is to locate and develop economic precious and base metal properties of merit and to conduct its exploration program on the Property.

Further to these objectives, the Issuer entered into the Property Option Agreement pursuant to which it was granted an irrevocable and exclusive option to acquire up to a 100% interest in the Property and the Palmetto Prospect, subject to a 1% net smelter returns royalty.

The Issuer intends to fund the exploration of the Property and its initial commitments thereon using the proceeds of its prior private placement. See "Narrative Description of the Business" below.

The Property: The Property consists of 140 unpatented mining claims and two patented mining claims located approximately 45 miles southwest of Goldfield, Nevada. The Issuer currently beneficially owns 10% of the Property.

Directors and Officers: John Power – Chief Executive Officer, President, Corporate Secretary and Director
Tyler Minnick – Chief Financial Officer
Brian Power – Director
Markus Janser – Director
John E. Hiner – Director

See "Directors and Officers" below.

Funds Available and Use of Available Funds: The total funds available to the Issuer, after deducting \$45,000 to cover the estimated remaining expenses of the Listing and including the Issuer's working capital of \$260,000 as at July 31, 2021, and the expected proceeds from the second tranche of the May 2021 Private Placement of \$100,000, are \$315,000. To the extent that the Issuer has negative operating cash flow in future periods, the Issuer may use a portion of the unallocated capital referenced in the table below to fund such negative operating cash flow. The principal purposes for the use of those funds for the next twelve months will be as follows.

| Principal Purpose | Funds to be Used⁽¹⁾ |
|--|---------------------------------------|
| To fund the Phase 1 exploration program on the Property ⁽²⁾ | \$122,235 |
| To pay the annual BLM maintenance fees and lease payment with respect to the 140 unpatented mining claims and two patented mining claims comprising the Property | \$40,000 |
| To provide funding sufficient to meet administrative costs for 12 months | \$150,000 |
| To provide general working capital to fund ongoing operations | \$2,765 |
| TOTAL: | \$315,000 |

Notes:

(1) The Issuer intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary.

(2) See "Narrative Description of the Business – Recommendations" below for a summary of the work to be undertaken, a breakdown of the estimated costs and the nature of title to, or the Issuer's interest in, the Property.

**Summary of
Financial
Information:**

The following selected financial information is subject to the detailed information contained in the audited financial statements of the Issuer and notes thereto appearing elsewhere in this Prospectus. The selected financial information is derived from the audited financial statements of the Issuer for the financial years ended December 31, 2020, 2019 and 2018 and the notes thereto. All financial statements are prepared in accordance with U.S. GAAP.

| | Quarterly Period Ended June 30, 2021 (unaudited) | Period ended December 31, 2020 (audited) | Period ended December 31, 2019 (audited) | Period ended December 31, 2018 (audited) |
|---|---|---|---|---|
| Current Assets | \$271,311 | \$8,986 | \$117 | \$3,991 |
| Total Assets | \$421,311 | \$158,986 | \$185,407 | \$189,281 |
| Current Liabilities | \$114,219 | \$244,682 | \$2,980,207 | \$2,722,565 |
| Total Liabilities | \$537,178 | \$244,682 | \$3,070,207 | \$2,822,565 |
| Share Capital Deficit | \$(115,867) | \$(85,696) | \$(2,884,800) | \$(2,633,284) |
| Net Loss | \$(83,765) | \$(410,068) | \$(266,246) | \$(288,262) |
| Basic and diluted loss per common share | \$(0.00) | \$(0.01) | \$(0.01) | \$(0.01) |
| Cash dividends per share | Nil | Nil | Nil | Nil |

See "Selected Financial Information and Management's Discussion and Analysis" below.

Risk Factors:

An investment in the Common Shares should be considered highly speculative and investors

may incur a loss on their investment. The Issuer has no history of earnings and to date has not defined any commercial quantities of mineral reserves on the Property. The Issuer currently beneficially owns 10% of the Property and has an option only to acquire the remaining 90% interest in the Property, but there is no guarantee that the Issuer's 100% interest, if earned, cannot be challenged by claims of aboriginal or indigenous title, or unknown third parties claiming an interest in the Property. The Issuer and its assets may also become subject to uninsurable risks. The Issuer's activities may require permits or licenses which may not be granted to the Issuer. The Issuer competes with other companies with greater financial resources and technical facilities. The Issuer may be affected by political, economic, environmental and regulatory risks beyond its control. The Issuer is currently largely dependent on the performance of its directors and officers and there is no assurance the Issuer can retain their services. In recent years both metal prices and publicly traded securities prices have fluctuated widely. See "Risk Factors" below.

Currency: Unless otherwise indicated, all currency amounts herein are stated in U.S. Dollars.

CORPORATE STRUCTURE

Name and Incorporation

The Issuer was incorporated under the laws of the State of Delaware on December 23, 2003, under the name "Golden West Brewing Company, Inc.". On December 11, 2009, the Issuer changed its name to "Athena Silver Corporation". The Issuer changed its name to "Athena Gold Corporation" on January 21, 2021.

The Issuer's head office is located at 2010A Harbison Drive, Unit 312, Vacaville, California, USA, 95687 and its registered office is located at 1013 Centre Road, Suite 403-A, Wilmington, New Castle, Delaware, U.S.A., 19805.

Effective December 11, 2009, the Issuer filed a Certificate of Amendment of Certificate of Incorporation (the "**First Certificate of Amendment**") which was approved by the Issuer's Board of Directors and the holders of a majority of the issued and outstanding Common Shares with the State of Delaware. The First Certificate of Amendment (i) changed the name of the Issuer to "Athena Silver Corporation" and (ii) increased the number of Common Shares that the Issuer is authorized to issue to 100,000,000 and the number of Preferred Shares that the Issuer is authorized to issue to 5,000,000.

Effective January 21, 2021 the Issuer filed a Certificate of Amendment to Certificate of Amended and Restated Certificate of Incorporation (the "**Second Certificate of Amendment**") which was approved by the Issuer's Board of Directors and the holders of a majority of the issued and outstanding Common Shares with the State of Delaware. The Second Certificate of Amendment was also the subject of an Information Statement on Schedule 14C which was mailed to shareholders on December 17, 2020. The Second Certificate of Amendment (i) changed the name of the Issuer to "Athena Gold Corporation" and (ii) increased the number of Common Shares that the Issuer is authorized to issue to 250,000,000.

As of the date of this Prospectus, there are 250,000,000 Common Shares authorized for issuance of which 68,282,320 are currently issued and outstanding.

GENERAL DEVELOPMENT OF THE BUSINESS

Business of the Issuer

The Issuer is engaged in the business of mineral exploration and the acquisition of mineral property assets. See "Narrative Description of the Business" below.

History

On February 24, 2020, the Issuer signed Amendment No. 1 to the Lease with an Option to Purchase dated March 10, 2016 (as amended, the "**Langtry Lease**"), whereby the Issuer and the Langtry Project lessor agreed to a revised payment schedule for fixed amounts of \$45,000 and \$50,000 respectively for the 2020 and 2021 Langtry Lease payments. The Langtry property consists of 20 patented mining claims approximately 413 acres in size located in the Calico Mining District, San Bernardino County, California (the "**Langtry Project**"). The Langtry Lease also includes two unpatented mining claims in the Calico Mining District known as the Lilly #10 and Quad Deuce XIII (the "**Langtry Unpatented Claims**"), which the Issuer previously owned and agreed to transfer to the Langtry Project lessors subject to the Langtry Lease. See "Acquisitions and Dispositions – Langtry Project" below.

The Langtry Lease had a term of 20 years, and granted an exclusive right to explore, develop and purchase the Langtry Project. Lease payments under the agreement were a nominal \$1 per year, payable in advance, and the Langtry Lease required the Issuer to maintain the Langtry Lease in good standing. The payments required to maintain the original Langtry Lease were as follows: \$40,000 year 1; the greater of \$40,000 or the spot price of 2,500 ounces of silver in years 2 through 5; the greater of \$50,000 or the spot price of 2,500 ounces of silver in years 6 through 10; the greater of \$75,000 or the spot price of 3,750 ounces of silver in years 11 through 15; and the greater of \$100,000 or the spot price of 5,000 ounces of silver in years 16 through 20. 50% of all payments were credited against the purchase price should the Issuer exercise the purchase option.

In March 2018, the Issuer made the required year 3 payment under the Langtry Lease, totaling \$41,650. 50% of the payment, or \$20,825 was capitalized as mining rights as the amount is applicable to the purchase price. The remaining \$20,825 was expensed as lease option costs and included in exploration costs. In March 2019, the trustee overseeing

this Langtry Lease agreed to split the payment due on March 15, 2019 into two parts, with \$20,000 due in March 2019, and the other \$20,000 due in September 2019. The March payment was paid as scheduled. During September 2019, the trustee agreed to split the \$20,000 payment originally due in September 2019, into two \$10,000 payments due on October 15, 2019 and November 15, 2019. The payment due on October 15, 2019 was paid as agreed and the amount due November 15, 2019 was paid in February 2020.

During the Langtry Lease term the Issuer had the option to purchase fee title to the Langtry Project for the full 20-year term of the Langtry Lease. The purchase price was:

- (i) Years 1 through 3 (3-15-2016 to 3-15-2019): \$5,000,000;
- (ii) Years 4 through 5 (3-15-2019 to 3-15-2021): the greater of \$5,000,000 or the spot price of 250,000 troy ounces of silver, plus payment of the deferred rent of \$130,000;
- (iii) Years 6 through 10 (3-15-2021 to 3-15-26): the greater of \$7,500,000 or the spot price of 375,000 troy ounces of silver, plus payment of the deferred rent of \$130,000; and
- (iv) Years 11 through 20 (3-15-2026 to 3-15-2036): the greater of \$10,000,000 or the spot price of 500,000 troy ounces of silver, plus payment of the deferred rent of \$130,000.

During the Langtry Lease term the Langtry Project lessor was entitled to receive a 2% NSR on silver production and a 3% to 5% royalty on other mineral production and certain other revenue streams. After exercise of the purchase option, the lessor of the Langtry Project would only receive a 5% royalty on barite production and other revenue streams.

The Langtry Project was also subject to a net smelter royalty in favor of Mobil Exploration and Producing North America Inc. ("Mobil") from the sale of concentrates, precipitates or metals produced from ores mined from the royalty acreage. The agreement dated April 30, 1987 granted a base net smelter royalty of 3% plus an additional incremental 2% royalty on net smelter proceeds from silver sales above \$10.00 per troy ounce plus an additional incremental 2% royalty on net smelter proceeds from silver sales above \$15.00 per troy ounce.

On May 28, 2015 the Issuer executed an amendment to the deed underlying the Langtry Lease to cap at 2% the net smelter royalty that would be due to Mobil from any future sales of concentrates, precipitates or metals produced from ores mined from the royalty acreage. In consideration for the amendment, the Issuer agreed to pay an amendment fee of \$150,000, with \$10,000 due at the time of the agreement and the balance payable \$10,000 each June 1st until paid in full.

On February 24, 2020, the Issuer signed an Amendment No. 1 to Lease with an Option to Purchase dated March 10, 2016 (the "Amendment"), whereby the Issuer and the Langtry Project lessor agreed to a revised payment schedule for fixed amounts of \$45,000 and \$50,000 respectively for the 2020 and 2021 Langtry Lease payments. The fixed amounts payable in 2020 and 2021 were due in equal quarterly amounts of \$11,250 in 2020 and \$12,500 in 2021 due on March 15, June 15, September 15 and December 15 in each year.

On April 28, 2020, the Issuer entered into an agreement to terminate the Langtry Lease with Bruce and Elizabeth Strachan, Trustees of the Bruce and Elizabeth Strachan Revocable Living Trust dated July 25, 2007, including any and all amendments thereto, with respect to the Langtry Project in California. As a result of this termination agreement, all scheduled lease option payments due in 2020 and beyond with respect to the Langtry Lease were considered terminated and void upon signing of the Agreement.

Excelsior Springs

The Issuer entered into the Property Option Agreement whereby the Issuer was granted an irrevocable and exclusive option to acquire up to a 100% interest in the Property (the "**Option**"), consisting of 140 unpatented mining claims and two patented mining claims, 45 miles southwest of Goldfield, Nevada, the particulars of which are described in greater detail below.

The Issuer currently beneficially owns 10% of the Property (the "**First Option Interest**") through the payment of \$10,000 cash and the allotment and issuance of 5,000,000 Common Shares (at a deemed issuance price of CAD \$0.05 per Common Share) to the Optionor upon the execution and delivery of the Property Option Agreement by the Issuer and the Optionor. To acquire an additional 90% interest in the Property (the "**Second Option**"), the Issuer is required

to: (i) issue an additional 45,000,000 Common Shares (at a deemed issuance price of CAD \$0.05 per Common Share) to the Optionor or its nominees; (ii) obtain an initial listing of its common shares on a recognized Canadian stock exchange; and (iii) settle all outstanding debt prior to obtaining the exchange listing, with the exception of debt incurred in connection with the listing. If the Issuer fails to exercise the Second Option prior to December 31, 2021, the First Option Interest will revert to the Optionor, and the Issuer will hold no interest in the Property.

Pursuant to the Property Option Agreement, immediately after giving effect to the May 2021 Private Placement and the issuance of the Common Shares to the Optionor or its nominees, the Optionor and its nominees shall not hold less than 40% (in the aggregate) of the Issuer's issued and outstanding Common Shares, on a non-diluted basis, with the effect that the Issuer shall issue to the Optionor or their nominees in conjunction with the closing of the May 2021 Private Placement, for no additional consideration, such number of Common Shares (the "**Anti-Dilution Shares**"), as is necessary for the Optionor and their nominees to maintain the aforementioned percentage.

In addition to any resale restrictions and escrow and hold periods imposed by applicable securities laws, the resale of all Common Shares issued to the Optionor or their nominees in connection with the exercise of the Option, as well as the Anti-Dilution Shares, shall be restricted for a period commencing on the date of the Listing and ending on the earlier of (i) six (6) months from the date of the Listing; and (ii) December 31, 2021 (the "**Contractual Hold Period**"). During the Contractual Hold Period and without the prior consent of the Issuer, no holder of the Option Shares and the Anti-Dilution Shares may sell, deal in, assign, transfer, dispose of or encumber any of the Option Shares or the Anti-Dilution Shares, in any manner whatsoever, or agree to do any of the foregoing, or enter into any transaction which would have the effect of vesting beneficial ownership of the applicable shares in another party.

Once the Issuer has exercised the Second Option in full, then it shall be deemed to have earned a 100% undivided interest in the Property, subject to a 1% net smelter returns royalty (the "**Royalty**") on the Property retained by the Optionor through its wholly-owned U.S. subsidiary, Nubian Resources (USA) Inc. One-half (0.5%) of the Royalty may be purchased by the Issuer for CAD \$500,000 payable to the Optionor. An additional one-half (0.5%) of the Royalty may be purchased by the Issuer at fair market value.

As part of the Property Option Agreement, the Issuer was also granted an irrevocable and exclusive option to acquire up to a 100% interest in the Palmetto Prospect by the Optionor, consisting of nine unpatented mining claims in Esmeralda County on the north flank of the Palmetto Mountains, approximately 20 miles southwest of Goldfield, Nevada and 17-18 miles southeast of Silver Peak, Nevada. Approximately one mile southeast of Railroad Pass, a dirt road swings west from Railroad Springs, 2.5 miles to the prospect area. The alteration and mineralization is centered on Sec. 11, T 5 S, R 40 E, and the Palmetto Prospect lies within the loosely-defined Railroad Springs Mining District.

For the purposes of the acquisition of the Palmetto Prospect, all references to the Property in the "Excelsior Springs" section above can be interpreted to include the Palmetto Prospect, such that upon the exercise of the Option the Issuer will acquire a 100% interest in the Palmetto Prospect, subject to the Royalty. The Issuer does not have any exploration or expenditure requirements with respect to the Palmetto Prospect, other than the BLM fees payable each year.

At the time of entering into the Property Option Agreement it was not a related party transaction, and the terms of the Property Option Agreement were negotiated at arm's length.

Stronghold Silver USA Corp.

On December 21, 2020, the Issuer signed an Option to Purchase Agreement (the "**Stronghold Option Agreement**") with Stronghold Silver USA Corp ("**Stronghold**") in which the Issuer agreed to grant to Stronghold the sole and exclusive right and option to acquire a 100% earned interest in 36 unpatented BLM mining claims located in the Calico Mining District in San Bernardino County California until December 21, 2025. Under the terms of the Stronghold Option Agreement, Stronghold has agreed to make annual option payments to maintain the option to purchase the property for a purchase price of \$1,000,000. Pursuant to the TriPower Agreement (as defined below), all of the Issuer's rights under the Stronghold Option Agreement were assigned to Tripower, and the Issuer has no further obligations under the Stronghold Option Agreement.

Athena Minerals, Inc.

On December 31, 2020, the Issuer entered into a Stock Purchase Agreement (the "**TriPower Agreement**") with TriPower Resources, Inc. ("**TriPower**"), a company controlled by John Gibbs, pursuant to which TriPower agreed to purchase 100% of the issued and outstanding shares of Athena Minerals, Inc., in exchange for full satisfaction of

certain indebtedness of the Issuer owing to John Gibbs. The outstanding principal at the time of the transaction was \$1,929,870. All accrued and unpaid interest due under the 2012 Credit Agreement totaling \$668,012 was waived as part of the transaction. Particulars of the transaction are provided in the SEC Form 10-K for the year ended December 31, 2020 attached as Schedule "B" to this Prospectus.

See "Prior Sales" below for the proceeds received by the Issuer from equity financing during the last two years. These funds have been, and are being, used for the acquisition, exploration and maintenance of the Property and general working capital. The Issuer intends to raise funds available to it as set out in "Use of Proceeds" below.

Trends

As a junior mining company, the Issuer is highly susceptible to the cycles of the mineral resource sector and the financial markets as they relate to junior companies.

The Issuer's financial performance is dependent upon many external factors. Both prices and markets for metals are volatile, difficult to predict and subject to changes in domestic and international, political, social and economic environments. Circumstances and events beyond its control could materially affect the financial performance of the Issuer. Apart from this risk and the risk factors noted under the heading "Risk Factors", the Issuer is not aware of any other trends, commitments, events or uncertainties that are reasonably likely to have a material adverse effect on the Issuer's business, financial conditions or result of operations.

NARRATIVE DESCRIPTION OF THE BUSINESS

Overview

The Issuer was incorporated on December 23, 2003, in Delaware and its principal business is the acquisition and exploration of mineral resource properties.

On December 11, 2009, the Issuer changed its name to "Athena Silver Corporation". On January 21, 2021, the Issuer's Board of Directors approved a name change from Athena Silver Corporation, to Athena Gold Corporation. The Issuer began mining operations in 2010.

The Issuer's sole property is the Property, located in Esmeralda County, Nevada, approximately 45 miles southwest of Goldfield, Nevada. The Issuer's interest in the Property is governed by the Property Option Agreement. See "Acquisitions" above.

The Issuer intends to use the funds available to it to carry out exploration on the Property. The Issuer may decide to acquire other mineral properties in addition to the Property.

Excelsior Springs Project, Esmeralda County, Nevada, United States

The following information regarding the Property is summarized or extracted from an independent technical report dated August 26, 2021, and effective July 21, 2021, entitled "*Technical Report on the Excelsior Springs Property, Esmeralda County, Nevada, USA*" (the "Technical Report") prepared for the Issuer by Matthew R. Dumala and Donald G. Strachan, (the "**Authors**") in accordance with the requirements of NI 43-101. The Authors are each a "qualified person" within the meaning of NI 43-101. For the purposes of the following information regarding the Property, capitalized terms have the meanings given to them in the Technical Report.

All figure and table references herein are numbered in accordance with the Technical Report available the Issuer's SEDAR profile at www.SEDAR.com.

Description and Location of the Property

The Property is located in the southeast part of unsurveyed Township 5 south, Range 39 and 40 east, Mount Diablo Baseline and Meridian ("MDBM"), Esmeralda County, Nevada, approximately 45 miles southwest of Goldfield, Nevada. The Property consists of 42 "EX" and 88 "ES" contiguous, unpatented lode mining claims covering approximately 2,884 acres (1,167 hct) and two patented claims covering 40 acres (16.1 hct). A separate block of ten "ES" claims covering 202 acres (84 hct) is located approximately one mile (1.6 km) northwest of the main block of claims. All the unpatented mining claims comprising the Property are located on Federal Government land administered by the Department of the Interior's Bureau of Land Management ("BLM"). The Property comprises 140 unpatented mining claims and two patented mining claims. The Property is approximately five miles north of state highway 266 and lies on the Magruder Mtn. and Sylvania Mts, US Geological Survey 7.5' topographic maps.

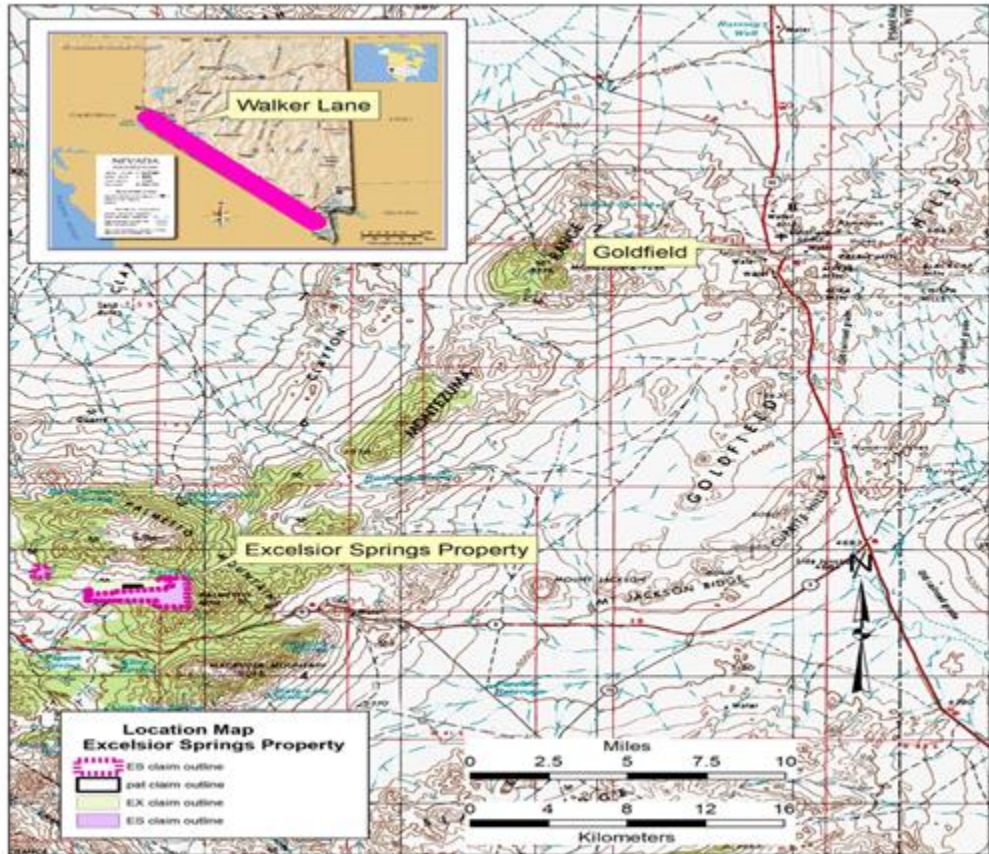


Figure 1. Property Location Map (Issuer, 2020).

Mineral Tenures

The 140 unpatented claims are owned by NBR through their wholly owned US subsidiary Nubian Resources USA Inc. All of the claims are located on Federal Government land administered by the Department of Interior's Bureau of Land Management ("BLM"). The two patented claims are leased to NBR by the owner, Christian Bramwell, of Pahrump, Nevada. The patented claims, the Prout and Fortunatus (MS 4106), were located in 1873 and 1892, respectively, and were patented in 1912. The patented claims have both surface and mineral rights. Ownership of the unpatented claims gives the right to explore for and develop mineral resources, but no surface rights.

Table 1: Claim titles, Excelsior Springs Project (as of July 13, 2021)

Excelsior Springs Project - List of EX Claims

| | Claim Name | NMC # | Claimant | Valid Until |
|----|-------------------|--------------|---------------------------|--------------------|
| 1 | EX 1 | 887756 | Nubian Resources USA Ltd. | 9/1/2021 |
| 2 | EX 2 | 887757 | Nubian Resources USA Ltd. | 9/1/2021 |
| 3 | EX 3 | 887758 | Nubian Resources USA Ltd. | 9/1/2021 |
| 4 | EX 4 | 887759 | Nubian Resources USA Ltd. | 9/1/2021 |
| 5 | EX 5 | 887760 | Nubian Resources USA Ltd. | 9/1/2021 |
| 6 | EX 6 | 887761 | Nubian Resources USA Ltd. | 9/1/2021 |
| 7 | EX 7 | 887762 | Nubian Resources USA Ltd. | 9/1/2021 |
| 8 | EX 8 | 887763 | Nubian Resources USA Ltd. | 9/1/2021 |
| 9 | EX 9 | 887764 | Nubian Resources USA Ltd. | 9/1/2021 |
| 10 | EX 10 | 887765 | Nubian Resources USA Ltd. | 9/1/2021 |
| 11 | EX 11 | 887766 | Nubian Resources USA Ltd. | 9/1/2021 |
| 12 | EX 12 | 887767 | Nubian Resources USA Ltd. | 9/1/2021 |
| 13 | EX 13 | 887768 | Nubian Resources USA Ltd. | 9/1/2021 |
| 14 | EX 14 | 887769 | Nubian Resources USA Ltd. | 9/1/2021 |
| 15 | EX 20 | 897986 | Nubian Resources USA Ltd. | 9/1/2021 |
| 16 | EX 21 | 897987 | Nubian Resources USA Ltd. | 9/1/2021 |
| 17 | EX 22 | 897988 | Nubian Resources USA Ltd. | 9/1/2021 |
| 18 | EX 23 | 897989 | Nubian Resources USA Ltd. | 9/1/2021 |
| 19 | EX 24 | 897990 | Nubian Resources USA Ltd. | 9/1/2021 |
| 20 | EX 25 | 897991 | Nubian Resources USA Ltd. | 9/1/2021 |
| 21 | EX 26 | 897992 | Nubian Resources USA Ltd. | 9/1/2021 |
| 22 | EX 27 | 897993 | Nubian Resources USA Ltd. | 9/1/2021 |
| 23 | EX 28 | 897994 | Nubian Resources USA Ltd. | 9/1/2021 |
| 24 | EX 29 | 897995 | Nubian Resources USA Ltd. | 9/1/2021 |
| 25 | EX 30 | 897996 | Nubian Resources USA Ltd. | 9/1/2021 |
| 26 | EX 31 | 897997 | Nubian Resources USA Ltd. | 9/1/2021 |
| 27 | EX 32 | 897998 | Nubian Resources USA Ltd. | 9/1/2021 |
| 28 | EX 33 | 897999 | Nubian Resources USA Ltd. | 9/1/2021 |
| 29 | EX 34 | 898000 | Nubian Resources USA Ltd. | 9/1/2021 |
| 30 | EX 35 | 898001 | Nubian Resources USA Ltd. | 9/1/2021 |
| 31 | EX 36 | 898002 | Nubian Resources USA Ltd. | 9/1/2021 |
| 32 | EX 37 | 898003 | Nubian Resources USA Ltd. | 9/1/2021 |
| 33 | EX 38 | 898004 | Nubian Resources USA Ltd. | 9/1/2021 |
| 34 | EX 39 | 898005 | Nubian Resources USA Ltd. | 9/1/2021 |
| 35 | EX 40 | 898006 | Nubian Resources USA Ltd. | 9/1/2021 |
| 36 | EX 41 | 898007 | Nubian Resources USA Ltd. | 9/1/2021 |
| 37 | EX 42 | 898008 | Nubian Resources USA Ltd. | 9/1/2021 |
| 38 | EX 43 | 898009 | Nubian Resources USA Ltd. | 9/1/2021 |
| 39 | EX 44 | 898010 | Nubian Resources USA Ltd. | 9/1/2021 |
| 40 | EX 45 | 898011 | Nubian Resources USA Ltd. | 9/1/2021 |
| 41 | EX 46 | 898012 | Nubian Resources USA Ltd. | 9/1/2021 |
| 42 | EX 47 | 898013 | Nubian Resources USA Ltd. | 9/1/2021 |

Excelsior Springs Project - List of ES Claims

| | Claim Name | NMC # | Claimant | Valid Until |
|---|-------------------|--------------|---------------------------|--------------------|
| 1 | ES 1 | 1045871 | Nubian Resources USA Ltd. | 9/1/2021 |
| 2 | ES 3 | 1045873 | Nubian Resources USA Ltd. | 9/1/2021 |
| 3 | ES 5 | 1045875 | Nubian Resources USA Ltd. | 9/1/2021 |
| 4 | ES 7 | 1045877 | Nubian Resources USA Ltd. | 9/1/2021 |
| 5 | ES 9 | 1045879 | Nubian Resources USA Ltd. | 9/1/2021 |

| | | | | |
|----|-------|---------|---------------------------|----------|
| 6 | ES 11 | 1045881 | Nubian Resources USA Ltd. | 9/1/2021 |
| 7 | ES 13 | 1045883 | Nubian Resources USA Ltd. | 9/1/2021 |
| 8 | ES 15 | 1045885 | Nubian Resources USA Ltd. | 9/1/2021 |
| 9 | ES 17 | 1045887 | Nubian Resources USA Ltd. | 9/1/2021 |
| 10 | ES 19 | 1045889 | Nubian Resources USA Ltd. | 9/1/2021 |
| 11 | ES 21 | 1045891 | Nubian Resources USA Ltd. | 9/1/2021 |
| 12 | ES 23 | 1045893 | Nubian Resources USA Ltd. | 9/1/2021 |
| 13 | ES 25 | 1045895 | Nubian Resources USA Ltd. | 9/1/2021 |
| 14 | ES 27 | 1045897 | Nubian Resources USA Ltd. | 9/1/2021 |
| 15 | ES 29 | 1045899 | Nubian Resources USA Ltd. | 9/1/2021 |
| 16 | ES 31 | 1045901 | Nubian Resources USA Ltd. | 9/1/2021 |
| 17 | ES 33 | 1045903 | Nubian Resources USA Ltd. | 9/1/2021 |
| 18 | ES 35 | 1045905 | Nubian Resources USA Ltd. | 9/1/2021 |
| 19 | ES 37 | 1045907 | Nubian Resources USA Ltd. | 9/1/2021 |
| 20 | ES 39 | 1045909 | Nubian Resources USA Ltd. | 9/1/2021 |
| 21 | ES 40 | 1045910 | Nubian Resources USA Ltd. | 9/1/2021 |
| 22 | ES 41 | 1045911 | Nubian Resources USA Ltd. | 9/1/2021 |
| 23 | ES 42 | 1045912 | Nubian Resources USA Ltd. | 9/1/2021 |
| 24 | ES 43 | 1045913 | Nubian Resources USA Ltd. | 9/1/2021 |
| 25 | ES 44 | 1045914 | Nubian Resources USA Ltd. | 9/1/2021 |
| 26 | ES 45 | 1045915 | Nubian Resources USA Ltd. | 9/1/2021 |
| 27 | ES 46 | 1045916 | Nubian Resources USA Ltd. | 9/1/2021 |
| 28 | ES 47 | 1045917 | Nubian Resources USA Ltd. | 9/1/2021 |
| 29 | ES 48 | 1045918 | Nubian Resources USA Ltd. | 9/1/2021 |
| 30 | ES 49 | 1045919 | Nubian Resources USA Ltd. | 9/1/2021 |
| 31 | ES 50 | 1045920 | Nubian Resources USA Ltd. | 9/1/2021 |
| 32 | ES 51 | 1045921 | Nubian Resources USA Ltd. | 9/1/2021 |
| 33 | ES 52 | 1045922 | Nubian Resources USA Ltd. | 9/1/2021 |
| 34 | ES 53 | 1045923 | Nubian Resources USA Ltd. | 9/1/2021 |
| 35 | ES 54 | 1045924 | Nubian Resources USA Ltd. | 9/1/2021 |
| 36 | ES 55 | 1045925 | Nubian Resources USA Ltd. | 9/1/2021 |
| 37 | ES 56 | 1045926 | Nubian Resources USA Ltd. | 9/1/2021 |
| 38 | ES 57 | 1045927 | Nubian Resources USA Ltd. | 9/1/2021 |
| 39 | ES 58 | 1045928 | Nubian Resources USA Ltd. | 9/1/2021 |
| 40 | ES 59 | 1045929 | Nubian Resources USA Ltd. | 9/1/2021 |
| 41 | ES 60 | 1045930 | Nubian Resources USA Ltd. | 9/1/2021 |
| 42 | ES 61 | 1045931 | Nubian Resources USA Ltd. | 9/1/2021 |
| 43 | ES 62 | 1045932 | Nubian Resources USA Ltd. | 9/1/2021 |
| 44 | ES 63 | 1045933 | Nubian Resources USA Ltd. | 9/1/2021 |
| 45 | ES 64 | 1045934 | Nubian Resources USA Ltd. | 9/1/2021 |
| 46 | ES 65 | 1045935 | Nubian Resources USA Ltd. | 9/1/2021 |
| 47 | ES 66 | 1045936 | Nubian Resources USA Ltd. | 9/1/2021 |
| 48 | ES 67 | 1045937 | Nubian Resources USA Ltd. | 9/1/2021 |
| 49 | ES 68 | 1045938 | Nubian Resources USA Ltd. | 9/1/2021 |
| 50 | ES 69 | 1045939 | Nubian Resources USA Ltd. | 9/1/2021 |
| 51 | ES 70 | 1045940 | Nubian Resources USA Ltd. | 9/1/2021 |
| 52 | ES 71 | 1045941 | Nubian Resources USA Ltd. | 9/1/2021 |
| 53 | ES 72 | 1045942 | Nubian Resources USA Ltd. | 9/1/2021 |
| 54 | ES 73 | 1045943 | Nubian Resources USA Ltd. | 9/1/2021 |
| 55 | ES 74 | 1045944 | Nubian Resources USA Ltd. | 9/1/2021 |
| 56 | ES 75 | 1045945 | Nubian Resources USA Ltd. | 9/1/2021 |
| 57 | ES 76 | 1045946 | Nubian Resources USA Ltd. | 9/1/2021 |
| 58 | ES 77 | 1045947 | Nubian Resources USA Ltd. | 9/1/2021 |
| 59 | ES 78 | 1045948 | Nubian Resources USA Ltd. | 9/1/2021 |

| | | | | |
|----|--------|---------|---------------------------|----------|
| 60 | ES 79 | 1045949 | Nubian Resources USA Ltd. | 9/1/2021 |
| 61 | ES 80 | 1045950 | Nubian Resources USA Ltd. | 9/1/2021 |
| 62 | ES 81 | 1045951 | Nubian Resources USA Ltd. | 9/1/2021 |
| 63 | ES 82 | 1045952 | Nubian Resources USA Ltd. | 9/1/2021 |
| 64 | ES 83 | 1045953 | Nubian Resources USA Ltd. | 9/1/2021 |
| 65 | ES 84 | 1045954 | Nubian Resources USA Ltd. | 9/1/2021 |
| 66 | ES 85 | 1045955 | Nubian Resources USA Ltd. | 9/1/2021 |
| 67 | ES 86 | 1045956 | Nubian Resources USA Ltd. | 9/1/2021 |
| 68 | ES 87 | 1045957 | Nubian Resources USA Ltd. | 9/1/2021 |
| 69 | ES 88 | 1045958 | Nubian Resources USA Ltd. | 9/1/2021 |
| 70 | ES 89 | 1045959 | Nubian Resources USA Ltd. | 9/1/2021 |
| 71 | ES 90 | 1045960 | Nubian Resources USA Ltd. | 9/1/2021 |
| 72 | ES 91 | 1045961 | Nubian Resources USA Ltd. | 9/1/2021 |
| 73 | ES 92 | 1045962 | Nubian Resources USA Ltd. | 9/1/2021 |
| 74 | ES 93 | 1045963 | Nubian Resources USA Ltd. | 9/1/2021 |
| 75 | ES 94 | 1045964 | Nubian Resources USA Ltd. | 9/1/2021 |
| 76 | ES 95 | 1045965 | Nubian Resources USA Ltd. | 9/1/2021 |
| 77 | ES 96 | 1045966 | Nubian Resources USA Ltd. | 9/1/2021 |
| 78 | ES 97 | 1045967 | Nubian Resources USA Ltd. | 9/1/2021 |
| 79 | ES 98 | 1045968 | Nubian Resources USA Ltd. | 9/1/2021 |
| 80 | ES 99 | 1045969 | Nubian Resources USA Ltd. | 9/1/2021 |
| 81 | ES 100 | 1045970 | Nubian Resources USA Ltd. | 9/1/2021 |
| 82 | ES103 | 1057362 | Nubian Resources USA Ltd. | 9/1/2021 |
| 83 | ES105 | 1057364 | Nubian Resources USA Ltd. | 9/1/2021 |
| 84 | ES107 | 1057366 | Nubian Resources USA Ltd. | 9/1/2021 |
| 85 | ES109 | 1057368 | Nubian Resources USA Ltd. | 9/1/2021 |
| 86 | ES176 | 1057394 | Nubian Resources USA Ltd. | 9/1/2021 |
| 87 | ES179 | 1057395 | Nubian Resources USA Ltd. | 9/1/2021 |
| 88 | ES180 | 1057396 | Nubian Resources USA Ltd. | 9/1/2021 |
| 89 | ES245 | 1057460 | Nubian Resources USA Ltd. | 9/1/2021 |
| 90 | ES246 | 1057461 | Nubian Resources USA Ltd. | 9/1/2021 |
| 91 | ES247 | 1057462 | Nubian Resources USA Ltd. | 9/1/2021 |
| 92 | ES248 | 1057463 | Nubian Resources USA Ltd. | 9/1/2021 |
| 93 | ES249 | 1057464 | Nubian Resources USA Ltd. | 9/1/2021 |
| 94 | ES250 | 1057465 | Nubian Resources USA Ltd. | 9/1/2021 |
| 95 | ES251 | 1057466 | Nubian Resources USA Ltd. | 9/1/2021 |
| 96 | ES252 | 1057467 | Nubian Resources USA Ltd. | 9/1/2021 |
| 97 | ES253 | 1057468 | Nubian Resources USA Ltd. | 9/1/2021 |
| 98 | ES254 | 1057469 | Nubian Resources USA Ltd. | 9/1/2021 |

Nature of Title and Obligations

The unpatented claims are maintained by the annual filing of a "Notice of Intent to Hold" along with payment of \$165 per claim to the BLM and a payment of approximately \$10.50 per claim to Esmeralda County. The patented claims require the annual payment of property taxes to Esmeralda County. BLM records indicate that the 2020 fees (\$23,100) have been paid for 140 claims and that the claims are now valid until September 1, 2021. BLM records show no other claims in the immediate area of the Property.

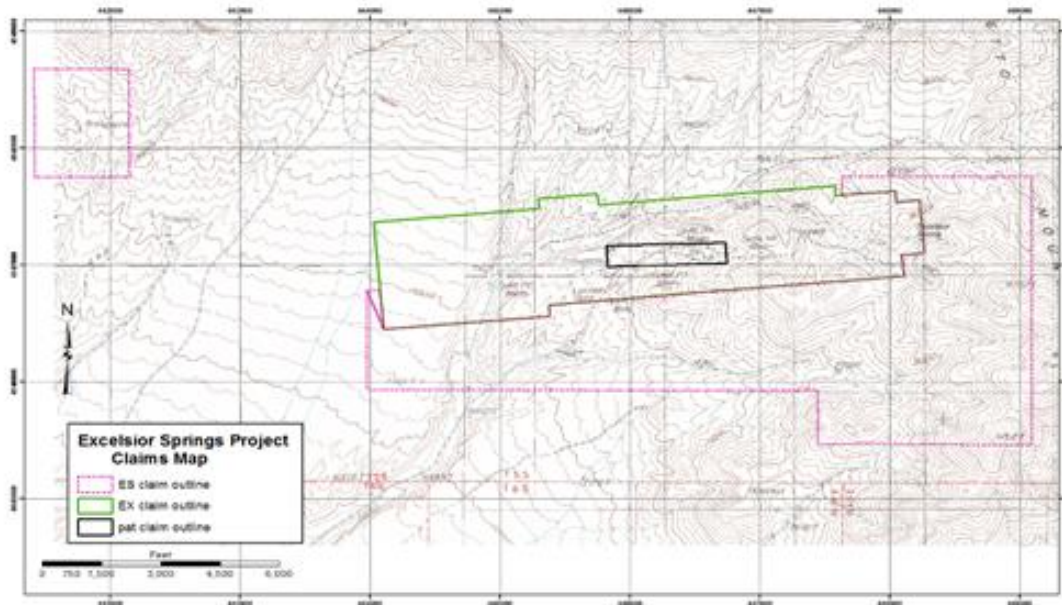


Figure 2. Claims Map (the Issuer, 2020).

Environmental Liabilities

There are no known environmental liabilities associated with the Property, and the BLM has given no indication of any environmental problems. The 2015 drilling by PMUC was conducted under a Notice of Intent, and a reclamation bond was posted. PMUC has done the earth work necessary to reclaim the drill sites and roads, and the BLM will release the reclamation bond pending successful revegetation of the disturbed area.

Permitting Requirements

Any exploration work which creates surface disturbance on the unpatented claims is subject to BLM rules and regulations. A "Notice of Intent to Operate" and the required reclamation bond must be filed with the BLM for surface disturbances under five acres. BLM approval of the Notice must be obtained and the reclamation bond paid before any surface disturbance takes place. Surface disturbances greater than five acres require a "Plan of Operation" to be filed with the BLM, and the plan involves an in-depth environmental review of the Property. The Issuer has not applied for any exploration permits.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access and Physiography

The Property is accessed by traveling 14.5 miles (23.2 km) south of Goldfield on US highway 95 and then turning west onto Nevada State Route 266 at Lida Junction and proceeding west for approximately 28.7 miles (45.9 km). Just past mile marker 12, a county-maintained gravel road turns north and leads five miles (8 km) to the Property. There is a locked gate at the southern edge of the patented claims. The Property lies on the moderately hilly south flank of the Palmetto Mountains at an elevation of 6,000 to 8,000 feet (1,829 – 2,439 m) with moderate to heavy juniper/pinon pine cover.

Local Resources and Infrastructure

There is no power or water on the Property, but water could likely be developed from wells located in the nearby valley. There is a three-phase electrical transmission line located approximately six miles (9.6 km) west of the Property. Personnel and supplies are available at Tonopah or Beatty, two mining centers equi-distant from the Excelsior Springs Property (74 miles, 119 km).

Manpower could be brought to the operation by car or bus from Tonopah, Beatty, or from several smaller communities closer to the operation. Given the lengthy history of continual mining in the state of Nevada, it is anticipated that sufficient experienced manpower would exist to locally support an operation at the Excelsior Springs Property.

Climate

The Property has a typical dry desert climate with hot summers and frequently snowy winters. It primarily faces southwest and is generally accessible year-round except during heavy snow periods. In dry winters, the Property can be accessed year-round. In wet, snowy winters, access from late December to late March may be limited or require plowing the snow from gravel access roads. The main gravel road through the Property is used to access radio and transmission towers on Magruder Peak and is maintained by the county nine months of the year.

Sufficiency of Surface Rights for Mining

Depending on the ultimate extent of mineralization identified on the Excelsior Springs Property, the current claim base is likely of sufficient size to contain all of the needed mining operations, tailings and waste storage and processing plants. Additional BLM land adjacent to the Property is available for staking and is characterized by broad, gently dipping pediment gravel benches ideal for mining support facilities.

History

Early History

The Buster Mine claim block was discovered in 1872 and has been through several periods of small-scale mining and exploration efforts. During the late 1800s and perhaps the early 1900s there was unconfirmed production from the Buster Mine of an estimated 18,000 tons at 1.2 oz Au/ton (37.3 g/T). Little else is known about work on the mine until Fernan Lemieux re-timbered the Buster shaft in 1964 at a reported cost of \$50,000 (Grant, 1986). A visual inspection of the shaft indicated the ladders were still in good condition. Since 1964, the Property has been explored by a number of companies as described below.

Salt Lake Investors

During the mid-1970s, Lemieux leased the Property to a group of investors based in Salt Lake City, Utah, who attempted to initiate a rudimentary heap leach operation (Strachan, 1986). Approximately 3,000 tons of material were reportedly acquired from the Buster dump (shown on cover photo) and several smaller dumps, and a large open-cut located 1,000 feet (305 m) west of the Buster shaft. The material was crudely stacked on leach pads, and there is no known production from this effort (Wolfe, 2005).

Great Pacific Resources

In 1986, Great Pacific Resources optioned the Property from Lemieux and completed a mapping, sampling and drilling program. The majority of the work was focused on the area from the Buster shaft eastward to the Upper shaft, as seen in Figure 3.

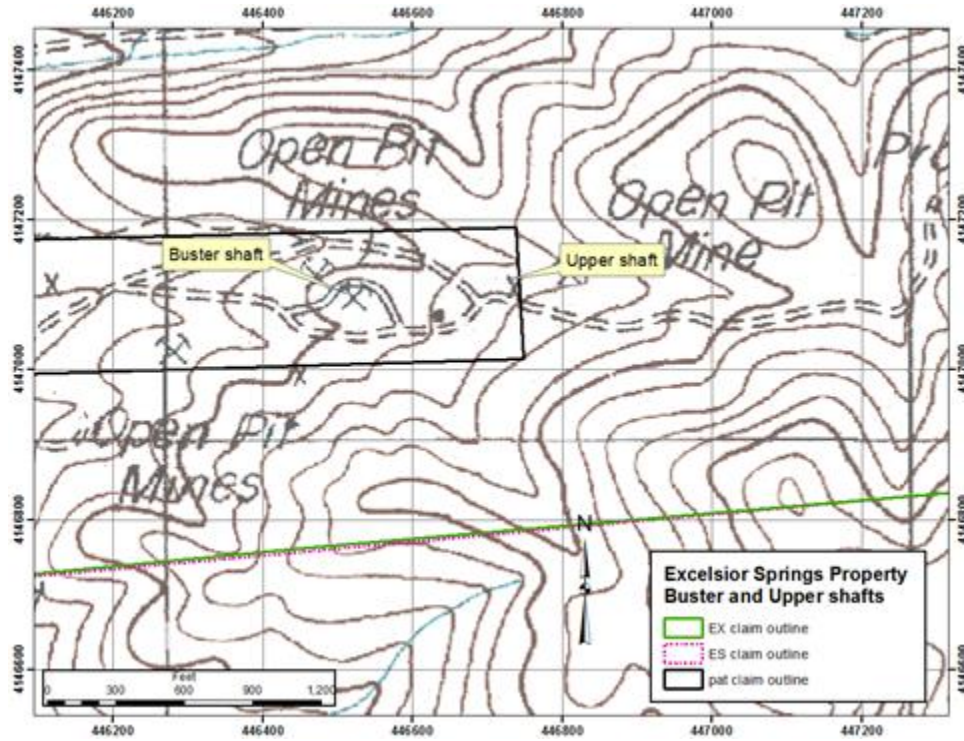


Figure 3. Buster and Upper shaft (the Issuer, 2020).

Grant (1986) completed a 1"=40' scale map of the underground workings and collected 125 surface and underground rock chip samples.

Grant reported that the Buster shaft is 235 feet- deep (71 m), with workings on the 75- foot (22.9 m), 125- foot (38 m), and 175- foot (53 m) levels, and has 1,540 feet (469 m) of accessible workings, mostly on the 75- and 125-foot levels. Underground sampling on the 75-foot level of the Buster mine had an average grade of 0.061 oz Au/ton (1.89 g/T) over widths of 40 to 60 feet (12 – 18 m). Gold mineralization in the Buster workings is contained in two east-west striking shear zones. One dips 60° – 70° south, and the other dips 35° – 60° north. Grant's maps of the Buster 75- foot level is shown in Figure 4. The maps show not only the main, south-dipping Buster zone but also a series of well mineralized, northeast-, northwest-, and north-trending structures. Figure 5 is also from Grant and shows a cross section view of the Buster shaft and the predominance of north-dipping structures. A decrease in gold grade with depth was noted, and some of the mineralized zones were terminated or offset by low angle faults.

The Upper shaft, located 750 feet (228 m) east of the Buster shaft, is 155 feet-deep (47 m) with at least 320 feet (97 m) of drift on the 130-foot (39 m) and 150-foot (45 m) levels. Nine samples from the 130-level taken along 65 feet (19.8 m) of strike length and averaging about 5 feet-wide (1.5 m), averaged 0.091 oz Au/ton (2.83 g/T).

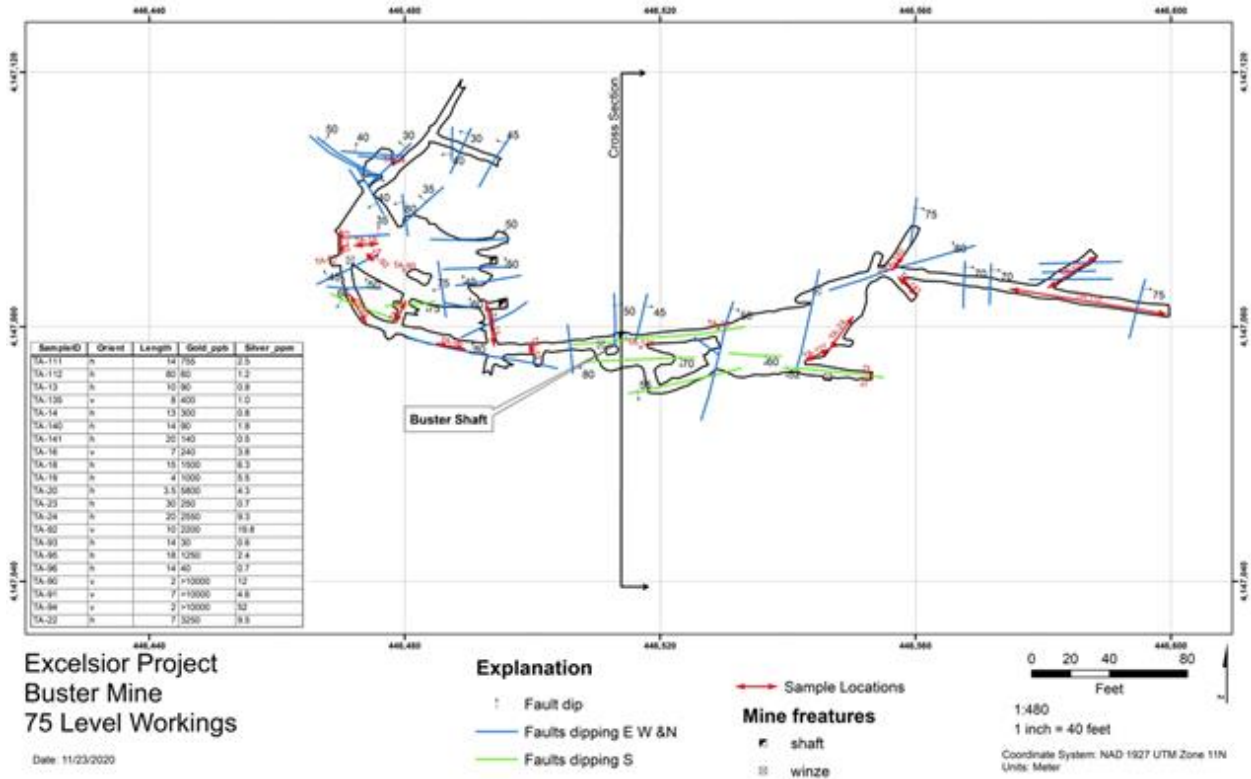


Figure 4. Buster Mine Workings (Grant, 1986).

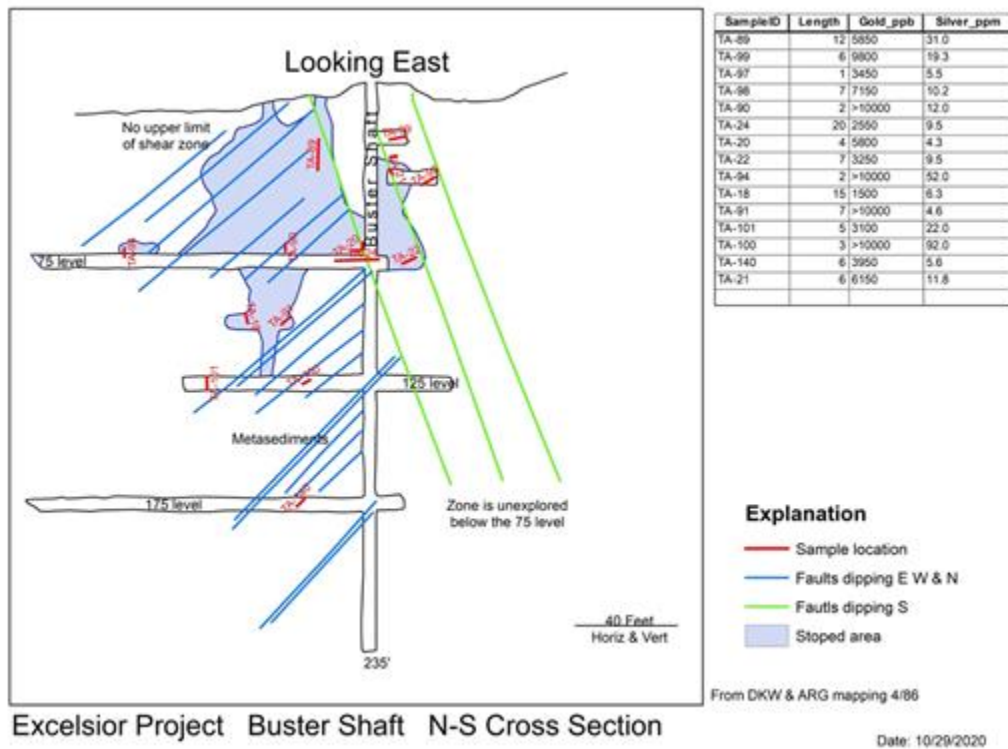


Figure 5. Buster Mine Cross Section (Grant, 1986).

Grant estimated the volume of material removed from the underground workings on the Buster shaft to be at least 36,000 tons, including the 18,000 that were processed. This estimated production figure is provided for historical reference only. Assay certificates are not available for Grant's samples, but as he was a well-known registered P.E. in

British Columbia at the time, there is no reason to doubt the validity of the data. Values are shown on Grant's map for the underground samples, but surface sample location data are not available. Grant does report that anomalous surface gold values can be traced for 1,800 feet (550 m) southwest of the Buster shaft, with values in the 200 - 700 ppb Au range and a high of 1.8 oz Au/ton (55.9 g/T) across a three-foot-wide quartz vein. Float samples of altered Harkless Formation were collected westward beyond the last surface trench and suggest the wide zone of alteration hosting the gold mineralization, herein named the Excelsior Springs Structural Zone (the "ESSZ"), may extend another 3,500 feet (1,067 m) to the west. Numerous subparallel shear zones north of the ESSZ were mapped and sampled and contained gold values from five to 5,400 ppb.

Great Pacific Resources drilled 11 RC holes totaling 2,220 feet (671 m), TA1 - TA11, and a summary of the drill hole data is included in Table 1. The location of the holes is shown in Figure 6. The sampling methods, quality control methods and assaying techniques utilized are unknown. Although the reported assay results are undocumented and unsubstantiated, the gold values are comparable to what has been reported in drill holes by later workers.

Table 1. Great Pacific Drill Hole Assays

| DH | UTME | UTMN | ELV_ft | Azm | Dip | TD | Fm_ft | To_ft | Thick_ft | Fm_m | To_m | Thick_m | Au_ppm |
|------|--------|---------|--------|-----|-----|-----|-------|-------|----------|------|------|---------|--------|
| TA1 | 446565 | 4147050 | 7635 | 340 | 55 | 212 | 75 | 100 | 25 | 22.9 | 30.5 | 7.6 | 1.508 |
| | | | | | | | 125 | 130 | 5 | 38.1 | 39.6 | 1.5 | 1.508 |
| | | | | | | | 165 | 175 | 10 | 50.3 | 53.4 | 3.0 | 1.337 |
| TA2 | 446544 | 4147108 | 7610 | 185 | 60 | 245 | 130 | 140 | 10 | 39.6 | 42.7 | 3.0 | 1.474 |
| | | | | | | | 165 | 180 | 15 | 50.3 | 54.9 | 4.6 | 1.680 |
| TA3 | 446695 | 4147101 | 7660 | 180 | 60 | 150 | 5 | 60 | 55 | 1.5 | 18.3 | 16.8 | 1.474 |
| TA4 | 446695 | 4147101 | 7660 | | 90 | 255 | 30 | 70 | 40 | 9.1 | 21.3 | 12.2 | 0.891 |
| TA5 | 446694 | 4147050 | 7675 | 340 | 55 | 255 | 105 | 120 | 15 | 32.0 | 36.6 | 4.6 | 1.885 |
| | | | | | | | 230 | 240 | 10 | 70.1 | 73.2 | 3.0 | 1.063 |
| TA6 | 446770 | 4147065 | 7700 | 0 | 55 | 250 | 180 | 185 | 5 | 54.9 | 56.4 | 1.5 | 0.583 |
| TA7 | 446496 | 4147116 | 7605 | 180 | 60 | 250 | | | NSV | | | | |
| TA8 | 446458 | 4147030 | 7600 | 0 | 55 | 235 | 125 | 130 | 5 | 38.1 | 39.6 | 1.5 | 1.028 |
| | | | | | | | 185 | 195 | 5 | 56.4 | 59.5 | 3.0 | 0.377 |
| TA9 | 446196 | 4147011 | 7525 | 0 | 55 | 120 | 100 | 110 | 10 | 30.5 | 33.5 | 3.0 | 0.857 |
| TA10 | 446110 | 4146955 | 7478 | 0 | 55 | 145 | | | NSV | | | | |
| TA11 | 446695 | 4147101 | 7660 | 0 | 60 | 103 | 0 | 50 | 50 | 0.0 | 15.2 | 15.2 | 1.680 |

Based on surface and underground sampling results, Grant suggested that gold mineralization might extend to a depth of 200 feet (61 m) and calculated a potential mineralized zone of approximately 2,000,000 tons at grades of 0.05 to 0.1 oz Au/ton (1.71 – 3.4 g/T) containing 100,000 to 200,000 oz Au. This estimated mineral inventory for the Property was calculated prior to NI 43-101 reporting standards and does not meet the criteria for NI 43-101 categories. Although the Authors believe the source of the historical information to be generally reliable, such information is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data and other inherent limitations and uncertainties. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves, and the Issuer is not treating the historical estimate as current mineral resources or mineral reserves.

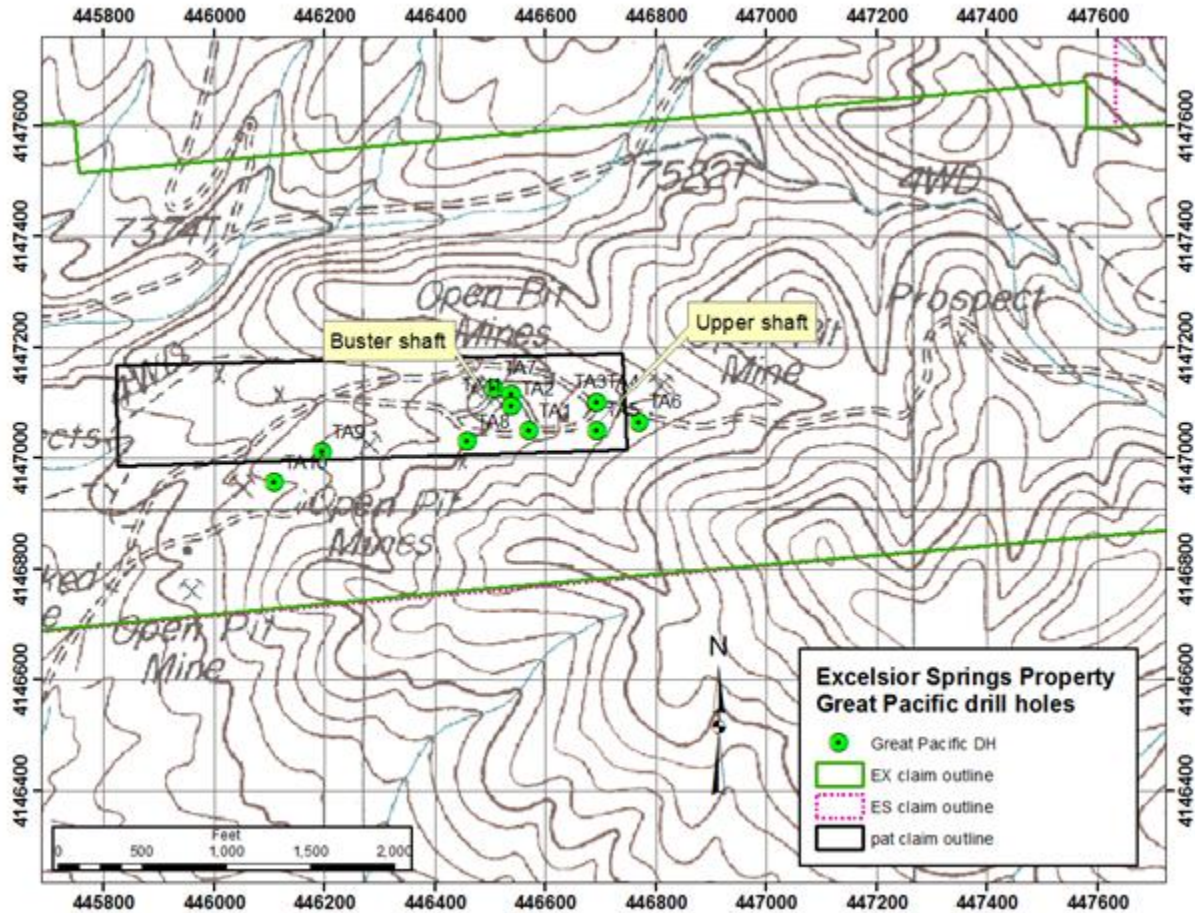


Figure 6. Great Pacific Drill Hole Locations (the Issuer, 2020).

Metallurgical work done for Great Pacific Resources was performed by Minerals Processing, Sparks, Nevada (Grant, 1986). A bottle roll agitation cyanide test was done on a composite of 11 sample rejects taken from the Buster and Upper shaft zones. The head assay for the composite was 0.142 oz Au/ton (4.85 g/T) and 0.36 oz Ag/ton (12.13 g/T). A portion of the sample was reduced to minus 80 mesh and leached for 72 hours. Recoveries were 92.1% of the gold and 77.1% of the silver. Reagent consumption was 4.0 lbs/ton of material for lime and 0.8 lb/ton of material for sodium cyanide. In general, the mineralized zone is highly sheared and oxidized, and it was concluded that the mineralization would be highly amenable to heap leaching. This information is provided in Grant's report (1986), but without documentation and thus is unconfirmed.

Hecla Mining

In 1986, Hecla Mining Co. retained Don Strachan ("Strachan"), a consulting geologist from Carson City, Nevada, to summarize all the exploration results for the Property. Strachan reviewed the previous drill results and concluded that two separate mineralized zones were indicated, one near the Buster shaft, and another in the vicinity of the Upper shaft. Strachan estimated a mineralized block containing 1,200,000 tons at .05 oz Au/ton (1.71 g/T), or roughly 60,000 ounces of gold (Strachan, 1986). Strachan also estimated that the Buster dump contained approximately 6,300 tons of material at an average grade of 0.068 oz Au/ton (2.32g/T). This estimated mineral inventory for the Property was calculated prior to NI 43-101 reporting standards and does not meet the criteria for NI 43-101 categories. Although the Authors believe the source of the historical information to be generally reliable, such information is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data and other inherent limitations and uncertainties. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves, and the Issuer is not treating the historical estimate as current mineral resources or mineral reserves.

Lucky Hardrock JV

In 1988, a twelve-hole (8801 – 8812) drilling program totaling 1,450 feet (442 m) was conducted by the Lucky Hardrock Joint Venture (Bramwell private file data, 2010). The 1988 sampling methods, quality control methods and assaying techniques are unknown, and reported assay results are undocumented and unsubstantiated. However, where these drill holes were later twinned or closely offset by drill holes completed by Walker Lane Gold LLC in 2006-2007, significant, but lower grade mineralization was found, as shown in Table 2. No other information is available on the Lucky Hardrock exploration work.

Table 2. Drill Hole Assay Comparisons (the Issuer, 2020).

| Hole | Xsect | UTME | UTMN | ELVft | Azm | Dip | TD | Fmft | Toft | Thickft | Fmm | Tom | Thickm | PPM Au |
|------|-------|--------|---------|-------|-----|-----|------|------|------|---------|-------|-------|--------|--------|
| 8808 | 5400 | 446648 | 4147059 | 7645 | | 90 | 215 | 0 | 125 | 125 | 0.0 | 38.1 | 38.1 | 1.028 |
| EX14 | 5400 | 446650 | 4147067 | 7645 | 0 | 60 | 400' | 10 | 25 | 15 | 3.0 | 7.6 | 4.6 | 1.708 |
| | | | | | | | | 35 | 40 | 5 | 10.7 | 12.2 | 1.5 | 0.268 |
| | | | | | | | | 55 | 60 | 5 | 16.8 | 18.3 | 1.5 | 0.259 |
| | | | | | | | | 70 | 75 | 5 | 21.3 | 22.9 | 1.5 | 0.119 |
| | | | | | | | | 85 | 155 | 70 | 25.9 | 47.3 | 21.3 | 0.454 |
| | | | | | | | | 260 | 270 | 10 | 79.3 | 82.3 | 3.0 | 0.238 |
| | | | | | | | | 310 | 325 | 15 | 94.5 | 99.1 | 4.6 | 0.277 |
| | | | | | | | | 355 | 390 | 35 | 108.2 | 118.9 | 10.7 | 0.531 |
| | | | | | | | | 440 | 445 | 5 | 134.1 | 135.7 | 1.5 | 0.709 |
| EX15 | 5400 | 446648 | 4147064 | 7645 | 0 | 90 | 300 | 0 | 15 | 15 | 0.0 | 4.6 | 4.6 | 0.162 |
| | | | | | | | | 15 | 35 | 20 | 4.6 | 10.7 | 6.1 | 0.747 |
| | | | | | | | | 35 | 65 | 30 | 10.7 | 19.8 | 9.1 | 0.110 |
| | | | | | | | | 65 | 100 | 35 | 19.8 | 30.5 | 10.7 | 1.912 |
| | | | | | | | | 100 | 175 | 75 | 30.5 | 53.4 | 22.9 | 0.304 |
| | | | | | | | | 185 | 200 | 15 | 56.4 | 61.0 | 4.6 | 1.701 |
| | | | | | | | | 200 | 230 | 30 | 61.0 | 70.1 | 9.1 | 0.424 |

The drill results help further define a zone of anomalous gold mineralization in the vicinity of the Buster and Upper shaft workings. Drill hole locations are shown in Figure 7, and a summary of drill hole data (Wolf, 2005) is shown in Table 3.

Subsequent to the 1988 Lucky Hardrock JV program, a reserve calculation by K. Reimer (1988), consulting geologist from Harrisburg, Ill., estimated a gold zone in the Buster-Upper shaft area with approximately 470,000 tons at .06 oz Au/ton (2.05 g/T), containing 28,275 ounces gold, with a stripping ratio of 2.5:1. The zone is open to the east and northeast. The one-page report is addressed to two men in Illinois and Kentucky, who may have been the joint venture partners. This estimated mineral inventory for the Property was calculated prior to NI 43-101 reporting standards and does not meet the criteria for NI 43-101 categories. Although the Authors believe the source of the historical information to be generally reliable, such information is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data and other inherent limitations and uncertainties. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves, and the Issuer is not treating the historical estimate as current mineral resources or mineral reserves.

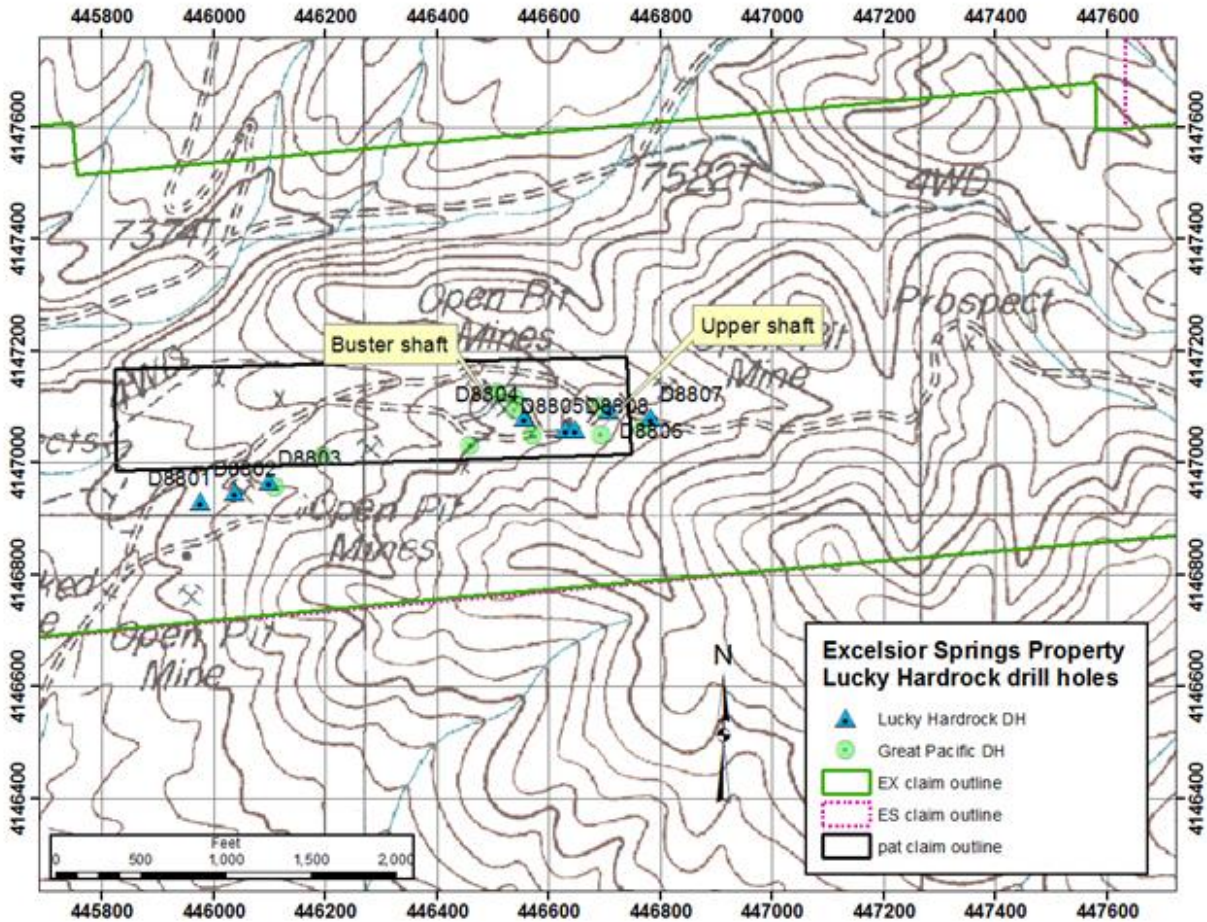


Figure 7. Lucky Hardrock Drill Hole Locations (the Issuer, 2020).

Table 3. Lucky Hardrock Drill Hole Assays (the Issuer, 2020).

| DH | UTME | UTMN | ELV_ft | Azm | Dip | TD | Fm_ft | To_ft | Thick_ft | Fm_m | To_m | Thick_m | Au_ppm |
|------|--------|---------|--------|-----|-----|-----|-------|-------|----------|------|------|---------|--------|
| 8801 | 445976 | 4146930 | 7415 | | 90 | 100 | NA | | | | | | |
| 8802 | 446038 | 4146948 | 7440 | | 90 | 100 | 40 | 50 | 10 | 12.2 | 15.2 | 3.0 | 8.124 |
| 8803 | 446098 | 4146967 | 7484 | | 90 | 100 | 75 | 80 | 5 | 22.9 | 24.4 | 1.5 | 1.166 |
| 8804 | 446556 | 4147080 | 7620 | | 90 | 100 | NA | | | | | | |
| 8805 | 446644 | 4147120 | 7625 | | 90 | 100 | 5 | 20 | 15 | 1.5 | 6.1 | 4.6 | 2.571 |
| | | | | | | | 65 | 70 | 5 | 19.8 | 21.3 | 1.5 | 0.411 |
| 8806 | 446710 | 4147094 | 7665 | | 90 | 120 | 0 | 90 | 90 | 0.0 | 27.4 | 27.4 | 2.742 |
| 8807 | 446783 | 4147080 | 7700 | | 90 | 100 | 60 | 85 | 25 | 18.3 | 25.9 | 7.6 | 0.926 |
| 8808 | 446648 | 4147059 | 7645 | | 90 | 215 | 0 | 125 | 125 | 0.0 | 38.1 | 38.1 | 1.028 |
| | | | | | | | 35 | 70 | 35 | 10.7 | 21.3 | 10.7 | 3.188 |
| | | | | | | | 210 | 215 | 5 | 64.0 | 65.5 | 1.5 | 0.926 |
| 8809 | | | | | 90 | 100 | 0 | 5 | 5 | 0.0 | 1.5 | 1.5 | 0.343 |
| 8810 | | | | | 90 | 165 | 105 | 110 | 5 | 32.0 | 33.5 | 1.5 | 0.514 |
| | | | | | | | 160 | 165 | 5 | 48.8 | 50.3 | 1.5 | 0.926 |
| 8811 | 446340 | 4147050 | 7520 | | 90 | 100 | 40 | 45 | 5 | 12.2 | 13.7 | 1.5 | 0.686 |
| 8812 | 446086 | 4147042 | 7480 | | 90 | 150 | 130 | 135 | 5 | 39.6 | 41.2 | 1.5 | 0.411 |

Bramwell

In 2001, Christian Bramwell of Tonopah, Nevada acquired the two patented claims and leased them to Ben Viljoen, mine superintendent at the Mineral Ridge Gold Mine at Silver Peak, Nevada. Viljoen attempted to interest Golden Phoenix Minerals, Inc., the mining company operating the Mineral Ridge Gold Mine, to option the Property. The

Property was too "early-stage" for Golden Phoenix, and Viljoen failed to maintain his claims (Bramwell, personal communication, 2010).

Timberwolf Minerals Ltd. and Walker Lane Gold LLC

In early 2005, Dave Wolfe, president of Timberwolf Minerals Ltd. of Canon City, Colorado ("Timberwolf Minerals"), staked 14 claims peripheral to the two patented claims and brought the land package to the attention of Walker Lane Gold LLC ("Walker Lane Gold"). Walker Lane Gold, the US subsidiary of Maximus Ventures Ltd. of Ontario, Canada, leased the unpatented claims from Timberwolf Minerals, in January, 2005 and finalized a lease with owner Christian Bramwell for the two patented claims effective June 1, 2005 (Wolf, 2005). An additional 28 claims were staked at that time. Another 58 claims were staked in the summer of 2007.

Under Wolfe's direction, Walker Lane Gold completed a program of geologic mapping and sampling on the Property, and two phases of RC drilling. The location of the 22 drill holes is shown on Figure 8 and drilling totaled 9,410 ft (2,868 m).

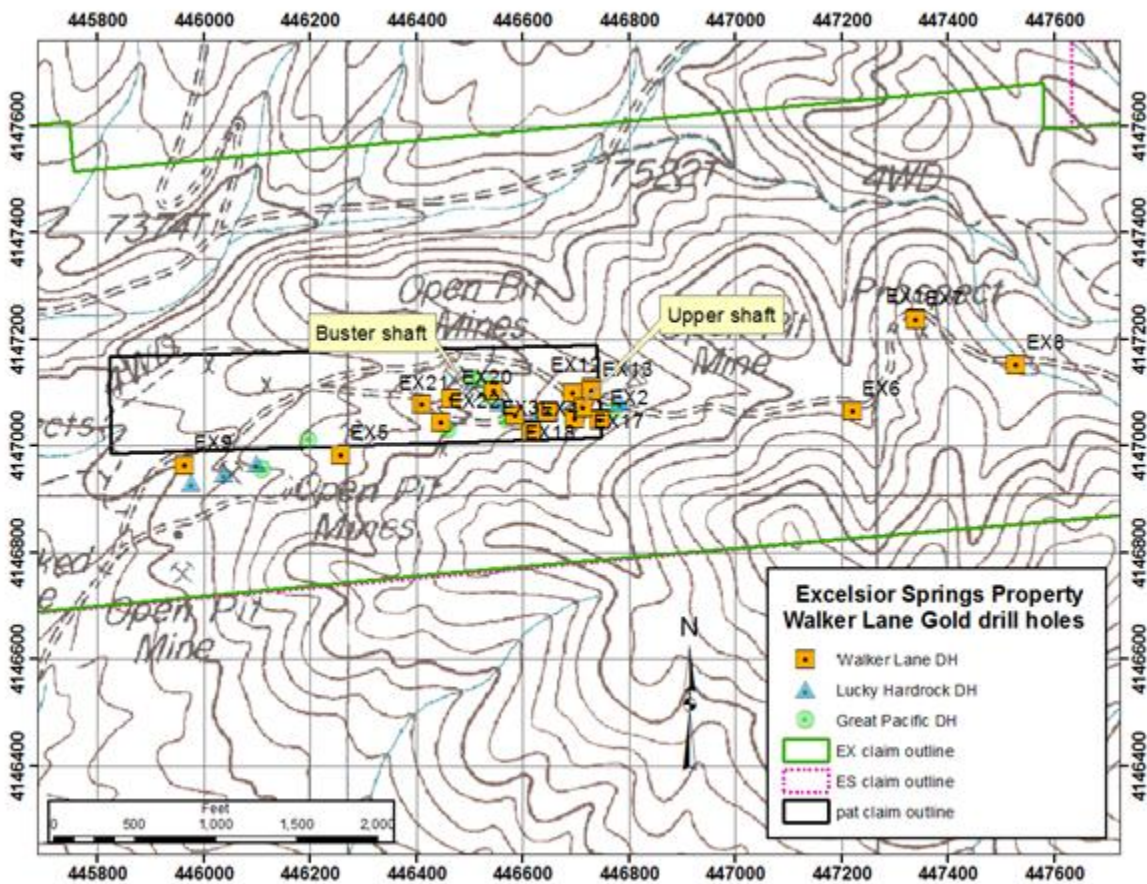


Figure 8. Walker Lane Gold Drill Hole Locations

The first phase of RC drilling was completed in December, 2006, and January, 2007. An intercept in hole EX2 of 110 feet (33 m) of 0.07 oz Au/ton (2.39 g/T) near the Upper shaft in the Buster zone portion of the ESSZ prompted a second phase of drilling in March, 2007. The area from the Buster shaft to the Upper shaft is approximately 1,000 feet long (304 m) and 150-200 feet-wide (45 – 61 m), and 12 of 16 drill holes drilled in this area contained gold mineralization in the range of 0.01 to 0.08 oz Au/ton (0.34 – 2.73 g/T). All holes drilled by Walker Lane Gold LLC were angle holes and, with the exception of two holes, were drilled northward across the suspected south-dipping contacts and structures found in the Buster mine.

All of the drill hole assays were done by ALS Chemex of Sparks, Nevada using a standard fire assay with an atomic absorption finish. At the end of 2007, Walker Lane Gold assigned their interest in the Property, including the

unpatented claims and the lease on the patented claims, back to Timberwolf Minerals.

Evolving Gold Corporation

In the spring of 2008, Evolving Gold Corporation ("EGC") leased the Property from Timberwolf Minerals. EGC completed eight RC drill holes totaling 4,320 feet (1,317 m). All holes hit at least thin zones of 0.01 oz Au/ton (0.31 g /T), and the best hole, EX30, intersected 160 feet (48.7 m) containing 0.04 oz Au/ton (1.36 g/T). The locations of the drill holes are shown in Figure 9.

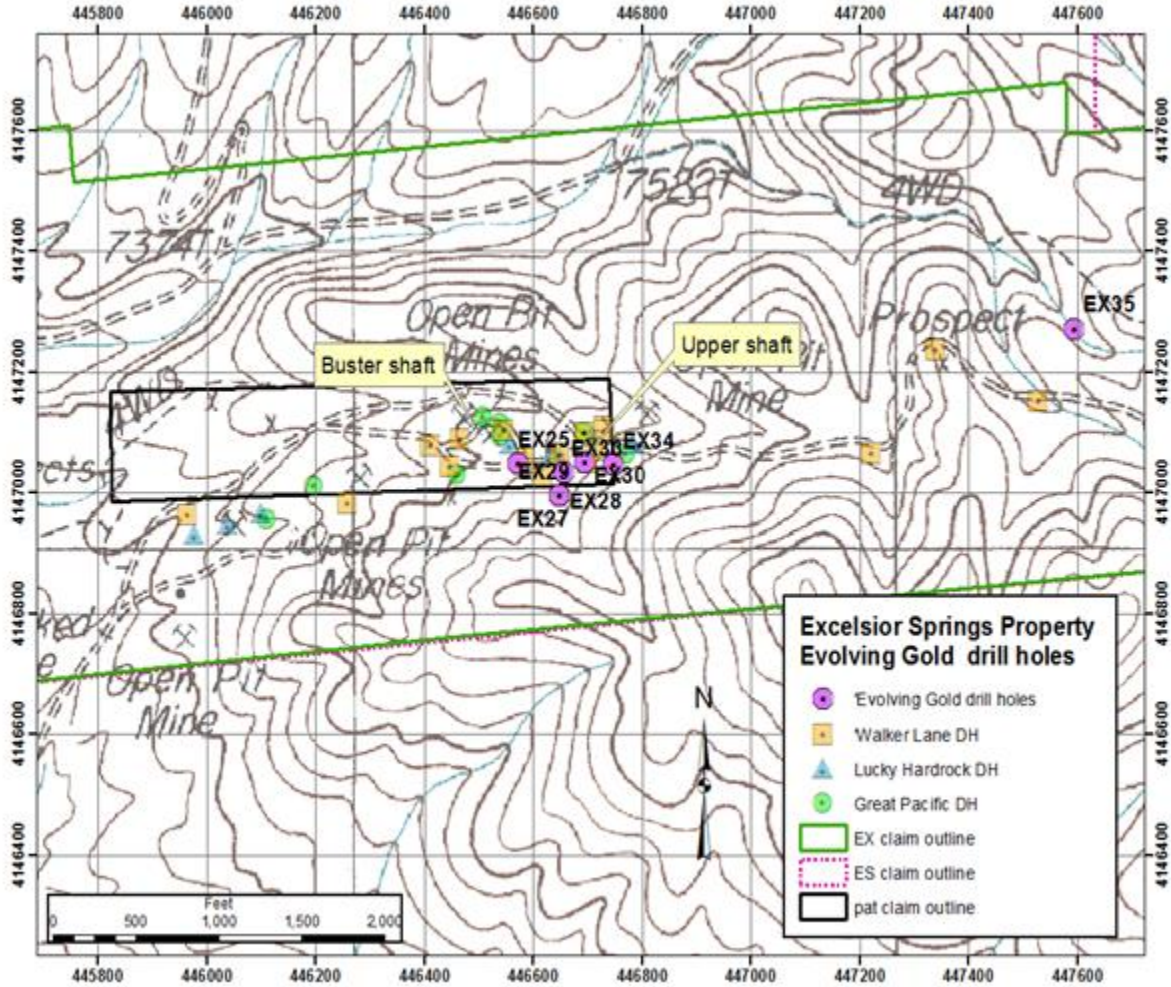


Figure 9. EGC Drill Hole Locations (the Issuer, 2020)

ICS Copper Systems Ltd. (now, NBR)

In August, 2010, Timberwolf Minerals leased the Property to ICS Copper Systems Ltd. (ICS) of Abbotsford, British Columbia. ICS engaged Ken Brook, a qualified person and president of Desert Ventures Inc. of Reno, Nevada, to conduct a review of the project data and prepare the 2010 initial NI 43-101 technical report on the Property (Brook, 2010). During a site visit on September 15 and 16, 2010, Ken Brook collected 23 rock-chip samples from outcrops on the Property and submitted them to American Assay Labs in Sparks, Nevada. All samples were fire assayed for gold, and pathfinder elements were determined by Induction Coupled Plasma (ICP) analysis. In October and November of 2010 an additional 143 outcrop samples were collected by Ken Brook and analyzed by American Assay Labs. All the samples remained in the possession of Ken Brook from the time of collection until reaching the lab. Sample locations with gold values are shown on Figure 10. In February of 2011, ICS changed its name to Nubian Resources Ltd. (NBR) and transferred the lease to the Property in its wholly owned subsidiary Nubian Resources

(USA) Ltd. In September 2011 NBR acquired the unpatented mining claims from Timberwolf minerals. NBR has its shares listed for trading on the TSX Venture Exchange.

Paradigm Minerals USA Corporation

In March of 2011, Paradigm Minerals USA Corporation (PMUC), a wholly owned subsidiary of Global Geoscience Limited (now Ioneer Ltd), a public company listed on the Australian Securities Exchange, leased the Property. The agreement allowed PMUC to earn a 70% interest in the Property after making annual cash lease payments and spending \$3 million on exploration. In February of 2012, PMUC entered into a joint venture agreement with Osisko Mining Corporation to explore the Excelsior Springs Property and other properties. Osisko agreed to refund some previous expenditures, subscribe to AUD\$852,000 worth of Ioneer Ltd shares, and fund all future exploration work on the Excelsior Springs Property and other PUMC properties. Osisko terminated the funding agreement in 2015, and PMUC returned the Property to NBR in January of 2016. During their tenure of the project, PMUC carried out an aggressive exploration program comprising the following:

- Geologic mapping;
- Surface outcrop, soil and stream sediment sampling;
- Geophysical surveys; and
- RC drilling.

Geologic Mapping

PMUC conducted mapping on the project and collected samples for assay from altered outcrops. A project-scale geologic map was developed at a 1:2,400 scale, and the central part of the Property around the Buster shaft was mapped at a scale of 1:1,200. Neither of these maps were digitized and are not presented in the Technical Report. The field sheets remain in the Desert Ventures office in Reno. Observations on structures, alteration and mineralization described below are based on the mapping program (Brook, 2011).

The ESSZ contains significant gold mineralization, and the zone hosts a variety of well developed, hydrothermal alteration features, including silicified breccia zones, jasperoids and zones of intense acid leaching and clay-sericite alteration. Mapped faults in the ESSZ are frequently acid-leach zones or silicified breccia zones.

The areal extent and intensity of the alteration types present on the Property clearly indicate large volumes of hydrothermal fluids passed through the structures and into the surrounding rocks. The alteration and mineralization are believed to be related to a magmatic source, but a definitive relationship of mineralization with small outcrops of granodiorite and other intrusive rocks found on the Property has not been completely established. Five main types of alteration have been observed on the Property:

- Acid leaching of calcareous sediments;
- Silicification of decalcified sediments – jasperoids;
- Sodic – calcic metasomatism (albitization) of altered rocks;
- Sericitization; and
- Metamorphic effects: skarns, marble and hornfels.

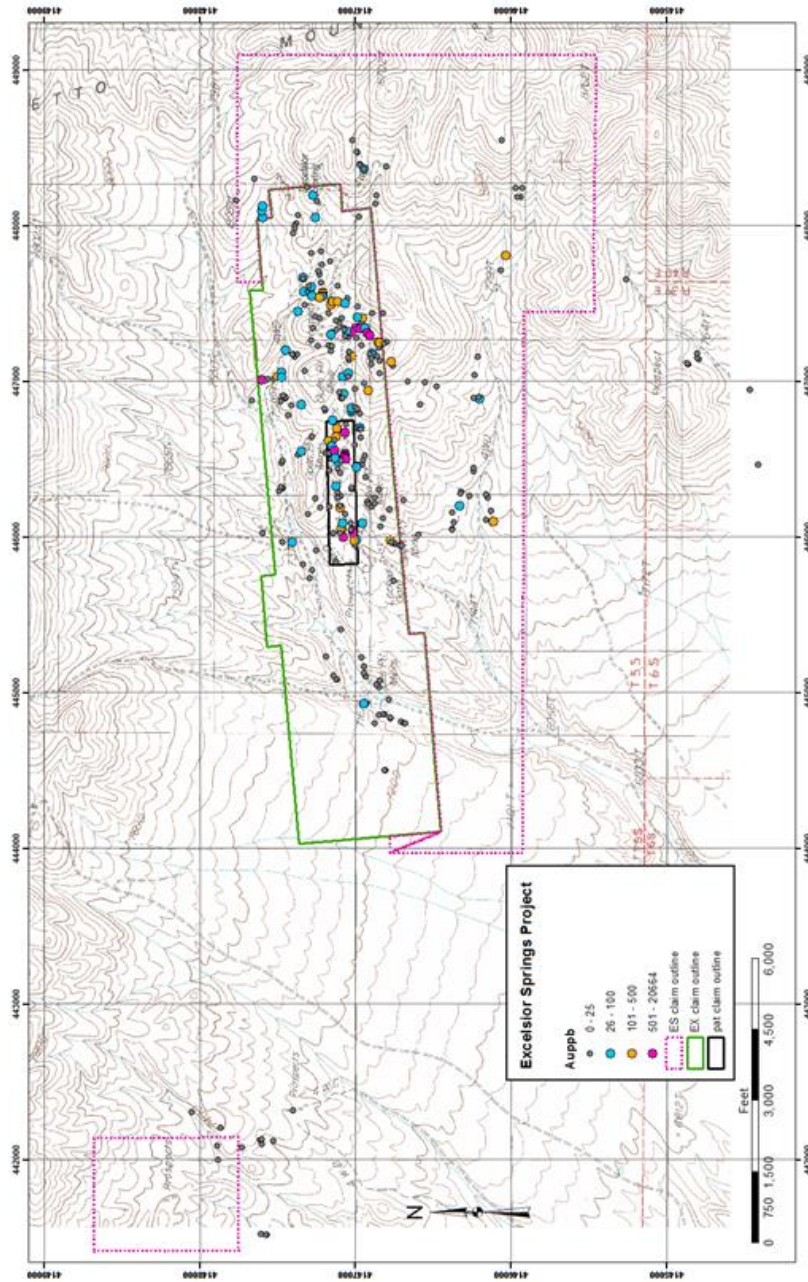


Figure 10. ICS Surface Gold Samples (the Issuer, 2020).

In addition to the ESSZ, another prominent structural feature in the project area is the remarkably arcuate, concave-south, Southern Structural zone that is roughly four miles in diameter as shown in Figure 11. This zone might be the reflection of doming caused by a major intrusion located within the arcuate zone. The Buster mine and other areas of known gold mineralization are located along the east-west-trending portion of the semi-arcuate ESSZ. The Northern Structural Zone is also concave south and semi-arcuate. All of these zones are manifested by the obvious alignment of drainages, and recent mapping shows the zones host multiple faults and fractures.

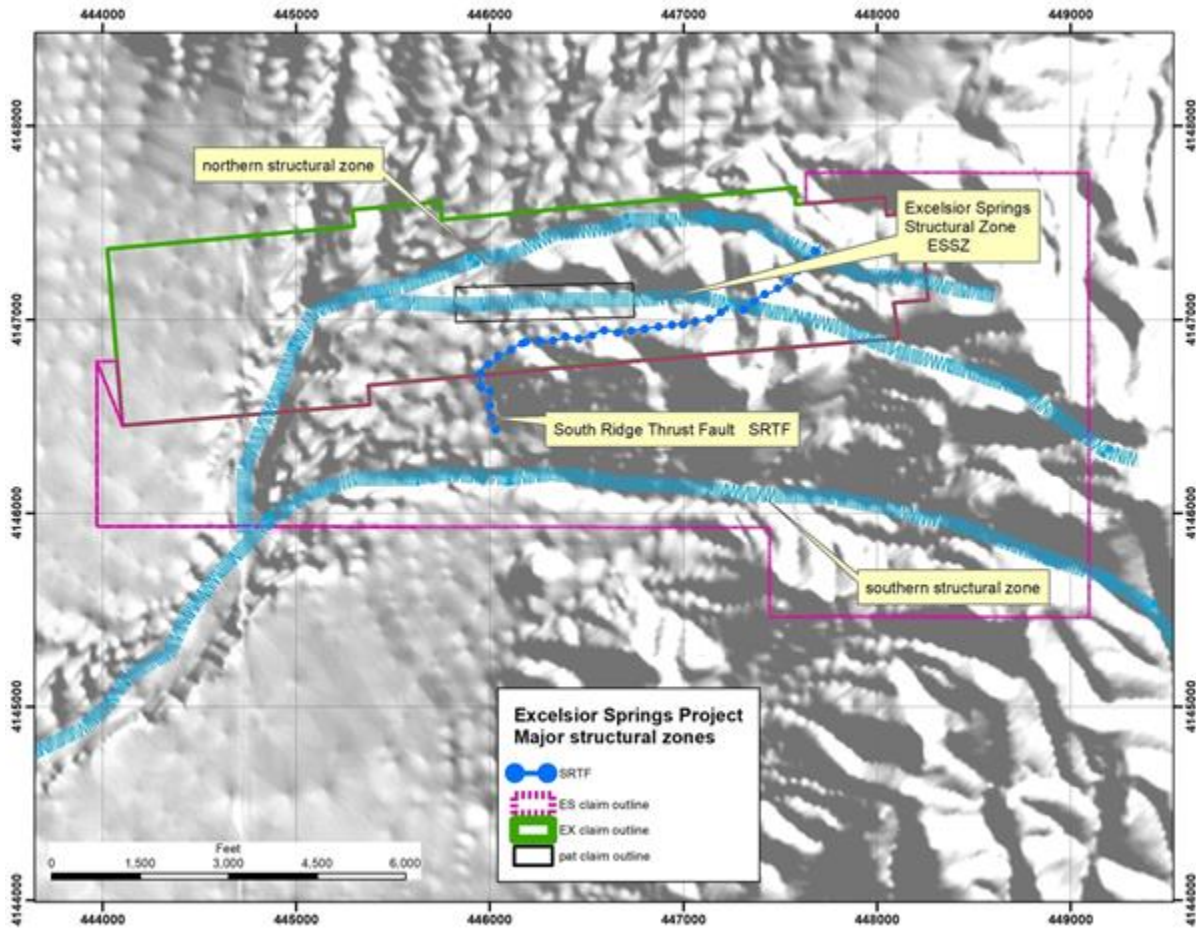


Figure 11. District-Scale Structural Zones (the Issuer, 2020).

Another structure identified during the mapping program is a thrust fault that caps the hill just to the south of the ESSZ. This fault is herein named the South Ridge thrust fault ("SRTF"), and the structure brings fresh grey limestone of the Emigrant Formation over strongly altered and mineralized sediments of the Harkless Formation. The SRTF has an east-northeast trend and dips 5° to 40° to the south. There are numerous structurally controlled zones of acid leaching and silicification in the upper plate rocks, with localized concentrations of gold values. In the small open pit south of the Buster mine, exposures of the SRTF show that the grey limestone of the upper plate has served as an aquatard to hydrothermal fluids which have altered and mineralized the underlying rocks. Figure 12 shows an easterly-trending, south-dipping structure cutting through the upper plate limestone that has clearly served as a path for hydrothermal fluids.



Figure 12. Altered Rocks Under The SRTF (the Issuer, 2020).

Surface Outcrop, Soil and Stream Sediment Sampling

The following description of sampling on the Property is taken from a Global Geoscience Progress Report (now Ioneer Ltd) (Rowe, 2013). Approximately 400 stream sediment, 1,800 soil and 350 rock chip samples have been collected on the project and in the area surrounding it. All samples were analyzed for gold by fire assay and a suite of other elements by ICP. Rock chip sample collection focused on the area around the Buster shaft in an attempt to define mineralized structures and stratigraphic units.

Stream sediment samples have defined the Central, Western and Eastern areas of mildly anomalous Au, Ag, As, Mo +/- Bi and Te. The Central Area comprises the area 1km east and 1km west of the Buster and Upper shafts. The Western Area is a 1 km long area about 4 km west of the Central Area. The Eastern Area is three small zones on the flanks of Palmetto Mountain. These areas have been examined, but no additional work has been done.

Fine-fraction soil sampling has been conducted over the Central Area on a 25m X 200m grid. Elsewhere, soils samples were collected every 50m along ridges with 300 – 500 m between lines. Soil sampling is not particularly effective in some areas as demonstrated by the weak to nil gold values above drill holes with broad intersections of plus 100 ppb Au.

Geophysical Surveys

In 2011, PMUC contracted Zonge International of Reno, Nevada to conduct a gradient array Induced Polarization/resistivity survey over a 3 km x 1 km area in the Central Area (Zonge, 2011). A 30 m receiver dipole provided limited depth penetration, and IP chargeability response may have been reduced by the deep oxidation level found on the Property. Resistivity highs are typically indicative of silicification, and five resistivity high zones were defined.

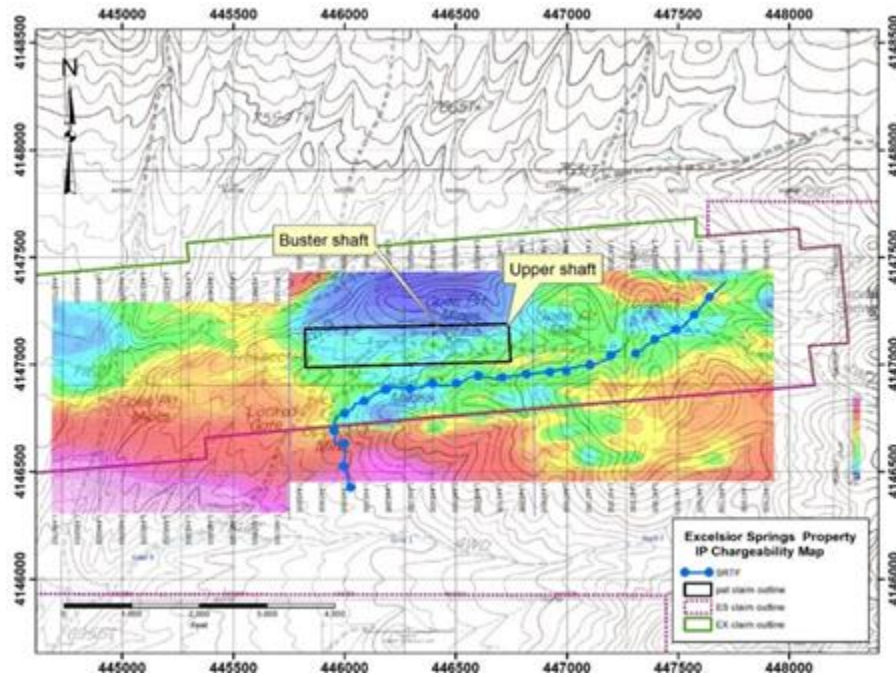


Figure 13. Gradient IP Survey Results (Zonge, 2011).

One of the high resistivity zones corresponds to the silicification related to gold mineralization at the Buster mine. A large zone of high resistivity is below the SRTF, and drilling at the eastern end of the zone intersected broad zones of silicification and mineralization. See the heading "RC Drilling" below. The remainder of this large resistivity high has not been drill-tested.

The southwestern portion of the survey shows a well-defined zone of chargeability that continues to the east and appears under the SRTF. There are no drill holes within this high chargeability zone.

In May of 2013 PMUC contracted Wright Geophysics of Spring Creek, Nevada to conduct a ground magnetic survey over the central portion of the Property. A total of about 92 line kilometers of magnetic data were acquired on 100 m and 300 m spaced north-south lines. Measurements of the total magnetic intensity were taken in the continuous mode at two-second intervals (Wright, 2013a). Figure 14 shows the relatively flat and mild magnetic response of the central area. The areas shown in the rose color are 130 nanoTeslas (nT) below the magnetic survey's base station value of 49,255 nT. The violet areas are 100 nT below the base station value. Wright has interpreted the magnetic highs represent intrusive rocks beneath the surface.

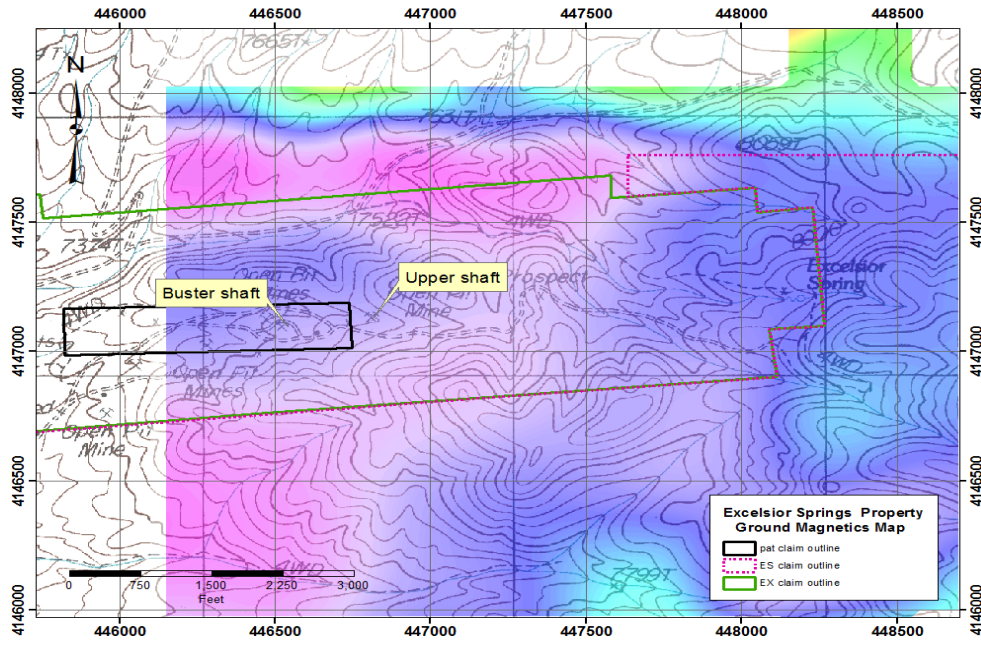


Figure 14. Ground Magnetic Map (Wright, 2013a).

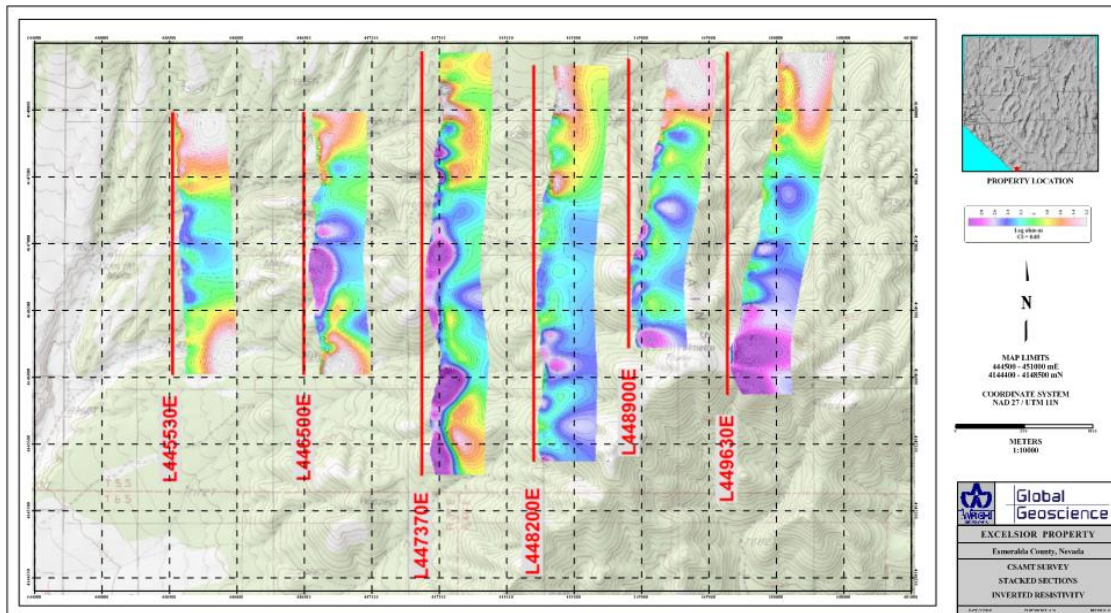


Figure 15. CSAMT Survey (Wright, 2013b).

PMUC also contracted Wright Geophysics to conduct a controlled source audio magneto-telluric ("CSAMT") survey on the Property. Figure 15 shows the location of the survey lines and the results that were obtained. Survey results which are plotted on vertical planes have been rotated 90° for viewing (Wright, 2013b). Wright has interpreted the CSAMT resistivity highs are due to alteration, silicification, or to lithologic composition, limestones. The CSAMT data also supports the presence of intrusive rocks beneath the surface.

RC drilling

PMUC completed 31 RC drill holes on the Property as shown in Figure 16. Most of the holes were angled and drilled at an azimuth of 0° to cross the ESSZ. A total of 18,473 ft (5,632 m) was drilled.

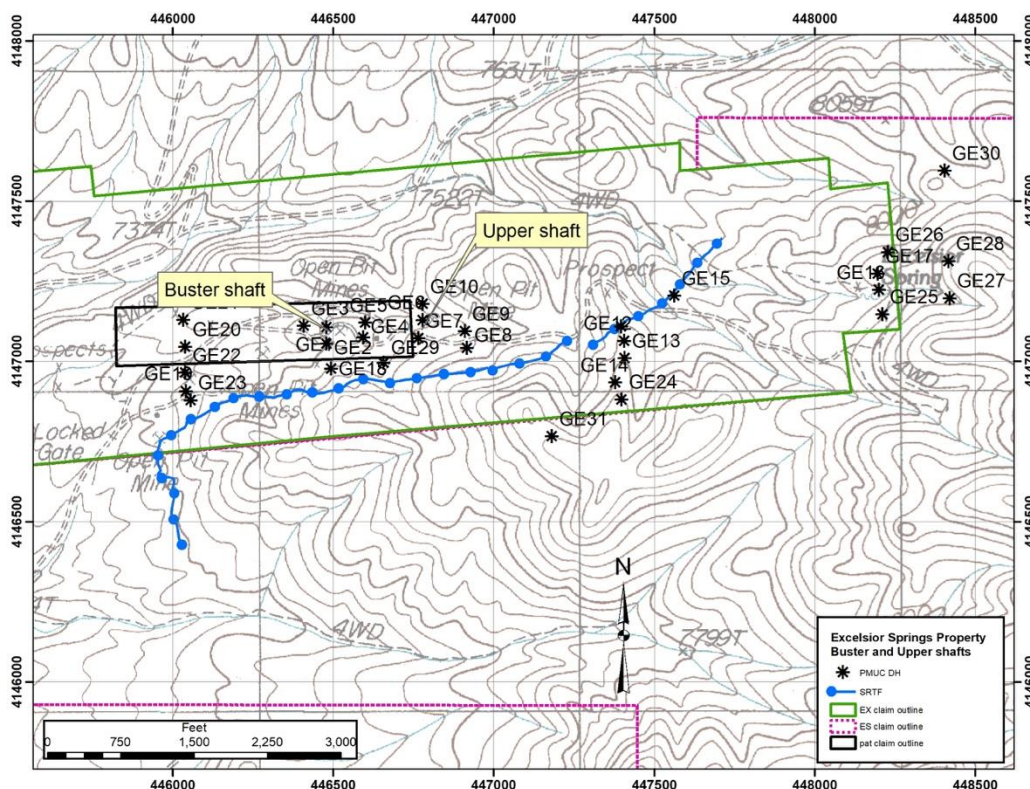


Figure 16. PMUC Drill Hole Locations (the Issuer, 2020).

Geological Setting and Mineralization

Regional Geology

Most of the region around the Property lies within the Walker Lane, a major, northwest-trending zone of structural disruption at least 300 miles (480 km) long and 50-100 miles (80 – 160 km) wide, as seen in Figure 1. This structural belt forms a transition between the northwest-trending Sierra Nevada range to the west, and the north- to northeast-trending ranges of the Great Basin Province of Nevada to the east (Stewart, 1980).

The trend of the mountain ranges and the lithologic units in south central Esmeralda County defines an arcuate band which is convex to the south. This arcuate band is referred to by Albers & Stewart (1972) as the Silver Peak-Palmetto-Montezuma oroflex. The Excelsior Springs Property lies within the southern portion of the oroflex, on the south flank of the Palmetto Mountains and on the north flank of the east-west trending Lida Valley. The Palmetto Mountains - Magruder Mountain area is a region marked by predominantly east-west high-angle faults and a complex sequence of thrust faults. The region is underlain by an arcuate band of lower Paleozoic and Precambrian metasedimentary rocks, intruded by numerous dikes, small pods of Tertiary-age rhyolite, hornblende diorite, and large bodies of older quartz monzonite from the Palmetto pluton. Both Jurassic and Cretaceous dates have been determined for the Palmetto pluton, and south of the folded metasedimentary rock belt is a second arcuate plutonic sequence, the Sylvania pluton, which has a middle Jurassic radiometric age (Albers and Stewart, 1972). More recent work in the area by E. H. McKee (1985) provides a geologic map of the Magruder Mountain Quadrangle at a scale of one-inch equals one-mile (1:62,500). McKee also provided Miocene age dates (7.3 to 12.3 MA) for intrusive diorite dikes and stocks, granitic rocks, quartz porphyry and alaskite dikes in the project area.

Albers & Stewart (1972) propose that the Palmetto pluton could be present at shallow depths below the belt of sedimentary rocks in the Excelsior Springs Property area. The sedimentary rock sequence in the project area contains at least four major and many minor thrust sheets. The age of the oroflex and thrust faulting are not well documented but are considered to post-date the plutonic event and pre-date the mid-Tertiary intrusives and volcanic units not affected by the structural events. The Property is within an area of dominant east-west to east-northeast trending, high-angle structures probably generated as a result of movement along the northwest-trending, Walker Lane strike-

slip faults. The east-west-trending Lida Valley structural break occurs between the Palmetto Mountains to the north and the Magruder Mountain to the south.

Local and Property Geology

The Excelsior Springs Property area contains basal Precambrian-Cambrian sedimentary rocks complexly interlayered by thrust faults with the Ordovician Palmetto Formation, as seen in Figure 17 (McKee, 1985). Lithologic units shown on the map are listed below.

Qa - Alluvium, (Quaternary) - sand and gravel.

Tq - Quartz porphyry and alaskite dikes, (Miocene) - Light-colored, quartz-rich fine- grained intrusive rocks.

Opa - Palmetto Formation, (Ordovician) - Heterogeneous mixture of dark, thin-bedded chert, shale, limestone and quartzites, usually in thrust fault contact with older rocks.

Ce - Emigrant Formation, (Cambrian) - Gray- green limy siltstone with sandstone interbeds. Grades upward into platy, gray, aphanitic limestone with chert nodules, chert beds and intraformational limestone conglomerates.

Ch - Harkless Formation, (Cambrian) - Interbedded fine-grained sandstone, siliceous siltstone and thin limestone.

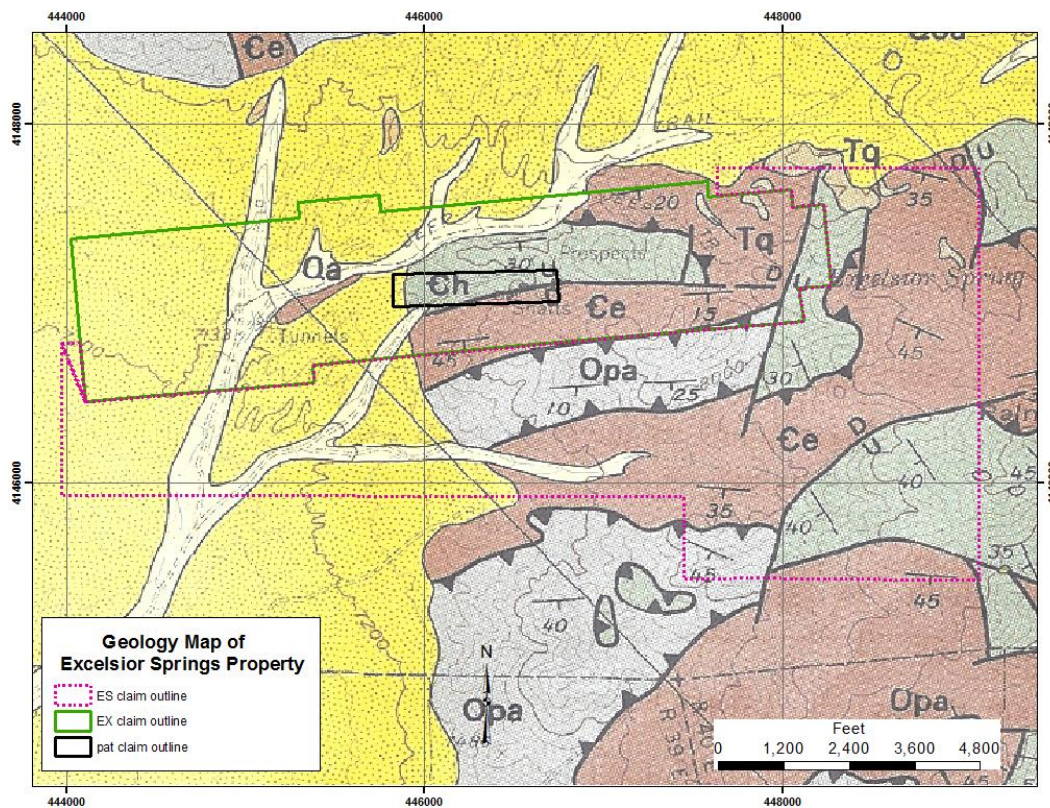


Figure 17. Project Geology (McKee, 1985).

Miocene rhyolite and hornblende diorite dikes (Tq) occur throughout the Property and are particularly abundant in the area east of the Excelsior Springs Property, as seen in Figure 17. Most of the dikes are aligned parallel to the east-west to east-northeast trends of the mineralization in the ESSZ. The quartz-rich rhyolite dikes appear to be more closely associated with alteration and gold mineralization than do the hornblende diorite dikes.

The 3,500 foot-thick (1,067 m), Cambrian-age (Ch) Harkless Formation seems to be the predominant host for the alteration and mineralization and is divided into a lower, greenish-gray quartz-rich siltstone member and an upper

olive-gray siltstone member. Limestone layers, up to 100 feet-thick (30 m), occur in the lower member. The Cambrian-age (Ce) Emigrant Formation overlying the Harkless Formation consists of a lower, multi-colored limestone-siltstone member, a middle, greenish-gray shale member and an upper, gray, cherty limestone member. The Emigrant Formation is about 1,300 feet-thick (396 m).

Mineralized Zones

The east-west trending ESSZ shows strong hydrothermal alteration over an area 1,000-1,800 feet-wide (305 – 549 m) and 10,000 feet-long (3,050 m) and appears to extend under Quaternary gravels to the west of the Buster and pit areas. In addition to the area around the Buster shaft, there are many other scattered zones of anomalous gold and base metal mineralization within the ESSZ. There are large, well developed, east-west-trending drainages to the north and south of the ESSZ, as shown in Figure 11. These drainages also contain outcrops of strongly altered rocks that have not been closely examined. Mineralization on the claims is hosted mostly in the Harkless Formation and the Emigrant Formation.

Mineralization on the Property occurs almost entirely in shear zones which are characterized by brecciation, silicification and local mylonitization. The ESSZ contains well developed fractures striking east-west and well mineralized sets of north-, northeast- and northwest-striking fractures. There are several gold-bearing quartz veins containing galena and tetrahedrite in the shear zones that represent a post-deformation period of mineralization. Most of the mineralized zones do not contain visible sulfides.

There are two east-west shear zones in the Buster mine, one dipping 60° – 70° south, and one dipping 35° – 60° north. The footwall of the north-dipping shear zone probably occurs just below the 175 foot (53 m) level in the Buster shaft, and the hanging wall is approximately 100 feet (32.8 m) north of the Buster shaft, as seen in Figure 5. The projected width of the shear zone is approximately 150 feet (46 m). The south-dipping shear zone's footwall is at the Buster shaft on the 75-foot level (23 m) and is approximately 40 feet-wide (12 m), although the hanging wall is not well defined. These two shear zones intersect at surface just north of the Buster shaft in a weakly silicified zone at least 100 feet-wide (32.8 m). Figure 4 shows the main mineralized zones on the 75 foot level of the Buster mine. A total of 34 structures have been mapped on the Buster level:

- Five of the structures have an E-W strike and a southerly dip; and
- Twenty-nine of the structures have a NE, NW or N strike with a northerly dip.

Gold mineralization is localized by the structures and occurs as veinlets and veins. Gold also appears to occur in a disseminated form in favorable stratigraphic units. Brecciated quartz veins are common in the mineralized zones but frequently exhibit no direct correlation with higher gold values. Quartz-copper veins and pods of white quartz are also brecciated and locally re-cemented with fine-grained crystalline to chalcedonic silica. A strong correlation between visible copper and/ or zinc oxides and carbonates and higher-grade gold values has been noted. Cadmium and antimony values are anomalous but somewhat randomly distributed, and arsenic is strongly correlated with gold values greater than 8 ppm.

Size and Continuity

Previous drilling has identified several zones of gold mineralization. A zone around the Buster shaft is approximately 1,000 feet long (328 m) and 150-200 feet wide (46 – 61 m). Drilling indicates gold mineralization continues to at least a 300-foot depth (91 m). Mineralized drill hole intervals within this zone include EX30 with 160 ft of 0.04 oz Au/ton (48.7 m of 1.24 g/T) and EX2 with 110 ft of 0.08 oz Au/ton (33.5 m of 2.48g/T). The Buster zone drill hole locations are shown on maps in the "History" section above. Although most of the drill holes in this zone contain mineralization, sufficient drilling has not been done to demonstrate the continuity of potential ore zones.

Deposit Types

Deposit Type

The Walker Lane hosts a significant number of precious metal deposits including the Comstock Lode at Virginia City, Borealis, Aurora, Mineral Ridge, Paradise Peak, Rawhide, Tonopah, Goldfield and the Beatty area (Davis et al, 2006). These deposits are Tertiary in age, and all have a very strong structural control for the mineralization. All the deposits are the result of gold-bearing, hydrothermal fluids rising along crustal structures from a deeper magmatic source. Major, northwest-trending, right-lateral, strike-slip faults within the Walker Lane tap into crustal magma sources and

provide access to the surface, as seen in Figure 18, From Richards (2003). However, the Authors have not verified information with respect to the abovementioned deposits, and information in the Technical Report with respect to these deposits is not necessarily indicative of the mineralization on the Excelsior Springs Property.

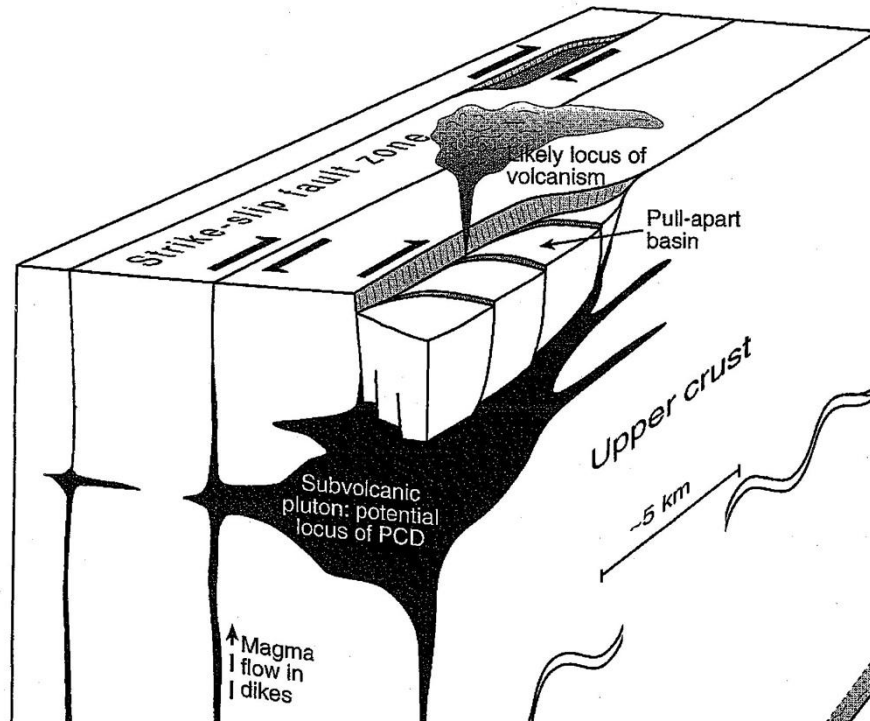


Figure 18. Walker Lane Crustal Structures (Richards, 2003).

Jogs or step-overs in the strike-slip faults can create dilatant zones which host pull-apart basins underlain by plutons as shown in Figure 18. The plutons can give rise to smaller cupolas of magma that can create proximal, acid-sulfate or quartz-alunite (high-sulfidation) style deposits or distal, adularia-sericite (low-sulfidation) style deposits. The high-sulfidation gold-copper systems are formed from hot, acidic, magmatic fluids and extend from porphyry to epithermal depth regimes. Adularia-sericite deposits form at elevated crustal settings in the absence of an obvious intrusive source for the mineralization (Corbett et al, 1998). The depositional process for gold is usually controlled by temperature and chemical conditions. Distal deposits show lower temperature features such as fine-grained silica and association with arsenic, antimony and mercury with minor base metals. Gold deposits proximal to the intrusive source might be hosted in veins, breccia zones, skarn zones or metamorphic rocks and be associated with higher copper, lead and zinc values.

PMUC engaged well known economic geologist Dr. Richard Sillitoe to examine the Property in August of 2011. His report noted the similarities between the Excelsior Springs Property and the reduced, intrusion-related gold deposits of the Tintina-Fairbanks gold deposit belt in the Yukon and Alaska (Sillitoe, 2011). Because of the limited exposures of intrusive rock, he postulated that the Excelsior Springs Property is at the top of the causative intrusion, and this position increases the Property's exploration potential. However, the Authors have not verified information with respect to the abovementioned deposit, and information in the Technical Report with respect to the deposit is not necessarily indicative of the mineralization on the Excelsior Springs Property.

Figure 19 shows the Riedel model for the stress field created by the right-lateral movement on the Walker Lane faults (Sylvester, 1988). Thrust faults tend ENE and can dip north or south. R and R' shears are also structural zones that can host mineralization and strike NE and NW. Open-space extension fractures are the preferred host for mineralization, have a NNW trend, and are steeply dipping.

Geologic Model for Exploration

Based on the exploration work to date, the Excelsior Springs Property deposit type is thought to be an intrusion-related gold deposit, with minor base metals, which is hosted by Paleozoic sedimentary rocks. Mineralization is both

structurally and stratigraphically controlled. The Property exhibits strong clay-sericite and acid-leach alteration, bleaching and locally significant amounts of base metals, all of which can be characteristics of a medium to high-sulfidation deposit.

Hart (2007) has proposed a model for reduced intrusion-related gold systems (RIRGS) as described by the characteristics listed below, and shown in Figure 20.

- System - Mineralization extends beyond the limits of the intrusion, and locally beyond the thermal aureole yielding a broad mineralizing system which can be several km across. The best developed mineralization is at the top of or above the pluton.
- Diverse Mineralization - Differing styles of mineralization indicate the involvement of the country rock in the gold deposition process. Chemically reactive and/or physically brittle sedimentary strata result in a diversity of mineralization styles, whereas the causative pluton is typically dominated by sheeted vein sets.
- Zoned Deposit Types - RIRGS typically deposit metals in intrusive rocks in pluton-proximal settings, and sediment or volcanic- rocks in pluton-distal settings, as seen in Figure 20.
- Concentric Metal Zoning - predictable metal signatures develop a broad-scale zoning surrounding and above the causative pluton. Gradients are steeper on the sides of the pluton and broadly developed above it, as seen in Figure 20.
- Redox State - RIRGS are associated with felsic, ilmenite -series plutons that lack magnetite and thus have a very low magnetic response.

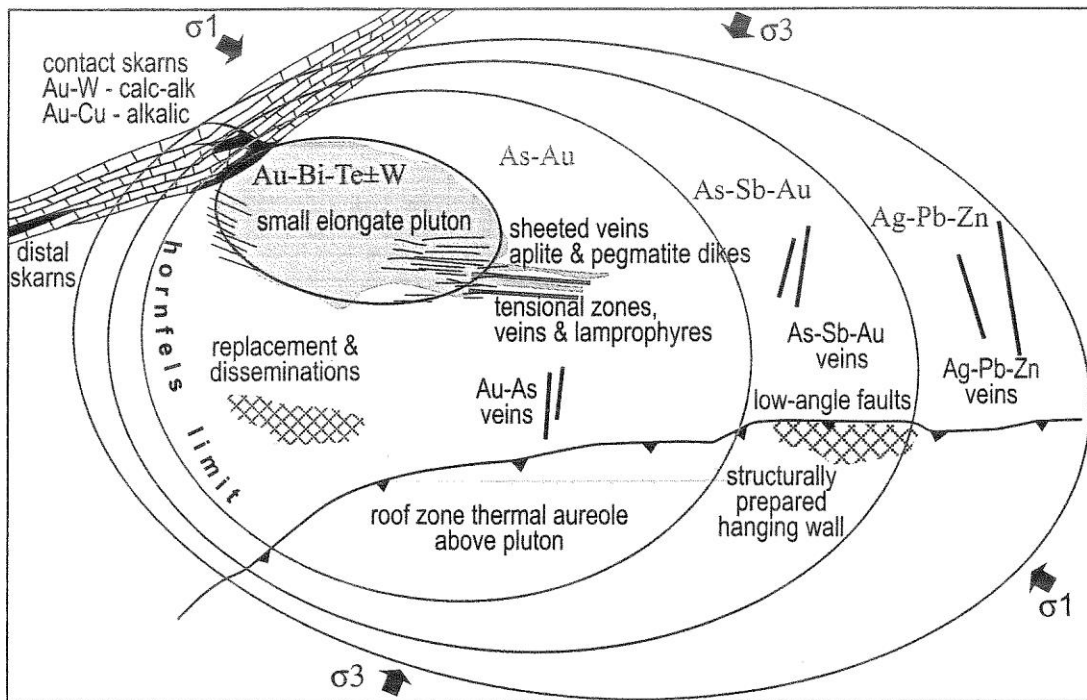


Figure 20. RIRGS Deposit Zonation (Hart, 1997).

Exploration

The Issuer has begun an initial work program for the Excelsior Springs Property comprising the following:

- Data compilation and review;
- Geologic mapping and sampling of selected areas of the project;

- Acquisition and evaluation of hyperspectral satellite imagery for alteration studies;
- Refining the project's structural model for mineralization;
- Developing a 3-D, computer generated model of the Buster area mineralization; and
- Creating a new set of 1:1200 scale cross sections to include all drill holes.

Data Compilation

There is a large amount of historic data generated by previous exploration programs on the Property. Much of the earlier data is incomplete and weakly documented but still useful. A new compilation of all the drilling results including collar location, hole azimuth, dip, total depth and gold values has been completed and used to construct the three-dimensional model and new cross sections.

Geologic Mapping and Sampling

Approximately 20 man-days have been spent mapping in selected areas of the project. Mapping was done on detailed color photos at a scale of 1:2,400 with a particular focus on alteration zones and structural features. This new work is being integrated into the existing geologic map and will be fully digital. The new geologic map has not been completed, but it will serve as a base layer for showing alteration, mineralization, structures, geophysical data and drill hole projections. In conjunction with the mapping of selected areas, the Issuer has collected and processed 58 surface rock chip samples in 2020 (Figure 21). These samples were collected across the Property from various representative outcrops. Five samples collected from the vicinity of the Buster dump, yielded the strongest results ranging from 1.08 g/t to 7.74 g/t gold. Approximately 800 m to the east, two lower grade samples lie along trend of the suspected mineralization. Additional sampling and mapping should be conducted in this area to confirm the continuation of the Excelsior Structural Zone. Readers are cautioned that surface rock sampling is prone to sampling bias and is not necessarily a reliable indicator of mineralization at depth..

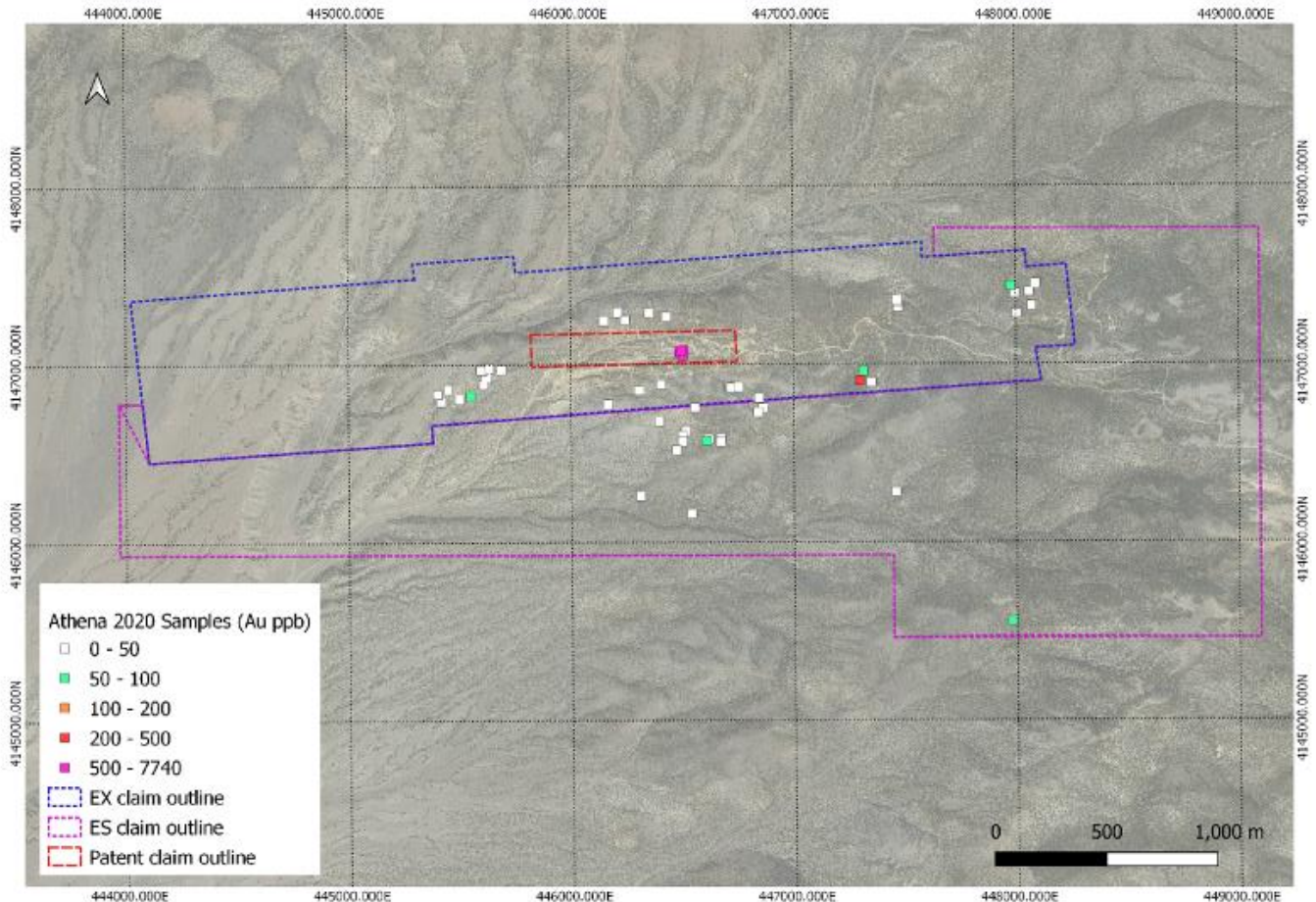


Figure 21. Athena 2020 Sample locations showing gold (ppb) (M. Dumala, 2021).

Custody of these samples was maintained by the geologists and then delivered to American Assay Labs in Sparks, Nevada. All samples were fire assayed for gold, and an ICP process was used for other elements. The assay process is described under the "Sample Preparation, Analyses and Security" heading below and duplicate, standard and blank samples were used.

To evaluate the potential "nugget effect" that particulate gold might have on sample assays, five vertical trench samples were collected from the dump of the Buster mine. The samples were analyzed by standard fire assay methods shown in the +150 mesh (G) Au column, and then screen fire assays were run. The screen fire method measures the amount of coarse gold in the sample. Results shown in Table 4 show that although coarse gold is present, the original fire assay result is representative and not impacted by "nugget effect".

Table 4. Screen Fire Assay Results (the Issuer, 2020).

| Buster Mine dump samples -Screen Fire assay compared to normal fire assay | | | | | | | | |
|---|---------------------------|---------------------|------------------|---------------------|--------------|---------------------|---------------------|----------------------------------|
| Sample | Initial fire assay ppb Au | +150 mesh sample Wt | +150 mesh ppb Au | +150 mesh ppb (G)Au | -150 mesh Wt | -150 mesh ppb Au(1) | -150 mesh ppb Au(2) | Calculated Au grade total sample |
| 1702559D | 1080 | 6.91 | 15630 | | 819 | 809 | 907 | 982 |
| 1702560D | 3090 | 44.13 | | 18378 | 960 | 2400 | 2250 | 3030 |
| 1702561D | 2280 | 27.70 | | 30542 | 928 | 1800 | 1650 | 2560 |
| 1702562D | 4370 | 10.93 | | 97347 | 992 | 3350 | 3530 | 4463 |
| 1702563D | 7740 | 19.73 | | 103345 | 938 | 5330 | 4910 | 7144 |

Hyperspectral Data

SpecTir Imagery of Reno, Nevada provided a suite of hyperspectral images covering the area around the project. Figure 22 shows the alteration mineralogy image generated by the SpecTIR data. The Buster zone clearly shows strong kaolinite and sodium-rich illite (paragonite) alteration. The strong clay alteration zone continues eastward to the Ridge zone (447300 E) and further east into the Excelsior Springs Property area (448000 E). Further east and west from the Buster zone the clay mineralogy becomes potassium-rich phengite along with muscovite.

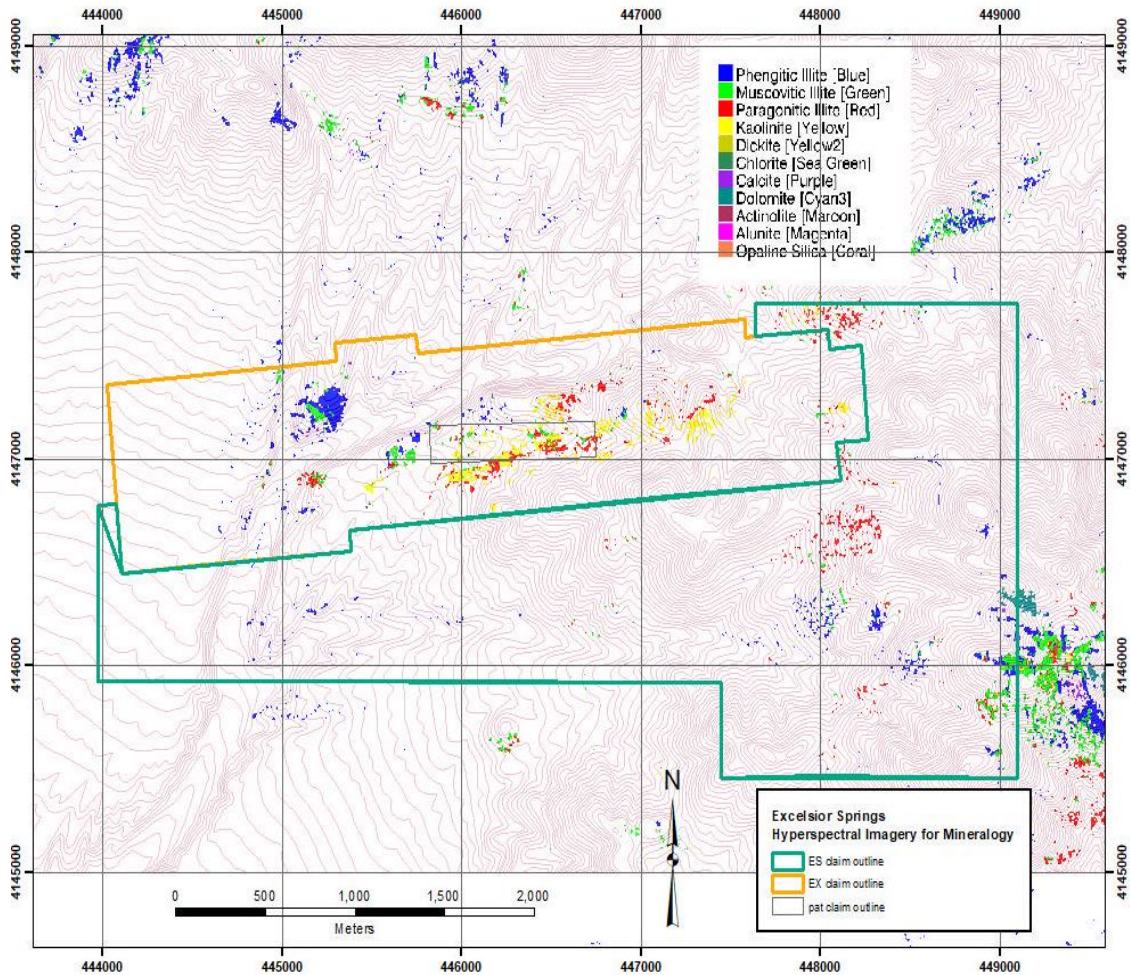


Figure 22. Alteration Mineralogy (SpecTir, 2020).

Refining the Structural Model

Ore deposits found within the Walker Lane and particularly mineralized zones in the ESSZ are both structurally and lithologically controlled. The similarity between the model in Figure 19 and the structural fabric found in the Buster mine is striking. Figure 4 is from Grant (1986) and shows the main mineralized zones on the 75-foot level of the Buster mine. There are 34 mapped structures shown:

- Five of the structures have an E-W strike and a southerly dip; and
- Twenty-nine of the structures have a NE, NW or N strike with a northerly dip.

There have been 84 current and historical drill holes completed on the project with azimuths as follows:

| | |
|----------|---------------------------|
| North | 58 holes, 69% of total |
| South | 4 holes, 4.7% of total |
| NW | 6 holes, 7.2% of total |
| NE | 3 holes, 3.6% of total |
| Vertical | 13 holes, 15.5 % of total |

Eighty-five percent of the mapped structures dip north, northeast, or northwest yet only 5% of the drill holes had a southern azimuth which is the azimuth required to test these structures.



Figure 23. Walker Lane vein and alteration zone orientation (Cox, 2020).

Figure 23 is from Cox (2020) and suggests that in a Walker Lane structural environment, angle holes with an azimuth of 90° to 135° would be the most effective in intersecting the greatest number of mineralized structures.

Three-Dimensional Model

Geo Vector Consultants in Ottawa, Canada has utilized the updated drill hole data base for the Property and has generated the 3-D model for the mineralized zones shown in Figure 24. There are multiple intercepts of potentially well mineralized material in many of the holes, but further infill drilling is needed to better confirm continuity of the zones between the holes.

Cross Sections

Mine Development Associates ("MDA"), a division of RESPEC Inc., consultants in Reno, is generating a complete set of 1:600 scale cross sections along with a topographic map showing all of the drill holes and mineralized intervals.

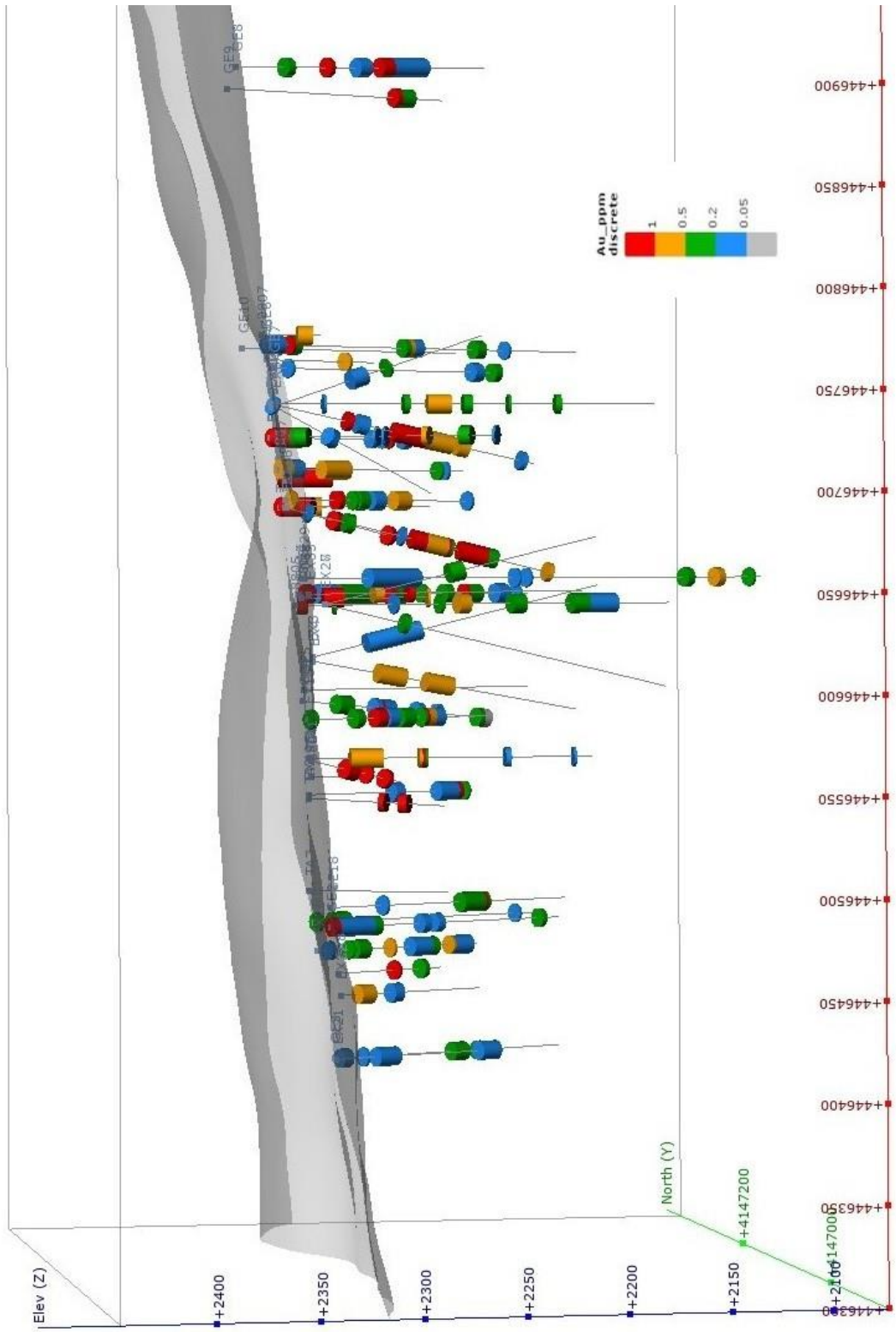


Figure 24. 3-D Model Drill hole intercepts in the main Buster zone, looking north and slightly down with surface shown in gray. Horizontal grid is 50 m spacing. The Buster shaft is located at 446500 E, 4147030 N (Geo Vector, 2020).

Drilling

The Issuer has not undertaken any drilling on the Property. A total of 84 RC drill holes have been completed on the Property by previous operators. See "History" for historical drilling conducted by other parties. Of these, original assay records exist for 61 of these holes which were completed between 2006 and 2013. Holes completed prior to 2006 could not be validated and are considered historical in nature. The following table lists the holes completed each year.

| Year | Operator | Total Holes | Total Feet | Total Metres |
|--------------|-----------------------------------|--------------------|-------------------|---------------------|
| 2006-2007 | Walker Lane Gold | 22 | 9,410 | 2,868 |
| 2008 | Evolving Gold Corporation | 8 | 4,320 | 1,317 |
| 2013 | Paradigm Minerals USA Corporation | 31 | 18,473 | 5,632 |
| TOTAL | | 61 | 32,203 | 9,817 |

Table 5. Drill Holes by Year

Fifty-seven of the drill holes on the Property were angled holes drilled to the north. Only two drill holes were drilled towards the south. The remaining two holes were vertical.

Individual five-foot assay intervals for the holes were averaged, and zones of lower grade gold values (greater than 100ppb) are included in Table 6. Broad zones of lower grade gold values often surround higher grade intervals as shown by holes EX30 and GE8. Zones without a higher-grade core may be peripheral to better grade mineralization and could serve as a vector for future exploration.

Intervals shown in the table below were calculated by grouping samples with similar assay results to limit the influence of any high-grade intervals. Samples with higher-grade results are reported as separate intervals, often adjoining lower grade intervals.

| DH | UTME | UTMN | ELV_ft | Azm | Dip | TD_ft | Fm_ft | To_ft | Thick_ft | Thick_m | Au_ppm |
|-----------|-------------|-------------|---------------|------------|------------|--------------|--------------|--------------|-----------------|----------------|---------------|
| EX1 | 447341 | 4147241 | 7925 | 10 | 50 | 550 | 230 | 240 | 10 | 3.0 | 0.11 |
| EX2 | 446747 | 4147051 | 7700 | 325 | 70 | 500 | 140 | 150 | 10 | 3.0 | 1.73 |
| | | | | | | | 230 | 290 | 60 | 18.3 | 4.67 |
| | | | | | | | 290 | 340 | 50 | 15.2 | 0.73 |
| | | | | | | | 350 | 370 | 20 | 6.1 | 0.82 |
| | | | | | | | 470 | 480 | 10 | 3.0 | 0.12 |
| EX3 | 446618 | 4147031 | 7642 | 40 | 70 | 540 | 100 | 200 | 100 | 30.5 | 0.14 |
| EX4 | 446616 | 4147029 | 7642 | 330 | 70 | 500 | 120 | 170 | 50 | 15.2 | 0.54 |
| | | | | | | | 210 | 260 | 50 | 15.2 | 0.60 |
| EX5 | 446258 | 4146984 | 7350 | 30 | 60 | 600 | 100 | 120 | 20 | 6.1 | 0.62 |
| | | | | | | | 380 | 400 | 20 | 6.1 | 0.29 |
| EX8 | 447530 | 4147154 | 7675 | 0 | 60 | 560 | 0 | 30 | 30 | 9.1 | 0.13 |
| | | | | | | | 50 | 70 | 20 | 6.1 | 0.30 |
| | | | | | | | 325 | 330 | 5 | 1.5 | 0.96 |
| | | | | | | | 470 | 510 | 40 | 12.2 | 1.18 |
| EX10 | 446747 | 4147052 | 7700 | 325 | 50 | 400 | 5 | 10 | 5 | 1.5 | 0.17 |
| EX11 | 446745 | 4147049 | 7700 | 35 | 60 | 450 | 165 | 195 | 30 | 9.1 | 0.15 |
| | | | | | | | 240 | 245 | 5 | 1.5 | 0.22 |

| | | | | | | | | | | | |
|-----------|-------------|-------------|---------------|------------|------------|--------------|--------------|--------------|-----------------|----------------|---------------|
| EX12 | 446731 | 4147111 | 7670 | 0 | 60 | 300 | 0 | 15 | 15 | 4.6 | 1.25 |
| | | | | | | | 15 | 40 | 25 | 7.6 | 0.34 |
| | | | | | | | 40 | 50 | 10 | 3.0 | 1.07 |
| | | | | | | | 50 | 65 | 15 | 4.6 | 0.30 |
| | | | | | | | 130 | 135 | 5 | 1.5 | 0.14 |
| | | | | | | | 215 | 225 | 10 | 3.0 | 0.11 |
| | | | | | | | 240 | 245 | 5 | 1.5 | 0.12 |
| | | | | | | | 215 | 225 | 10 | 3.0 | 0.11 |
| | | | | | | | 255 | 260 | 5 | 1.5 | 1.04 |
| | | | | | | | 285 | 300 | 15 | 4.6 | 0.13 |
| EX13 | 446731 | 4147104 | 7670 | 180 | 60 | 400 | 0 | 35 | 35 | 10.7 | 3.27 |
| | | | | | | | 35 | 65 | 30 | 9.1 | 0.23 |
| | | | | | | | 185 | 190 | 5 | 1.5 | 0.17 |
| | | | | | | | 200 | 205 | 5 | 1.5 | 0.15 |
| | | | | | | | 270 | 280 | 10 | 3.0 | 0.80 |
| | | | | | | | 335 | 355 | 20 | 6.1 | 0.27 |
| | | | | | | | 395 | 400 | 5 | 1.5 | 0.13 |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| DH | UTME | UTMN | ELV_ft | Azm | Dip | TD_ft | Fm_ft | To_ft | Thick_ft | Thick_m | Au_ppm |
| EX14 | 446650 | 4147067 | 7645 | 0 | 60 | 500 | 10 | 25 | 15 | 4.6 | 1.55 |
| | | | | | | | 35 | 75 | 40 | 12.2 | 0.10 |
| | | | | | | | 85 | 155 | 70 | 21.3 | 0.41 |
| | | | | | | | 260 | 270 | 10 | 3.0 | 0.43 |
| | | | | | | | 310 | 325 | 15 | 4.6 | 0.25 |
| | | | | | | | 355 | 360 | 5 | 1.5 | 1.63 |
| | | | | | | | 360 | 390 | 30 | 9.1 | 0.29 |
| | | | | | | | 425 | 450 | 25 | 7.6 | 0.18 |
| | | | | | | | 470 | 475 | 5 | 1.5 | 0.13 |
| EX15 | 446650 | 4147067 | 7645 | 0 | 60 | 400 | 10 | 25 | 15 | 4.6 | 1.55 |
| | | | | | | | 35 | 75 | 40 | 12.2 | 0.10 |
| | | | | | | | 85 | 155 | 70 | 21.3 | 0.41 |
| | | | | | | | 260 | 270 | 10 | 3.0 | 0.43 |
| | | | | | | | 100 | 175 | 75 | 22.9 | 0.30 |
| | | | | | | | 185 | 200 | 15 | 4.6 | 1.70 |
| | | | | | | | 200 | 230 | 30 | 9.1 | 0.42 |
| EX16 | 446698 | 4147051 | 7675 | 0 | 60 | 400 | 10 | 15 | 5 | 1.5 | 0.52 |
| | | | | | | | 105 | 115 | 10 | 3.0 | 1.45 |
| | | | | | | | 140 | 145 | 5 | 1.5 | 0.24 |
| | | | | | | | 150 | 170 | 20 | 6.1 | 0.48 |
| | | | | | | | 180 | 205 | 25 | 7.6 | 0.12 |

| | | | | | | | | | | | |
|-----------|-------------|-------------|---------------|------------|------------|--------------|--------------|--------------|-----------------|----------------|---------------|
| | | | | | | | 230 | 260 | 30 | 9.1 | 0.63 |
| | | | | | | | 390 | 395 | 5 | 1.5 | 0.11 |
| EX17 | 446714 | 4147072 | 7675 | 0 | 60 | 400 | 0 | 20 | 20 | 6.1 | 0.90 |
| | | | | | | | 20 | 45 | 25 | 7.6 | 0.13 |
| | | | | | | | 90 | 145 | 55 | 16.8 | 0.66 |
| | | | | | | | 340 | 345 | 5 | 1.5 | 0.21 |
| | | | | | | | 355 | 360 | 5 | 1.5 | 0.19 |
| EX18 | 446586 | 4147057 | 7635 | 0 | 60 | 400 | 0 | 10 | 10 | 3.0 | 0.26 |
| | | | | | | | 95 | 110 | 15 | 4.6 | 0.31 |
| | | | | | | | 140 | 160 | 20 | 6.1 | 5.57 |
| | | | | | | | 195 | 215 | 20 | 6.1 | 0.27 |
| | | | | | | | 200 | 220 | 20 | 6.1 | 0.27 |
| | | | | | | | 240 | 245 | 5 | 1.5 | 0.45 |
| | | | | | | | 245 | 250 | 5 | 1.5 | 2.36 |
| | | | | | | | 250 | 265 | 15 | 4.6 | 0.78 |
| | | | | | | | 265 | 285 | 20 | 6.1 | 0.12 |
| | | | | | | | | | | | |
| DH | UTME | UTMN | ELV_ft | Azm | Dip | TD_ft | Fm_ft | To_ft | Thick_ft | Thick_m | Au_ppm |
| EX19 | 446546 | 4147104 | 7612 | 0 | 60 | 350 | 280 | 320 | 40 | 12.2 | 0.18 |
| | | | | | | | 320 | 330 | 10 | 3.0 | 1.21 |
| | | | | | | | 340 | 345 | 5 | 1.5 | 0.25 |
| EX20 | 446466 | 4147089 | 7605 | 0 | 60 | 350 | 20 | 30 | 10 | 3.0 | 0.17 |
| | | | | | | | 65 | 70 | 5 | 1.5 | 0.21 |
| | | | | | | | 80 | 105 | 25 | 7.6 | 0.35 |
| | | | | | | | 155 | 160 | 5 | 1.5 | 0.80 |
| | | | | | | | 240 | 255 | 15 | 4.6 | 0.43 |
| | | | | | | | 285 | 290 | 5 | 1.5 | 0.85 |
| | | | | | | | 290 | 330 | 40 | 12.2 | 0.11 |
| EX21 | 446411 | 4147078 | 7580 | 0 | 60 | 350 | 85 | 130 | 45 | 13.7 | 0.11 |
| EX22 | 446446 | 4147044 | 7590 | 0 | 60 | 300 | 35 | 65 | 30 | 9.1 | 0.75 |
| EX25 | 446566 | 4147059 | 7635 | | 90 | 480 | 70 | 125 | 55 | 16.8 | 0.85 |
| | | | | | | | 185 | 190 | 5 | 1.5 | 0.60 |
| | | | | | | | 190 | 195 | 5 | 1.5 | 1.86 |
| | | | | | | | 195 | 200 | 5 | 1.5 | 0.24 |
| | | | | | | | 330 | 340 | 10 | 3.0 | 0.11 |
| | | | | | | | 445 | 450 | 5 | 1.5 | 0.13 |
| EX27 | 446645 | 4146956 | 7660 | 320 | 70 | 630 | 140 | 150 | 10 | 3.0 | 0.21 |
| EX28 | 446645 | 4146956 | 7660 | 40 | 70 | 500 | 225 | 250 | 25 | 7.6 | 0.21 |
| | | | | | | | 345 | 355 | 10 | 3.0 | 0.11 |
| EX29 | 446645 | 4146956 | 7660 | 0 | 70 | 650 | 125 | 130 | 5 | 1.5 | 0.15 |
| | | | | | | | 210 | 215 | 5 | 1.5 | 0.49 |
| | | | | | | | 245 | 265 | 20 | 6.1 | 0.52 |

| | | | | | | | | | | | |
|-----------|-------------|-------------|---------------|------------|------------|--------------|--------------|--------------|-----------------|----------------|---------------|
| | | | | | | | 345 | 370 | 25 | 7.6 | 0.28 |
| | | | | | | | 460 | 490 | 30 | 9.1 | 0.23 |
| EX30 | 446694 | 4147052 | 7675 | 320 | 70 | 500 | 40 | 45 | 5 | 1.5 | 0.12 |
| | | | | | | | 110 | 125 | 15 | 4.6 | 0.35 |
| | | | | | | | 215 | 220 | 5 | 1.5 | 0.15 |
| | | | | | | | 235 | 260 | 25 | 7.6 | 3.92 |
| | | | | | | | 260 | 300 | 40 | 12.2 | 0.52 |
| | | | | | | | 300 | 305 | 5 | 1.5 | 11.70 |
| | | | | | | | 305 | 310 | 5 | 1.5 | 0.32 |
| | | | | | | | 325 | 340 | 15 | 4.6 | 2.62 |
| | | | | | | | 340 | 395 | 55 | 16.8 | 0.32 |
| | | | | | | | 490 | 500 | 10 | 3.0 | 0.67 |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| DH | UTME | UTMN | ELV_ft | Azm | Dip | TD_ft | Fm_ft | To_ft | Thick_ft | Thick_m | Au_ppm |
| EX33 | 446650 | 4147024 | 7650 | 003 | 80 | 480 | 110 | 125 | 15 | 4.6 | 0.59 |
| | | | | | | | 170 | 180 | 10 | 3.0 | 6.70 |
| EX34 | 446747 | 4147047 | 7695 | 0 | 90 | 640 | 80 | 85 | 5 | 1.5 | 0.11 |
| | | | | | | | 215 | 225 | 10 | 3.0 | 0.50 |
| | | | | | | | 255 | 295 | 40 | 12.2 | 0.52 |
| | | | | | | | 315 | 330 | 15 | 4.6 | 0.30 |
| | | | | | | | 390 | 395 | 5 | 1.5 | 0.47 |
| | | | | | | | 470 | 480 | 10 | 3.0 | 0.32 |
| EX35 | 447594 | 4147272 | 7675 | 335 | 60 | 440 | 170 | 185 | 15 | 4.6 | 0.84 |
| | | | | | | | 360 | 405 | 45 | 13.7 | 0.10 |
| GE1 | 446480 | 4147107 | 7600 | 0 | 60 | 500 | 0 | 10 | 10 | 3.0 | 0.24 |
| | | | | | | | 35 | 70 | 35 | 10.7 | 0.38 |
| | | | | | | | 440 | 445 | 5 | 1.5 | 0.10 |
| GE2 | 446480 | 4147055 | 7600 | 0 | 60 | 500 | 0 | 10 | 10 | 3 | 5.62 |
| | | | | | | | 85 | 100 | 15 | 3 | 0.22 |
| | | | | | | | 190 | 205 | 15 | 4.6 | 0.10 |
| | | | | | | | 220 | 235 | 15 | 4.6 | 0.16 |
| | | | | | | | 450 | 460 | 10 | 3.0 | 0.37 |
| GE3 | 446409 | 4147111 | 7565 | 0 | 60 | 500 | 10 | 30 | 20 | 6.1 | 0.13 |
| | | | | | | | 60 | 65 | 5 | 1.5 | 0.17 |
| | | | | | | | 255 | 285 | 30 | 9.1 | 0.20 |
| | | | | | | | 310 | 320 | 10 | 3.0 | 0.25 |
| GE4 | 446595 | 4147075 | 7635 | 350 | 60 | 400 | 70 | 100 | 30 | 9.1 | 0.27 |
| | | | | | | | 150 | 160 | 10 | 3.0 | 0.13 |
| | | | | | | | 160 | 165 | 5 | 1.5 | 2.00 |
| | | | | | | | 165 | 190 | 25 | 7.6 | 0.13 |
| | | | | | | | 285 | 295 | 10 | 3.0 | 0.15 |

| | | | | | | | | | | | |
|-----------|-------------|-------------|---------------|------------|------------|--------------|--------------|--------------|-----------------|----------------|---------------|
| | | | | | | | 375 | 385 | 10 | 3.0 | 0.34 |
| GE6 | 446780 | 4147129 | 7670 | 0 | 60 | 700 | 50 | 55 | 5 | 1.5 | 1.29 |
| | | | | | | | 55 | 70 | 15 | 4.6 | 0.21 |
| | | | | | | | 300 | 310 | 10 | 3.0 | 0.23 |
| | | | | | | | 310 | 320 | 10 | 3.0 | 0.92 |
| | | | | | | | 320 | 340 | 20 | 6.1 | 0.14 |
| | | | | | | | 460 | 480 | 20 | 6.1 | 0.26 |
| | | | | | | | 530 | 535 | 5 | 1.5 | 0.19 |
| GE7 | 446766 | 4147072 | 7685 | 0 | 60 | 500 | 30 | 35 | 5 | 1.5 | 0.11 |
| | | | | | | | 475 | 490 | 15 | 4.6 | 0.31 |
| | | | | | | | | | | | |
| DH | UTME | UTMN | ELV_ft | Azm | Dip | TD_ft | Fm_ft | To_ft | Thick_ft | Thick_m | Au_ppm |
| GE8 | 446918 | 4147042 | 7760 | 5 | 60 | 540 | 100 | 115 | 15 | 4.6 | 0.46 |
| | | | | | | | 190 | 200 | 10 | 3.0 | 2.73 |
| | | | | | | | 255 | 280 | 25 | 7.6 | 0.14 |
| | | | | | | | 305 | 330 | 25 | 7.6 | 5.11 |
| | | | | | | | 330 | 405 | 75 | 22.9 | 0.13 |
| GE9 | 446911 | 4147094 | 7750 | 0 | 60 | 470 | 360 | 370 | 10 | 3.0 | 2.06 |
| | | | | | | | 370 | 400 | 30 | 9.1 | 0.21 |
| GE11 | 447398 | 4147109 | 7960 | 0 | 60 | 700 | 475 | 480 | 5 | 1.5 | 0.31 |
| | | | | | | | 555 | 605 | 50 | 15.2 | 0.24 |
| | | | | | | | 695 | 700 | 5 | 1.5 | 0.12 |
| GE13 | 447409 | 4147010 | 7975 | 0 | 60 | 495 | 130 | 165 | 35 | 10.7 | 0.12 |
| | | | | | | | 195 | 200 | 5 | 1.5 | 0.17 |
| | | | | | | | 425 | 470 | 45 | 13.7 | 0.28 |
| GE14 | 447380 | 4146934 | 8000 | 0 | 60 | 500 | 25 | 65 | 40 | 12.2 | 0.26 |
| | | | | | | | 65 | 90 | 25 | 7.6 | 2.90 |
| | | | | | | | 90 | 130 | 40 | 12.2 | 0.18 |
| GE15 | 447564 | 4147205 | 7900 | 0 | 60 | 460 | 5 | 75 | 70 | 21.3 | 0.17 |
| | | | | | | | 110 | 115 | 5 | 1.5 | 0.11 |
| | | | | | | | 200 | 210 | 10 | 3.0 | 0.59 |
| | | | | | | | 210 | 220 | 10 | 3.0 | 1.18 |
| | | | | | | | 220 | 235 | 15 | 4.6 | 0.45 |
| | | | | | | | 235 | 240 | 5 | 1.5 | 1.61 |
| | | | | | | | 240 | 270 | 30 | 9.1 | 0.24 |
| GE17 | 448198 | 4147274 | 8140 | 0 | 60 | 500 | 455 | 470 | 15 | 4.6 | 0.68 |
| GE18 | 446494 | 4146977 | 7640 | 0 | 60 | 500 | 105 | 110 | 5 | 1.5 | 0.10 |
| | | | | | | | 270 | 315 | 45 | 13.7 | 0.30 |
| | | | | | | | 315 | 320 | 5 | 1.5 | 1.37 |
| | | | | | | | 320 | 325 | 5 | 1.5 | 0.38 |
| GE19 | 446042 | 4146907 | 7450 | 0 | 60 | 500 | 175 | 185 | 10 | 3.0 | 0.53 |
| | | | | | | | 360 | 365 | 5 | 1.5 | 0.16 |

| | | | | | | | 385 | 395 | 10 | 3.0 | 3.29 |
|-----------|-------------|-------------|---------------|------------|------------|--------------|--------------|--------------|-----------------|----------------|---------------|
| | | | | | | | 395 | 410 | 15 | 4.6 | 0.42 |
| GE20 | 446040 | 4147045 | 7440 | 0 | 60 | 500 | 420 | 440 | 20 | 6.1 | 0.47 |
| GE21 | 446034 | 4147130 | 7480 | 0 | 60 | 500 | 35 | 40 | 5 | 1.5 | 0.14 |
| | | | | | | | 75 | 90 | 15 | 4.6 | 0.53 |
| | | | | | | | 250 | 255 | 5 | 1.5 | 0.19 |
| | | | | | | | 390 | 400 | 10 | 3.0 | 0.47 |
| GE22 | 446040 | 4146965 | 7440 | 0 | 60 | 600 | 410 | 425 | 15 | 4.6 | 0.86 |
| DH | UTME | UTMN | ELV_ft | Azm | Dip | TD_ft | Fm_ft | To_ft | Thick_ft | Thick_m | Au_ppm |
| GE23 | 446057 | 4146879 | 7450 | 0 | 60 | 600 | 65 | 70 | 5 | 1.5 | 0.53 |
| | | | | | | | 270 | 275 | 5 | 1.5 | 0.13 |
| | | | | | | | 520 | 530 | 10 | 3.0 | 0.37 |
| GE24 | 447399 | 4146881 | 8040 | 0 | 60 | 880 | 160 | 165 | 5 | 1.5 | 0.30 |
| | | | | | | | 305 | 315 | 10 | 3.0 | 0.14 |
| GE26 | 448230 | 4147341 | 8120 | 0 | 60 | 1000 | 335 | 405 | 70 | 21.3 | 0.24 |
| | | | | | | | 815 | 1000 | 185 | 56.4 | 0.12 |
| GE29 | 446658 | 4146995 | 7675 | 0 | 60 | 1010 | 450 | 455 | 5 | 1.5 | 0.10 |
| | | | | | | | 475 | 480 | 5 | 1.5 | 0.17 |
| | | | | | | | 830 | 845 | 15 | 4.6 | 0.31 |
| | | | | | | | 900 | 915 | 15 | 4.6 | 0.51 |
| | | | | | | | 980 | 985 | 5 | 1.5 | 0.30 |
| GE31 | 447182 | 4146766 | 8080 | 0 | 60 | 1000 | 45 | 55 | 10 | 3.0 | 0.11 |
| | | | | | | | 585 | 590 | 5 | 1.5 | 0.12 |
| | | | | | | | 645 | 700 | 55 | 16.8 | 0.20 |
| | | | | | | | 825 | 900 | 75 | 22.9 | 0.11 |
| | | | | | | | 920 | 925 | 5 | 1.5 | 0.20 |
| | | | | | | | 940 | 945 | 5 | 1.5 | 0.11 |
| | | | | | | | 980 | 985 | 5 | 1.5 | 0.14 |

Table 6. Significant Drill Hole Intersections

The true thickness of the intersections listed in the table above are not known, because of a number of factors. The majority of the drill holes were drilled towards the north and targeted south dipping structures. The true thickness of these structures intersected by drilling would be approximately 80% to 90% of what is shown. On surface, there is an abundance of north dipping structures. If intersected by the drill holes, the true thicknesses of these veins would be approximately 50% to 60% of what is shown. Due to the nature of the drilling it is not known which structures have been intersected. Additional drilling, preferably core drilling, is recommended to better understand the type and orientation of the veins.

Drilling at the excelsior springs project utilized a reverse circulation drill with a minimum sample interval of 1.52 m. Any veins narrower than this would be blended into the larger 1.52 m interval and the true thickness not represented.

Sample Preparation, Analyses and Security

Early high-grade production from the Buster shaft contained coarse-grained, visible, free gold. Such material might be expected to create a nugget effect and reliability problems in assaying. Standard procedure to identify and correct such problems includes multiple check assays for high-grade samples and the use of metallic screen assays to isolate

the particulate gold. With the exception of the Walker Lane Gold, the EGC and the PMUC programs, the Authors have no direct information on the sample preparation, analyses and security methods and approaches used by previous operators. The following is a description of Walker Lane Gold LLC's, EGC's and PMUC's programs with respect to sample preparation, analyses, and security.

When drilling by reverse circulation, the geological sample is collected by means of a dual-wall tube, a cyclone, and splitter (Jones or other similar model). Approximately 1/4 to 1/8 of the total drill cuttings weighing approximately 5 to 10 pounds (2.2 to 4.4 kg) are collected for analysis for each five-foot (1.5 m) interval. At the end of each 20-foot (6 m) run, the drill bit is raised off bottom, and sufficient air is released through the bit to clear all residual material from the hole prior to initiating the next 20-foot (6 m) run.

A dedicated sampler, under the supervision of the geologist, collects the split sample from the reverse circulation drilling. The sample is placed in a uniquely numbered sample bag which is then tied or otherwise sealed to maintain sample integrity. Samples are then taken to town by the geologist and stored in a locked storage facility. The selected assay lab picks up the samples from locked storage for transport directly to the lab. From the point of collection to pick up by the lab, the samples are under complete control of the geologist.

The selected assay laboratory catalogues the samples and assures a complete chain of custody of each sample through the analytical process. For the work completed in 2006-2007 by Walker Lane Gold LLC, the above procedures were followed, and assays were provided by ALS Chemex certified laboratories in Vancouver, B.C., Canada. The following assay procedure for gold assays was used. PMUC and AHMR both used American Assay Labs in Reno, Nevada, which uses an almost identical procedure as Chemex.

The entire sample is dried and crushed to 10 mesh and approximately 200 grams are taken and further processed to minus 100 mesh. A 30-gram sample is fused with a mixture of lead oxide, sodium carbonate, borax, silica and other reagents, as required, inquarted with 6 mg of gold-free silver and then cupelled to yield a precious metal bead.

The bead is digested in 0.5 ml dilute nitric acid in the microwave oven, 0.5 ml concentrated hydrochloric acid is then added, and the bead is further digested in the microwave at a lower power setting. The digested solution is cooled, diluted to a total volume of 4 ml with de-mineralized water and analyzed by atomic absorption spectroscopy against matrix-matched standards. It is the Author's opinion that sample preparation, security and analytical procedures were adequate.

For drilling conducted between 2007 and 2009, laboratory duplicates, blanks, and standards were routinely inserted into the sample stream by the assay laboratory. During the 2010 and 2011 drill programs, standards and blanks were inserted into the sample stream prior to submitting the samples to the laboratory. No records exist describing QA/QC methodology prior to 2007. Before finalizing an assay batch, all QA/QC samples must have passed inspection. Results from the duplicate samples are comparable to the original values, and any variation within the anticipated range. Blank samples indicated no signs of contamination.

It is the Authors' opinion that sample preparation, security and analytical procedures were adequate. The QA/QC programs were inconsistent and minimal; however, they served the purpose at the time and it is the Author's opinion that the results are reliable. It is strongly recommended that any future drilling include a consistent and rigorous QA/QC program including the regular insertion of duplicates, standards, and blanks.

Data Verification

The Authors have reviewed all of the information provided by the Issuer and all publically available historical reports.

Assay Verification

Original assay certificates were made available for drilling and surface sampling conducted after 2006. Where possible, original certificates were obtained directly from the laboratory. The Authors compared randomly chosen sample intervals within the drill database provided by the Company and high-grade intervals mentioned in the Technical Report, to the original assay certificates. Few minor discrepancies were identified and corrected.

Quality Control samples contained within each certificate were also reviewed. Where possible, results for laboratory QA/QC samples were obtained directly from the laboratory. No issues were identified. Assay certificates were not

available for drilling conducted by Great Pacific and Lucky Hardrock prior to 2006. The results of this drilling are considered historical in nature because they have not been independently verified.

Results from sampling conducted by the Issuer reported in the Technical Report were reviewed and compared to original assay certificates. No issues were identified.

It is the opinion of the Authors that the assays reported for the 2006 through 2013 reverse circulation programs are accurate and adequate for the purposes used in the Technical Report.

Collar Verification

Drill hole collar locations for all drill holes were plotted onto high-resolution satellite imagery. All of the collar locations plot within disturbed areas typical of drill pads. Most drill sites fall within 5 m of the likely collar location based upon configuration of the disturbances visible in the imagery, and all are accurate to within 10 m.

The Authors consider the provided collar coordinates adequate for the purposes used within the Technical Report. Prior to initiating a mineral resource estimate or any other advanced study, a high-accuracy ground survey should be conducted of all drill sites.

Site Inspection

Donald G. Strachan, MSc, CPG, visited the Property on April 27 and 28, 2021. During his visit, Mr. Strachan inspected previous workings near the Buster Mine. Material in the dump is considered to be representative of the mineralization exposed in the mine and elsewhere on the Property. A total of four samples were collected from the main mine dump area. Results from both the previous sampling completed in 1989 and from 2021 are shown in Table 7 and Figure 25 below.

| Sample | Easting | Northing | Date | Trench Length (ft) | Au (ppm) | Au (opt) |
|---------------|----------------|-----------------|-------------|---------------------------|-----------------|-----------------|
| 210428.01 | 446415 | 4147269 | 2021 | 19 | 4.49 | 0.029 |
| 1208.06 | 446415 | 4147269 | 1989 | 19 | | 0.069 |
| 210428.02 | 446423 | 4147270 | 2021 | 14 | 2.53 | 0.074 |
| 1208.05 | 446423 | 4147270 | 1989 | 14 | | 0.167 |
| 210428.03 | 446431 | 4147273 | 2021 | 18 | 4.05 | 0.118 |
| 1208.04 | 446431 | 4147273 | 1989 | 18 | | 0.148 |
| 210428.04 | 446439 | 4147276 | 2021 | 11 | 2.08 | 0.061 |
| 1208.03 | 446439 | 4147276 | 1989 | 11 | | 0.105 |

Table 7. Buster Dump sample comparison (Authors, 2021).

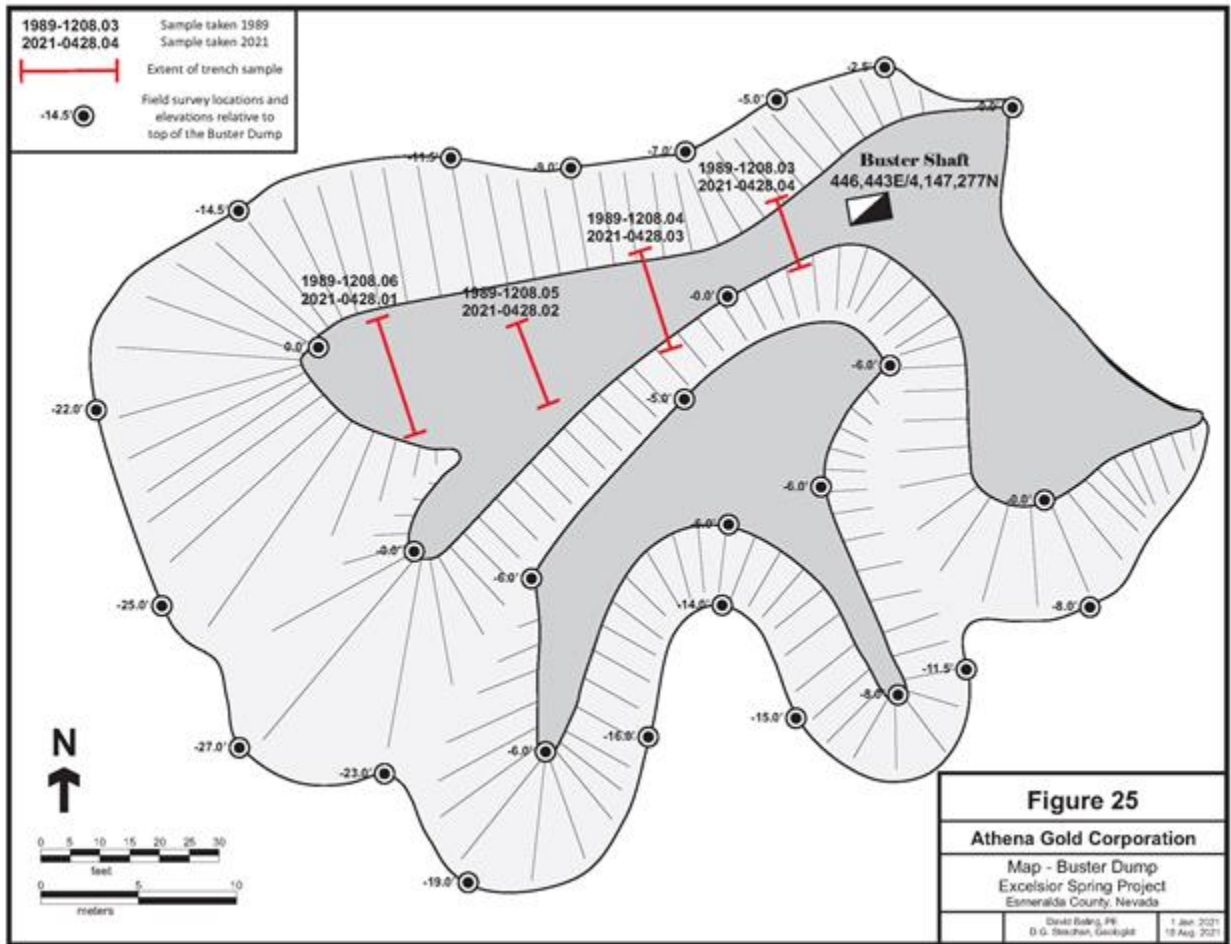


Figure 25. Buster Dump Sample Locations (Strachan, 2021).

Samples collected in 1989 were assayed at NGS Inc. using a fire assay with atomic absorption spectroscopy finish. The 2021 samples were analyzed at American Assay Laboratories in Reno, Nevada and analyzed using a fire assay with inductively coupled plasma mass spectrometry finish. The 2021 samples are comparable to the historically reported assay results, and the Authors are of the opinion that the historically reported assay results are adequate for the purposes used in the Technical Report.

Mineral Processing and Metallurgical Testing

The Issuer has not conducted any metallurgical test work on rocks from the Property. The only metallurgical work completed to date is an unconfirmed and unsubstantiated 24-hour leach test described in the "History" section.

Mineral Resource Estimates

No mineral resource estimates have been done by the Issuer.

Adjacent Properties

There are no significant properties or active exploration projects adjacent to the Property.

Other Relevant Data and Information

The Authors are not aware of any other relevant data or information that would have an impact on the Property.

Interpretation and Conclusions

Interpretations

The Excelsior Springs Property lies within the Walker Lane, a regional-scale, northwest-trending zone of strike-slip and extensional faulting which has generated some of Nevada's largest gold deposits such as the Comstock Lode, Tonopah, Eastside, Goldfield and those in the Beatty area. The exploration work that has been done on the Property has created a very large data base of geologic, geochemical, geophysical and drill hole information. The data substantiates that a regional-scale, intrusion-related, gold-bearing, hydrothermal system has created the strong clay alteration and gold mineralization found in the ESSZ. Previous RC drilling programs have documented gold mineralization in the ESSZ over a 2.5 km strike length.

All of the available drill hole assay data were reviewed, and escalating minimum gold values for an arbitrary 20-foot (6.1 m) interval were used to select drill holes meeting the minimum criteria. This data is shown in Table 8. Thirty-nine percent of the Excelsior Springs Property drill holes contain a 20-foot interval above a grade of 0.25 g /T. Eleven holes contain a 20-foot interval above 1.0 g/T.

| | Total holes drilled | Holes with no significant gold values | Holes containing at least 20 ft (6.1 m) @ 0.1 g Au/T | Holes containing at least 20 ft (6.1 m) @ 0.25 g Au/T | Holes containing at least 20 ft (6.1 m) @ 0.5 g Au/T | Holes containing at least 20 ft (6.1 m) @ 1.0 g Au/T |
|------------------------|----------------------------|--|---|--|---|---|
| Number of holes | 61 | 11 | 36 | 24 | 14 | 7 |
| Percent of total holes | 100% | 18% | 59% | 39% | 23% | 11% |

Table 8. Percentage of holes above specified gold grade

There are also drill holes with long intercepts of better grade gold including the following:

- EX2 containing 110 feet averaging 0.08 oz Au/ton (33.5 m of 2.77 g/T)
- EX30 containing 160 feet averaging 0.04 oz Au/ton (48.8 m of 1.48 g/T)

PMUC drilling intersected many intervals of gold mineralization in the ESSZ over the 2.5 km strike length. Some of these intercepts, as in hole GE 14, have a higher-grade gold zone (7.6 m of 2.9 g Au/T) with lower grade gold mineralization both above (12.2 m of 0.26 g Au/T) and below (12.2 m of 0.18 g Au/T) the higher grade zone, as seen in Figure 23. These haloes of sub-gram gold values suggest that other intervals of sub-gram gold may be related to nearby, higher grade zones. Hole GE 26 is one of the easternmost holes on the project and it intersected multiple intersections better than 100 ppb Au, including 56.4 m of 120 ppb Au. Gold intercepts in PMUC drill holes in the Ridge Zone are thought to be related to a pronounced, NE-trending, structurally controlled gold and arsenic anomaly contained in silicified and clay altered outcrops in the upper plate of the SRTF.

The ESSZ appears to have been the locus of structures carrying gold-bearing fluids, and there could be disseminated or manto gold deposits where these structures cut favorable carbonate lithologies. There are two additional large structures parallel to the ESSZ on the Property, which are believed to be prospective for gold mineralization: the northern and the southern structural zones. PMUC engaged noted consultant Dr. Richard Sillitoe to examine the Property in August of 2011. His report noted the similarities between Excelsior Springs Property and the reduced, intrusion-related gold deposits of the Tintina-Fairbanks gold deposit belt in the Yukon and Alaska (Sillitoe, 2011). Because of the limited exposures of intrusive rock, he postulated that the Excelsior Property is at the top of the intrusion, and this position increases the Property's exploration potential. However, the Authors have not verified information with respect to the abovementioned deposit, and information in the Technical Report with respect to the deposit is not necessarily indicative of the mineralization on the Excelsior Springs Property.

The CSAMT survey was limited in its depth penetration but did show extensive zones of high resistivity, which are thought to be silicified zones that are covered by gravels to the east and by the upper plate of the SRTF to the south. Gradient IP has indicated a significant chargeability zone, possibly due to sulfide mineralization, in the southwestern portion of the project. Neither the high-resistivity nor the chargeability zones has been tested by drilling.

Conclusions

The data available for this review were deemed adequate to support the conclusion that additional exploration work is warranted on the Property. Some of the original assay reports from the labs were not available, but there is no reason not to rely on the reported gold values. The historic drill results are encouraging and show multiple intervals of gold mineralization in the ESSZ over a 2.5 km strike length. Future exploration programs on the Property will focus on the identification of: (1) structurally controlled pathways for the gold-bearing fluids; and (2) exposed areas of clay-sericite alteration which may form haloes around the gold-bearing zones.

Sufficient drilling has not yet been done on the project to establish the lateral and vertical continuity of the mineralization, and almost no drilling has been done to test the potential of the covered east and west extensions of the known mineralization. The abundance of north-dipping, mineralized structures found in the Buster mine that were likely missed by north-directed drill holes suggests that east- and southeast-directed angle holes are needed. There also appear to be untested, drill targets related to silicification of limestones under the SRTF as well as the IP chargeability zone in the southwestern portion of the project. To date, there has been no core drilling on the Property which could provide much needed information on alteration, stratigraphy and structures.

Based on the results of previous drilling programs, the Excelsior Springs Property should be considered an exceptional exploration project having significant potential to host one or more open-pittable gold deposits along with higher grade veins that could be mined underground. A number of exploration companies have conducted drilling programs on the Property, and the results have begun to define an extensive zone of gold mineralization. Additional drilling is required to establish lateral and vertical continuity of the known mineralization and to establish additional mineralized zones missed by earlier drilling. The Property is considered to be very promising and further exploration work is warranted in the opinion of the Authors.

Despite the overall favorable potential of the project, there remain uncertainties and risks that are found with any mineral exploration project as listed below.

- There is not a mineral resource on the Property; and
- The work program proposed may not be successful in defining potentially economic mineral resources on the Property.

There has not been sufficient metallurgical testing to determine the overall feasibility of a heap leach operation.

Recommendations

A two-phase exploration program is recommended for the Property. Phase One will comprise the following items:

1. Conducting a new gradient array IP survey that will provide data to a depth of approximately 900 feet (274 m) and better define the southwestern chargeability zone.
2. Analyzing of all surface mapping, assay and geophysical data to determine if moving to the Phase Two drilling program is warranted.

A detailed budget proposal for the Phase One program totals \$122,235.

If Phase One results demonstrate there are valid, untested drill targets, then the Phase Two core and RC drilling program should be initiated. A detailed budget for Phase Two is shown below, and the 2,000 feet (610 m) of oriented core drilling and the 10,000 feet (3,048 m) of RC drilling will cost an estimated \$866,870. Phase One and Two total \$1,088,015, including a 10% contingency. If Phase Two is successful, the data may support the need for additional drilling and the estimation of a mineral resource for the Property.

EXCELSIOR SPRINGS PROPOSED EXPLORATION BUDGET

July, 2021

FIRST PHASE

GEOPHYSICAL SURVEYS

| | | | | |
|---------------------|----|------|------|--------|
| IP survey | | crew | days | |
| | 13 | @ | 7500 | 97,500 |
| Survey, mob, report | | | | 15,000 |
| Magnetic survey | | crew | days | 1500 |
| | | | | - |

| | | | | | |
|------------------------------|-----|---------|-----|---------|------------|
| | | @ | | | |
| Senior Geologist supervision | 2 | days @ | 650 | 1,300 | |
| vehicle operating expenses | 650 | miles @ | 0.5 | 325 | |
| Living expenses, motel | 2 | days @ | 95 | 190 | |
| Meals | 2 | days @ | 60 | 120 | |
| Total | | | | 114,435 | 114,435.00 |

DATA COMPILATION and EVALUATION

| | | | | | |
|---------------------------------|---|--------|-----|-------|------------|
| Data compilation and evaluation | 4 | days @ | 650 | 2,600 | |
| Map drafting service | 2 | days @ | 650 | 1,300 | |
| Drill target selection | 4 | days @ | 650 | 2,600 | |
| Report writing | 2 | days @ | 650 | 1,300 | |
| Total | | | | 7,800 | 7,800.00 |
| TOTAL PHASE ONE | | | | | 122,235.00 |

SECOND PHASE

DRILL TARGET DEVELOPMENT

| | | | | | |
|---------------------------------------|-----|---------|-----|--------|-----------|
| Layout holes by Senior Geologist | 4 | days @ | 650 | 2,600 | |
| Geologist time for getting BLM permit | 1 | days @ | 650 | 650 | |
| Vehicle operating expenses | 800 | miles @ | 0.5 | 400 | |
| Living expenses, motel | 4 | days @ | 95 | 380 | |
| Meals | 4 | days @ | 60 | 240 | |
| Develop reclamation plan | 2 | days @ | 650 | 1,300 | |
| Reclamation bond | | | | 25,000 | |
| Total | | | | 30,570 | 30,570.00 |

CONSTRUCT ROADS DRILL PADS

| | | | | | |
|--------------------------------|------|---------|-----|--------|-----------|
| Geologist time for supervision | 10 | days @ | 650 | 6,500 | |
| vehicle operating expenses | 1200 | miles @ | 0.5 | 600 | |
| living expenses, motel | 10 | days @ | 95 | 950 | |
| Meals | 10 | days @ | 60 | 600 | |
| Equipment mob-demob | | | | 3,500 | |
| Equipment operation | 60 | hours @ | 180 | 10,800 | |
| Total | | | | 22,950 | 22,950.00 |

DRILLING

| | | | | | |
|----------------------------|-------|---------|-----|--------|-----------|
| Senior Geologist time | 10 | days @ | 650 | 6,500 | |
| Vehicle operating expenses | 2,000 | miles @ | 0.5 | 1,000 | |
| Living expenses, motel | 10 | days @ | 95 | 950 | |
| Meals | 10 | days @ | 60 | 600 | |
| Contract Geologist time | 60 | days @ | 650 | 39,000 | |
| Vehicle operating expenses | 8,400 | miles @ | 0.5 | 4,200 | |
| Living expenses, motel | 60 | days @ | 95 | 5,700 | |
| Meals | 60 | days @ | 60 | 3,600 | |
| Total | | | | 61,550 | 61,550.00 |

RC DRILLING

| | | | | | |
|-----------------|--|--|--|--------|--|
| Rig mob - demob | | | | 20,000 | |
|-----------------|--|--|--|--------|--|

| | | | | | |
|-----------------------------------|--------|-----------|-----|---------|--------------|
| RC Drilling costs | 10,000 | feet @ | 30 | 300,000 | |
| Water and hauling | 35 | days @ | 650 | 22,750 | |
| Crew per diem | 35 | days @ | 360 | 12,600 | |
| Additives etc | | | | 7,500 | |
| Bags etc | | | | 1,200 | |
| Fire assay 5 ft intervals | 2,000 | samples @ | 30 | 60,000 | |
| ICP analysis , 4 sample composite | 500 | samples @ | 12 | 6,000 | |
| Total | | | | 430,050 | 430,050.00 |
| CORE DRILLING | | | | | |
| Rig mob - demob | | | | 20,000 | |
| Core Drilling costs | 2,000 | feet @ | 120 | 240,000 | |
| Water and hauling | 25 | days @ | 650 | 16,250 | |
| Crew per diem | 25 | days @ | 360 | 9,000 | |
| Additives etc | | | | 7,500 | |
| Boxes, supplies etc | | | | 1,500 | |
| Fire assay AU -5 ft intvl | 400 | samples @ | 30 | 12,000 | |
| ICP analysis | 400 | samples @ | 12 | 4,800 | |
| Total | | | | 311,050 | 311,050.00 |
| PROJECT REPORT | | | | | |
| Senior Geologist time | 10 | days @ | 650 | 6,500 | |
| Drafting data compilation | 6 | days @ | 650 | 3,900 | |
| Map prints etc | | | | 300 | |
| Total | | | | 10,700 | 10,700.00 |
| TOTAL PHASE TWO | | | | | 866,870.00 |
| Project subtotal | | | | | 989,105.00 |
| Contingencies @ 10% | | | | | 98,910.50 |
| PROJECT TOTAL | | | | | 1,088,015.50 |

USE OF PROCEEDS

Proceeds

This is a non-offering prospectus. The Issuer is not raising any funds in conjunction with this Prospectus. Accordingly, there are no proceeds to the Issuer in connection with the filing of this Prospectus.

Funds Available

The total funds available to the Issuer, after deducting \$45,000 to cover the estimated remaining expenses of the Listing and including the Issuer's estimated working capital of \$260,000 as at July 31, 2021 and the expected proceeds from the second tranche of the May 2021 Private Placement of \$100,000, are estimated to be \$315,000. The Issuer will close the second tranche of the May 2021 Private Placement prior to the Listing. To the extent that the Issuer has negative operating cash flow in future periods, the Issuer intends to allocate funds generated from equity or debt financings and may use a portion of the unallocated capital referenced in the table below to fund such negative operating cash flow.

Principal Purposes

The principal purposes for the use of the funds available to the Issuer will be as follows:

| Expenses | Funds to be Used |
|--|-------------------------|
| To pay the estimated cost of the recommended exploration program and the budget on the Property as outlined in the Technical Report ⁽¹⁾ | \$122,235 |
| To pay the annual BLM maintenance fees and lease payment with respect to the 140 unpatented mining claims and two patented mining claims comprising the Property | \$40,000 |
| To provide funding sufficient to meet administrative costs for 12 months | \$150,000 |
| To provide general working capital to fund the Issuer's ongoing operations ⁽²⁾ | \$2,765 |
| TOTAL: | \$315,000 |

Notes:

(1) See "Narrative Description of the Business – Recommendations" above for a summary of the work to be undertaken, a breakdown of the estimated costs and the nature of title to, or the Issuer's interest in, the Property.

(2) The Issuer intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary.

Estimated administrative expenditures for the 12 months following completion of the Listing are comprised of the following:

| Administrative Expenses | Funds to be Used |
|--|-------------------------|
| Office Rent | \$1,500 |
| Management and Administration Services | \$50,000 |
| Miscellaneous Office and Supplies | \$1,500 |
| Transfer Agent | \$12,000 |
| Legal | \$50,000 |
| Accounting and Audit | \$35,000 |
| TOTAL: | \$150,000 |

The Issuer does not generate cash flow from its operations and has incurred certain operating losses. Such losses and negative operating cash flow are expected to continue since funds will be expended to pay its administrative expenses and to conduct the recommended exploration program on the Property. Although the Issuer has allocated \$150,000 (as above) to fund its ongoing operations for a period of 12 months, thereafter, the Issuer will be reliant on future equity financings for its funding requirements.

The Issuer intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons, a reallocation of funds may be necessary.

Stated Business Objectives and Milestones

The Issuer's business objectives in using the available funds are to:

- (a) obtain a listing of its Common Shares on the Exchange;
- (b) to complete the exercise of the Second Option to acquire the remaining 90% interest in the Property (for a 100% aggregate interest); and
- (c) conduct the Phase 1 exploration program on the Property recommended in the Technical Report.

The listing of the Common Shares on the Exchange is subject to the Issuer fulfilling all of the requirements of the Exchange. Upon completion of the Listing, the Phase 1 exploration program is expected to be conducted in the fall/winter of 2021, depending on the weather.

Indebtedness

None of the funds available to the Issuer as reported in this Prospectus will be used to reduce or retire indebtedness.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Information

The Issuer was incorporated under the laws of the State of Delaware on December 23, 2003. The following table summarizes selected information from the Issuer's audited financial statements for the periods ended December 31, 2020, 2019 and 2018.

| | Quarterly Period Ended June 30, 2021 (unaudited) | Period ended December 31, 2020 (audited) | Period ended December 31, 2019 (audited) | Period ended December 31, 2018 (audited) |
|---|--|--|--|--|
| Current Assets | \$271,311 | \$8,986 | \$117 | \$3,991 |
| Total Assets | \$421,311 | \$158,986 | \$185,407 | \$189,281 |
| Current Liabilities | \$114,219 | \$244,682 | \$2,980,207 | \$2,722,565 |
| Total Liabilities | \$537,178 | \$244,682 | \$3,070,207 | \$2,822,565 |
| Share Capital Deficit | \$(115,867) | \$(85,696) | \$(2,884,800) | \$(2,633,284) |
| Net Loss | \$(83,765) | \$(410,068) | \$(266,246) | \$(288,262) |
| Basic and diluted loss per common share | \$(0.00) | \$(0.01) | \$(0.01) | \$(0.01) |
| Cash dividends per share | Nil | Nil | Nil | Nil |

Dividends

There are no restrictions that would prevent the Issuer from paying dividends on the Common Shares. The Issuer has not paid any cash dividends on any shares of its capital stock (and no dividends have been paid to date on its Common Shares), and it does not anticipate paying any dividends in the foreseeable future. The Issuer's current business plan is to retain any future earnings to finance the expansion of its business. Any future determination to pay cash dividends will be at the discretion of the Board of Directors, and will be dependent upon the Issuer's financial condition, results of operations, capital requirements and other factors as the Board may deem relevant at that time.

Management's Discussion and Analysis

The Issuer's Management's Discussion and Analysis provides an analysis of the Issuer's financial results for the three and six month period ended June 30, 2021 and financial years ended December 31, 2018, December 31, 2019 and December 31, 2020 and should be read in conjunction with the audited financial statements and related notes for such periods. The Issuer's Management's Discussion and Analysis for the three and six month period ended June 30, 2021 and the financial years ended December 31, 2018, December 31, 2019 and December 31, 2020 are attached to this Prospectus as Schedules "B" and "C", respectively, and are prepared in the format permitted to an SEC issuer, namely in accordance with Item 303 of Regulation S-K under the *Securities Exchange Act of 1934*.

Certain information included in the Issuer's Management's Discussion and Analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of the uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "Forward-Looking Statements" for further detail.

DESCRIPTION OF THE OUTSTANDING SECURITIES

Authorized and Issued Share Capital

The authorized share capital of the Issuer consists of (i) up to 250,000,000 Common Shares; and (ii) up to 5,000,000 Preferred Shares. As of the date of this Prospectus, there are 68,282,320 Common Shares and nil Preferred Shares outstanding.

Common Shares

Dividends may be paid upon the Common Shares, as and when declared by the Board of Directors, out of funds of the Issuer legally available therefor. Upon any liquidation, dissolution and termination of the Issuer, and after payment or setting aside of any amount sufficient to provide for payment in full of all debts and liabilities of, and other claims against the Issuer, the assets shall be distributed pro rata to the holders of the Common Shares. At any meeting of the shareholders of the Issuer, each holder of Common Shares shall be entitled to one vote for each share outstanding in the name of such holder on the books of the Issuer on the date fixed for determination of voting rights. The shareholders of the Issuer, by vote or concurrence of a majority of the outstanding shares of the Issuer entitled to vote on the subject matter, may take any action which would otherwise require a two-thirds (2/3) vote under the General Corporation Law of the State of Delaware. Cumulative voting shall not be allowed in the election of directors or for any other purpose.

Unless otherwise determined by the Board of Directors, no shareholder of the Issuer shall have pre-emptive rights to subscribe for any additional shares of stock, or for other securities of any class, or for rights, warrants or options to purchase stock for the scrip, or for securities of any kind convertible into stock or carrying stock purchase warrants or privileges.

Preferred Shares

Preferred Shares are issuable in one or more series as may be determined from time to time by the Board of Directors. In establishing a series, the Board of Directors shall give to it a distinctive designation so as to distinguish it from the shares of all other series and classes, shall fix the number of shares in such series, and the preferences, rights and restrictions thereof. All shares of any one series shall be alike in every particular. All series shall be alike except that there may be variation as to the following: (1) the rate of distribution, (2) the price at and the terms and conditions on which shares shall be redeemed, (3) the amount payable upon shares for distributions of any kind, (4) sinking fund provisions for the redemption of shares, and (5) the terms and conditions on which shares may be converted if the shares of any series are issued with the privilege of conversion, and (6) voting rights except as limited by law.

Disclosure of Outstanding Security Data

| Securities | Outstanding | Number of Voting or Equity Securities issuable on Exercise |
|-----------------------------|-------------------------|--|
| Common Shares | 68,282,320 | N/A |
| Preferred Shares | Nil | N/A |
| Warrants | 6,423,810 | 6,423,810 |
| Stock Options | 2,000,000 | 2,000,000 |
| Restricted Stock Units | 300,000 | 300,000 |
| Convertible Promissory Note | \$74,615 ⁽¹⁾ | 3,553,095 ⁽²⁾ |

Notes:

(1) Includes \$51,270 in principal outstanding under the convertible promissory note and \$23,345 in accrued interest as at June 30, 2021.

(2) Based on the cumulative total of principal and interest of \$74,615 being converted into Common Shares at a price of \$0.021 per Common Share. The convertible note has a blocker provision that precludes its conversion if as a result of such conversion the holder would own more than 9.9% of the Issuer's total issued and outstanding Common Shares.

Listing of Issuer Shares

The Issuer has applied to list the Common Shares on the Exchange and has received conditional approval for the listing of its Common Shares thereon. Listing will be subject to the Issuer fulfilling all the listing requirements of the Exchange, including without limitation, the distribution of the Common Shares to a minimum number of public shareholders and the Issuer meeting certain financial and other requirements. The Common Shares are currently listed for trading on the OTCQB under the ticker symbol "AHNR".

As at the date of this Prospectus, the Issuer does not have any of its securities listed or quoted, has not applied to list or quote any of their securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group PLC).

CONSOLIDATED CAPITALIZATION

The following table summarizes the changes in the Issuer's capitalization since incorporation:

| Description | Authorized at the date of this Prospectus | Outstanding as at December 31, 2020 (Audited) | Outstanding as at June 30, 2021 (Unaudited) | Outstanding at the date of this Prospectus (Unaudited) |
|------------------------|---|---|---|--|
| Common Shares | 250,000,000 | 54,887,876 | 68,282,320 | 68,282,320 |
| Preferred Shares | 5,000,000 | Nil | Nil | Nil |
| Warrants | Unlimited ⁽¹⁾ | Nil | 6,423,810 ⁽²⁾ | 6,423,810 ⁽²⁾ |
| Stock Options | Up to 10,000,000 ⁽³⁾ | Nil | 2,000,000 | 2,000,000 |
| Restricted Stock Units | Up to 10,000,000 ⁽³⁾ | Nil | 300,000 | 300,000 |
| Long Term Debt | Nil | Nil | Nil | Nil |

Notes:

(1) Notwithstanding this limit, the Issuer is only authorized to issue up to 250,000,000 Common Shares.

(2) Consisting of 6,250,000 Common Share purchase warrants issued to subscribers and 173,810 broker warrants issued as finder's fees pursuant to the first tranche of the May 2021 Private Placement.

(3) The number authorized is governed by the Equity Incentive Plan and the Deferred Compensation Plan, which are cumulatively subject to a limit of 10,000,000 Common Shares issuable on the exercise of securities issued under the plan, in the aggregate.

OPTIONS TO PURCHASE SECURITIES

Equity Incentive Plan

The Issuer adopted its 2020 Equity Incentive Plan which became effective in January 2021 (the "**Equity Incentive Plan**") for its officers, directors and other employees, plus outside consultants and advisors. Under the Equity Incentive Plan, the Issuer's employees, outside consultants and advisors may receive awards of non-qualified options and incentive options, stock appreciation rights or shares of stock. As required by Section 422 of the *Internal Revenue Code of 1986*, as amended, the aggregate fair market value of the Common Shares underlying incentive stock options granted to an employee exercisable for the first time in any calendar year may not exceed \$100,000. The foregoing limitation does not apply to non-qualified options. The exercise price of an incentive option may not be less than 100% of the fair market value of the Common Shares on the date of grant. The same limitation does not apply to non-qualified options. An option is not transferable, except by will or the laws of descent and distribution. If the employment of an optionee terminates for any reason, (other than for cause, or by reason of death, disability or retirement), the optionee may exercise his options within a 90-day period following such termination to the extent he was entitled to exercise such options at the date of termination. A maximum of 10,000,000 Common Shares are subject to the Equity Incentive Plan. The purpose of the Equity Incentive Plan is to provide employees, including our

officers, directors, and non-employee consultants and advisors with an increased incentive to make significant and extraordinary contributions to our long-term performance and growth, to join their interests with the interests of our shareholders, and to facilitate attracting and retaining employees of exceptional ability.

The Equity Incentive Plan may be administered by the Board or in the Board's sole discretion, if the Issuer has a Compensation Committee, by the Compensation Committee of the Board or such other committee as may be specified by the Board to perform the functions and duties of the Committee under the Equity Incentive Plan. Subject to the provisions of the Equity Incentive Plan, the relevant committee and the Board shall determine, from those eligible to be participants in the Equity Incentive Plan, the persons to be granted stock options, stock appreciation rights and restricted stock, the amount of stock or rights to be optioned or granted to each such person, and the terms and conditions of any stock option, stock appreciation rights and restricted stock.

The following table sets out information about the non-qualified options, incentive options, stock appreciation rights or shares of stock issued and outstanding pursuant to the Equity Incentive Plan as of the date hereof:

| Name of Optionee | Designation of Securities under Option | Number of Common Shares under Option | Exercise price per Common Share | Expiry Date |
|---|--|--------------------------------------|---------------------------------|----------------|
| All directors and past directors who are not also executive officers as a group (3 persons) | Common Shares | 1,500,000 | \$0.09 | March 22, 2026 |
| All consultants of the Issuer (1 person) | Common Shares | 500,000 | \$0.09 | March 22, 2026 |

Deferred Compensation and Equity Award Plan

Effective March 10, 2021, the Issuer adopted a deferred compensation and equity award plan (the "**Deferred Compensation Plan**"). The purpose of the Deferred Compensation Plan is to enable officers, directors and key employees ("**Eligible Persons**") to defer receipt of compensation for their services on behalf of the Issuer and to enable the Issuer to provide part or all of the compensation for the service of Eligible Persons by agreeing to issue to such Eligible Persons Common Shares.

The Deferred Compensation Plan was established pursuant to the Equity Incentive Plan, and all rights to acquire Common Shares and Common Shares issued pursuant to the Deferred Compensation Plan constitute awards granted and Common Shares issued under the Deferred Compensation Plan, see "Equity Incentive Plan" above. The Deferred Compensation Plan will be administered by the Board unless and until the Board delegates administration to a committee. The Board may, at any time and for any reason in its sole discretion, rescind all or any portion of such delegation. Restricted stock units awarded pursuant to the Deferred Compensation Plan shall vest in the manner determined by the Board with respect to such award. Restricted stock units have no voting rights, and no amount due or payable under the Deferred Compensation Plan or any interest in the Deferred Compensation Plan, shall be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment, garnishment, lien, levy or like encumbrance.

The Issuer issued 300,000 restricted stock units at a price of \$0.10 per Common Share to a consultant. However, the Common Shares shall not be issued until such time as the individual either provides a written request or his termination date, whichever is sooner. The Common Shares shall have no voting rights until issued.

| Name of Restricted Stock Unit Recipient | Designation of Securities under Option | Number of Common Shares under Option | Exercise price per Common Share | Expiry Date |
|--|--|--------------------------------------|---------------------------------|--|
| All consultants of the Issuer (1 person) | Common Shares | 300,000 | \$0.10 | The earlier of the individual either providing a written request or his termination date |

PRIOR SALES

The following table summarizes the sales of securities of the Issuer for the 12-month period prior to the date of this Prospectus:

| Issue / Sale Date | Type of Security | Issue or Exercise Price Per Security | Number of Securities | Proceeds to the Issuer |
|--------------------|-------------------------|--------------------------------------|----------------------|--------------------------|
| September 18, 2020 | Common Shares | \$0.02 | 500,000 | \$10,000 |
| October 15, 2020 | Common Shares | \$0.03 | 600,000 | \$18,000 |
| October 26, 2020 | Common Shares | \$0.03 | 300,000 | \$9,000 |
| December 11, 2020 | Common Shares | \$0.03 | 5,000,000 | Nil ⁽¹⁾ |
| December 31, 2020 | Common Shares | \$0.045 | 300,000 | Nil ⁽²⁾ |
| December 31, 2020 | Common Shares | \$0.045 | 7,555,556 | Nil ⁽³⁾⁽⁴⁾ |
| December 31, 2020 | Common Shares | \$0.03 | 4,100,000 | \$123,000 |
| January 1, 2021 | Common Shares | \$0.045 | 2,144,444 | Nil ⁽⁵⁾ |
| February 19, 2021 | Common Shares | \$0.03 | 5,000,000 | \$150,000 |
| March 22, 2021 | Restricted Stock Units | \$0.10 ⁽⁹⁾ | 300,000 | Nil |
| March 26, 2021 | Stock Options | \$0.09 ⁽⁹⁾ | 2,000,000 | Nil |
| May 25, 2021 | Units ⁽⁶⁾ | CAD \$0.08 | 6,250,000 | \$414,700 ⁽⁷⁾ |
| May 25, 2021 | Warrants ⁽⁸⁾ | CAD \$0.15 ⁽⁹⁾ | 173,810 | Nil |

Notes:

- (1) Common Shares issued to the Optionor pursuant to the Property Option Agreement, no proceeds were received by the Issuer.
- (2) Shares issued as director fees to a director of the Issuer, no proceeds were received by the Issuer.
- (3) John Power, the Issuer's CEO, agreed to convert advances made to the Issuer totaling \$25,000 into Common Shares.
- (4) John Gibbs, the Issuer's largest shareholder, agreed to a \$315,000 reduction of outstanding principal of the 2012 Credit Facility with the issuance of 7,000,000 Common Shares.
- (5) The Issuer agreed to convert outstanding management fees of \$96,500 due to John Power, the Issuer's CEO.
- (6) Units issued in first tranche of May 2021 Private Placement.
- (7) The Issuer raised CAD \$500,000 under the first tranche of the May 2021 Private Placement, which amount equates to \$414,700 pursuant to the Bank of Canada Exchange Rate on May 25, 2021 of \$0.8294.
- (8) Broker warrants issued as a portion of finder's fees paid in connection with the closing of the first tranche of the May 2021 Private Placement. Each broker warrant is exercisable for one Common Share at a purchase price of CAD \$0.15 per Common Share until May 31, 2023.
- (9) Exercise price per security.

TRADING PRICE AND VOLUME

As of the date of this Prospectus, the Issuer does not have any of its securities listed or quoted in Canada, has not applied to list or quote any of its securities, and does not intend to apply or list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc. or a marketplace outside of Canada and the United States. However, the Common Shares trade over-the-counter in the United States on the OTCQB under the symbol "AHNR". The following table sets forth the range of monthly high and low closing bid prices of the Common Shares as reported on <http://www.otcmarkets.com> during the 12 months prior to the date of the Prospectus:

| Month | High | Low | Volume |
|-------------------|----------|----------|-----------|
| August 1-30, 2021 | \$0.10 | \$0.0705 | 731,913 |
| July 2021 | \$0.0875 | \$0.07 | 139,963 |
| June 2021 | \$0.095 | \$0.08 | 418,739 |
| May 2021 | \$0.119 | \$0.0801 | 443,072 |
| April 2021 | \$0.0959 | \$0.061 | 383,611 |
| March 2021 | \$0.12 | \$0.0849 | 536,959 |
| February 2021 | \$0.135 | \$0.11 | 4,478,128 |
| January 2021 | \$0.117 | \$0.045 | 5,506,534 |
| December 2020 | \$0.07 | \$0.0411 | 425,116 |
| November 2020 | \$0.065 | \$0.041 | 68,314 |
| October 2020 | \$0.065 | \$0.0478 | 238,926 |
| September 2020 | \$0.07 | \$0.051 | 220,157 |
| August 2020 | \$0.1024 | \$0.05 | 1,084,138 |

ESCROWED SECURITIES

Escrowed Securities

Under the applicable policies and notices of the Exchange, securities held by certain shareholders of the Issuer are required to be held in escrow in accordance with the escrow requirements set out in CSE Policy 2 – *Qualification for Listing*. The Escrowed Securities will be held in escrow pursuant to the Escrow Agreement.

The Escrow Agreement provides that the Escrowed Securities are held in escrow pursuant to its terms and the beneficial ownership thereof and may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the prior written consent of the Exchange. In the event of the bankruptcy of an escrow shareholder, provided the Exchange does not object, the Escrowed Securities held by such escrow shareholder may be transferred to the trustees in the bankruptcy or such person legally entitled to such Escrowed Securities, which Escrowed Securities will remain in escrow subject to the Escrow Agreement. In the event of the death of an escrow shareholder, provided the Exchange does not object, the Escrowed Securities held by the escrow shareholder will be released from escrow.

The following table sets out, as at the date of this Prospectus, the number and percentage of Common Shares held in escrow:

| Name | Number of Escrowed Common Shares ⁽¹⁾ | Percentage of Common Shares (At the date of the Prospectus) ⁽²⁾ |
|------------|---|--|
| John Power | 8,602,500 (owned beneficially and of record) | 12.60% |

| Name | Number of Escrowed Common Shares ⁽¹⁾ | Percentage of Common Shares (At the date of the Prospectus) ⁽²⁾ |
|-------------|--|--|
| John Gibbs | 27,516,124 (owned beneficially and of record) | 40.30% |
| Brian Power | 700,000 (owned beneficially and of record) | 1.03% |

Notes:

(1) Such Common Shares have been deposited in escrow with the Escrow Agent, and will be escrowed per CSE Policy 2 – *Qualification for Listing* and released pursuant to that Policy and the terms of the Escrow Agreement. The Escrow Agreement provides that 10% of the Escrowed Securities will be released from escrow upon the Listing Date and that, where there are no changes to the Common Shares initially deposited and no additional Escrow Securities, the remaining Escrowed Securities will be released in equal tranches of 15% every 6-month interval thereafter, over a period of 36 months.

(2) On a non-diluted basis and assuming 68,282,320 Common Shares issued and outstanding as at the date of this Prospectus.

The information as to Common Shares beneficially owned and of record in the table above is based upon information furnished to the Issuer by each of the individuals listed above.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Issuer, as of the date of this Prospectus, no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to the Issuer's Common Shares except as set out in the table below:

| As at the Date of this Prospectus | | | |
|-----------------------------------|--|---|--|
| Name | Number of Common Shares Owned Directly or Indirectly | Percentage of Common Shares Held ⁽¹⁾ | Percentage of Common Shares Held on a Fully Diluted Basis ⁽²⁾ |
| John Gibbs | 27,516,124 (owned beneficially and of record) | 40.30% | 36.89% ⁽³⁾ |
| John Power | 8,602,500 (owned beneficially and of record) | 12.60% | 11.05% ⁽⁴⁾ |

Notes:

(1) Assuming 68,282,320 Common Shares issued and outstanding.

(2) On a fully-diluted basis, assuming the exercise of 2,000,000 stock options, 300,000 restricted stock units, 6,250,000 Common Share purchase warrants, 173,810 broker warrants issued in connection with the closing of the first tranche of the May 2021 Private Placement and the conversion of the \$74,615 convertible note for 3,553,095 Common Shares (being 80,559,325 Common Shares).

(3) Assuming the exercise of 2,200,000 Common Share purchase warrants held by Mr. Gibbs.

(4) Assuming the exercise of 300,000 Common Share purchase warrants held by Mr. Power.

The information as to Common Shares owned directly or indirectly in the table above is based upon information furnished to the Issuer by each of the individuals listed above.

DIRECTORS AND OFFICERS

The following table provides the names, provinces of residence, positions, principal occupations and the number of voting securities of the Issuer that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

| Name and Province of Residence and Position with the Issuer | Director/ Officer Since | Principal Occupation for the Past Five Years | Number and % of Common Shares Beneficially Owned Directly or Indirectly (at the date of this Prospectus) |
|--|--|--|--|
| John Power Montana, USA <i>Chief Executive Officer, President, Corporate Secretary and Director</i> | Chief Executive Officer and President since January 2009, Secretary since January 2007, and Director since December 2003 | Chief Executive Officer of the Issuer since January 2009, Chief Financial Officer of the Issuer from 2005 until May 5, 2021, Secretary of the Issuer since January 2007 and Director of the Issuer since December 2003; Chief Financial Officer and a director of Magellan Gold Corp.; General Partner of Power Vacaville, LP. | 8,602,500 12.60% |
| Tyler Minnick Colorado, USA <i>Chief Financial Officer</i> | Chief Financial Officer since May 1, 2021 | Certified Public Accountant with Grand Mesa CPAs, LLC; consultant for Augusta Gold Corp. (formerly, Bullfrog Gold Corp.); Financial Reporting Manager with Bowie Resources, LLC; Director of Finance and Administration of the Grand Junction Regional Airport Authority. | Nil |
| Brian Power⁽¹⁾ California, USA <i>Director</i> | Director since December 2003 | Private investor and technology entrepreneur; director of Snuba, Incorporated; director of the Issuer since December 2003. | 700,000 1.03% |
| Markus Janser⁽¹⁾ Pully, Switzerland <i>Director</i> | Director since March 22, 2021 | Director of Nubian Resources Ltd.; self-employed businessman with expertise in financial services, asset management and private banking. | Nil |
| John E. Hiner⁽¹⁾ Washington State, USA <i>Director</i> | Director since March 22, 2021 | Licensed geologist and director of mineral exploration companies. | Nil |

Note:

(1) Denotes a member of the Audit Committee of the Issuer.

The information as to Common Shares beneficially owned directly or indirectly in the table above is based upon information furnished to the Issuer by each of the individuals listed above.

The term of office of the directors expires annually at the time of the Issuer's annual general meeting. The term of office of the officers expires at the discretion of the Issuer's directors.

The Issuer has one committee, the audit committee, comprised of Brian Power, Markus Janser and John E. Hiner (Chairperson). There are no other committees of the Board at this time. All compensation and corporate governance matters will be overseen by the Board of Directors.

The following is a brief description of the background of the key management, directors and promoters of the Issuer.

John Power, *Chief Executive Officer, President, Corporate Secretary and Director*

Mr. Power is the Chief Executive Officer, President and a director of the Issuer and provides his services to the Issuer on a part-time basis. He has served as a director of the Issuer since its inception in December 2003 and has served as the Issuer's Chief Executive Officer and President from December 2005 to December 2007 and from January 2009 to the present, and has served as Secretary since January 2007. Mr. Power was also the Chief Financial Officer of the Issuer from March 2005 until May 5, 2021. He will devote approximately 25% of his time to the affairs of the Issuer. His responsibilities with the Issuer in his capacity as Chief Executive Officer and President include managing day-to-day operations of the Issuer, executing policies implemented by the Board of Directors and reporting back to the Board.

Mr. Power has also served as a director of Magellan Gold Corporation from its formation in September 2010 until November 2020, and also served as President and/or CFO during most of that same time period. Mr. Power is also a co-managing member since 2011 of Silver Saddle Resources, LLC a private entity that owns mining claims in Nevada. From March 2010 to present, Mr. Power has served as co-Managing Member of Ryan Air Exposition, LLC, a private California holding company that invests in antique airplanes. Mr. Power served as Co-Managing Member of Wyoming Resorts, LLC, which owned and operated an historic hotel in Thermopolis, Wyoming, from June 1997 until June 2017.

Mr. Power has been a general partner of Power Vacaville, LP a commercial real estate investment firm since January 2008, and also serves as the vice-president and director of The Tide Community Broadcasting, Inc. since July 2012. Mr. Power attended, but did not receive a degree from, Occidental College (1980), Solano Community College (1981-1982) and University of California at Davis (1982-1984).

Mr. Power is a part time employee of the Issuer, has not entered into a non-competition or non-disclosure agreement with the Issuer and is 59 years of age.

Tyler Minnick, *Chief Financial Officer*

Mr. Minnick has been the Chief Financial Officer of the Issuer since May 6, 2021 and provides his services to the Issuer on a part-time basis. He will devote approximately 10 hours per month of his time to the affairs of the Issuer.

Since December 2018, Mr. Minnick has acted as a Certified Public Accountant (1993) with Grand Mesa CPAs, LLC, and from 2011 to the present he has worked for Augusta Gold Corp. as a consultant, (formerly, Bullfrog Gold Corp.), and was its Chief Financial Officer until October 2020. From May 2018 to September 2018, he was a financial reporting manager with Bowie Resources, LLC. From September 2014 to May 2018 Mr. Minnick acted as the Director of Finance and Administration of the Grand Junction Regional Airport Authority. Mr. Minnick has 11 years of experience in the mining industry.

Mr. Minnick is an independent contractor of the Issuer, has not entered into any non-competition or non-disclosure agreements with the Issuer and is 51 years of age.

Brian Power, *Director*

Mr. Power has been a director of the Issuer since 2003 and provides his services to the Issuer on a part-time basis. He will devote approximately 5% of his time to the affairs of the Issuer. As a director, he is responsible for directing and overseeing management of the Issuer.

Mr. Power is a private investor and technology entrepreneur, and has served as an officer or director of the Issuer since its inception in December 2003. He was Chief Executive Officer and President from December 2003 until December 2005. From March 2010 to present, Mr. Power has severed as co-Managing Member of Ryan Air Exposition, LLC, a private California holding company that invests in antique airplanes. From October 1998 to 2005, he was a co-founder and managing member of Spirit of Adventure, LLC a company engaged in the development of deep ocean exploration technologies including the design/build of advanced manned submersibles.

From 1996 to present he has served on the board of directors of Snuba, Incorporated, a manufacturer and international licensor of proprietary ocean diving systems. Mr. Power attended, but did not receive a degree from, Solano Community College (1983 – 1985) and the University of California at Davis (1985 – 1988).

Mr. Power is not an independent contractor or employee of the Issuer, has not entered into a non-competition or nondisclosure agreement with the Issuer and is 55 years of age.

Markus Janser, MCOM, Director

Mr. Janser has been a director of the Issuer since March 22, 2021 and provides his services to the Issuer on a part-time basis. He will devote approximately 5% of his time to the affairs of the Issuer. As a director, he is responsible for directing and overseeing management of the Issuer.

Mr. Janser has 20 years of experience as a senior executive and business consultant in private and offshore banking, finance and investment, project management, junior mining and exploration and property development. He was also the founding partner of a retail textile company, a financial service group and a property development company. Mr. Janser holds a Master of Arts in Economics from the University of Fribourg, Switzerland (March 1994). Currently, Mr. Janser is also a director of Nubian Resources Ltd., a position he has held since December 2009.

Mr. Janser is not an independent contractor or employee of the Issuer, has not entered into a non-competition or nondisclosure agreement with the Issuer and is 53 years of age.

John E. Hiner, Director

Mr. Hiner is a director of the Issuer and provides his services to the Issuer on a part-time basis. He has served as a director of the Issuer since March 22, 2021, and will devote approximately 10% of his time to the affairs of the Issuer. As a director, he is responsible for directing and overseeing management of the Issuer.

Mr. Hiner is a licensed geologist in the State of Washington (2002) and SME registered member (2012) and he has an exploration history of over 45 years with several major mining companies exploring for geothermal energy, precious metals and industrial minerals. He has served as a director and/or officer of mineral exploration and mining development companies, and works as an independent consulting geologist for mining companies. Previously, Mr. Hiner was an officer of Geocom Resources Inc. (from 2003 to 2013) and a director of Red Pine Petroleum Ltd. (from 2003 to 2013) and Straightup Resources Inc. (from 2017 to 2021). Mr. Hiner is currently a director of Gold Basin Resources Corporation (since 2017) and Golden Lake Exploration Inc. (since 2018).

Mr. Hiner is not an independent contractor or employee of the Issuer, has not entered into a non-competition or non-disclosure agreement with the Issuer and is 73 years of age.

Corporate Cease Trade Orders or Bankruptcies

To the Issuer's knowledge, except as disclosed below:

- (a) no director or executive officer of the Issuer is as of the date hereof, or within the ten years prior to the date hereof has been, a director or executive officer of any other company that, while that person was acting in the capacity of director or executive officer of that company, was the subject of a cease trade order or similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days;
- (b) no director or executive officer of the Issuer is as of the date hereof, or within the ten years prior to the date hereof ceased to be a director or executive officer of any other company that, was the subject of a cease trade order or similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days that was issued after the director, executive officer or promoter ceased to be a director or executive officer and which resulted from an event that occurred while that person was acting in the capacity as director or executive officer; and
- (c) no director, executive officer or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer is as of the date hereof, or within the ten years prior to the date hereof has been, a director or executive officer of any other company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject

to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

On November 6, 2009, at a time when John E. Hiner was a director and/or officer of Geocom Resources Inc. ("**Geocom**"), a cease trade order was issued to Geocom by the British Columbia Securities Commission, for its failure to file comparative financial statements, a management's discussion and analysis and annual information form for its year ended June 30, 2009. Subsequently, on March 13, 2013, the United States Securities and Exchange Commission (the "**SEC**") issued an order revoking the registration of Geocom's securities for its failure to file periodic reports. While Geocom is currently listed as a cease traded issuer pursuant to the British Columbia Securities Commission's Cease Traded Issuers List, Geocom's business licence expired on June 30, 2014 in its jurisdiction of organization, Nevada, USA.

Penalties or Sanctions

To the Issuer's knowledge, no director or executive officer of the Issuer, or any shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

To the Issuer's knowledge, no existing or proposed director, executive officer or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer is as of the date hereof, or within the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Conflicts of Interest

The directors of the Issuer are required by law to act honestly and in good faith with a view to the best interests of the Issuer and to disclose any interests, which they may have in any project or opportunity of the Issuer. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his or her interest and abstain from voting on such matter.

To the Issuer's knowledge and other than disclosed herein, there are no known existing or potential conflicts of interest among the Issuer, its promoters, directors and officers or other members of management of the Issuer or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies and therefore it is possible that a conflict may arise between their duties to the Issuer and their duties as a director or officer of such other companies.

STATEMENT OF EXECUTIVE COMPENSATION

The executive compensation discussion below discloses compensation paid to the following individuals:

- (a) each individual who, in respect of the Issuer, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Issuer, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Issuer and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with Section 1.3(5) of Form 51-

102F6V under National Instrument 51-102 – *Continuous Disclosure Obligations*, for that financial year; and

- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Issuer, nor acting in a similar capacity, as at the end of the most recently completed financial year,

(each, a "Named Executive Officer").

During the period ended December 31, 2020, the Issuer had one individual who was a Named Executive Officer, namely John Power, who was appointed the Chief Executive Officer, Chief Financial Officer and President of the Issuer on April 17, 2019.

Compensation Discussion and Analysis

In assessing the compensation of its Named Executive Officers, the Issuer does not have in place any formal objectives, criteria or analysis. Compensation payable to Named Executive Officers of the Issuer is currently determined by the Board of Directors.

As of the date of this Prospectus, the Board of Directors has not established any benchmark or performance goals to be achieved or met by Named Executive Officers, however, Named Executive Officers of the Issuer are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Issuer. The satisfactory discharge of such duties is subject to ongoing monitoring by the Issuer's directors.

The Issuer's Named Executive Officer compensation during the most recently completed financial period ended December 31, 2020 was determined and administered by the Board of Directors. The Board of Directors was solely responsible for assessing the compensation to be paid to the Issuer's Named Executive Officers and for evaluating their performance.

It is expected that once the Issuer becomes a reporting issuer, base salary will be the principal component of Named Executive Officer compensation. The base salary for each Named Executive Officer will be based on the position held, the related responsibilities and functions performed by the executive and salary ranges for similar positions in comparable junior mining companies. Individual and corporate performance will also be taken into account in determining base salary levels.

The Issuer also intends to make compensation available to Named Executive Officers in the form of grants of stock options pursuant to the Issuer's Equity Incentive Plan. The objective of this compensation component is to attract, retain and motivate certain persons of training, experience and leadership as key service providers to the Issuer, including its directors, Named Executive Officers and employees and to advance the interest of the Issuer by providing such persons with additional compensation and the opportunity to participate in the success of the Issuer.

In addition to, or in lieu of, the compensation components described above, payments may be made from time to time to individuals, including Named Executive Officers or directors of the Issuer, or companies they control for the provision of management or consulting services. Such services are paid for by the Issuer at competitive industry rates for work of a similar nature by reputable arm's length services providers.

Summary Compensation Table

The following table sets forth the value of the compensation, excluding compensation securities, of the Issuer's Named Executive Officer, for the last three financial years:

| Name and principal position | Year | Salary | Share-based awards | Option-based awards | Non-equity incentive plan compensation | | Pension value | All other compensation | Total compensation |
|---|------|--------|--------------------|---------------------|--|---------------------------|---------------|-------------------------|--------------------|
| | | | | | Annual incentive plans | Long-term incentive plans | | | |
| John Power <i>Chief Executive Officer, President, Chief Financial Officer, Secretary and Director⁽¹⁾</i> | 2020 | Nil | Nil | Nil | Nil | Nil | Nil | \$30,000 ⁽²⁾ | \$30,000 |
| | 2019 | Nil | Nil | Nil | Nil | Nil | Nil | \$30,000 ⁽²⁾ | \$30,000 |
| | 2018 | Nil | Nil | Nil | Nil | Nil | Nil | \$30,000 ⁽²⁾ | \$30,000 |

Notes:

(1) John Power was appointed Chief Executive Officer and President in 2009, Chief Financial Officer in January 2005, Secretary in January 2007 and a director in December 2003. Mr. Power resigned as Chief Financial Officer on May 5, 2021.

(2) Paid as consulting fees. The fees were paid in cash or accrued if funds were unavailable. The accrued balance of unpaid consulting fees was converted into Common Shares on January 1, 2021.

Director Compensation Table

The table below sets out the compensation of directors that are not also Named Executive Officers of the Issuer, for the last two financial years:

| Name | Year | Fees earned | Share-based awards | Option-based awards | Non-equity incentive plan compensation | Pension value | All other compensation | Total |
|---|------|-------------|-------------------------|---------------------|--|---------------|------------------------|----------|
| Brian Power <i>Director⁽¹⁾</i> | 2020 | Nil | \$13,500 ⁽²⁾ | Nil | Nil | Nil | Nil | \$13,500 |
| | 2019 | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

Notes:

(1) Brian Power was appointed a director in December 2003. Mr. Power resigned as the Chief Executive Officer of the Issuer in December 2005

(2) Brian Power was issued 300,000 Common Shares at \$0.045 per share, totaling \$13,500, as compensation for director fees. Each Common Share had a fair market value of \$0.05 as determined by the closing price of the Common Shares on the OTCQB on December 31, 2020.

External Management Companies

None of the Issuer's Named Executive Officers are employees of the Issuer.

As of the date of this Prospectus, the Issuer has not executed any employment, consulting or management agreements with any of its directors or Named Executive Officers, other than the consulting agreement with John Power dated March 1, 2021 and the consulting agreement with Tyler J. Minnick, CPA LLC dated May 6, 2021, pursuant to which Tyler Minnick acts as Chief Financial Officer of the Issuer.

Stock Options and Other Compensation Securities

Stock options are granted to provide an incentive to the directors, officers, employees and consultants of the Issuer to achieve the longer-term objectives of the Issuer; to give suitable recognition to the ability and industry experience of such persons who contribute materially to the success of the Issuer; and to attract and retain persons of suitable experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Issuer. See "Options to Purchase Securities" above for a description of the material terms of the Issuer's Equity Incentive Plan.

There were no stock options or other compensation securities granted or issued during the most recently completed financial year, and 2,000,000 stock options and 300,000 restricted stock units have been issued as at the date of this Prospectus.

Employment, Consulting and Management Agreements

Other than as disclosed below, there were no employment, consulting or management agreements under which compensation was provided during the financial year ended December 31, 2020 or is payable in respect of services provided to the Issuer or its subsidiaries.

John Power had an arrangement with the Issuer to provide the services customarily attendant to the offices of Chief Executive Officer, President and Chief Financial Officer of the Issuer on a year to year basis for a fee of \$2,500 per month. There were no provisions with respect to change of control, severance, termination or constructive dismissal, and the arrangement has been replaced by the consulting agreement entered into between the Issuer and John Power on March 1, 2021.

Proposed Compensation

During the next 12 months, the Issuer proposes to pay the following compensation to its Named Executive Officers and directors:

| Name and Principal Position | Salary | All Other Compensation | Total Compensation |
|--|--------|-------------------------|--------------------|
| John Power <i>Chief Executive Officer, President and Corporate Secretary</i> | Nil | \$30,000 ⁽¹⁾ | \$30,000 |
| Tyler Minnick <i>Chief Financial Officer</i> | Nil | \$10,800 ⁽²⁾ | \$10,800 |
| Brian Power <i>Director</i> | Nil | Nil | Nil |
| Markus Janser <i>Director</i> | Nil | Nil | Nil |
| John Hiner <i>Director</i> | Nil | Nil | Nil |

Notes:

(1) Pursuant to a consulting agreement dated March 1, 2021, John Power will be paid a fee of \$2,500 per month.

(2) Pursuant to a consulting agreement dated May 1, 2021, Tyler Minnick will be paid a fee of \$90 per hour for an anticipated 10 hours of work each month.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than routine indebtedness for travel and other expense advances, no existing or proposed director, executive officer or senior officer of the Issuer or any associate of any of them, was indebted to the Issuer as at December 31, 2020, or is currently indebted to the Issuer at the date of this Prospectus.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), NI 41-101 and Form 52-110F1 of NI 52-110 require the Issuer to disclose certain information relating to the Issuer's audit committee (the "**Audit Committee**") and its relationship with the Issuer's independent auditors.

Audit Committee Charter

The full text of the Audit Committee's charter is attached hereto as Schedule "A".

Composition of Audit Committee

The members of the Audit Committee are set out below:

| | | |
|-----------------------------|--------------------------------|-------------------------------------|
| Brian Power | Not Independent ⁽¹⁾ | Financially literate ⁽²⁾ |
| Markus Janser | Independent ⁽¹⁾ | Financially literate ⁽²⁾ |
| John E. Hiner (Chairperson) | Independent ⁽¹⁾ | Financially literate ⁽²⁾ |

Notes:

(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Issuer, which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Issuer's financial statements.

Relevant Education and Experience

Each member of the Issuer's present Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience necessary to provide the member with:

- (a) an understanding of the accounting principles used by the Issuer to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Issuer's financial statements or experience actively supervising individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

Brian Power: Mr. Power has served as a director or officer of the Issuer since 2003 and is currently a member of the board of directors of Snuba, Incorporated. Mr. Power has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Issuer.

Markus Janser: Mr. Janser has numerous years of experience with mineral exploration and mining development companies and is familiar with the financial reporting requirements applicable to public companies in Canada. Mr. Janser is currently a member and the chairperson of the audit committee of Nubian Resources Ltd., a mining exploration company listed on the TSXV.

John E. Hiner: Mr. Hiner has several years of experience with mineral exploration and mining development companies, including as a member of the audit committee of Straightup Resources Inc. and Gold Basin Resources

Corporation. Mr. Hiner is familiar with the financial reporting requirements applicable to public companies in Canada.

See "Directors and Officers" above for further details.

Audit Committee Oversight

The Audit Committee was established on May 5, 2021 and will, among other things, make recommendations to the Board to nominate or compensate an external auditor. As of the date of this Prospectus, the Audit Committee has not made any such recommendations for the Board to consider.

Reliance on Certain Exemptions

At no time since the commencement of the Issuer's most recently completed financial period has the Issuer relied on the exemptions in Sections 2.4, 3.2, 3.4, 3.5, 3.6 or Part 8 of NI 52-110, or an exemption from subsections 3.3(2) of NI 52-110. The Issuer is relying on the exemption in Section 6.1 of NI 52-110 regarding the composition of the audit committee and reporting obligations.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board of Directors to review the performance of the Issuer's external auditors and approve in advance the provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services engaged by the Issuer. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairperson of the Audit Committee deems is necessary and the Chairperson will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration and, if thought fit, approval in writing.

External Auditor Service Fees

The following table sets out the aggregate fees billed by the Issuer's external auditor for each of the last two financial years are as follows:

| | December 31, 2020 | December 31, 2019 |
|---------------------------|--------------------------|--------------------------|
| Audit Fees | \$24,500 | \$24,500 |
| Audit Related Fees | Nil | Nil |
| Tax Fees | \$2,500 | \$1,500 |
| All Other Fees | Nil | Nil |
| TOTAL: | \$27,000 | \$26,000 |

Exemption

The Issuer has relied upon the exemption provided by section 6.1 of NI 52-110, which exempts a venture issuer from the requirement to comply with the restrictions on the composition of its Audit Committee and the disclosure requirements of its Audit Committee in an annual information form as prescribed by NI 52-110.

Corporate Governance

General

The Board of Directors believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 – *Corporate Governance Guidelines* ("NP 58-201") provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Issuer. In addition, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") prescribes certain disclosure by the Issuer of its corporate governance practices. This disclosure is presented below.

Board of Directors

NP 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors within the meaning of NI 52-110. The Board is currently comprised of four directors, of whom Markus Janser and John E. Hiner are independent for the purposes of NI 52-110. John Power is not independent as he serves as Chief Executive Officer and President of the Issuer, and Brian Power is not independent as he is an immediate family member of the Chief Executive Officer of the Issuer. Therefore, the Board is not comprised of a majority of independent directors, and, in order to further facilitate the exercise of independent supervision over the Issuer's management, the Board carefully examines the issues before it, consults with outside counsel and other advisors as necessary and encourages the independent directors to regularly and independently confer amongst themselves.

Directorships

Certain of the Issuer's directors are also currently directors of other reporting issuers as follows:

| Name | Reporting Issuer (Exchange/Market: Trading Symbol) |
|---------------|--|
| John Power | N/A |
| Brian Power | N/A |
| Markus Janser | Nubian Resources Ltd. (TSX.V: NBR) |
| John E. Hiner | Gold Basin Resources Corporation (CSE: GXX) Golden Lake Exploration Inc. (CSE: GLM) |

Board Mandate

The Board has not adopted a written mandate or code delineating the Board's roles and responsibilities, since it believes it is adequately governed by the requirements of applicable corporate and securities common and statute law which provide that the Board has responsibility for the stewardship of the Issuer. That stewardship includes responsibility for strategic planning, identification of the principal risks of the Issuer's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Issuer's internal control and management information systems.

Orientation and Continuing Education

When new directors are appointed they receive orientation, commensurate with their previous experience, on the Issuer's business, assets and industry and on the responsibilities of directors. Meetings of the Board are sometimes held at the Issuer's offices and, from time to time, are combined with presentations by the Issuer's management to give the directors additional insight into the Issuer's business. In addition, management of the Issuer makes itself available for discussion with all members of the Board.

Ethical Business Conduct

The Board of Directors has not adopted a formal code of business conduct and ethics. The Board has found that the fiduciary duties placed on individual directors by the Issuer's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Issuer.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee and these functions are currently performed by the Board as a whole, however, if there is a change in the number of directors required by the Issuer, this policy will be reviewed.

Compensation

The Board is responsible for determining compensation for the directors of the Issuer to ensure it reflects the responsibilities and risks of being a director of a public company.

Other Board Committees

The Board has no committee other than the Audit Committee.

Assessments

Due to the minimal size of the Board, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

PLAN OF DISTRIBUTION

This is a non-offering Prospectus. No securities are offered pursuant to this Prospectus. The Prospectus is being filed in the province of British Columbia to qualify the Issuer as a reporting issuer in British Columbia. The Issuer has applied to list its Common Shares on the Exchange and the listing of the Common Shares thereon will be subject to the Issuer fulfilling all of the requirements of the Exchange.

RISK FACTORS

The Issuer is in the business of exploring mineral properties, which is a highly speculative endeavor. The following are certain factors relating to the business of the Issuer, which factors investors should carefully consider when making an investment decision concerning the shares of the Issuer. These risks and uncertainties are not the only ones facing the Issuer. Additional risks and uncertainties not presently known to the Issuer which are currently deemed immaterial, may also impair the operations of the Issuer. If any such risks actually occur, shareholders could lose all or part of their investment and the financial condition, liquidity and results of operations of the Issuer could be materially adversely affected and the ability of the Issuer to implement its growth plans could be adversely affected.

An investment in the Issuer is speculative. An investment in the Issuer will be subject to certain material risks and investors should not invest in securities of the Issuer unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the business of the Issuer.

General

A purchase of any of the securities of the Issuer involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Issuer should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Issuer's securities prior to purchasing any of the securities

Insufficient Capital

The Issuer does not currently have any revenue producing operations and may, from time to time, report a working capital deficit. To maintain its activities, the Issuer will require additional funds which may be obtained either by the sale of equity capital or by entering into an option or joint venture agreement with a third party providing such funding. There is no assurance that the Issuer will be successful in obtaining such additional financing; failure to do so could result in the loss or substantial dilution of the Issuer's interest in the Property.

Financing Risks

The Issuer has no history of earnings and, due to the nature of its business, there can be no assurance that the Issuer will be profitable. The Issuer has paid no dividends on its Common Shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Issuer is through the sale of its

Common Shares. Even if the results of exploration are encouraging, the Issuer may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on any of its properties. While the Issuer may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there is no assurance that any such funds will be available on terms acceptable to the Issuer, or at all. If available, future equity financing may result in substantial dilution to shareholders of the Issuer. At present it is impossible to determine what amounts of additional funds, if any, may be required.

Limited Operating History and Negative Operating Cash Flow

During the year ended December 31, 2020, the Issuer had negative cash flows from operating activities and expects to continue to have negative cash flows from operating activities. The Issuer intends to use the net proceeds from its last offering to fund such negative cash flows during the next 12 months. There are no known commercial quantities of mineral reserves on the Property. After completing the Listing, the Issuer intends to carry out exploration and development on the Property with the objective of establishing economic quantities of mineral reserves.

While the Issuer will use available proceeds during the next 12 months, before or immediately thereafter, the Issuer must raise funds to cover its ongoing costs, and/or negative cash flow from operating activities beyond such 12 month period. The Issuer currently has no source of operating cash flow and is expected to continue to do so for the foreseeable future. The Issuer's failure to achieve profitability and positive operating cash flows and/or raise the funds required to cover its costs and/or negative cash flow in any future period could have a material adverse effect on its financial condition and results of operations. There can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Issuer.

Resale of Shares

The continued operation of the Issuer will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Issuer is unable to generate such revenues or obtain such additional financing, any investment in the Issuer may be lost. In such event, the probability of resale of the Common Shares purchased would be diminished.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Issuer in creating revenues, cash flows or earnings.

Pandemics, Natural Disasters, Terrorism or other Unforeseen Events

The outbreak of infectious disease or occurrence of pandemics, such as the recent outbreak of the novel coronavirus COVID-19; natural disasters; terrorism or other unanticipated events, in any of the areas in which the Issuer, its customers or its suppliers operate could cause interruptions in the Issuer's operations. In addition, pandemics, natural disasters, terrorism or other unforeseen events could negatively impact global supply chains, project development, operations, labour shortages, and financial markets and cause increase costs to the Issuer, which could have a material adverse effect on the Issuer's business, financial condition, results of operations and cash flows.

Exploration Activities Situated in Foreign Jurisdiction

The Issuer is conducting its mining activities principally in the United States of America; therefore, its operations are subject to the risks normally associated with conducting business in a foreign country. While the Issuer believes that the government of the U.S. supports the development of natural resources, there is no guarantee that future political and economic conditions in the U.S. will not result in the creation of different policies and attitudes respecting the development and ownership of mineral resources. Therefore, changes in policies and attitudes may result in changes in laws and regulations affecting environmental requirements, prices, foreign investment, ownership of assets, land tenure and mineral concessions, taxation, royalties, currency exchange and inflation rates, labour relations,

expropriation of property interests, licensing and permitting, income repatriation and capital recovery, which may have a material adverse effect on the Issuer.

Property Interests

The Issuer does not own the mineral rights pertaining to the Property. Rather, it holds an option to acquire up to a 100% interest. There is no guarantee the Issuer will be able to raise sufficient funding in the future to explore and develop the Property so as to maintain its interests therein. If the Issuer loses or abandons its interest in the Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Issuer, whether by way of option or otherwise, should the Issuer wish to acquire any additional properties.

In the event that the Issuer acquires a 100% interest in the Property, there is no guarantee that title to the Property will not be challenged or impugned. The Issuer's mineral property interests may be subject to prior unregistered agreements or transfers or aboriginal or indigenous land claims or title may be affected by undetected defects. Surveys have not been carried out on the Property, therefore, in accordance with the laws of the jurisdiction in which the Property is situated; its existence and area could be in doubt. Until competing interests in the mineral lands have been determined, the Issuer can give no assurance as to the validity of title of the Issuer to those lands or the size of such mineral lands.

Indigenous Land Claims

The Property may now or in the future be the subject of Indigenous land claims. The legal nature of Aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Issuer's ownership interest in the Property cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of Aboriginal rights in the area in which the Property is located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Issuer's activities. Even in the absence of such recognition, the Issuer may at some point be required to negotiate with and seek the approval of holders of Aboriginal interests in order to facilitate exploration and development work on the Property, there is no assurance that the Issuer will be able to establish a practical working relationship with the Indigenous peoples in the area which would allow it to ultimately develop the Property.

Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Issuer may be affected by numerous factors which are beyond the control of the Issuer and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Issuer not receiving an adequate return of investment capital.

There is no assurance that the Issuer's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Issuer's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks and, in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Issuer may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could

reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Issuer.

Permits and Government Regulations

The future operations of the Issuer may require permits from various federal, state and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Issuer will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Property.

Environmental Laws and Regulations

Environmental laws and regulations may affect the operations of the Issuer. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Issuer for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. In all major developments, the Issuer generally relies on recognized designers and development contractors from which the Issuer will, in the first instance, seek indemnities. The Issuer intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Issuer's operations more expensive.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Issuer and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

No Commercial Ore

The Property on which a portion of the Issuer's available funds are to be expended does not contain any known amounts of commercial ore.

Competition

The mining industry is intensely competitive in all its phases and the Issuer competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Issuer's ability to acquire suitable properties or prospects in the future.

Management and Directors

The success of the Issuer is currently largely dependent on the performance of its officers. The loss of the services of these persons will have a materially adverse effect on the Issuer's business and prospects. There is no assurance the Issuer can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Issuer and its prospects.

The Issuer has made certain forward-looking statements in this Prospectus regarding the future plans and intentions of the Issuer. Investors are cautioned that while the Issuer presently believes such statements to be accurate, the current Board and management of the Issuer do not have the power to irrevocably bind future Boards, management or shareholders of the Issuer and, accordingly, cannot guarantee that such plans and intentions will be fulfilled by the Issuer, if any.

Fluctuating Mineral Prices

The Issuer's revenues, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals. Factors beyond the control of the Issuer may affect the marketability of metals discovered, if

any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Issuer's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices. In addition, currency fluctuations may affect the cash flow which the Issuer may realize from its operations, since most mineral commodities are sold in the world market in United States dollars.

Foreign Currency Fluctuations

Foreign currency fluctuations may have a material adverse effect on the Issuer's financial position and net income. The price of gold is denominated in U.S. dollars and therefore, the Issuer's expected future revenue, if any, will be realized and reported in U.S. dollars. Also, future capital raised by the Issuer from public offerings of securities may be in Canadian or U.S. dollars. However, most of the Issuer's capital costs and operational costs are in U.S. dollars. The use of these different currencies exposes the Issuer to the risk of foreign currency fluctuations, which are affected by a number of factors that are beyond the control of the Issuer. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. The Issuer has not hedged against fluctuations in exchange rates; however, it may do so at a later date.

Litigation

The Issuer may from time to time be involved in various claims, legal proceedings and disputes arising from disputes in relation to its mineral properties, including the Property, and in the ordinary course of business. If such disputes arise and the Issuer is unable to resolve these disputes favorably, it may have a material and adverse effect on the Issuer's profitability or results of operations and financial condition.

Conflicts of Interest

Certain of the directors of the Issuer serve as directors of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Issuer may participate, the directors of the Issuer may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Board, a director who has such a conflict will abstain from voting for or against the approval of such a participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In determining whether or not the Issuer will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Issuer may be exposed and its financial position at that time.

Dividends

The Issuer does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Tax Issues

Income tax consequences in relation to the Common Shares will vary according to the circumstances by each purchaser. Prospective investors should seek independent advice from their own tax and legal advisors prior to subscribing for Common Shares.

PROMOTERS

John Power is considered to be a promoter of the Issuer in that he took the initiative in organizing the business of the Issuer. Mr. Power beneficially holds, directly or indirectly, a total of 8,602,500 (12.60%) of the Issuer's currently issued and outstanding Common Shares. See "Principal Shareholders" and "Directors and Officers" above for further details.

LEGAL PROCEEDINGS

Neither the Issuer nor the Property is or has been the subject of any legal proceedings, penalties or sanctions imposed by a court or regulatory authority, or settlement agreements before a court or regulatory, and no such legal proceedings, penalties or sanctions are known by the Issuer to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed below, no director, senior officer or principal shareholder of the Issuer, or any person or company that beneficially owns or controls or directs, directly or indirectly more than 10% of the Common Shares of the Issuer, or any associate or affiliate of the foregoing has had a material interest, direct or indirect, in any transactions in which the Issuer has participated within the three year period prior to the date of this Prospectus, or will have any material interest in any proposed transaction, which has materially affected or will materially affect the Issuer.

The Issuer entered into a Thirteenth Allonge and Modification Agreement with John Gibbs effective as of September 30, 2020 (the "**Thirteenth Allonge**"), to extend the maturity date of certain advances of funds under the 2012 Credit Agreement to December 31, 2020. Prior to the Thirteenth Allonge, in the three years prior to the date of this Prospectus, the Issuer entered into various Allonge and Modification Agreements to increase the maximum amount of funds available and to extend the maturity date under the 2012 Credit Agreement.

Effective December 31, 2020, the Issuer entered into a Stock Purchase Agreement with TriPower Resources, Inc., ("**TriPower**") a company controlled by John Gibbs, a related party to the Issuer, pursuant to which TriPower agreed to purchase 100% of the issued and outstanding shares of Athena Minerals, Inc., which was a wholly owned subsidiary of the Issuer, in exchange for full satisfaction of the Company's indebtedness to John Gibbs under the 2012 Credit Agreement. The outstanding principal under the 2012 Credit Agreement at the time of the transaction was \$1,929,870. All accrued and unpaid interest due under the 2012 Credit Agreement totaling \$668,012 was waived as part of the transaction.

During the year ended December 31, 2020, John Power made short-term advances to the Issuer totaling \$59,226 and \$41,778 was repaid during the period. In addition, \$25,000 was converted to 555,556 Common Shares leaving an unpaid balance of \$21,898 at December 31, 2020 and remaining an advance payable. During the year ended December 31, 2019, John Power made short-term advances to the Issuer totaling \$31,100 and was repaid \$26,650 during the period. At December 31, 2019 a total of \$29,450 of advances were outstanding and remained advances payable.

During the year ended December 31, 2020, John Gibbs made short-term advances to the Issuer totaling \$84,100, of which \$10,000 was repaid. The remaining \$74,100 was utilized in a private placement of Common Shares. At both December 31, 2020 and 2019, no advances from John Gibbs were outstanding.

On January 1, 2021 the Company agreed to convert outstanding management fees due to John Power totaling \$96,500 into Common Shares at a price of \$0.045, resulting in the issuance of 2,144,444 Common Shares.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this Prospectus, no director or executive officer of the Issuer or an Associate of such persons is indebted to the Issuer or another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer.

AUDITORS

The auditor of the Issuer is MaloneBailey LLP, of 10375 Richmond Avenue, Suite 710, Houston, Texas, U.S.A., 77042.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for the Common Shares in the United States is Equiniti Trust Company of 3200 Cherry Creek Drive South, Suite 430, Denver, Colorado, U.S.A., 80209. The co-transfer agent in Canada is TSX Trust Company, of Suite 2700, 650 West Georgia Street, Vancouver, British Columbia, V6B 4N9.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Issuer since the beginning of the financial year ended December 31, 2021 to the date of this Prospectus that are still in effect:

1. Property Option Agreement made among the Issuer, the Optionor And Nubian Resources (USA) Ltd., dated December 11, 2020, referred to under "General Development of the Business".
2. Equity Incentive Plan approved by the Board of Directors and dated March 22, 2021, referred to under "Options to Purchase Securities".
3. Deferred Compensation and Equity Award Plan dated effective March 10, 2021, referred to under "Options to Purchase Securities".
4. Escrow Agreement among the Issuer, the Escrow Agent and certain Principals of the Issuer made as of August 31, 2021 referred to under "Escrowed Shares".
5. Consulting Agreement made between the Issuer and John Power dated March 1, 2021.
6. Consulting Agreement made between the Issuer and Tyler Minnick dated May 6, 2021.

A copy of any material contract and the Technical Report may be inspected for a period of 30 days following the date of this Prospectus by prior appointment during normal business hours at the Issuer's offices at 2010A Harbison Drive, Unit 312, Vacaville, California, United States, 95687. As well, the Technical Report is available for viewing on SEDAR located at: www.sedar.com.

EXPERTS

Except as disclosed below, no person or company whose profession or business gives authority to a report, valuation, statement or opinion and who is named as having prepared or certified a part of this Prospectus or as having prepared or certified a report or valuation described or included in this Prospectus holds or is to hold any beneficial or registered interest, direct or indirect, in any securities or property of the Issuer or any associate or affiliate of the Issuer.

Certain legal matters related to the affairs of the Issuer will be passed upon on behalf of the Issuer by Lotz & Company. Jonathan Lotz, the principal of Lotz & Company, does not own any Common Shares in the capital of the Issuer.

Matthew R. Dumala and Donald G. Strachan,, the Authors of the Technical Report on the Property, are independent from the Issuer within the meaning of NI 43-101.

MaloneBailey LLP is the auditor of the Issuer. MaloneBailey LLP has informed the Issuer that it is independent of the Issuer in accordance with the SEC's rules on auditor independence.

OTHER MATERIAL FACTS

There are no other material facts other than as disclosed herein.

FINANCIAL STATEMENTS

The following financial information is included herein:

SCHEDULE "B" The Issuer's Audited Financial Statements for the financial year ended December 31, 2020, as set out in the Issuer's Form 10-K for the year ended December 31, 2020

 The Issuer's Audited Financial Statements for the financial year ended December 31, 2019, which include comparative (audited) financial statements for the year ended December 31, 2018, as set out in the Issuer's Form 10-K for the year ended December 31, 2019.

The Issuer's Management's Discussion and Analysis for the financial years ended December 31, 2020 and December 31, 2019, as set out in the Issuer's Form 10-K for the years ended December 31, 2020 and December 31, 2019, respectively.

SCHEDULE "C"

The Issuer's Un-audited Financial Statements for the three and six month period ended June 30, 2021, as set out in the Issuer's Form 10-Q for the quarterly period ended June 30, 2021.

The Issuer's Management's Discussion and Analysis for the three and six month period ended June 30, 2021, as set out in the Issuer's Form 10-Q for the quarterly period ended June 30, 2021.

SCHEDULE "A"

Audit Committee Charter

See attached.

**ATHENA GOLD CORPORATION
AUDIT COMMITTEE CHARTER**

**As adopted by the Audit Committee and Board of Directors
on May 5, 2021**

I. RESPONSIBILITY

The Athena Gold Corporation (“Athena”) Audit Committee (“Committee”) was established to assist the Board of Directors (the “Board”) in carrying out its oversight compliance with laws responsibilities that relate to Athena’s accounting and financial reporting processes, audits of Athena’s financial statements, internal controls, and regulations and ethics. This policy reaffirms that the Committee’s duties are oversight in nature and that the primary responsibility for financial reporting, internal control, and compliance with laws, regulation, and ethics standards rests with Athena’s executive management and that Athena’s external auditors are responsible for auditing Athena’s financial statements. The foregoing notwithstanding, the Committee, in its capacity as the audit committee of the Board, has direct responsibility for the appointment, compensation and oversight of the work of any registered public accounting firm employed by Athena (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The Committee does not provide any expert or special assurances as to Athena’s financial statements or any professional certification as to the external auditor’s work.

The Committee has the power to conduct or authorize investigations into any matters within the Committee’s scope of responsibilities and to establish procedures concerning the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and confidential, anonymous employee submissions of concerns regarding questionable accounting or auditing matters. The Committee is empowered to retain independent counsel, accountants, or others to assist it in the conduct of any investigation. The President, the Chief Financial Officer or the Corporate Secretary of Athena shall provide, or arrange to provide, such other information, data and services as the Committee may request. The Committee shall conduct such interviews or discussions as it deems appropriate with personnel of Athena, and/or others whose views would be considered helpful to the Committee.

The Committee’s prior approval is required for all auditing services and non-audit services. However, in the event the aggregate amount of non-audit services constitutes 5% or less of the total revenues paid by Athena to its external auditor during the fiscal year in which non-audit services are provided, if Athena did not recognize that these services were non-audit services at the time of the engagement and the Committee is promptly notified of this fact by Athena, if the Committee (or one or more members of the Committee who are also members of the board to whom approval authority has been delegated by the Committee) approves such non-audit services prior to their completion, the requirement for Committee pre-approval may be waived. The Committee believes its policies and procedures should remain flexible in order to best react to changing conditions and that the following duties of the Committee are set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate given the circumstances:

A. Financial Reporting

Committee procedures shall include:

1. Selection of Independent Public Accountants

The Committee and the Board have the ultimate authority and responsibility to select, evaluate, and where appropriate, replace the outside auditor. The independent accountants are ultimately accountable to the Audit Committee and the entire Board for such accountant's review of the financial statements and controls of Athena. On an annual basis, the Audit Committee should review and discuss with the accountants all significant relationships the accountants have with Athena to determine the accountants' independence. The Committee shall review senior management's recommendation on the annual selection of the external auditors. The Committee shall submit its recommended appointment (or reappointment) or termination of external auditors to the Board for their approval.

The Committee's review shall include:

- Review and prior approval of all auditing services and non-audit services. (In the event the Committee approves an audit service within the scope of an auditor's engagement, that audit service shall be deemed to have been preapproved.)
- Opinions on the performance of the external auditors by appropriate management.
- Inquiring if the external auditors face any significant litigation or disciplinary actions by the Securities and Exchange Commission (the "Commission") or others.
- Inquiring whether the chief executive officer of Athena's external auditors was employed by a registered independent public accounting firm and participated in any capacity in Athena's audit during the one-year period preceding the commencement of an audit of Athena.
- Obtaining written disclosure from the external auditors describing all relationships between the external auditors and Athena that bear on independence and objectivity.
- Receiving from the accountants, on a periodic basis, a formal written statement delineating all relationships between the accountants and Athena consistent with Independence Standards Board Statement 1 ("ISB No. 1");
- Discussing auditor independence with its external auditors and recommending that the Board take appropriate action regarding any independence issues.
- Discussing with Athena's Chief Executive Officer and Chief Financial Officer certifications in Athena's periodic reports concerning disclosures of significant control deficiencies and any fraud by management.
- Auditor engagement letters and estimated fees.
- Consideration of the report of the external auditor's latest peer review conducted pursuant to a professional quality control program.

- Review of management’s letter of representation and consideration of any significant operational or reporting issues that may affect the financial statements.
 - Proposed non-audit services and consideration of the possible effect that these services could have on the independence of the external auditors.
 - Facilitating and maintaining an open avenue of communication with Athena’s external auditors.
 - Ensuring the Committee is informed in a timely manner by Athena’s independent auditor of (1) all critical accounting policies and practices the independent auditor intends to use for the audit; (2) discussion with Athena’s management of all alternative treatments of financial information within generally accepted accounting principles, the ramifications of the use thereof and the preferred the independent auditor’s preferred treatment; and (3) other material written communications between the independent auditors and Athena’s management to include any management letter or schedule of audit adjustments.
2. Meeting with Athena’s general counsel, if any, and outside counsel when appropriate, to discuss legal matters that may have a significant impact on Athena’s financial statements.
3. Regarding Athena’s financial statements, the Committee will:
- Review Athena’s audited annual financial statements and independent auditors’ opinions with respect to the statements, including the nature of any changes in accounting principles or their application.
 - Review Athena’s interim quarterly financial statements and independent auditors’ opinions with respect to the statements, including the nature of any changes in accounting principles or their application.
 - Review significant accounting policies, policy decisions and changes, along with significant accounting, reporting or operational issues.
 - Review the financial statements to be issued with management and with the independent auditors to determine whether the independent auditors are satisfied with the disclosure and content of the financial statements to be presented to the shareholders prior to the release of the each quarterly financial report to shareholders.
 - Make a recommendation to the Board regarding the inclusion of interim and annual financial statements in Athena’s Commission filings based on its review of such financial statements with management and the independent auditors.
 - Ensure that management maintains reliability and integrity of accounting policies and financial reporting and that management establishes and maintains processes to assure adequate systems of internal control.

- Disclose in Athena’s annual proxy or information statement, the existence of the Committee and the Committee charter and the extent to which the Committee has satisfied its responsibilities during the prior year in compliance with its charter.
 - Disclose the Committee’s approval of any non-audit services in Athena’s periodic reports filed with the Commission.
 - Review the management letter issued by the external auditors and management’s response.
 - Review fees paid for audit and consulting services, respectively.
4. Annually review and examine those matters which relate to a financial review of Athena’s Investment Policies.
 5. Submit findings of importance, conclusions, recommendations, and items that require follow-up or action to the Board.
 6. Annually review and update the Audit Committee Charter, make recommendations to the Board to update this Charter, and submit these recommendations, if any, to the full Board for approval.
 7. Maintain minutes or the other records of meetings and activities of the Committee.

B. Monitoring of Internal Controls

The Committee is responsible for obtaining and understanding of Athena’s key financial reporting risk areas and internal control structure. The Committee monitors the internal control process by reviewing information provided in the Business Conduct Questionnaire and Annual Certification reporting made by each Athena employee, discussions with the chief financial and accounting officers and such other persons as the Committee deems appropriate, and discussions with and reports issued by external auditors.

C. Compliance with Laws, Regulations, and Ethics

The Committee shall review reports and other information to gain reasonable assurance that Athena is in compliance with pertinent laws and regulations, is conducting its affairs ethically, and is maintaining effective controls against conflict of interest and fraud.

Committee procedures shall include:

1. Review Athena’s policies relating to compliance with laws, regulations, ethics, and conflict of interest.
2. Review significant cases of conflict of interest, misconduct, or fraud and the resolution of such cases.
3. Review Athena’s policies and processes for compliance with U.S. and foreign country business operation controls, laws and regulations.

4. Review Athena's policies and processes for compliance with the Foreign Corrupt Practices Act and the USA Patriot Act.
5. Review compliance reports received from regulators and consider legal and regulatory matters that may have a material impact on the financial statements.
6. Review external auditor's reports that relate to the monitoring of compliance with Athena's policies on business ethics.
7. Review policies and procedures covering officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by internal or external auditors.
8. Review the disclosure included in Athena's periodic reports concerning whether at least one member of the Committee is an "audit committee financial expert" (as defined in Part III below) and, if no member of the Committee is an "audit committee financial expert", why no such expert has been appointed to the Committee.

D. Establishment of Complaint Procedure

The Committee shall establish written procedures for the receipt, retention and treatment of complaints on accounting, internal accounting controls or auditing matters, as well as for the confidential, anonymous submissions by Company employees of concerns regarding questionable accounting or auditing matters.

E. Funding

1. The Committee shall engage such independent legal counsel and such accounting or other expert advisors as the Committee deems necessary to carry out its duties.
2. The Committee shall receive appropriate funding, as determined by the Committee, from the Company for payment of (a) compensation to the Company's independent external auditors (or other public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Company), (b) compensation to the outside legal, accounting or other expert advisors employed by the Committee in the fulfillment of its duties and (c) ordinary administrative expenses of the Committee that are necessary or appropriate to carry out its duties. The Committee has sole authority to approve the fees and other retention terms of such legal, accounting and other expert advisors.

II. OVERSIGHT OF EXTERNAL AUDIT FUNCTIONS

The Committee shall schedule meetings as necessary to receive and discuss reports from staff, other committees, and consultants. Particular emphasis will be given by the Committee to significant control deficiencies, and actions taken by management to correct them. The Committee may request through the Chief Financial Officer that the external auditors perform special studies, investigations, or other services in matters of interest or concern to the Committee. The Committee's oversight of external audit coverage is covered under section I.A. above.

III. COMMITTEE MEMBERSHIP

The Committee shall be composed of three or more Directors, each of whom shall satisfy the independence requirements imposed by any stock exchange or other marketplace on which the Company's securities may be listed from time to time. All members of the Committee must be able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement, and at least one member must have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background which results in the member's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. In addition, the Committee will endeavor to have one member who will be deemed to be an "audit committee financial expert", as that term is defined by the Commission. The Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by Athena or an outside consultant. The Chairman and other members of the Committee shall be appointed by the Board.

Vacancies occurring in the Committee may be filled by appointment of the Chairman of the Board, after consultation with the Corporate Governance Committee, but no member of the Committee shall be removed except by vote of a majority of Directors present at any regular or special meeting of the Board.

The Secretary of the Committee shall be appointed by the majority vote of the Committee. The Secretary of the Committee shall prepare minutes of the meetings, maintain custody of copies of data furnished to and used by the Committee, and generally assist the Committee in connection with preparation of agendas, notices of meetings and otherwise.

IV. CONDUCT OF BUSINESS

All meetings require the presence of a majority of the members of the Committee to conduct business. Each Committee member shall have one vote. All actions or determinations by the Committee must be by majority vote of the members present. The Board shall have overall authority over all Committee actions.

V. COMPENSATION

The compensation of members of the Committee may be determined from time to time by resolution of the Board, after consultation with the Compensation Committee. Members of the Committee shall be reimbursed for all reasonable expenses incurred in attending such meetings.

VI. TIME AND PLACE OF MEETINGS

Committee meetings shall be held quarterly or more frequently as necessary at an agreed upon location. The Committee may ask members of management or others to attend the meeting and to provide pertinent information as necessary. As part of its job to foster open communication, the Audit Committee should meet at least annually with management, the director of the internal auditing department and the independent accountants separately to discuss any matters that the Audit Committee or each of these groups believe should be discussed privately. In addition, the

Audit Committee or at least its Chairperson should meet with the independent accountants and management quarterly to review Athena's financial statements consistent with the Audit Committee's duties and responsibilities set forth herein.

VII. PRESENTATION OF REPORTS TO THE BOARD OF DIRECTORS

The Committee shall make an annual presentation to the Board within three months after the receipt of the external auditor's opinion on Athena's financial statement. The presentation shall provide an overview of the Committee's activities, findings of importance, conclusions, recommendations, and items that require follow-up or action by the Board. Presentations may be made at more frequent intervals if deemed necessary by the Committee or as requested by the Board.

SCHEDULE "B"

SEC Form 10-K

For the years ended December 31, 2020 and December 31, 2019

See attached.

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

FORM 10-K/A

ANNUAL REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2020

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 000-51808

ATHENA GOLD CORPORATION (f/k/a ATHENA SILVER CORPORATION)

(Exact Name of Registrant as specified in its Charter)

Delaware
(State or other jurisdiction of incorporation or organization)

90-0775276
(IRS Employer Identification number)

2010A Harbison Drive # 312, Vacaville, CA
(Address of principal executive offices)

95687
(Zip Code)

Registrant's telephone number, including area code: **(707) 291-6198**

Securities registered under Section 12(b) of the Exchange Act: **None**

Securities registered under Section 12(g) of the Exchange Act: **Common Stock, \$.0001 par value**

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each Class</u> | <u>Trading Symbol</u> | <u>Name of each exchange on which registered</u> |
|----------------------------|-----------------------|--|
| N/A | N/A | N/A |

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 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 registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition 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 Accelerated filer Non-accelerated filer Smaller Reporting Company
Emerging Growth Company

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

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: \$1,291,734 based upon the last sale price of \$0.11 as reported on the OTC.QB effective June 30, 2020.

The number of shares outstanding of the registrant's common stock, as of February 12, 2021 is 60,032,320.

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) Any annual report to security holders; (2) Any proxy or information statement; and (3) Any prospectus filed pursuant to Rule 424(b) or (c) under the Securities Act of 1933. The listed documents should be clearly described for identification purposes:

None.

EXPLANATORY NOTE

Athena Gold Corporation (“we,” “our,” “us,” or “Athena”) is filing this Amendment No. 1 on Form 10-K/A (this “Amendment”) to amend our Annual Report on Form 10-K for the year ended December 31, 2020 (our “Form 10-K”), originally filed with the Securities and Exchange Commission (the “SEC”) on February 26, 2021, to correct the audit report date. No other changes.

Forward-looking Statements

In General

This Report contains statements that plan for or anticipate the future. In this Report, forward-looking statements are generally identified by the words "anticipate," "plan," "believe," "expect," "estimate," and the like.

The factors that could cause actual results to differ materially from those projected in the forward-looking statements include:

- the risk factors set forth below under "Risk Factors";
- our ability to raise additional financing necessary to conduct our business;
- our future business plans and strategies;
- changes that could result from future acquisition of new mining properties or businesses;
- our ability to commercially develop our mining interests.;
- risks and hazards inherent in the mining business, including environmental hazards, industrial accidents, weather or geologically related conditions;
- uncertainties inherent in our exploratory and developmental activities, including risks relating to permitting and regulatory delays;
- changes in the market prices of gold or silver;
- uncertainties inherent in the estimation of gold or silver ore reserves;
- effects of environmental and other governmental regulations; and
- the worldwide economic downturn and difficult conditions in the global capital and credit markets.

In addition to the foregoing, the ongoing COVID-19 pandemic poses significant risks and uncertainties in numerous areas, including the availability of labor and materials to explore our mineral interests, risks impacting the cost and availability of insurance and the markets for precious metals. We cannot predict with any certainty the nature and extent of the impact that the pandemic will have on our business plan and operations.

Readers are cautioned not to put undue reliance on forward-looking statements. We disclaim any intent or obligation to update publicly these forward-looking statements, whether as a result of new information, future events or otherwise.

In light of the significant uncertainties inherent in the forward-looking statements made in this Report, the inclusion of this information should not be regarded as a representation by us or any other person that our objectives and plans will be achieved.

PART I

ITEM 1 – DESCRIPTION OF BUSINESS.

Overview

We were incorporated on December 23, 2003, in Delaware and our principal business is the acquisition and exploration of mineral resources.

In January 2021, the company's Board of Directors approved a name change from Athena Silver Corporation, to Athena Gold Corporation. Athena Gold Corporation ("we," "our," "us," or "Athena") is engaged in the acquisition and exploration of mineral resources. We began our mining operations in 2010.

We entered into a Mining Lease and Option Agreement which granted us mining rights to the Langtry silver prospect located in San Bernardino County California. Due to the depressed commodities prices over the ensuing decade, we were never able to engage in meaningful exploration efforts. On April 28, 2020, Athena Silver Corporation entered into Agreement to Terminate Lease with Option to Buy dated March 10, 2016 with Bruce and Elizabeth Strachan, Trustees of the Bruce and Elizabeth Strachan Revocable Living Trust dated July 25, 2007, including any and all amendments thereto dated April 28, 2020 with respect to the Langtry Mine in California. As a result of this termination agreement, all scheduled lease option payments due in 2020 and beyond were considered terminated and void upon signing of the Agreement.

In December 2009, we formed and organized a new wholly-owned subsidiary, Athena Minerals, Inc. ("Athena Minerals") which owned and operated our mining interests and properties in California. On December 31, 2020 we sold the subsidiary to Tripower Resources Inc., a company controlled by Mr. John Gibbs, a related party, in a non-cash exchange to satisfy our more than \$2.0 million debt to Mr. Gibbs which is discussed further below and in the Notes to the Consolidated Financial Statements included in this report.

Effective December 15, 2020, Athena entered into a definitive Property Option Agreement with Nubian Resources Ltd. ("Nubian") (TSXV: NBR), pursuant to which Athena acquired a 10% interest in Nubian's Excelsior Springs exploration project located in Esmeralda County, Nevada and has an option to acquire the remaining 90% held by Nubian.

The Option is exercisable in two tranches: the first tranche was exercised immediately pursuant to which the Company acquired a 10% interest in Excelsior Springs in consideration of issuing to Nubian an aggregate of 5,000,000 shares of Athena Gold Corporation common stock. On December 15, 2020 the company issued the 5,000,000 shares of its common stock valued at \$0.03 per share totaling \$150,000. The second tranche is exercisable on or before December 31, 2021 to purchase an additional 90% interest in Excelsior Springs in consideration of issuing to Nubian an additional 45 million shares of Athena common stock. Should both options be exercised, Nubian will hold 50 million shares of Athena common stock, which will be subject to a six-month lockup.

Athena's agreement with Nubian includes 100% of the 140 unpatented claims at Excelsior Springs with two additional patented claims held under a lease option that are subject to a 2% net smelter returns royalty on gold production. Under the terms of the Option Agreement, Nubian will retain a 1% net smelter returns royalty ("NSR Royalty") on the Excelsior Springs Project if Athena fully exercises the option. Athena will have the right to purchase 0.5% (being one half) of the NSR Royalty for CAD \$500,000 and the remaining 0.5% of the NSR Royalty at fair market value.

Excelsior Springs is our flagship project and has recently completed a N.I. 43-101 Technical Report to support its planned listing on the Canadian Stock Exchange that details past work and drill programs and highlight future exploration plans to advance the Property.

We have not presently determined whether our mineral properties contain mineral reserves that are economically recoverable.

Our primary focus going forward will be to continue evaluating our properties, as well as possible acquisitions of additional mineral rights and exploration, all of which will require additional capital.

Conflicts of Interests

Magellan Gold Corporation (“Magellan”) is a publicly-held company under common control. Mr. Power is our President, CEO and a director and is a former officer and director of Magellan. John Gibbs is a significant shareholder of both Athena and Magellan.

Silver Saddle Resources, LLC (“Silver Saddle”) is a private company under common control. Mr. Power and Mr. Gibbs are significant investors and managing members of Silver Saddle.

Athena, Magellan and Silver Saddle are exploration stage companies, and each is involved in the business of acquisition and exploration of mineral resources.

The existence of common ownership and common management could result in significantly different operating results or financial position from those that could have resulted had Athena, Magellan and Silver Saddle been autonomous. In addition, the common ownership could result in significant conflicts of interest both in terms of the allocation of working capital as well as under the doctrine of corporate opportunity, inasmuch as all three entities are engaged in mineral exploration in the United States. Messrs. Power and Gibbs have not adopted any policy or guidelines to mitigate the potential adverse effects of their conflicting interests between and among, Athena, Magellan and Silver Saddle.

Investors in Athena should be cognizant that the interests of Athena may, in the future, be in conflict with the other activities of Athena’s control persons.

SUMMARY PROVISIONS OF THE NUBIAN AGREEMENT

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EXCELSIOR SPRINGS PROJECT

Excelsior Springs is Athena Gold’s flagship property, and Athena holds the right to acquire 100% of the large claim block which is located in the southern portion of the Walker Lane.

The Excelsior Springs project has been explored by a number of companies over the past 30 years during which it is believed that at least 84 RC drill holes totaling x feet have been drilled. The target is a large tonnage, moderate grade gold deposit amenable to open pit mining.

Location and Access:

The Excelsior Springs Property is located in the southeast part of unsurveyed Township 5 south, Range 39 and 40 east, MDBM, Esmeralda County, Nevada, approximately 45 miles southwest of Goldfield, Nevada. The Property is accessed by traveling 14.5 miles (23.2 km) south of Goldfield on US highway 95 and then turning west onto Nevada State Route 266 at Lida Junction and proceeding west for approximately 28.7 miles (45.9 km). Just past mile marker 12, a county-maintained gravel road turns north and leads five miles (8 km) to the Property. There is a locked gate at the southern edge of the patented claims. The Property lies on the moderately hilly south flank of the Palmetto Mountains at an elevation of 6,000 to 8,000 feet (1,829 – 2,439 m) with moderate to heavy juniper/pinon pine cover.

The Excelsior Springs Property comprises 140 unpatented mining claims and two patented mining claims. All of the claims are held by Nubian Resources USA ("Nubian") and located on Federal Government land administered by the Department of Interior's Bureau of Land Management ("BLM"). The two patented claims are leased to Nubian by the owner, Christian Bramwell, of Pahrump, Nevada. The patented claims, the Prout and Fortunatus (MS 4106), were located in 1873 and 1892, respectively, and were patented in 1912. The patented claims have both surface and mineral rights. Ownership of the unpatented claims gives the right to explore for and develop mineral resources but no surface rights.

The Property consists of 42 "EX" and 88 "ES" contiguous, unpatented lode mining claims covering approximately 2,884 acres (1,167 hct) and two patented claims covering 40 acres (16.1 hct). A separate block of ten "ES" claims covering 202 acres (84 hct) is located approximately one mile (1.6 km) northwest of the main block of claims.

Legal Ownership

Nubian leased the two patented claims comprising part of the Excelsior Springs Property until 2022 under the following terms: Nubian must make pre-production royalty payments to the owner of \$15,000 per year during exploration and \$20,000 per year once commercial production begins. All payments are credited against a 2% Net Smelter Return Royalty on production. After 2022, Nubian must purchase the two patented claims for \$300,000 or renegotiate the terms of the lease.

In December 2020, Athena entered into a definitive agreement with Nubian (the "Option Agreement"), pursuant to which Nubian has granted Athena the option to acquire a 100% interest in the Excelsior Springs Property (the "Option").

The Option is exercisable in two stages. In December 2020, Athena acquired an initial 10% interest in the Excelsior Springs Property (the "First Option"), by making a \$10,000 cash payment; and issuing 5,000,000 shares of Athena common stock to Nubian in accordance with the Option Agreement. To acquire the remaining 90% interest in the Excelsior Springs Property (the "Second Option"), Athena is required to, prior to December 31, 2021: (i) issue an additional 45,000,000 shares of Athena common stock to Nubian; (ii) obtain an initial listing of its common shares on a recognized Canadian stock exchange; and (iii) settle all outstanding debt prior to obtaining the exchange listing, with the exception of debt incurred in connection with the listing. If Athena fails to exercise the Second Option prior to December 31, 2021, the initial 10% interest earned by Athena pursuant to the First Option will revert to Nubian, and Athena will hold no interest in the Property.

Nubian, through their wholly owned U.S. subsidiary Nubian Resources USA Inc., will retain a 1% Net Smelter Returns Royalty (the "NSR Royalty") on the Property upon the exercise of the Second Option by Athena. One-half (0.5%) of the NSR Royalty may be purchased by Athena for CAD \$500,000 payable to Nubian. An additional one-half (0.5%) of the NSR Royalty may be purchased by Athena at fair market value.

History:

The Buster Mine claim block was discovered in 1872 and has been through several periods of small-scale mining and exploration efforts. During the late 1800s and perhaps the early 1900s there was unconfirmed production from the Buster Mine of an estimated 18,000 tons at 1.2 oz Au/ton (37.3 g/T). Little else is known about work on the mine until Fernan Lemieux re-timbered the Buster shaft in 1964 at a reported cost of \$50,000 (Grant, 1986). A visual inspection of the shaft indicated the ladders were still in good condition. Since 1964, the Property has been explored by a number of companies as described below:

- 1960s & 1970s – Efforts to re-timber the shafts and attempts at small scale mining
- 1986 – Great Pacific Resources (11 RC holes)
- 1988 – Lucky Hardrock JV (12 RC holes)
- 2005-2007 – Walker Lane Gold (22 RC holes)
- 2008 – Evolving Gold (8 RC holes)
- 2011-2014 – Global Geoscience and partner Osisko Mining (31 RC holes & Geophysics)

Geology and Mineralization:

The project comprises 140 unpatented and two patented lode claims covering 2,884 acres (1,167 hct). The project has had some historic, high-grade gold production from silicified zones on the patented claims. These zones are contained in several, large, intensely altered, E-W-trending shear zones in Paleozoic siltstones and limestones. These shear zones host structurally and lithologically controlled gold mineralization within a 3 X 1 km area of intense clay alteration. The shear zones have been collectively named the Excelsior Springs Shear Zone, ESSZ, and form the core of the exploration targets on the property.

Geology and Mineralization. The Property lies within the Walker Lane, a regional-scale zone of northwest-trending, strike-slip faulting. The Walker Lane hosts a significant number of precious metal deposits including the Comstock Lode at Virginia City, Borealis, Aurora, Mineral Ridge, Paradise Peak, Rawhide, Tonopah, Goldfield and the Bullfrog District. These deposits are Tertiary in age, and all have a very strong structural control for the mineralization. However, the author has not verified information with respect to the abovementioned deposits, and information in this Report with respect to these deposits is not necessarily indicative of the mineralization on the Excelsior Springs Property. The Excelsior Springs Property area contains a thick section of basal Precambrian-Cambrian sedimentary rocks that are complexly interlayered by thrust faults with the Ordovician Palmetto Formation. On the Property, there are a large number of prospect pits, small trenches and drill roads concentrated along the Excelsior Springs Property structural zone ("ESSZ"), a 1,000 foot-wide and 10,000 foot-long (304 m x 3,048 m), east-west-trending zone of shearing and alteration. Underground workings on the two patented claims have been the source of the Property's unverified, historic production, reported to be 19,200 oz Au (18,000 tons containing 1.2 oz Au/ton (37.3 g Au/T)). Assay results for the 84 RC holes that have been drilled on the Property show that 51 of the holes (61 %) contain a 20-foot interval averaging 0.25 g Au/T, typical cut-off grade for Nevada open-pit gold mines. Forty of the holes (48 %) contain a 20-foot interval averaging 0.5 g Au/T, and 24 of the holes (29 %) contain a 20-foot interval averaging 1.0 g Au/T.

Property Geology. The Excelsior Springs Property area contains basal Precambrian-Cambrian sedimentary rocks complexly interlayered by thrust faults with the Ordovician Palmetto Formation, as seen in Figure 17 (McKee, 1985). Lithologic units shown on the map are listed below.

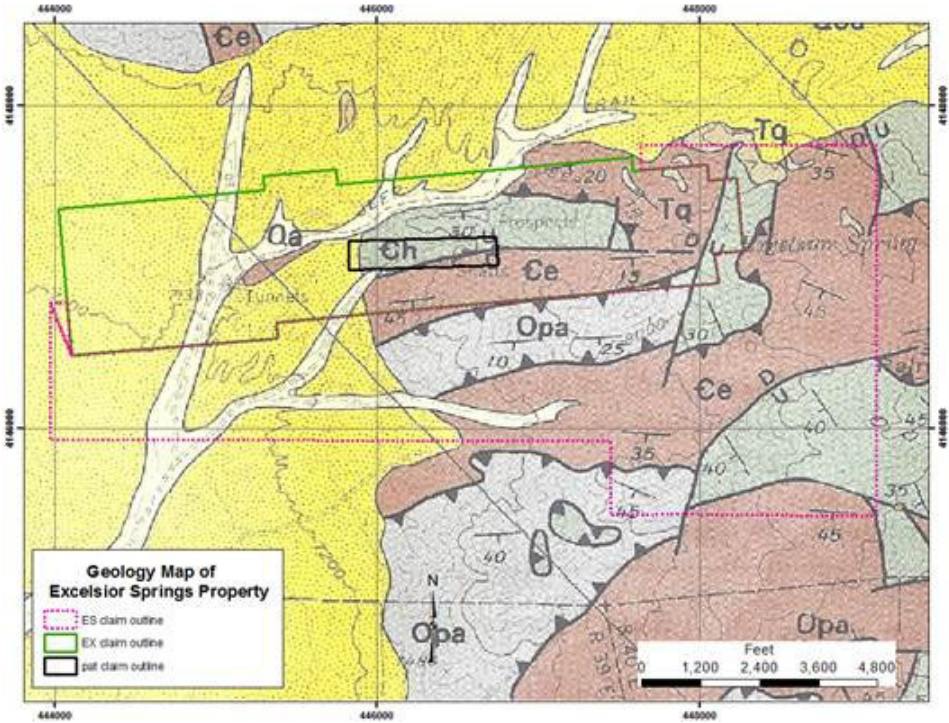
Qa - Alluvium, (Quaternary) - sand and gravel.

Tq - Quartz porphyry and alaskite dikes, (Miocene) - Light-colored, quartz-rich fine- grained intrusive rocks.

Opa - Palmetto Formation, (Ordovician) - Heterogeneous mixture of dark, thin-bedded chert, shale, limestone and quartzites, usually in thrust fault contact with older rocks.

Ce - Emigrant Formation, (Cambrian) - Gray- green limey siltstone with sandstone interbeds. Grades upward into platy, gray, aphanitic limestone with chert nodules, chert beds and intraformational limestone conglomerates.

Ch - Harkless Formation,(Cambrian) - Interbedded fine-grained sandstone, siliceous siltstone and thin limestone.



Miocene rhyolite and hornblende diorite dikes (Tq) occur throughout the Property and are particularly abundant in the area east of the Excelsior Springs Property. Most of the dikes are aligned parallel to the east-west to east-northeast trends of the mineralization in the ESSZ. The quartz-rich rhyolite dikes appear to be more closely associated with alteration and gold mineralization than do the hornblende diorite dikes.

The 3,500 foot-thick (1,067 m), Cambrian-age (Ch) Harkless Formation seems to be the predominant host for the alteration and mineralization and is divided into a lower, greenish-gray quartz-rich siltstone member and an upper olive-gray siltstone member. Limestone layers, up to 100 feet-thick (30 m), occur in the lower member. The Cambrian-age (Ce) Emigrant Formation overlying the Harkless consists of a lower, multi-colored limestone-siltstone member, a middle, greenish-gray shale member and an upper, gray, cherty limestone member. The Emigrant Formation is about 1,300 feet-thick (396 m).

Mineralized Zones. The east-west trending ESSZ shows strong hydrothermal alteration over an area 1,000-1,800 feet-wide (305 – 549 m) and 10,000 feet-long (3,050 m) and appears to extend under Quaternary gravels to the west of the Buster and pit areas. In addition to the area around the Buster shaft, there are many other scattered zones of anomalous gold and base metal mineralization within the ESSZ. There are large, well developed, east-west-trending drainages to the north and south of the ESSZ. These drainages also contain outcrops of strongly altered rocks that have not been closely examined. Mineralization on the claims is hosted mostly in the Harkless Formation and the Emigrant Formation. Mineralization occurs almost entirely in shear zones which are characterized by brecciation, silicification and local mylonitization. The ESSZ contains well developed fractures striking east-west and well mineralized sets of north-, northeast- and northwest-striking fractures. There are several gold-bearing quartz veins containing galena and tetrahedrite in the shear zones that represent a post-deformation period of mineralization. Most of the mineralized zones do not contain visible sulfides.

Gold mineralization is localized by the structures and occurs as veinlets and veins. Gold also appears to occur in a disseminated form in favorable stratigraphic units. Brecciated quartz veins are common in the mineralized zones but frequently exhibit no direct correlation with higher gold values. Quartz-copper veins and pods of white quartz are also brecciated and locally re-cemented with fine-grained crystalline to chalcedonic silica. A strong correlation between visible copper and/ or zinc oxides and carbonates and higher-grade gold values has been noted. Cadmium and antimony values are anomalous but somewhat randomly distributed, and arsenic is strongly correlated with gold values greater than 8 ppm.

EXPLORATION ACTIVITIES:

Summary

Athena has begun an initial work program for the Excelsior Springs Property comprising the following:

- Data compilation and review;
- Geologic mapping and sampling of selected areas of the project;
- Acquisition and evaluation of hyperspectral satellite imagery for alteration studies;
- Refining the project's structural model for mineralization;
- Developing a 3-D, computer generated model of the Buster area mineralization;
- Creating a new set of 1:1200 scale cross sections to include all drill holes.

(a) Data Compilation. There is a large amount of historic data generated by previous exploration programs on the Property. Much of the earlier data is incomplete and weakly documented but still useful. A new compilation of all the drilling results including collar location, hole azimuth, dip, total depth and gold values has been completed and used to construct the three-dimensional model and new cross sections.

(b) Geologic Mapping and Sampling. Approximately 20 man-days have been spent mapping in selected areas of the project. Mapping was done on detailed color photos at a scale of 1:2,400 with a particular focus on alteration zones and structural features. This new work is being integrated into the existing geologic map and will be fully digital. The new geologic map has not been completed, but it will serve as a base layer for showing alteration, mineralization, structures, geophysical data and drill hole projections. In conjunction with the mapping of selected areas, the Company has collected and processed 100 surface rock chip samples. Custody of these samples was maintained by the geologists and then delivered to American Assay Labs in Sparks, Nevada. All samples were fire assayed for gold, and an ICP process was used for other elements. The assay process is described in Section 11.1 of this Report and duplicate, standard and blank samples were used.

(c) Hyperspectral Data. SpecTir Imagery of Reno, Nevada provided a suite of hyperspectral images covering the area around the project. The study shows the alteration mineralogy image generated by the SpecTIR data. The Buster zone clearly shows strong kaolinite and sodium-rich illite (paragonite) alteration. The strong clay alteration zone continues eastward to the Ridge zone (447300 E) and further east into the Excelsior Springs Property area (448000 E). Further east and west from the Buster zone the clay mineralogy becomes potassium-rich phengite along with muscovite.

(d) **Refining the Structural Model.** Ore deposits found within the Walker Lane and particularly mineralized zones in the ESSZ are both structurally and lithologically controlled.

(e) **Three-Dimensional Model.** Geo Vector Consultants in Ottawa, Canada has utilized the updated drill hole data base for the Property and has generated the 3-D model for the mineralized zones. There are multiple intercepts of potentially well mineralized material in many of the holes, but further infill drilling is needed to better confirm continuity of the zones between the holes.

(f) **Cross Sections.** Mine Development Associates ("MDA"), a division of RESPEC Inc., consultants in Reno, is generating a complete set of 1:600 scale cross sections along with a topographic map showing all of the drill holes and mineralized intervals.

EXPLORATION PLANS

A three-phase exploration program is recommended for the Property. Phase One will comprise the following items:

1. Conducting a new gradient array IP survey that will provide data to a depth of approximately 900 feet (274 m) and better define the southwestern chargeability zone.
2. Analyzing of all surface mapping, assay and geophysical data to determine if moving to the Phase Two drilling program is warranted.

Subject to obtaining the necessary permits in a timely manner, the Phase One should be completed in several months. A detailed budget proposal for the Phase One program totals \$122,235.

If Phase One results demonstrate there are valid, untested drill targets, then the Phase Two core and RC drilling program should be initiated. A detailed budget for Phase Two, consisting of the 2,000 feet (610 m) of oriented core drilling and the 10,000 feet (3,048 m) of RC drilling will cost an estimated \$866,870. Phase One and Two total \$1,088,015, including a 10% contingency.

If Phase Two is successful, Phase Three is intended to precisely define depth, width, length, tonnage and value per ton of any deposit that has been identified and would involve:

- drilling to develop the mining site;
- conducting metallurgical testing; and
- obtaining other pertinent technical information required to define an ore reserve and complete a feasibility study.

Depending upon the nature of the particular deposit, the third phase on any one property could take one to five years or more and cost well in excess of \$1 million.

No Proven or Probable Mineral Reserves/Exploration Stage Company

We are considered an exploration stage company under SEC criteria since we have not demonstrated the existence of proven or probable mineral reserves at any of our properties. In Industry Guide 7, the SEC defines a "reserve" as that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination. Proven or probable mineral reserves are those reserves for which (a) quantity is computed and (b) the sites for inspection, sampling, and measurement are spaced so closely that the geologic character is defined and size, shape and depth of mineral content can be established (proven) or the sites are farther apart or are otherwise less adequately spaced but high enough to assume continuity between observation points (probable). Mineral Reserves cannot be considered proven or probable unless and until they are supported by a feasibility study, indicating that the mineral reserves have had the requisite geologic, technical and economic work performed and are economically and legally extractable.

We anticipate further updating our mining properties disclosure in accordance with the SEC's Final Rule 13-10570, Modernization of Property Disclosures for Mining Registrants, which became effective February 25, 2019, and which rescinds SEC Industry Guide 7 following a two-year transition period, which means that we will be required to comply with the new rule no later than our fiscal year beginning January 1, 2021.

MARKETING

All of our mining operations, if successful, will produce gold in doré form or a concentrate that contains gold.

We plan to market our refined metal and doré to credit worthy bullion trading houses, market makers and members of the London Bullion Market Association, industrial companies and sound financial institutions. The refined metals will be sold to end users for use in electronic circuitry, jewelry, silverware, and the pharmaceutical and technology industries. Generally, the loss of a single bullion trading counterparty would not adversely affect us due to the liquidity of the markets and the availability of alternative trading counterparties.

We plan to refine and market its precious metals doré and concentrates using a geographically diverse group of third party smelters and refiners. The loss of any one smelting and refining client may have a material adverse effect if alternate smelters and refiners are not available. We believe there is sufficient global capacity available to address the loss of any one smelter.

GOVERNMENT REGULATION

General

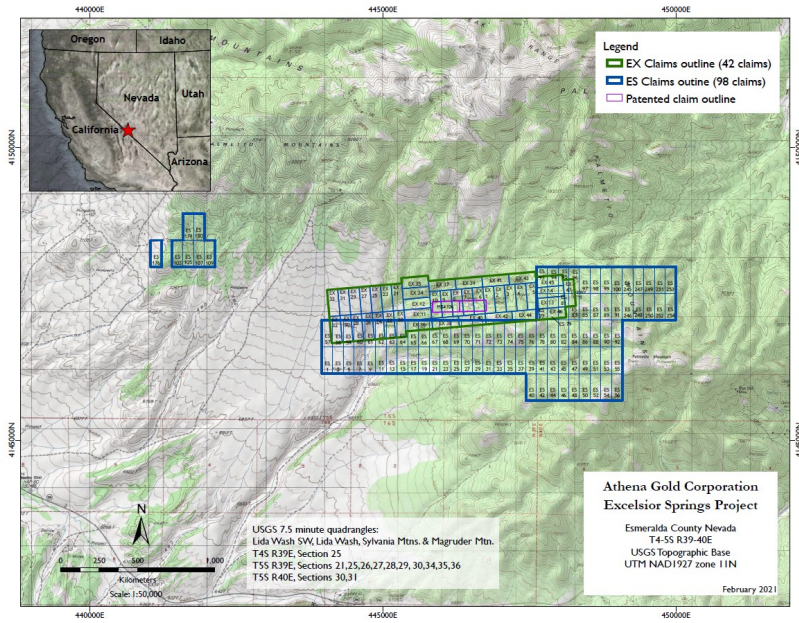
Our activities are and will be subject to extensive federal, state and local laws governing the protection of the environment, prospecting, mine development, production, taxes, labor standards, occupational health, mine safety, toxic substances and other matters. The costs associated with compliance with such regulatory requirements are substantial and possible future legislation and regulations could cause additional expense, capital expenditures, restrictions and delays in the development and continued operation of our properties, the extent of which cannot be predicted. In the context of environmental permitting, including the approval of reclamation plans, we must comply with known standards and regulations which may entail significant costs and delays. Although we are committed to environmental responsibility and believe we are in substantial compliance with applicable laws and regulations, amendments to current laws and regulations, more stringent implementation of these laws and regulations through judicial review or administrative action or the adoption of new laws could have a materially adverse effect upon our results of operations.

Federal Environmental Laws

Certain mining wastes from extraction and beneficiation of ores are currently exempt from the extensive set of Environmental Protection Agency ("EPA") regulations governing hazardous waste, although such wastes may be subject to regulation under state law as a solid or hazardous waste. The EPA has worked on a program to regulate these mining wastes pursuant to its solid waste management authority under the Resource Conservation and Recovery Act ("RCRA"). Certain ore processing and other wastes are currently regulated as hazardous wastes by the EPA under RCRA. If our future mine wastes, if any, were treated as hazardous waste or such wastes resulted in operations being designated as a "Superfund" site under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA" or "Superfund") for cleanup, material expenditures would be required for the construction of additional waste disposal facilities or for other remediation expenditures. Under CERCLA, any present owner or operator of a Superfund site or an owner or operator at the time of its contamination generally may be held liable and may be forced to undertake remedial cleanup action or to pay for the government's cleanup efforts. Such owner or operator may also be liable to governmental entities for the cost of damages to natural resources, which may be substantial. Additional regulations or requirements may also be imposed upon our future tailings and waste disposal, if any, in Nevada under the Federal Clean Water Act ("CWA") and state law counterparts. We have reviewed and considered current federal legislation relating to climate change and we do not believe it to have a material effect on our operations. Additional regulation or requirements under any of these laws and regulations could have a materially adverse effect upon our results of operations.

EXCELSIOR SPRINGS PROJECT CLAIMS

The following map shows the location of the patented and unpatented mining claims that comprise the Excelsior Springs project:



Excelsior Springs Project - List of ES Claims

| | Claim Name | NMC # | Claimant | Valid Until |
|----|------------|---------|---------------------------|-------------|
| 1 | ES 1 | 1045871 | Nubian Resources USA Ltd. | 9/1/2021 |
| 2 | ES 3 | 1045873 | Nubian Resources USA Ltd. | 9/1/2021 |
| 3 | ES 5 | 1045875 | Nubian Resources USA Ltd. | 9/1/2021 |
| 4 | ES 7 | 1045877 | Nubian Resources USA Ltd. | 9/1/2021 |
| 5 | ES 9 | 1045879 | Nubian Resources USA Ltd. | 9/1/2021 |
| 6 | ES 11 | 1045881 | Nubian Resources USA Ltd. | 9/1/2021 |
| 7 | ES 13 | 1045883 | Nubian Resources USA Ltd. | 9/1/2021 |
| 8 | ES 15 | 1045885 | Nubian Resources USA Ltd. | 9/1/2021 |
| 9 | ES 17 | 1045887 | Nubian Resources USA Ltd. | 9/1/2021 |
| 10 | ES 19 | 1045889 | Nubian Resources USA Ltd. | 9/1/2021 |
| 11 | ES 21 | 1045891 | Nubian Resources USA Ltd. | 9/1/2021 |
| 12 | ES 23 | 1045893 | Nubian Resources USA Ltd. | 9/1/2021 |
| 13 | ES 25 | 1045895 | Nubian Resources USA Ltd. | 9/1/2021 |
| 14 | ES 27 | 1045897 | Nubian Resources USA Ltd. | 9/1/2021 |
| 15 | ES 29 | 1045899 | Nubian Resources USA Ltd. | 9/1/2021 |
| 16 | ES 31 | 1045901 | Nubian Resources USA Ltd. | 9/1/2021 |
| 17 | ES 33 | 1045903 | Nubian Resources USA Ltd. | 9/1/2021 |
| 18 | ES 35 | 1045905 | Nubian Resources USA Ltd. | 9/1/2021 |

| | | | | |
|----|-------|---------|---------------------------|----------|
| 19 | ES 37 | 1045907 | Nubian Resources USA Ltd. | 9/1/2021 |
| 20 | ES 39 | 1045909 | Nubian Resources USA Ltd. | 9/1/2021 |
| 21 | ES 40 | 1045910 | Nubian Resources USA Ltd. | 9/1/2021 |
| 22 | ES 41 | 1045911 | Nubian Resources USA Ltd. | 9/1/2021 |
| 23 | ES 42 | 1045912 | Nubian Resources USA Ltd. | 9/1/2021 |
| 24 | ES 43 | 1045913 | Nubian Resources USA Ltd. | 9/1/2021 |
| 25 | ES 44 | 1045914 | Nubian Resources USA Ltd. | 9/1/2021 |
| 26 | ES 45 | 1045915 | Nubian Resources USA Ltd. | 9/1/2021 |
| 27 | ES 46 | 1045916 | Nubian Resources USA Ltd. | 9/1/2021 |
| 28 | ES 47 | 1045917 | Nubian Resources USA Ltd. | 9/1/2021 |
| 29 | ES 48 | 1045918 | Nubian Resources USA Ltd. | 9/1/2021 |
| 30 | ES 49 | 1045919 | Nubian Resources USA Ltd. | 9/1/2021 |
| 31 | ES 50 | 1045920 | Nubian Resources USA Ltd. | 9/1/2021 |
| 32 | ES 51 | 1045921 | Nubian Resources USA Ltd. | 9/1/2021 |
| 33 | ES 52 | 1045922 | Nubian Resources USA Ltd. | 9/1/2021 |
| 34 | ES 53 | 1045923 | Nubian Resources USA Ltd. | 9/1/2021 |
| 35 | ES 54 | 1045924 | Nubian Resources USA Ltd. | 9/1/2021 |
| 36 | ES 55 | 1045925 | Nubian Resources USA Ltd. | 9/1/2021 |
| 37 | ES 56 | 1045926 | Nubian Resources USA Ltd. | 9/1/2021 |
| 38 | ES 57 | 1045927 | Nubian Resources USA Ltd. | 9/1/2021 |
| 39 | ES 58 | 1045928 | Nubian Resources USA Ltd. | 9/1/2021 |
| 40 | ES 59 | 1045929 | Nubian Resources USA Ltd. | 9/1/2021 |
| 41 | ES 60 | 1045930 | Nubian Resources USA Ltd. | 9/1/2021 |
| 42 | ES 61 | 1045931 | Nubian Resources USA Ltd. | 9/1/2021 |
| 43 | ES 62 | 1045932 | Nubian Resources USA Ltd. | 9/1/2021 |
| 44 | ES 63 | 1045933 | Nubian Resources USA Ltd. | 9/1/2021 |
| 45 | ES 64 | 1045934 | Nubian Resources USA Ltd. | 9/1/2021 |
| 46 | ES 65 | 1045935 | Nubian Resources USA Ltd. | 9/1/2021 |
| 47 | ES 66 | 1045936 | Nubian Resources USA Ltd. | 9/1/2021 |
| 48 | ES 67 | 1045937 | Nubian Resources USA Ltd. | 9/1/2021 |
| 49 | ES 68 | 1045938 | Nubian Resources USA Ltd. | 9/1/2021 |
| 50 | ES 69 | 1045939 | Nubian Resources USA Ltd. | 9/1/2021 |
| 51 | ES 70 | 1045940 | Nubian Resources USA Ltd. | 9/1/2021 |
| 52 | ES 71 | 1045941 | Nubian Resources USA Ltd. | 9/1/2021 |
| 53 | ES 72 | 1045942 | Nubian Resources USA Ltd. | 9/1/2021 |
| 54 | ES 73 | 1045943 | Nubian Resources USA Ltd. | 9/1/2021 |
| 55 | ES 74 | 1045944 | Nubian Resources USA Ltd. | 9/1/2021 |
| 56 | ES 75 | 1045945 | Nubian Resources USA Ltd. | 9/1/2021 |
| 57 | ES 76 | 1045946 | Nubian Resources USA Ltd. | 9/1/2021 |

| | | | | |
|----|--------|---------|---------------------------|----------|
| 58 | ES 77 | 1045947 | Nubian Resources USA Ltd. | 9/1/2021 |
| 59 | ES 78 | 1045948 | Nubian Resources USA Ltd. | 9/1/2021 |
| 60 | ES 79 | 1045949 | Nubian Resources USA Ltd. | 9/1/2021 |
| 61 | ES 80 | 1045950 | Nubian Resources USA Ltd. | 9/1/2021 |
| 62 | ES 81 | 1045951 | Nubian Resources USA Ltd. | 9/1/2021 |
| 63 | ES 82 | 1045952 | Nubian Resources USA Ltd. | 9/1/2021 |
| 64 | ES 83 | 1045953 | Nubian Resources USA Ltd. | 9/1/2021 |
| 65 | ES 84 | 1045954 | Nubian Resources USA Ltd. | 9/1/2021 |
| 66 | ES 85 | 1045955 | Nubian Resources USA Ltd. | 9/1/2021 |
| 67 | ES 86 | 1045956 | Nubian Resources USA Ltd. | 9/1/2021 |
| 68 | ES 87 | 1045957 | Nubian Resources USA Ltd. | 9/1/2021 |
| 69 | ES 88 | 1045958 | Nubian Resources USA Ltd. | 9/1/2021 |
| 70 | ES 89 | 1045959 | Nubian Resources USA Ltd. | 9/1/2021 |
| 71 | ES 90 | 1045960 | Nubian Resources USA Ltd. | 9/1/2021 |
| 72 | ES 91 | 1045961 | Nubian Resources USA Ltd. | 9/1/2021 |
| 73 | ES 92 | 1045962 | Nubian Resources USA Ltd. | 9/1/2021 |
| 74 | ES 93 | 1045963 | Nubian Resources USA Ltd. | 9/1/2021 |
| 75 | ES 94 | 1045964 | Nubian Resources USA Ltd. | 9/1/2021 |
| 76 | ES 95 | 1045965 | Nubian Resources USA Ltd. | 9/1/2021 |
| 77 | ES 96 | 1045966 | Nubian Resources USA Ltd. | 9/1/2021 |
| 78 | ES 97 | 1045967 | Nubian Resources USA Ltd. | 9/1/2021 |
| 79 | ES 98 | 1045968 | Nubian Resources USA Ltd. | 9/1/2021 |
| 80 | ES 99 | 1045969 | Nubian Resources USA Ltd. | 9/1/2021 |
| 81 | ES 100 | 1045970 | Nubian Resources USA Ltd. | 9/1/2021 |
| 82 | ES103 | 1057362 | Nubian Resources USA Ltd. | 9/1/2021 |
| 83 | ES105 | 1057364 | Nubian Resources USA Ltd. | 9/1/2021 |
| 84 | ES107 | 1057366 | Nubian Resources USA Ltd. | 9/1/2021 |
| 85 | ES109 | 1057368 | Nubian Resources USA Ltd. | 9/1/2021 |
| 86 | ES176 | 1057394 | Nubian Resources USA Ltd. | 9/1/2021 |
| 87 | ES179 | 1057395 | Nubian Resources USA Ltd. | 9/1/2021 |
| 88 | ES180 | 1057396 | Nubian Resources USA Ltd. | 9/1/2021 |
| 89 | ES245 | 1057460 | Nubian Resources USA Ltd. | 9/1/2021 |
| 90 | ES246 | 1057461 | Nubian Resources USA Ltd. | 9/1/2021 |
| 91 | ES247 | 1057462 | Nubian Resources USA Ltd. | 9/1/2021 |
| 92 | ES248 | 1057463 | Nubian Resources USA Ltd. | 9/1/2021 |
| 93 | ES249 | 1057464 | Nubian Resources USA Ltd. | 9/1/2021 |
| 94 | ES250 | 1057465 | Nubian Resources USA Ltd. | 9/1/2021 |
| 95 | ES251 | 1057466 | Nubian Resources USA Ltd. | 9/1/2021 |
| 96 | ES252 | 1057467 | Nubian Resources USA Ltd. | 9/1/2021 |
| 97 | ES253 | 1057468 | Nubian Resources USA Ltd. | 9/1/2021 |
| 98 | ES254 | 1057469 | Nubian Resources USA Ltd. | 9/1/2021 |

Excelsior Springs Project - List of EX Claims

| | Claim Name | NMC # | Claimant | Valid Until |
|----|------------|--------|---------------------------|-------------|
| 1 | EX 1 | 887756 | Nubian Resources USA Ltd. | 9/1/2021 |
| 2 | EX 2 | 887757 | Nubian Resources USA Ltd. | 9/1/2021 |
| 3 | EX 3 | 887758 | Nubian Resources USA Ltd. | 9/1/2021 |
| 4 | EX 4 | 887759 | Nubian Resources USA Ltd. | 9/1/2021 |
| 5 | EX 5 | 887760 | Nubian Resources USA Ltd. | 9/1/2021 |
| 6 | EX 6 | 887761 | Nubian Resources USA Ltd. | 9/1/2021 |
| 7 | EX 7 | 887762 | Nubian Resources USA Ltd. | 9/1/2021 |
| 8 | EX 8 | 887763 | Nubian Resources USA Ltd. | 9/1/2021 |
| 9 | EX 9 | 887764 | Nubian Resources USA Ltd. | 9/1/2021 |
| 10 | EX 10 | 887765 | Nubian Resources USA Ltd. | 9/1/2021 |
| 11 | EX 11 | 887766 | Nubian Resources USA Ltd. | 9/1/2021 |
| 12 | EX 12 | 887767 | Nubian Resources USA Ltd. | 9/1/2021 |
| 13 | EX 13 | 887768 | Nubian Resources USA Ltd. | 9/1/2021 |
| 14 | EX 14 | 887769 | Nubian Resources USA Ltd. | 9/1/2021 |
| 15 | EX 20 | 897986 | Nubian Resources USA Ltd. | 9/1/2021 |
| 16 | EX 21 | 897987 | Nubian Resources USA Ltd. | 9/1/2021 |
| 17 | EX 22 | 897988 | Nubian Resources USA Ltd. | 9/1/2021 |
| 18 | EX 23 | 897989 | Nubian Resources USA Ltd. | 9/1/2021 |
| 19 | EX 24 | 897990 | Nubian Resources USA Ltd. | 9/1/2021 |
| 20 | EX 25 | 897991 | Nubian Resources USA Ltd. | 9/1/2021 |
| 21 | EX 26 | 897992 | Nubian Resources USA Ltd. | 9/1/2021 |
| 22 | EX 27 | 897993 | Nubian Resources USA Ltd. | 9/1/2021 |
| 23 | EX 28 | 897994 | Nubian Resources USA Ltd. | 9/1/2021 |
| 24 | EX 29 | 897995 | Nubian Resources USA Ltd. | 9/1/2021 |
| 25 | EX 30 | 897996 | Nubian Resources USA Ltd. | 9/1/2021 |
| 26 | EX 31 | 897997 | Nubian Resources USA Ltd. | 9/1/2021 |
| 27 | EX 32 | 897998 | Nubian Resources USA Ltd. | 9/1/2021 |
| 28 | EX 33 | 897999 | Nubian Resources USA Ltd. | 9/1/2021 |
| 29 | EX 34 | 898000 | Nubian Resources USA Ltd. | 9/1/2021 |
| 30 | EX 35 | 898001 | Nubian Resources USA Ltd. | 9/1/2021 |
| 31 | EX 36 | 898002 | Nubian Resources USA Ltd. | 9/1/2021 |
| 32 | EX 37 | 898003 | Nubian Resources USA Ltd. | 9/1/2021 |
| 33 | EX 38 | 898004 | Nubian Resources USA Ltd. | 9/1/2021 |
| 34 | EX 39 | 898005 | Nubian Resources USA Ltd. | 9/1/2021 |
| 35 | EX 40 | 898006 | Nubian Resources USA Ltd. | 9/1/2021 |
| 36 | EX 41 | 898007 | Nubian Resources USA Ltd. | 9/1/2021 |
| 37 | EX 42 | 898008 | Nubian Resources USA Ltd. | 9/1/2021 |
| 38 | EX 43 | 898009 | Nubian Resources USA Ltd. | 9/1/2021 |
| 39 | EX 44 | 898010 | Nubian Resources USA Ltd. | 9/1/2021 |
| 40 | EX 45 | 898011 | Nubian Resources USA Ltd. | 9/1/2021 |
| 41 | EX 46 | 898012 | Nubian Resources USA Ltd. | 9/1/2021 |
| 42 | EX 47 | 898013 | Nubian Resources USA Ltd. | 9/1/2021 |

Unpatented Mining Claims: The Mining Law of 1872

Except for the Langtry Property, our mineral rights consist of leases covering "unpatented" mining claims created and maintained in accordance with the U.S. General Mining Law of 1872, or the "General Mining Law." Unpatented mining 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 mining claims is often uncertain. The validity of an unpatented mining claim, in terms of both its location and its maintenance, is dependent on strict compliance with a complex body of federal and state statutory and decisional law that supplement the General Mining Law. Also, unpatented mining claims and related rights, including rights to use the surface, are subject to possible challenges by third parties or contests by the federal government. In addition, there are few public records that definitively control the issues of validity and ownership of unpatented mining claims. We have not filed a patent application for any of our unpatented mining claims that are located on federal public lands in the United States and, under possible future legislation to change the General Mining Law, patents may be difficult to obtain.

Location of mining claims under the General Mining Law, is a self-initiation system under which a person physically stakes an unpatented mining claim on public land that is open to location, posts a location notice and monuments the boundaries of the claim in compliance with federal laws and regulations and with state location laws, and files notice of that location in the county records and with the BLM. Mining claims can be located on land as to which the surface was patented into private ownership under the Stockraising Homestead Act of 1916, 43 U.S.C. §299, but the mining claimant cannot injure, damage or destroy the surface owner's permanent improvements and must pay for damage to crops caused by prospecting. Discovery of a valuable mineral deposit, as defined under federal law, is essential to the validity of an unpatented mining claim and is required on each mining claim individually. The location is made as a lode claim for mineral deposits found as veins or rock in place, or as a placer claim for other deposits. While the maximum size and shape of lode claims and placer claims are established by statute, there are no limits on the number of claims one person may locate or own. The General Mining Law also contains provision for acquiring five-acre claims of non-mineral land for millsite purposes. A mining operation typically is comprised of many mining claims.

The holder of a valid unpatented mining claim has possessory title to the land covered thereby, which gives the claimant exclusive possession of the surface for mining purposes and the right to mine and remove minerals from the claim. Legal title to land encompassed by an unpatented mining claim remains in the United States, and the government can contest the validity of a mining claim. The General Mining Law requires the performance of annual assessment work for each claim, and subsequent to enactment of the Federal Land Policy and Management Act of 1976, 43 U.S.C. §1201 *et seq.*, mining claims are invalidated if evidence of assessment work is not timely filed with BLM. However, in 1993 Congress enacted a provision requiring payment of \$140 per year claim maintenance fee in lieu of performing assessment work, subject to an exception for small miners having less than 10 claims. No royalty is paid to the United States with respect to minerals mined and sold from a mining claim.

The General Mining Law provides a procedure for a qualified claimant to obtain a mineral patent (*i.e.*, fee simple title to the mining claim) under certain conditions. It has become much more difficult in recent years to obtain a patent. Beginning in 1994, Congress imposed a funding moratorium on the processing of mineral patent applications which had not reached a designated stage in the patent process at the time the moratorium went into effect. Additionally, Congress has considered several bills in recent years to repeal the General Mining Law or to amend it to provide for the payment of royalties to the United States and to eliminate or substantially limit the patent provisions of the law.

Mining claims are conveyed by deed, or leased by the claimant to the party seeking to develop the property. Such a deed or lease (or memorandum of it) needs to be recorded in the real property records of the county where the property is located, and evidence of such transfer needs to be filed with BLM. It is not unusual for the grantor or lessor to reserve a royalty, which as to precious metals often is expressed as a percentage of net smelter returns.

Patented Mining Claims

Patented mining claims, such as the two patented claims included in the Excelsior Springs project, are mining claims on federal lands that are held in fee simple by the owner. No maintenance fees or royalties are payable to the BLM; however, lease payments and royalties are payable under the operative leases.

DISCONTINUED MINERAL INTERESTS

LOCATION AND HISTORY OF THE LANGTRY PROJECT

[Athena terminated its interest in the Langtry Project in April 2020]

In 2010 we entered into a Mining Lease and Option Agreement which granted us mining rights to the Langtry silver prospect located in San Bernardino County California. Due to the depressed commodities prices over the ensuing decade, we were never able to engage in meaningful exploration efforts. On April 28, 2020, Athena Silver Corporation entered into Agreement to Terminate Lease with Option to Buy dated March 10, 2016 with Bruce and Elizabeth Strachan, Trustees of the Bruce and Elizabeth Strachan Revocable Living Trust dated July 25, 2007, including any and all amendments thereto. The Agreement to Terminate ended our interest in the Langtry prospect. As a result of this termination agreement, all scheduled lease option payments due in 2020 and beyond were considered terminated and void upon signing of the Agreement.

In December 2009, we formed and organized a new wholly-owned subsidiary, Athena Minerals, Inc. (“Athena Minerals”) which owned and operated our mining interests and properties in California, including the Langtry lease and option. After the Langtry lease and option had been terminated, Athena Mineral’s residual interests consisted of some assorted unproductive fee interests and unpatented mining claims which we considered to have questionable recoverable value. On December 31, 2020, after the Langtry lease and option had been terminated, we sold the subsidiary with its residual interests to Tripower Resources Inc., a company controlled by Mr. John Gibbs, a related party, in a non-cash exchange to satisfy our more than \$2.0 million debt to Mr. Gibbs which is discussed further below and in the Notes to the Consolidated Financial Statements included in this report.

Langtry Project:

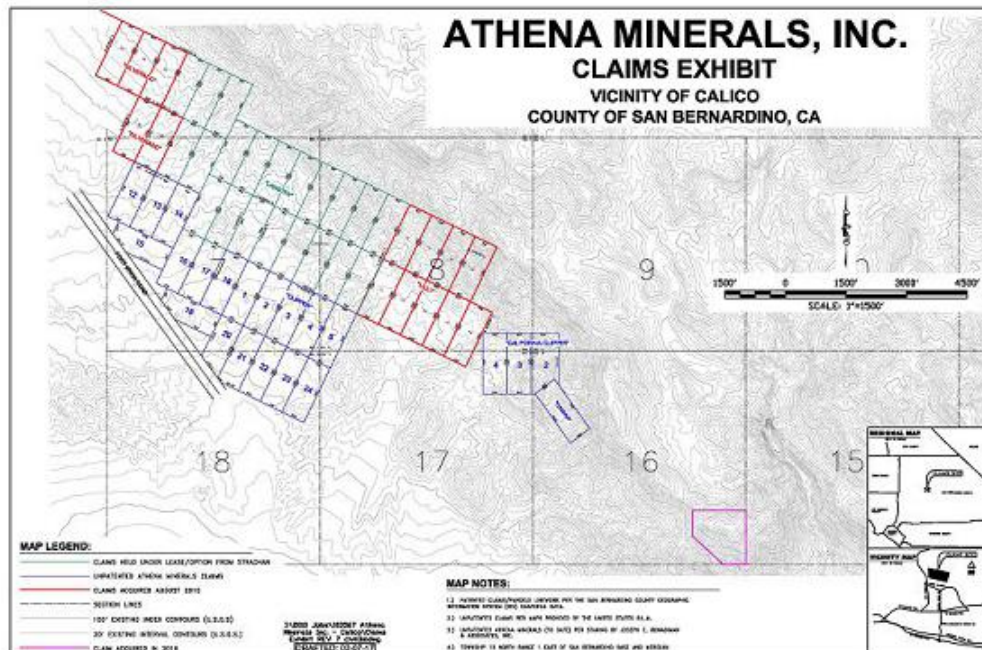
The Langtry Project covered approximately 1,200 acres and consisted of 20 patented and 2 unpatented lode mining claims held under the Strachan Lease and 36 unpatented lode mining claims with the BLM.

Location, Access and Composition

The Langtry Project is located in the central part of the Mojave Desert of Southern California. It is situated along the western flank of the Calico Mountains, about 10 miles northeast of Barstow in San Bernardino County. Access is good with paved county roads within a mile of the project. A rail shipping point is about five miles to the south.

The property can be accessed from Barstow by traveling north on I-15 to the Fort Irwin Road exit and traveling approximately 5.4 miles to a 4WD dirt road that leads to the claims.

The following map shows the location of the Langtry Project claims:



[Athena terminated its interest in the Langtry Project in April 2020]

GOLD PRICES

Our operating results are substantially dependent upon the world market prices of silver. We have no control over gold prices, which can fluctuate widely. The volatility of such prices is illustrated by the following table, which sets forth the high and low London Fix prices of silver (as reported by www.kitco.com) per ounce during the periods indicated:

| | Year Ended December 31, | | | | | |
|------|-------------------------|-------------|-------------|-------------|-------------|-------------|
| | 2020 | | 2019 | | 2018 | |
| | High | Low | High | Low | High | Low |
| Gold | \$ 2,067.15 | \$ 1,474.25 | \$ 1,546.10 | \$ 1,269.50 | \$ 1,354.96 | \$ 1,178.40 |

These historical prices are not indicative of future gold prices.

EMPLOYEES AND CONSULTANTS

We have only one part-time employee, Mr. Power, who devotes approximately 25% of his time and attention to our business. We have agreed to pay Mr. Power \$2,500 per month for his services.

We rely heavily on the services of consulting engineers and geologists.

ITEM 1A – RISK FACTORS.

An investment in our securities is speculative and involves a high degree of risk. Please carefully consider the following risk factors, as well as the possibility of the loss of your entire investment, before deciding to invest in our securities.

Risks Related to our Business

Due to our history of operating losses our auditors have expressed substantial doubt about our ability to continue as a going concern.

Our financial statements have been prepared assuming that we will continue as a going concern. Due to our continuing operating losses and negative cash flows from our operations, the report of our auditors issued in connection with our financial statements for the years ended December 31, 2020 and 2019 contain explanatory paragraphs indicating that the foregoing matters raised substantial doubt about our ability to continue as a going concern. We cannot provide any assurance that we will be able to continue as a going concern.

Uncontrollable events like the COVID-19 pandemic may negatively impact our operations.

The occurrence of an uncontrollable event such as the COVID-19 pandemic may negatively affect our operations. A pandemic typically results in social distancing, travel bans and quarantine, and this may limit access to our facilities, customers, management, support staff and professional advisors. These factors, in turn, may not only impact our operations, financial condition and demand for our goods and services but our overall ability to react timely to mitigate the impact of this event. Also, it may hamper our efforts to comply with our filing obligations with the Securities and Exchange Commission.

We have no history of or experience in mineral production.

We have no history of or experience in producing gold or other metals. The development of our Excelsior Springs Project would require the construction and operation of mines, processing plants, and related infrastructure. As a result, we would be subject to all of the risks associated with establishing a new mining operation and business enterprise. We may never successfully establish mining operations, and any such operations may not achieve profitability.

Our principal shareholders and control persons are also principal shareholders and control persons of Athena and Silver Saddle, which could result in conflicts with the interests of minority stockholders.

Magellan Gold Corporation (“Magellan”) is a publicly-held company under common control. Mr. Power is our President, CEO and a director and is a former officer and director of Magellan. John Gibbs is a significant shareholder of both Athena and Magellan.

Messrs. Gibbs and Power are control persons and principal shareholders of Athena and Silver Saddle. Athena, Magellan and Silver Saddle are engaged in mineral exploration activities, although in different geographical regions. While the geographical focus of the companies is different, numerous conflicts could arise in the future. For example, Messrs. Gibbs and Power have provided the majority of working capital for all three companies to date, and in the likely event that these companies require additional capital in the future, their resources may be inadequate to finance the activities of all. In addition, if new prospects become available, a conflict may exist with respect to which company to offer those opportunities. Messrs. Gibbs and Power have not developed a conflict of interest policy to mitigate the potential adverse effects of these conflicts and as a result these conflicts represent a significant risk to the shareholders of the Company. Conflicts for access to limited resources and opportunities cannot be eliminated completely, and investors should be aware of their potential.

Our principal executive officer intends to devote only a limited amount of his time and attention to our business.

Mr. Power is the only executive officer of Athena. He anticipates that he will only devote approximately 25% of his time and attention to our business. This limited focus could result in significant delays in our exploration and development activities and ability to generate revenues and profits, if any, in the future.

We have no proven or probable reserves.

We are currently in the exploration stage and have no proven or probable reserves, as those terms are defined by the SEC, on any of our properties including the Excelsior Springs Project. The mineralized material identified to date in respect of the Excelsior Springs Project has not demonstrated economic viability and we cannot provide any assurance that mineral reserves with economic viability will be identified on that property.

In order to demonstrate the existence of proven or probable reserves under SEC guidelines, it would be necessary for us to advance the exploration of our Excelsior Springs Project by significant additional delineation drilling to demonstrate the existence of sufficient mineralized material with satisfactory continuity which would provide the basis for a feasibility study which would demonstrate with reasonable certainty that the mineralized material can be economically extracted and produced. We do not have sufficient data to support a feasibility study with regard to the Excelsior Springs Project, and in order to perform the drill work to support such feasibility study, we must obtain the necessary permits and funds to continue our exploration efforts. It is possible that, even after we have obtained sufficient geologic data to support a feasibility study on the Excelsior Springs Project, such study will conclude that none of the identified mineral deposits can be economically and legally extracted or produced. If we cannot adequately confirm or discover any mineral reserves of precious metals on the Excelsior Springs Property, we may not be able to generate any revenues. Even if we discover mineral reserves on the Excelsior Springs Property in the future that can be economically developed, the initial capital costs associated with development and production of any reserves found is such that we might not be profitable for a significant time after the initiation of any development or production. The commercial viability of a mineral deposit once discovered is dependent on a number of factors beyond our control, including particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as metal prices. In addition, development of a project as significant as Excelsior Springs will likely require significant debt financing, the terms of which could contribute to a delay of profitability.

The exploration of mineral properties is highly speculative in nature, involves substantial expenditures and is frequently non-productive.

Mineral exploration is highly speculative in nature and is frequently non-productive. Substantial expenditures are required to:

- establish ore reserves through drilling and metallurgical and other testing techniques;
- determine metal content and metallurgical recovery processes to extract metal from the ore; and,
- design mining and processing facilities.

If we discover ore at the Excelsior Springs Project, we expect that it would be several additional years from the initial phases of exploration until production is possible. During this time, the economic feasibility of production could change. As a result of these uncertainties, there can be no assurance that our exploration programs will result in proven and probable reserves in sufficient quantities to justify commercial operations at the Excelsior Springs Project.

Even if our exploration efforts at Excelsior Springs are successful, we may not be able to raise the funds necessary to develop the Excelsior Springs Project.

If our exploration efforts at Excelsior Springs are successful, our current estimates indicate that we would be required to raise at least \$50 million in external financing to develop and construct the Excelsior Springs Project. Sources of external financing could include bank borrowings and debt and equity offerings, but financing has become significantly more difficult to obtain in the current market environment. The failure to obtain financing would have a material adverse effect on our growth strategy and our results of operations and financial condition. There can be no assurance that we will commence production at Langtry or generate sufficient revenues to meet our obligations as they become due or obtain necessary financing on acceptable terms, if at all, and we may not be able to secure the financing necessary to begin or sustain production at the Excelsior Springs Project. In addition, should we incur significant losses in future periods, we may be unable to continue as a going concern, and we may not be able to realize our assets and settle our liabilities in the normal course of business at amounts reflected in our financial statements included or incorporated by reference in this Form 10-K.

We may not be able to obtain all of the permits required for development of the Excelsior Springs Project.

In the ordinary course of business, mining companies are required to seek governmental permits for expansion of existing operations or for the commencement of new operations. We will be required to obtain numerous permits for our Excelsior Springs Project. Obtaining the necessary governmental permits is a complex and time-consuming process involving numerous jurisdictions and often involving public hearings and costly undertakings. Our efforts to develop the Property may also be opposed by environmental groups. In addition, mining projects require the evaluation of environmental impacts for air, water, vegetation, wildlife, cultural, historical, geological, geotechnical, geochemical, soil and socioeconomic conditions. An Environmental Impact Statement would be required before we could commence mine development or mining activities. Baseline environmental conditions are the basis on which direct and indirect impacts of the Excelsior Springs Project are evaluated and based on which potential mitigation measures would be proposed. If the Excelsior Springs Project were found to significantly adversely impact the baseline conditions, we could incur significant additional costs to avoid or mitigate the adverse impact, and delays in the Excelsior Springs Project could result.

Permits would also be required for, among other things, storm-water discharge; air quality; wetland disturbance; dam safety (for water storage and/or tailing storage); septic and sewage; and water rights appropriation. In addition, compliance must be demonstrated with the Endangered Species Act and the National Historical Preservation Act.

The mining industry is intensely competitive.

The mining industry is intensely competitive. We may be at a competitive disadvantage because we must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than we do. Increased competition could adversely affect our ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future. We may also encounter increasing competition from other mining companies in our efforts to locate acquisition targets, hire experienced mining professionals and acquire exploration resources.

Our future success is subject to risks inherent in the mining industry.

Our future mining operations, if any, would be subject to all of the hazards and risks normally incident to developing and operating mining properties. These risks include:

- insufficient ore reserves;
- fluctuations in metal prices and increase in production costs that may make mining of reserves uneconomic;
- significant environmental and other regulatory restrictions;
- labor disputes; geological problems;
- failure of underground stopes and/or surface dams;
- force majeure events; and
- the risk of injury to persons, property or the environment.

Our future profitability will be affected by changes in the prices of metals.

If we establish reserves, complete a favorable feasibility study for the Excelsior Springs Project, and complete development of a mine, our profitability and long-term viability will depend, in large part, on the market price of gold. The market prices for metals are volatile and are affected by numerous factors beyond our control, including:

- global or regional consumption patterns;
- supply of, and demand for, silver and other metals;
- speculative activities;
- expectations for inflation; and
- political and economic conditions.

The aggregate effect of these factors on metals prices is impossible for us to predict. Decreases in metals prices could adversely affect our ability to finance the exploration and development of our properties, which would have a material adverse effect on our financial condition and results of operations and cash flows. There can be no assurance that metals prices will not decline.

The market price of gold is volatile. Low gold prices could result in decreased revenues, decreased net income or increased losses and decreased cash flows, and may negatively affect our business.

Gold is a commodity. Its price fluctuates, and is affected by many factors beyond our control, including interest rates, expectations regarding inflation, speculation, currency values, governmental decisions regarding the disposal of precious metals stockpiles, global and regional demand and production, political and economic conditions and other factors.

The price of gold may decline in the future. Factors that are generally understood to contribute to a decline in the price of gold include sales by private and government holders, and a general global economic slowdown. If the price of silver is depressed for a sustained period and our net losses continue, we may be forced to suspend operations until the prices increase, and to record asset impairment write-downs. Any continued or increased net losses or asset impairment write-downs would adversely affect our financial condition and results of operations.

We might be unable to raise additional financing necessary to complete capital needs, conduct our business and make payments when due.

We will need to raise additional funds in order to meet capital needs and implement our business plan. Any required additional financing might not be available on commercially reasonable terms, or at all. If we raise additional funds by issuing equity securities, holders of our common stock could experience significant dilution of their ownership interest, and these securities could have rights senior to those of the holders of our common stock.

Mineral exploration and development inherently involves significant and irreducible financial risks. We may suffer from the failure to find and develop profitable mines.

The exploration for and development of mineral deposits involves significant financial risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Unprofitable efforts may result from the failure to discover mineral deposits. Even if mineral deposits are found, such deposits may be insufficient in quantity and quality to return a profit from production, or it may take a number of years until production is possible, during which time the economic viability of the Project may change. Few properties which are explored are ultimately developed into producing mines. Mining companies rely on consultants and others for exploration, development, construction and operating expertise.

Substantial expenditures are required to establish ore reserves, extract metals from ores and, in the case of new properties, to construct mining and processing facilities. The economic feasibility of any development project is based upon, among other things, estimates of the size and grade of ore reserves, proximity to infrastructures and other resources (such as water and power), metallurgical recoveries, production rates and capital and operating costs of such development projects, and metals prices. Development projects are also subject to the completion of favorable feasibility studies, issuance and maintenance of necessary permits and receipt of adequate financing.

Once a mineral deposit is developed, whether it will be commercially viable depends on a number of factors, including: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; government regulations including taxes, royalties and land tenure; land use, importing and exporting of minerals and environmental protection; and mineral prices. Factors that affect adequacy of infrastructure include: reliability of roads, bridges, power sources and water supply; unusual or infrequent weather phenomena; sabotage; and government or other interference in the maintenance or provision of such infrastructure. All of these factors are highly cyclical. The exact effect of these factors cannot be accurately predicted, but the combination may result in not receiving an adequate return on invested capital.

Significant investment risks and operational costs are associated with our exploration, development and mining activities. These risks and costs may result in lower economic returns and may adversely affect our business.

Mineral exploration, particularly for gold, involves many risks and is frequently unproductive. If mineralization is discovered, it may take a number of years until production is possible, during which time the economic viability of the Project may change.

Development projects may have no operating history upon which to base estimates of future operating costs and capital requirements. Development project items such as estimates of reserves, metal recoveries and cash operating costs are to a large extent based upon the interpretation of geologic data, obtained from a limited number of drill holes and other sampling techniques, and feasibility studies. Estimates of cash operating costs are then derived based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of metals from the ore, comparable facility and equipment costs, anticipated climate conditions and other factors. As a result, actual cash operating costs and economic returns of any and all development projects may materially differ from the costs and returns estimated, and accordingly, our financial condition and results of operations may be negatively affected.

The estimation of ore reserves is imprecise and depends upon subjective factors. Estimated ore reserves may not be realized in actual production. Our operating results may be negatively affected by inaccurate estimates.

If, in the future, we present estimates of ore reserve figures in our public filings, those figures may be estimated by our technical personnel. Reserve estimates are a function of geological and engineering analyses that require us to make assumptions about production costs and gold market prices. Reserve estimation is an imprecise and subjective process. The accuracy of such estimates is a function of the quality of available data and of engineering and geological interpretation, judgment and experience. Assumptions about gold market prices are subject to great uncertainty as those prices have fluctuated widely in the past. Declines in the market prices of gold may render future potential reserves containing relatively lower grades of ore uneconomic to exploit, and we may be required to reduce reserve estimates, discontinue development or mining at one or more of our properties, or write down assets as impaired. Should we encounter mineralization or geologic formations at any of our projects different from those we predicted, we may adjust our reserve estimates and alter our mining plans. Either of these alternatives may adversely affect our actual future production and operating results.

The estimation of the ultimate recovery of metals contained within a heap leach pad inventory is inherently inaccurate and subjective and requires the use of estimation techniques. Actual recoveries can be expected to vary from estimations.

We expect to use the heap leach process to extract gold from ore. The heap leach process is a process of extracting gold by placing ore on an impermeable pad and applying a diluted cyanide solution that dissolves a portion of the contained silver, which is then recovered in metallurgical processes.

We will use several integrated steps in the process of extracting gold to estimate the metal content of ore placed on the leach pads. Although we will refine our estimates as appropriate at each step in the process, the final amounts are not determined until a third-party smelter converts the doré and determines final ounces of gold available for sale. We will then review this end result and reconcile it to the estimates we developed and used throughout the production process. Based on this review, we may adjust our estimation procedures when appropriate. As a result, actual recoveries can vary from estimates, and the amount of the variation could be significant and could have a material adverse impact on our financial condition and results of operations.

Gold mining involves significant production and operational risks. We may suffer from the failure to efficiently operate our mining projects.

Gold mining involves significant degrees of risk, including those related to mineral exploration success, unexpected geological or mining conditions, the development of new deposits, climatic conditions, equipment and/or service failures, compliance with current or new governmental requirements, current availability of or delays in installing and commissioning plant and equipment, import or customs delays and other general operating risks. Problems may also arise due to the quality or failure of locally obtained equipment or interruptions to services (such as power, water, fuel or transport or processing capacity) or technical support, which results in the failure to achieve expected target dates for exploration or production activities and/or result in a requirement for greater expenditure. The right to develop gold reserves may depend on obtaining certain licenses and quotas, the granting of which may be at the discretion of the relevant regulatory authorities. There may be delays in obtaining such licenses and quotas, leading to our results of operations being adversely affected, and it is possible that from time to time mining licenses may be refused.

There will be significant hazards associated with our mining activities, some of which may not be fully covered by insurance. To the extent we must pay the costs associated with such risks, our business may be negatively affected.

The mining business is subject to risks and hazards, including environmental hazards, industrial accidents, the encountering of unusual or unexpected geological formations, cave-ins, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, reduced production and delays in mining, asset write-downs, monetary losses and possible legal liability. Insurance fully covering many environmental risks (including potential liability for pollution or other hazards as a result of disposal of waste products occurring from exploration and production) is not generally available to us or to other companies in the industry. Although we maintain insurance in an amount that we consider to be adequate, liabilities might exceed policy limits, in which event we could incur significant costs that could adversely affect our financial condition, results of operation and liquidity.

We are subject to significant governmental regulations.

Our operations and exploration and development activities are subject to extensive federal, state, and local laws and regulations governing various matters, including:

- environmental protection;
- management and use of toxic substances and explosives;
- management of natural resources;
- exploration and development of mines, production and post-closure reclamation;
- taxation;
- labor standards and occupational health and safety, including mine safety; and
- historic and cultural preservation.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in us incurring significant expenditures. We may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or a more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of any future operations and delays in the exploration of our properties.

Changes in mining or environmental laws could increase costs and impair our ability to develop our properties.

From time to time the U.S. Congress may consider revisions in its mining and environmental laws. It remains unclear to what extent new legislation may affect existing mining claims. The effect of any such revisions on our operations cannot be determined conclusively until such revision is enacted; however, such legislation could materially increase costs on properties located on federal lands, such as ours, and such revision could also impair our ability to develop the Langtry Project and to explore and develop other mineral projects.

Compliance with environmental regulations and litigation based on environmental regulations could require significant expenditures.

Mining exploration and mining are subject to the potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) is not generally available to us (or to other companies in the minerals industry) at a reasonable price.

Environmental regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees.

To the extent we are subject to environmental liabilities, the settlement of such liabilities or the costs that we may incur to remedy environmental pollution would reduce funds otherwise available to us and could have a material adverse effect on our financial condition and results of operations. If we are unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The environmental standards that may ultimately be imposed at a mine site impact the cost of remediation and may exceed the financial accruals that have been made for such remediation. The potential exposure may be significant and could have a material adverse effect on our financial condition and results of operations.

Moreover, governmental authorities and private parties may bring lawsuits based upon damage to property and injury to persons resulting from the environmental, health and safety impacts of our operations, which could lead to the imposition of substantial fines, remediation costs, penalties and other civil and criminal sanctions. Substantial costs and liabilities, including for restoring the environment after the closure of mines, are inherent in our proposed operations

Some mining wastes are currently exempt to a limited extent from the extensive set of federal Environmental Protection Agency (“EPA”) regulations governing hazardous waste under the Resource Conservation and Recovery Act (“RCRA”). If the EPA designates these wastes as hazardous under RCRA, we may be required to expend additional amounts on the handling of such wastes and to make significant expenditures to construct hazardous waste disposal facilities. In addition, if any of these wastes causes contamination in or damage to the environment at a mining facility, such facility may be designated as a “Superfund” site under the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”). Under CERCLA, any owner or operator of a Superfund site since the time of its contamination may be held liable and may be forced to undertake extensive remedial cleanup action or to pay for the government’s cleanup efforts. Such owner or operator may also be liable to governmental entities for the cost of damages to natural resources, which may be substantial. Additional regulations or requirements are also imposed under the federal Clean Water Act (“CWA”). The Company considers the current proposed federal legislation relating to climate change and its potential enactment may have future impacts to the Company’s operations in the United States.

In addition, there are numerous legislative and regulatory proposals related to climate change, including legislation pending in the U.S. Congress to require reductions in greenhouse gas emissions. The Company has reviewed and considered current federal legislation relating to climate change and does not believe it to have a material effect on its operations, however, additional regulation or requirements under any of these laws and regulations could have a materially adverse effect upon the Company and its results of operations.

Compliance with CERCLA, the CWA and state environmental laws could entail significant costs, which could have a material adverse effect on our operations.

In the context of environmental permits, including the approval of reclamation plans, we must comply with standards and regulations which entail significant costs and can entail significant delays. Such costs and delays could have a dramatic impact on our operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect our operations. We intend to fully comply with all applicable environmental regulations.

We are required to obtain government permits to begin new operations. The acquisition of such permits can be materially impacted by third party litigation seeking to prevent the issuance of such permits. The costs and delays associated with such approvals could affect our operations, reduce our revenues, and negatively affect our business as a whole.

Mining companies are required to seek governmental permits for the commencement of new operations. Obtaining the necessary governmental permits is a complex and time-consuming process involving numerous jurisdictions and often involving public hearings and costly undertakings. The duration and success of permitting efforts are contingent on many factors that are out of our control. The governmental approval process may increase costs and cause delays depending on the nature of the activity to be permitted, and could cause us to not proceed with the development of a mine. Accordingly, this approval process could harm our results of operations.

Any of our future acquisitions may result in significant risks, which may adversely affect our business.

An important element of our business strategy is the opportunistic acquisition of precious metal mines, properties and businesses or interests therein. While it is our practice to engage independent mining consultants to assist in evaluating and making acquisitions, any mining properties or interests therein we may acquire may not be developed profitably or, if profitable when acquired, that profitability might not be sustained. In connection with any future acquisitions, we may incur indebtedness or issue equity securities, resulting in increased interest expense, or dilution of the percentage ownership of existing shareholders. We cannot predict the impact of future acquisitions on the price of our business or our common stock. Unprofitable acquisitions, or additional indebtedness or issuances of securities in connection with such acquisitions, may impact the price of our common stock and negatively affect our results of operations.

We are continuously considering possible acquisitions of additional mining properties or interests therein that are located in other countries, and could be exposed to significant risks associated with any such acquisitions.

In the ordinary course of our business, we are continuously considering the possible acquisition of additional significant mining properties or interests therein that may be located in countries other than those in which we now have interests. Consequently, in addition to the risks inherent in the valuation and acquisition of such mining properties, as well as the subsequent development, operation or ownership thereof, we could be subject to additional risks in such countries as a result of governmental policies, economic instability, currency value fluctuations and other risks associated with the development, operation or ownership of mining properties or interests therein. Such risks could adversely affect our results of operations.

Our ability to find and acquire new mineral properties is uncertain. Accordingly, our prospects are uncertain for the future growth of our business.

Because mines have limited lives based on proven and probable ore reserves, we expect we will be continually seeking to replace and expand any future ore reserves. Identifying promising mining properties is difficult and speculative. Furthermore, we encounter strong competition from other mining companies in connection with the acquisition of properties producing or capable of producing gold. Many of these companies have greater financial resources than we do. Consequently, we may be unable to replace and expand future ore reserves through the acquisition of new mining properties or interests therein on terms we consider acceptable. As a result, our future revenues from the sale of gold may decline, resulting in lower income and reduced growth.

Current economic conditions and in the global economy generally, including ongoing disruptions in the debt and equity capital markets, may adversely affect our business and results of operations, and our ability to obtain financing.

The global economy has undergone a slowdown, which some observers view as a deepening recession, and the future economic environment may continue to be less favorable than that of recent years. The mining industry has experienced and may continue to experience significant downturns in connection with, or in anticipation of, declines in general economic conditions. We are unable to predict the likely duration and severity of the current disruptions in debt and equity capital markets and adverse economic conditions in the United States and other countries, which may continue to have an adverse effect on our business and results of operations.

The global stock and credit markets have recently experienced significant price volatility, dislocations and liquidity disruptions, which have caused market prices of many stocks to fluctuate substantially and the spreads on prospective and outstanding debt financings to widen considerably. These circumstances have materially impacted liquidity in the financial markets, making terms for certain financings materially less attractive, and in certain cases have resulted in the unavailability of certain types of financing. This volatility and illiquidity has negatively affected a broad range of mortgage and asset-backed and other fixed income securities. As a result, the market for fixed income securities has experienced decreased liquidity, increased price volatility, credit downgrade events, and increased defaults. Global equity markets have also been experiencing heightened volatility and turmoil, with issuers exposed to the credit markets particularly affected. These factors and the continuing market disruption have an adverse effect on us, in part because we, like many companies, from time to time may need to raise capital in debt and equity capital markets including in the asset-backed securities markets.

In addition, continued uncertainty in the stock and credit markets may negatively affect our ability to access additional short-term and long-term financing, including future securitization transactions, on reasonable terms or at all, which would negatively impact our liquidity and financial condition. In addition, if one or more of the financial institutions that support our future credit facilities fails, we may not be able to find a replacement, which would negatively impact our ability to borrow under the credit facilities. These disruptions in the financial markets also may adversely affect our credit rating and the market value of our common stock. If the current pressures on credit continue or worsen, we may not be able to refinance, if necessary, our outstanding debt when due, which could have a material adverse effect on our business. While we believe we will have adequate sources of liquidity to meet our anticipated requirements for working capital, debt servicing and capital expenditures for the foreseeable future if our operating results worsen significantly and our cash flow or capital resources prove inadequate, or if interest rates increase significantly, we could face liquidity problems that could materially and adversely affect our results of operations and financial condition.

As we do not maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, current and potential shareholders could lose confidence in our financial reporting. This would harm our business and the trading price of our stock.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. If we cannot provide financial reports or prevent fraud, our business reputation and operating results could be harmed. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our stock.

Risks Related to Our Stock

Future issuances of our common stock could dilute current shareholders and adversely affect the market if it develops.

We have the authority to issue up to 250 million shares of common stock and 5 million shares of preferred stock and to issue options and warrants to purchase shares of our common stock, without shareholder approval. Future share issuances are likely due to our need to raise additional working capital in the future. Those future issuances will likely result in dilution to our shareholders. In addition, we could issue large blocks of our common stock to fend off unwanted tender offers or hostile takeovers without further shareholder approval, which would not only result in further dilution to investors in this offering but could also depress the market value of our common stock, if a public trading market develops.

We may issue preferred stock that would have rights that are preferential to the rights of our common stock that could discourage potentially beneficial transactions to our common shareholders.

An issuance of shares of preferred stock could result in a class of outstanding securities that would have preferences with respect to voting rights and dividends and in liquidation over our common stock and could, upon conversion or otherwise, have all of the rights of our common stock. Our Board of Directors' authority to issue preferred stock could discourage potential takeover attempts or could delay or prevent a change in control through merger, tender offer, proxy contest or otherwise by making these attempts more difficult or costly to achieve. The issuance of preferred stock could impair the voting, dividend and liquidation rights of common stockholders without their approval.

Outstanding shares that are eligible for future sale could adversely impact a public trading market for our common stock

In the future, we may offer and sell shares without registration under the Securities Act. All of such shares will be "restricted securities" as defined by Rule 144 ("Rule 144") under the Securities Act and cannot be resold without registration except in reliance on Rule 144 or another applicable exemption from registration. Under Rule 144, our non-affiliates can sell restricted shares held for at least six months, subject only to the restriction that we made available public information as required by Rule 144. Our affiliates can sell restricted securities after six months, subject to compliance with the volume limitation, manner of sale, Form 144 filing and current public information requirements.

No prediction can be made as to the effect, if any, that future sales of restricted shares of common stock, or the availability of such common stock for sale, will have on the market price of the common stock prevailing from time to time. Sales of substantial amounts of such common stock in the public market, or the perception that such sales may occur, could adversely affect the then prevailing market price of the common stock.

Owners of our common stock will be subject to the "penny stock" rules.

Since our shares are not listed on a national stock exchange or quoted on the Nasdaq Capital Market within the United States, if a public trading market develops, of which there can be no assurance, trading in our shares on the OTC market will be subject, to the extent the market price for our shares is less than \$5.00 per share, to a number of regulations known as the "penny stock rules". The penny stock rules require a broker-dealer to deliver a standardized risk disclosure document prepared by the SEC, to provide the customer with additional information including current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, monthly account statements showing the market value of each penny stock held in the customer's account, and to make a special written determination that the penny stock is a suitable investment for the investor and receive the investor's written agreement to the transaction. To the extent these requirements may be applicable they will reduce the level of trading activity in the secondary market for our shares and may severely and adversely affect the ability of broker-dealers to sell our shares.

We do not expect to pay cash dividends in the foreseeable future. Any return on investment may be limited to the value of our stock.

We have never paid any cash dividends on any shares of our capital stock, and we do not anticipate that we will pay any dividends in the foreseeable future. Our current business plan is to retain any future earnings to finance the expansion of our business. Any future determination to pay cash dividends will be at the discretion of our Board of Directors, and will be dependent upon our financial condition, results of operations, capital requirements and other factors as our board of directors may deem relevant at that time. If we do not pay cash dividends, our stock may be less valuable because a return on your investment will only occur if our stock price appreciates.

Delaware law and our by-laws protect our directors from certain types of lawsuits.

Delaware law provides that our directors will not be liable to us or our stockholders for monetary damages for all but certain types of conduct as directors. Our by-laws require us to indemnify our directors and officers against all damages incurred in connection with our business to the fullest extent provided or allowed by law. The exculpation provisions may have the effect of preventing stockholders from recovering damages against our directors caused by their negligence, poor judgment or other circumstances. The indemnification provisions may require us to use our assets to defend our directors and officers against claims, including claims arising out of their negligence, poor judgment, or other circumstances.

ITEM 1B – UNRESOLVED STAFF COMMENTS.

None.

ITEM 2 – PROPERTIES.

Descriptions of our mining and other properties are contained in the Business discussion in this Report.

ITEM 3 – LEGAL PROCEEDINGS.

None.

ITEM 4 – REMOVED AND RESERVED.

PART II

ITEM 5 – MARKET FOR REGISTRANT’S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Market Information

Our outstanding shares of common stock traded over-the-counter and quoted on the OTC Bulletin Board (“OTCBB”) under the symbol “GWBC” from January 1, 2007 to February 5, 2010. Effective February 5, 2010, our outstanding shares of common stock have traded over-the-counter and quoted on the OTCBB under the symbol “AHNR”. Our common stock is quoted currently on the OTC.QB of the OTC Markets Group, Inc. under the symbol “AHNR.” The reported high and low prices for our common stock are shown below for the period from January 1, 2019 through December 31, 2020. All quoted prices reflect inter-dealer prices without retail markup, mark-down or commission and may not necessarily represent actual transactions.

| | 2020 | | 2019 | |
|----------------------------------|---------|---------|---------|---------|
| | High | Low | High | Low |
| First quarter ended March 31 | \$ 0.03 | \$ 0.03 | \$ 0.02 | \$ 0.02 |
| Second quarter ended June 30 | \$ 0.11 | \$ 0.08 | \$ 0.04 | \$ 0.01 |
| Third quarter ended September 30 | \$ 0.06 | \$ 0.06 | \$ 0.06 | \$ 0.02 |
| Fourth quarter ended December 31 | \$ 0.07 | \$ 0.07 | \$ 0.05 | \$ 0.02 |

To better reflect the Company’s new flagship prospect in Excelsior Springs, the Company has formally changed its name to “Athena Gold Corporation”. The name change was effective on January 21, 2021; however the Company’s stock will continue to trade under the ticker symbol “AHNR” until it has been approved by FINRA. At such time as FINRA approves the name change, there may or may not be a change in the Company’s ticker symbol. The Company will announce when the name change becomes effective for trading purposes and any associated change in ticker symbol.

Registered Holders of our Common Stock

As of February 20, 2021, there were approximately 62 record owners of our common stock. We believe that a number of stockholders hold stock on deposit with their brokers or investment bankers registered in the name of stock depositories.

Dividends

Our Board of Directors may declare and pay dividends on outstanding shares of common stock out of funds legally available therefore in its sole discretion; however, to date, no dividends have been paid on common stock and we do not anticipate the payment of dividends in the foreseeable future.

Trading in our common stock is subject to rules adopted by the SEC regulating broker dealer practices in connection with transactions in "penny stocks." Those disclosure rules applicable to penny stocks 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 prepared by the SEC. That disclosure document advises an investor that investment in penny stocks can be very risky and that the investor's salesperson or broker is not an impartial advisor but rather paid to sell the shares. The disclosure contains further warnings for the investor to exercise caution in connection with an investment in penny stocks, to independently investigate the security, as well as the salesperson with whom the investor is working and to understand the risky nature of an investment in this security. The broker dealer must also provide the customer with certain other information and 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. Further, the rules require that, following the proposed transaction, the broker provide the customer with monthly account statements containing market information about the prices of the securities.

Recent Sales of Unregistered Securities

None, except as reported on Forms 8-K.

Equity Compensation Plan Information

The Company adopted its 2020 Equity Incentive Plan which became effective in January 2021. Under the Plan, the Company is authorized to issue up to 10 million shares of common stock pursuant to grants and the exercise of rights under the Plan. As of the date of this Report, there have been no grants under the Plan.

ITEM 6 – SELECTED FINANCIAL DATA.

We are a smaller reporting company as defined by the Exchange Act and are not required to provide the information required under this item.

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

We use the terms “Athena,” “we,” “our,” and “us” to refer to Athena Gold Corporation and its consolidated subsidiary, Athena Minerals, Inc (“AMI”).

The following discussion should be read in conjunction with our financial statements, including the notes thereto, appearing elsewhere in this Report. The discussion of results, causes and trends should not be construed to imply any conclusion that these results or trends will necessarily continue into the future.

Forward-Looking Statements

Some of the information presented in this Form 10-K constitutes “forward-looking statements. These forward-looking statements include, but are not limited to, statements that include terms such as “may,” “will,” “intend,” “anticipate,” “estimate,” “expect,” “continue,” “believe,” “plan,” or the like, as well as all statements that are not historical facts. Forward-looking statements are inherently subject to risks and uncertainties that could cause actual results to differ materially from current expectations. Although we believe our expectations are based on reasonable assumptions within the bounds of our knowledge of our business and operations, there can be no assurance that actual results will not differ materially from expectations.

All forward-looking statements speak only as of the date on which they are made. We undertake no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they are made.

Business Overview

We were incorporated on December 23, 2003, in Delaware and our principal business is the acquisition and exploration of mineral resources.

In January 2021, the company’s Board of Directors approved a name change from Athena Silver Corporation, to Athena Gold Corporation. Athena Gold Corporation (“we,” “our,” “us,” or “Athena”) is engaged in the acquisition and exploration of mineral resources. We began our mining operations in 2010.

In December 2009, we formed and organized a new wholly-owned subsidiary, Athena Minerals, Inc. (“Athena Minerals”) which owned and operated our mining interests and properties in California. On December 31, 2020 we sold the subsidiary to Tripower Resources Inc., a company controlled by Mr. John Gibbs, a related party, in a non-cash exchange which is discussed further below and in the Notes to the Consolidated Financial Statements included in this report.

Effective December 15, 2020, Athena entered into a definitive Property Option Agreement with Nubian Resources Ltd. (“Nubian”) (TSXV: NBR), pursuant to which Athena acquired a 10% interest in Nubian’s Excelsior Springs exploration project located in Esmeralda County, Nevada and has an option to acquire the remaining 90% held by Nubian.

The Option is exercisable in two tranches: the first tranche was exercised immediately pursuant to which the Company acquired a 10% interest in Excelsior Springs in consideration of issuing to Nubian an aggregate of 5,000,000 shares of Athena Gold Corporation common stock. On December 15, 2020 the company issued the 5,000,000 shares of its common stock valued at \$0.03 per share totaling \$150,000. The second tranche is exercisable on or before December 31, 2021 to purchase an additional 90% interest in Excelsior Springs in consideration of issuing to Nubian an additional 45 million shares of Athena common stock. Should both options be exercised, Nubian will hold 50 million shares of Athena common stock, which will be subject to a six-month lockup.

Athena's agreement with Nubian includes 100% of the 140 unpatented claims at Excelsior Springs with two additional patented claims held under a lease option that are subject to a 2% net smelter returns royalty on gold production. Under the terms of the Option Agreement, Nubian will retain a 1% net smelter returns royalty ("NSR Royalty") on the Excelsior Springs Project if Athena fully exercises the option. Athena will have the right to purchase 0.5% (being one half) of the NSR Royalty for CAD \$500,000 and the remaining 0.5% of the NSR Royalty at fair market value.

Athena plans make Excelsior Springs its flagship project and has recently completed a N.I. 43-101 Technical Report to support its planned listing on a Canadian Stock Exchange that details past work and drill programs and highlight future exploration plans to advance the Property.

We have not presently determined whether our mineral properties contain mineral reserves that are economically recoverable.

Our primary focus going forward will be to continue evaluating our properties, as well as possible acquisitions of additional mineral rights and exploration, all of which will require additional capital.

Sale of Athena Minerals, Inc.

Effective December 31, 2020, Athena Gold Corp entered into a Stock Purchase Agreement with TriPower Resources, Inc., a company controlled by Mr. John Gibbs, a related party and control person, pursuant to which TriPower agreed to purchase 100% of the issued and outstanding shares of Athena Minerals, Inc., in exchange for full satisfaction of the Company's indebtedness to John Gibbs under the 2012 Credit Agreement. The outstanding principal at the time of the transaction was \$1,929,870. All accrued and unpaid interest due under the Credit Agreement totaling \$668,012 was waived as part of the transaction.

Athena Minerals Inc. owns the mineral and real estate interests in San Bernardino County, California, including the unpatented mining claims in the Langtry Mining District. As a result of this transaction, Athena no longer owns any assets in California.

The transaction netting \$2,025,013 was accounted for as an addition to capital rather than a gain due to the purchaser being a related party and control person.

Results of Operations:

Results of Operations for the Years Ended December 31, 2020 and 2019

A summary of our results from operations is as follows:

| | Years Ended December 31, | |
|-------------------------------------|--------------------------|---------------------|
| | 2020 | 2019 |
| Operating expenses: | | |
| Exploration costs | \$ 89,550 | \$ 40,000 |
| General and administrative expenses | 187,556 | 115,266 |
| Total operating expenses | 277,106 | 155,266 |
| Operating loss | (277,106) | (155,266) |
| Total other expenses, net | (132,962) | (110,980) |
| Net loss | <u>\$ (410,068)</u> | <u>\$ (266,246)</u> |

For the year ended December 31, 2020, our net loss was \$410,068 as compared to a net loss of \$266,246 during the same period in 2019. The \$143,822 increase in our loss was mainly attributable to an increase in our exploration costs associated with the Excelsior Springs project, as well as increased legal and professional fees associated with the acquisition of Excelsior Springs and the sale of Athena Minerals, Inc.

Operating expenses:

Our total operating expenses increased \$121,840 from \$155,266 to \$277,106 for the years ended December 31, 2019 and 2020, respectively.

Effective December 15, 2020, Athena entered into a definitive Property Option Agreement with Nubian Resources Ltd., pursuant to which Athena acquired a 10% interest in Nubian's Excelsior Springs exploration project located in Esmeralda County, Nevada and has an option to acquire the remaining 90% held by Nubian. The Excelsior Springs project consists of multiple unpatented BLM mining claims that are currently not operational. We have begun the preliminary work program and as of December 31, 2020 we have expensed approximately \$90,000 of initial exploration costs generally representing Bureau of Land Management and county renewal fees totaling approximately \$26,000, \$10,000 associated with the acquisition of the option, and other direct costs totaling approximately \$55,000 including geologic mapping and sampling of selected areas of the project and the development of technical reports.

During the year ended December 31, 2019, we incurred \$40,000 of exploration costs representing the total annual lease option obligations for the Langtry project interests owned by Athena Minerals, Inc. The Langtry lease was not renewed in 2020 and there was no lease expense on the project in 2020.

Our general and administrative expenses increased by \$72,290, from \$115,266 to \$187,556 for the year ended December 31, 2019 and 2020, respectively. The increase is primarily attributed to increases in legal and other professional services associated with the Excelsior Springs acquisition and the sale of Athena Minerals, Inc.

Other income and expense:

Our total other expenses, net was \$132,962 during the year ended December 31, 2020, as compared to total other expenses, net of \$110,980 during the year ended December 31, 2019, all of which consists of interest expense on the convertible credit facility and the convertible note payable.

For the year ended December 31, 2020 interest expense includes \$112,140 of related party interest associated with the convertible credit facility, and \$20,822 of interest expense associated with the convertible note payable which includes \$14,649 of interest expense resulting from the amortization of the note discount. For the year ended December 31, 2019 interest expense includes \$106,954 associated with our related party convertible credit facility, and \$4,026 of interest expense associated with the convertible note payable

Liquidity and Capital Resources:

Going Concern

Our interim consolidated financial statements have been prepared on a going concern basis, which assumes that we will be able to meet our obligations and continue our operations during the next fiscal year. Asset realization values may be significantly different from carrying values as shown in our consolidated financial statements and do not give effect to adjustments that would be necessary to the carrying values of assets and liabilities should we be unable to continue as a going concern.

At December 31, 2020, we had not yet achieved profitable operations and we have accumulated losses of \$9,988,885 since our inception. We expect to incur further losses in the development of our business, all of which raise substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern depends on our ability to generate future profits and/or to obtain the necessary financing to meet our obligations arising from normal business operations when they come due.

We anticipate that additional funding will be in the form of additional equity financing from the sale of our common stock, and loans from officers, directors or significant shareholders. In October 2020 the Company authorized the sale of up to 25,000,000 shares of its common stock at \$0.03 per share in private placements. Currently, there are no other arrangements in place for new loans or lending facilities.

Liquidity

As of December 31, 2020, we had \$8,986 of cash and negative working capital of \$235,696. This compares to cash on hand of \$117 and negative working capital of \$2,980,090 at December 31, 2019. The change in working capital is primarily the result of the sale of Athena Minerals, Inc. on December 31, 2020.

We had a Credit Agreement with a significant shareholder which provided us with an unsecured credit facility in the maximum borrowing amount of \$2,400,000. Upon the sale of Athena Minerals, Inc., the Credit Agreement and all obligations thereunder were cancelled.

We anticipate that additional funding will be in the form of additional equity financing from the sale of our common stock, and loans from officers, directors or significant shareholders. In October 2020 the Company authorized the sale of up to 25,000,000 shares of its common stock at \$0.03 per share in private placements. Currently, there are no arrangements in place for new loans or lending facilities.

Cash Flows

A summary of our cash provided by and used in operating, investing and financing activities is as follows:

| | Years ended December 31, | |
|---|--------------------------|---------------|
| | 2020 | 2019 |
| Net cash used in operating activities | \$ (197,436) | \$ (140,824) |
| Net cash provided by financing activities | 208,884 | 136,950 |
| Net increase (decrease) in cash | 11,448 | (3,874) |
| Less cash appropriated by AMI upon sale | (2,579) | — |
| Cash, beginning of period | 117 | 3,991 |
| Cash, end of period | <u>\$ 8,986</u> | <u>\$ 117</u> |

Net cash used in operating activities:

Net cash used in operating activities was \$197,436 and \$140,824 during the years ended December 31, 2020 and 2019, respectively.

Cash used in operating activities during the year ended December 31, 2020 is primarily attributed to our \$410,068 net loss. In addition, we amortized \$14,649 of note discount to interest expense, and paid director fees due a director by issuing 300,000 shares of common stock valued at \$0.045 per share totaling \$13,500. We also realized increases in accounts payable of \$33,051, related party accrued interest of \$112,140, accrued and other liabilities of \$14,292 and a \$25,000 deferred option revenue associated with Athena Minerals, Inc. operations.

Cash used in operating activities during the year ended December 31, 2019 is primarily attributed to our \$266,246 net loss. We also realized increases in accounts payable of \$442, accrued interest on our notes payable of \$106,954, and other accrued liabilities of \$18,026.

Net cash provided by financing activities:

Cash provided by financing activities during the year ended December 31, 2020 was \$208,884 compared to cash provided by financing activities of \$136,950 during the same period in 2019.

For the year ended December 31, 2020 certain related parties made cash advances to the Company totaling \$59,226, and were repaid a total of \$41,778. We also realized \$26,686 from sales of our common stock and paid \$10,000 that was due on June 1st on our deed amendment liability associated with Athena Minerals, Inc. In addition, we received \$132,000 of proceeds from sales of commons stock to related parties. Total borrowings under the credit facility were \$42,750 during the year.

For the year ended December 31, 2019 borrowings under our convertible credit facility were \$142,500. Also, during the year ended December 31, 2019 the Company's President had advanced a total of \$31,100, of which \$26,650 was repaid during the period. In addition, in August we paid the \$10,000 on the deed amendment liability.

Subsequent Events

Change of Name and Authorized Capital: On January 15, 2021 the Company changed its name from Athena Silver Corporation to Athena Gold Corporation. Concurrently, the Company increased its authorized common stock to 250,000,000 with a par value of \$0.0001. No change was made to the authorized preferred stock.

Conversion of Accrued Management Fees: On January 1, 2021 the Company agreed to convert outstanding management fees due Mr. Power totaling \$96,500 into shares of common stock at a price of \$0.045, resulting in the issuance of 2,144,444 shares of the Company's common stock.

Sales of Common Stock: In October 2020 the Company authorized the sale of up to 25,000,000 shares of its common stock at \$0.03 per share in private placements. In January and February 2020, the Company has completed the sale of 5,000,000 shares of its common stock in this private placement to six third parties, resulting in total gross proceeds of \$150,000.

Off Balance Sheet Arrangements:

We do not have and never had any off-balance sheet arrangements.

Recent Accounting Pronouncements

We do not expect the adoption of recently issued accounting pronouncements to have a significant impact on our results of operations, financial position or cash flow.

Critical Accounting Policies

The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates, assumptions and judgments that affect the amounts reported in our financial statements. The accounting positions described below are significantly affected by critical accounting estimates.

We believe that the significant estimates, assumptions and judgments used when accounting for items and matters such as capitalized mineral rights, asset valuations, recoverability of assets, asset impairments, taxes, and other provisions were reasonable, based upon information available at the time they were made. Actual results could differ from these estimates, making it possible that a change in these estimates could occur in the near term.

Mineral Rights

We have determined that our mining rights meet the definition of mineral rights, as defined by accounting standards, and are tangible assets. As a result, our direct costs to acquire or lease mineral rights are initially capitalized as tangible assets. Mineral rights include costs associated with: leasing or acquiring patented and unpatented mining claims; leasing mining rights including lease signature bonuses, lease rental payments and advance minimum royalty payments; and options to purchase or lease mineral properties.

If we establish proven and probable reserves for a mineral property and establish that the mineral property can be economically developed, mineral rights will be amortized over the estimated useful life of the property following the commencement of commercial production or expensed if it is determined that the mineral property has no future economic value or if the property is sold or abandoned. For mineral rights in which proven and probable reserves have not yet been established, we assess the carrying values for impairment at the end of each reporting period and whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

The net carrying value of our mineral rights represents the fair value at the time the mineral rights were acquired less accumulated depletion and any impairment losses. Proven and probable reserves have not been established for mineral rights as of December 31, 2020.

Impairment of Long-lived Assets

We continually monitor events and changes in circumstances that could indicate that our carrying amounts of long-lived assets, including mineral rights, may not be recoverable. When such events or changes in circumstances occur, we assess the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through their undiscounted expected future cash flows. If the future undiscounted cash flows are less than the carrying amount of these assets, we recognize an impairment loss based on the excess of the carrying amount over the fair value of the assets.

Exploration Costs

Mineral exploration costs are expensed as incurred. When it has been determined that it is economically feasible to extract minerals and the permitting process has been initiated, exploration costs incurred to further delineate and develop the property are considered pre-commercial production costs and will be capitalized and included as mine development costs in our consolidated balance sheets.

Share-based Payments

We measure and recognize compensation expense or professional services expense for all share-based payment awards made to employees, directors and non-employee consultants based on estimated fair values. We estimate the fair value of stock options on the date of grant using the Black-Scholes-Merton option pricing model, which includes assumptions for expected dividends, expected share price volatility, risk-free interest rate, and expected life of the options. Our expected volatility assumption is based on our historical weekly closing price of our stock over a period equivalent to the expected life of the options.

We expense share-based compensation, adjusted for estimated forfeitures, using the straight-line method over the vesting term of the award for our employees and directors and over the expected service term for our non-employee consultants. We estimate forfeitures at the time of grant and revise those estimates in subsequent periods if actual forfeitures differ from our estimates. Our excess tax benefits, if any, cannot be credited to stockholders' equity until the deduction reduces cash taxes payable; accordingly, we realized no excess tax benefits during any of the periods presented in the accompanying consolidated financial statements.

Income Taxes

We account for income taxes through the use of the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and for income tax carry-forwards. A valuation allowance is recorded to the extent that we cannot conclude that realization of deferred tax assets is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years 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 operations in the period that includes the enactment date.

We follow a two-step approach to recognizing and measuring tax benefits associated with uncertain tax positions taken, or expected to be taken in a tax return. The first step is to determine if, based on the technical merits, it is more likely than not that the tax position will be sustained upon examination by a taxing authority, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement with a taxing authority. We recognize interest and penalties, if any, related to uncertain tax positions in our provision for income taxes in the consolidated statements of operations. To date, we have not recognized any tax benefits from uncertain tax positions.

ITEM 7A – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 8 – FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The financial statements required by this item are located in Item 15 beginning on page F-1 of this Annual Report on Form 10-K and are incorporated herein by reference.

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

None, except as previously disclosed.

ITEM 9A – CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time period specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosures. Our management necessarily applied its judgment in assessing the costs and benefits of such controls and procedures, which, by their nature, can provide only reasonable assurance regarding management's control objectives.

Our management, with the participation of our CEO, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Report. Based upon this evaluation, our CEO concluded that our disclosure controls and procedures were not effective because of the identification of a material weakness in our internal control over financial reporting which is described below.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Rule 13a-15(f). Our internal control over financial reporting is a process designed to provide reasonable assurance to our management and board of directors regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with U.S. GAAP.

Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP and our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. All internal control systems, no matter how well designed, have inherent limitations, including the possibility of human error and the circumvention of overriding controls. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation. Also, 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 or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2020. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework (2013). Based on this evaluation, management concluded that our internal control over financial reporting was not effective as of December 31, 2020. Our CEO concluded we have a material weakness due to lack of segregation of duties, a limited corporate governance structure, and a lack of a formal management review process over preparation of financial information. A material weakness is a deficiency, or a combination of control deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Our size has prevented us from being able to employ sufficient resources to enable us to have an adequate level of supervision and segregation of duties within our system of internal control. Therefore, while there are some compensating controls in place, it is difficult to ensure effective segregation of accounting and financial reporting duties. Management reported the following material weaknesses:

- Lack of segregation of duties in certain accounting and financial reporting processes including the initiation, processing, recording and approval of disbursements;
- Our corporate governance responsibilities are performed by the Board of Directors, none of whom are independent under applicable standards; we do not have an audit committee or compensation committee. Our Board of Directors acts primarily by written consent without meetings which results in several of our corporate governance functions not being performed concurrent (or timely) with the underlying transactions, including evaluation of the application of accounting principles and disclosures relating to those transactions; and
- Certain reports that we prepare and accounting and reporting conclusions reached in connection with the financial statement preparation process are not subjected to a formal review process that includes multiple levels of review, and are not submitted timely to the Board of Directors for review or approval.

While we strive to segregate duties as much as practicable, there is an insufficient volume of transactions at this point in time to justify additional full-time staff. We believe that this is typical in many exploration stage companies. We may not be able to fully remediate the material weakness until we commence mining operations at which time we would expect to hire more staff. We will continue to monitor and assess the costs and benefits of additional staffing.

This Annual Report does not include an attestation report of our 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 SEC rules that permit us to provide only management's report in this Annual Report.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2020, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B – OTHER INFORMATION.

None.

PART III

ITEM 10 – DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Directors and Executive Officers

Our current executive officers and directors are:

| Name | Age | Position |
|------------------------------|-----|---|
| John C. Power ⁽¹⁾ | 58 | CEO, President, CFO, Secretary and Director |
| Brian Power ⁽¹⁾ | 54 | Director |

⁽¹⁾ John C. Power and Brian Power are brothers.

John C. Power has served as a director of Athena since its inception in December 2003 and has served as Athena's President from December 2005 to December 2007 and from January 2009 to the present and has served as Athena's Secretary since January 2007. He has also served as director of Magellan Gold Corporation since its formation in September 2010 until November 2020 and as an officer of Magellan from its formation until August 2017 and from TBD until November 2020.

Mr. Power is also a co-managing member since 2011 of Silver Saddle Resources, LLC that owns mining claims in Nevada.

From March 2010 to present, Mr. Power has severed as co-Managing Member of Ryan Air Exposition, LLC, a private California holding company that invests in antique airplanes. Mr. Power has served as President and director of Four Rivers Broadcasting, Inc., a radio broadcaster, from May 1997 to March 2005 and Vice President from March 2005 to the present. Mr. Power served as Co-Managing Member of Wyoming Resorts, LLC, which owned and operated an historic hotel in Thermopolis, Wyoming, from June 1997 until June 2017. Mr. Power has been a general partner of Power Vacaville, LP a real estate investment firm since January 2008. Mr. Power also serves as the vice-president and director of The Tide Community Broadcasting, Inc. since July 2012.

From September 2008 to March 2012, Mr. Power served as an officer and director of Hungry Hunter, Inc., a private California-based restaurant enterprise. Mr. Power was Managing Member of Montana Resorts, LLC, which is a holding company for Yellowstone Gateway Resorts, LLC, (from May 2002 until May 2008; and was Managing Member of Yellowstone Gateway Resorts, LLC, which owned and operated the Gallatin Gateway Inn, from May 2002 until May 2008. On November 16, 2004, Yellowstone Gateway Resorts, LLC filed a voluntary petition in bankruptcy under Chapter 11 of the U.S. Bankruptcy Code in response to an adverse arbitration award in favor of a former employee. Yellowstone Gateway Resorts, LLC was successfully reorganized under Chapter 11.

Mr. Power attended, but did not receive a degree from, Occidental College and University of California at Davis.

Brian Power has served as an officer/director of the company since its inception in December 2003. He was CEO and President from December 2003 until December 2005 and currently serves as a director of the company. From 1997 to 2014 Mr. Power served as CEO and President of Lone Oak Vineyards, Incorporated, a real estate/agricultural investment company. From October 1998 to 2005, he was a co-founder and managing member of Spirit of Adventure, LLC a company engaged in the development of deep ocean exploration technologies including the design/build of advanced manned submersibles. From 1996 through the present he serves on the board of directors of Snuba, Incorporated, a manufacturer and international licensor of proprietary ocean diving systems. From 2014 through the present, Mr. Power founded and is the managing member of Asperatus LLC, a company engaged in the development of airborne remote earth sensing technologies and related data processing analytics. Mr. Power attended Solano Community College and the University of California at Davis.

Involvement in Certain Legal Proceedings

During the last 10 years, except as disclosed above, none of our directors or officers has:

- a. had any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- b. been convicted in a criminal proceeding or subject to a pending criminal proceeding;
- c. been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; or
- d. been found by a court of competent jurisdiction in a civil action, the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

Our executive officers are elected at the annual meeting of our Board of Directors held after each annual meeting of our shareholders. Our directors are elected at the annual meeting of our shareholders. Each director and executive officer holds office until his successor is duly elected and qualified, until his resignation or until he is removed in the manner provided by our by-laws.

Family Relationships

John C. Power and Brian Power are brothers. There do not exist any arrangements or understandings between any director and any other person pursuant to which any director was elected as such.

Director Independence

Our common stock is listed on the OTC Market Inc.'s OTCQB and OTC Pinks inter-dealer quotation systems, which does not have director independence requirements. Nevertheless, for purposes of determining director independence, we have applied the definition set forth in NASDAQ Rule 4200(a)(15). The following directors are considered "independent" as defined under Rule 4200(a)(15): None. John C. Power and Brian Power would not be considered "independent" under the NASDAQ rule due to the fact that John C. Power is an officer and Brian Power is John C. Power's brother.

Board Meetings

During the year ended December 31, 2020 Our Board held no meetings but has taken numerous actions by unanimous written consent.

Committees of the Board of Directors

We currently do not have standing audit, compensation or nominating committees of the Board of Directors. We plan to form audit, compensation and nominating committees when it is necessary to do so to comply with federal securities laws or to meet listing requirements of a stock exchange or the Nasdaq Capital Market.

Compliance with Section 16(a), Beneficial Ownership

Under the Securities Laws of the United States, our directors, executive (and certain other) officers, and any persons holding more than ten percent (10%) of our common stock during any part of our most recent fiscal year are required to report their ownership of common stock and any changes in that ownership to the SEC. Specific due dates for these reports have been established and we are required to report in this Report any failure to file by these dates. During the year ended December 31, 2020, all of these filing requirements were satisfied by our officers, directors, and ten-percent holders except that Brian Power failed to file two reports covering two transactions in a timely fashion, John Power failed to file one report covering three transactions in a timely fashion and Mr. Gibbs, failed to file one report covering two transaction in a timely fashion. In making these statements, we have relied on the written representation of our directors and officers or copies of the reports that they have filed with the Commission.

Code of Ethics

We have adopted a Code of Ethics that applies to, among other persons, our company's principal executive officer, as well as persons performing similar functions. As adopted, our Code of Ethics sets forth written guidelines to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in all reports and documents that we file with, or submit to, the SEC and in other public communications made by us that are within the executive officer's area of responsibility;
- compliance with applicable governmental laws, rules and regulations;
- the prompt internal reporting of violations of the Code; and
- accountability for adherence to the Code.

Our Code of Ethics has been filed with the SEC as Exhibit 14 to our Annual Report on Form 10-KSB for the fiscal year ended December 31, 2006, as filed with the SEC on April 24, 2007. We will provide a copy of the Code of Ethics to any person without charge, upon request. Requests can be sent to: Athena Gold Corporation, 2010A Harbison Drive # 312, Vacaville, CA 95687.

ITEM 11 – EXECUTIVE COMPENSATION

Director Compensation

The following table summarizes all director compensation in the most recent fiscal year ended December 31, 2020. There are no standard compensation arrangements in place for our directors.

| Director Compensation | | | | |
|------------------------------|---|-----------------------------------|--|-----------------------|
| Name | Fees Earned or Paid in Cash (\$) | Option Awards (\$) | All Other Compensation (\$) | Total (\$) |
| John C. Power | – | – | – | – |
| Brian Power | \$ 9,000 | – | – | – |

Executive Compensation

The executive officers for the most recent fiscal year ended December 31, 2020 are as follows:

John C. Power, CEO, President, CFO, Secretary and director.

Summary Compensation Table

The following table sets forth all compensation recorded by us to Mr. Power during the years ended December 31, 2020 and 2019:

| Summary Compensation Table | | | | | | | | | |
|--|-------------|------------------------|-----------------------|----------------------------------|-----------------------------------|--|--|--|-----------------------|
| Name and Principal Position | Year | Salary (\$) | Bonus (\$) | Stock Awards (\$) | Option Awards (\$) | Non-Equity Incentive Plan Compensation (\$) | Nonqualified | All Other Compensation (\$) | Total (\$) |
| | | | | | | | Deferred Compensation Earnings (\$) | | |
| John C. Power, President | 2020 | 30,000 | – | – | – | – | – | – | 30,000 |
| | 2019 | 30,000 | – | – | – | – | – | – | 30,000 |

Mr. Power is our only executive officer. We entered into a one-year consulting agreement with Mr. Power at the rate of \$30,000 per year for his part-time service as our President. Mr. Power devotes approximately 25% of his time and attention to our business.

Employment Agreements

We do not have any written employment agreements other than the above-referenced consulting agreement with any of our executive officers; nor do we have or maintain key man life insurance on Mr. Power.

Equity Incentive Plan

The Company adopted its 2020 Equity Incentive Plan which became effective in January 2021 (the “Plan”) for our officers, directors and other employees, plus outside consultants and advisors. Under the Plan, our employees, outside consultants and advisors may receive awards of non-qualified options and incentive options, stock appreciation rights or shares of stock. As required by Section 422 of the Internal Revenue Code of 1986, as amended, the aggregate fair market value of our common stock underlying incentive stock options granted to an employee exercisable for the first time in any calendar year may not exceed \$100,000. The foregoing limitation does not apply to non-qualified options. The exercise price of an incentive option may not be less than 100% of the fair market value of the shares of our common stock on the date of grant. The same limitation does not apply to non-qualified options. An option is not transferable, except by will or the laws of descent and distribution. If the employment of an optionee terminates for any reason, (other than for cause, or by reason of death, disability or retirement), the optionee may exercise his options within a 90-day period following such termination to the extent he was entitled to exercise such options at the date of termination. A maximum of 10,000,000 shares of our common stock are subject to the Plan. The purpose of the Plan is to provide employees, including our officers, directors, and non-employee consultants and advisors with an increased incentive to make significant and extraordinary contributions to our long-term performance and growth, to join their interests with the interests of our shareholders, and to facilitate attracting and retaining employees of exceptional ability.

The Plan may be administered by the Board or in the Board's sole discretion by the Compensation Committee of the Board or such other committee as may be specified by the Board to perform the functions and duties of the Committee under the Plan. Subject to the provisions of the Plan, the Committee and the Board shall determine, from those eligible to be participants in the Plan, the persons to be granted stock options, stock appreciation rights and restricted stock, the amount of stock or rights to be optioned or granted to each such person, and the terms and conditions of any stock option, stock appreciation rights and restricted stock.

There have been no grants under the Plan to date.

Outstanding Equity Awards at Fiscal Year-End

None

Expense Reimbursement

We will reimburse our officers and directors for reasonable expenses incurred during the course of their performance.

Retirement Plans and Benefits

None.

Indemnification of Directors and Officers

Our bylaws contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director's duty of loyalty to us or our stockholders,
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law,
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law, or
- any transaction from which the director derived an improper personal benefit.

Our bylaws provide that we are required to indemnify our directors and executive officers to the fullest extent permitted by Delaware law. Any repeal of or modification to our restated certificate of incorporation or bylaws may not adversely affect any right or protection of a director or executive officer for or with respect to any acts or omissions of such director or executive officer occurring prior to such amendment or repeal. Our bylaws also provide that we may advance expenses incurred by a director or executive officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law. We believe that these bylaw provisions are necessary to attract and retain qualified persons as directors and officers.

The limitation of liability and indemnification provisions in our bylaws may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and executive officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, there is no pending litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

ITEM 12 – SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The following table sets forth information with respect to beneficial ownership of our common stock by:

- each person who beneficially owns more than 5% of our common stock;
- each of our named executive officers;
- each of our directors; and
- all named executive officers and directors as a group.

The following table shows the number of shares owned as of February 15, 2021 and the percentage of outstanding common stock owned as of that date. Each person has sole voting and investment power with respect to the shares shown, except as noted.

| Name and Address of Beneficial Owner ⁽¹⁾ | Amount and Nature of Beneficial Ownership ⁽²⁾ | Ownership as a Percentage of Outstanding Common Shares ⁽³⁾ |
|--|---|---|
| John Gibbs 807 Wood N Creek Ardmore, OK 73041 | 25,514,124 ⁽⁴⁾ | 42.22% |
| John C. Power | 8,302,500 | 13.77% |
| Clifford L. Neuman 8300 Greenwood Drive Niwot, CO, 80503 | 3,032,523 ⁽⁵⁾ | |
| Bruce and Elizabeth Strachan Trustees UTA dtd 7/25/07 P.O. Box 577, Joshua Tree, CA 92252-0577 | 3,380,470 | 5.60% |
| Brian Power | 700,000 | 1.16% |
| All officers and directors as a group (two persons) | 9,072,500 | 15.07% |

(1) Unless otherwise stated, address is 2010A Harbison Drive # 312, Vacaville, CA 95687.

(2) Under SEC Rules, we include in the number of shares owned by each person the number of shares issuable under outstanding options or warrants if those options or warrants are exercisable within 60 days of the date of this Annual Report. In calculating percentage ownership, we calculate the ownership of each person who owns exercisable options by adding (i) the number of exercisable options for that person only to (ii) the number of total shares outstanding and dividing that result into (iii) the total number of shares and exercisable options owned by that person.

(3) Shares and percentages beneficially owned are based upon 60,282,320 shares outstanding on February 15, 2021.

(4) Includes 5,165,000 shares owned by TriPower Resources, Inc., of which John D. Gibbs is President and controlling shareholder; includes 500,000 shares owned by Redwood Microcap Fund, of which Mr. Gibbs is a control person.

(5) Includes 3,030,523 shares of common stock. Does not include an additional approximately 3.4 million shares of common stock issuable in partial conversion of a convertible promissory note in the principal amount of \$51,270 convertible into shares of common stock at a conversion price of \$0.021 per share. The convertible note has a blocker provision that precludes its conversion if as a result of such conversion the holder would own more than 9.9% of the Company's total issued and outstanding shares. Includes 1,000 shares owned by Ratna Foundation a non-profit organization (now known as Mindfulness Peace Project) of which Mr. Neuman is a Director and 1,000 shares owned by Ratna Enterprises, LLC of which Mr. Neuman is a 50% owner.

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

Except as disclosed herein and in the Notes to Financial Statements, there have been no transactions or proposed transactions in which the amount involved exceeds the lesser of \$120,000 or 1% of the average of our total assets at year-end for the last two completed fiscal years in which any of our directors, executive officers or beneficial holders of more than 5% of the outstanding shares of our common stock, or any of their respective relatives, spouses, associates or affiliates, has had or will have any direct or material indirect interest.

The information required by this Item is located in the Notes to our consolidated financial statements included in Item 15 beginning on page F-1 of this Annual Report on Form 10-K and are incorporated herein by reference.

Director Independence

Our common stock is listed on the OTC Market Inc.'s OTQB and OTC Pinks inter-dealer quotation systems, which does not have director independence requirements. Nevertheless, for purposes of determining director independence, we have applied the definition set forth in NASDAQ Rule 4200(a)(15). John C. Power and Brian Power would not be considered "independent" under the NASDAQ rule due to the fact that John C. Power is an officer and Brian Power is John C. Power's brother.

ITEM 14 – PRINCIPAL ACCOUNTING FEES AND SERVICES.

We understand the need for our principal accountants to maintain objectivity and independence in their audit of our financial statements. To minimize relationships that could appear to impair the objectivity of our principal accountants, our Board of Directors has restricted the non-audit services that our principal accountants may provide to us primarily to tax services and audit-related services. We are only to obtain non-audit services from our principal accountants when the services offered by our principal accountants are more effective or economical than services available from other service providers, and, to the extent possible, only after competitive bidding. These determinations are among the key practices adopted by the Board of Directors. Our Board has adopted policies and procedures for pre-approving work performed by our principal accountants.

The aggregate fees billed for the years ended December 31, 2020 and 2019 for professional services rendered by our principal accountants for the audit of our annual financial statements and review of the financial statements included in our Quarterly Reports on Form 10-Q and services that are normally provided by our accountants in connection with statutory and regulatory filings or engagements for these fiscal periods were as follows:

| | 2020 | 2019 |
|--|------------------|------------------|
| Audit fees - audit of annual financial statements and review of financial statements included in our quarterly reports, services normally provided by the accountant in connection with statutory and regulatory filings | \$ 24,500 | \$ 24,500 |
| Audit-related fees - related to the performance of audit or review of financial statements not reported under "audit fees" | | - |
| Tax fees - tax compliance, tax advice and tax planning | \$ 2,500 | 1,500 |
| All other fees - services provided by our principal accountants other than those identified above | | - |
| Total fees | <u>\$ 27,000</u> | <u>\$ 26,000</u> |

After careful consideration, the Board of Directors has determined that payment of the audit fees is in conformance with the independent status of our principal independent accountants.

PART IV

ITEM 15 – EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

- (1) 2.1 [Asset Purchase and Sale Agreement dated October 8, 2004](#)
- (1) 2.2 [Amendment No. 1 to Asset Purchase and Sale Agreement](#)
- (1) 2.3 [Amendment No. 2 to Asset Purchase and Sale Agreement dated July 31, 2005](#)
- (1) 2.4 [Amendment No. 3 to Asset Purchase and Sale Agreement dated August 31, 2005](#)
- (1) 3.1 [Amended and Restated Certificate of Incorporation](#)
- (3) 3.1.1 [Certificate of Designations, Preferences and Rights of Series A Convertible Preferred Stock](#)
- (1) 3.2 [By-Laws](#)
- (1) 4.1 [2004 Equity Incentive Plan](#)
- (1) 4.2 [Form of Subscription Agreement](#)
- (1) 4.3 [Specimen common stock certificate](#)
- (1) 10.1 [Lease Agreement](#)
- (1) 10.2 [Form of Escrow Agreement](#)
- (1) 10.3 [Amended Trademark Assignment](#)
- (1) 10.3.2 [Initial Assignment of Trademark](#)
- (1) 10.4 [Lock-up Letter for Brian Power](#)
- (1) 10.5 [Lock-up Letter for John C. Power](#)
- (1) 10.6 [Lock-up Letter for J. Andrew Moorer](#)
- (1) 10.7 [Amended Fund Escrow Agreement](#)
- (1) 10.8 [Lease Agreement with Golden West Brewing Company](#)
- (1) 10.9 [Security Agreement in favor of Power Curve, Inc., Lone Oak Vineyards, Inc. and Tiffany Grace.](#)
- (1) 10.10 [Promissory Note dated September 9, 2005, Tiffany Grace, Holder](#)
- (1) 10.11 [Promissory Note dated September 9, 2005, Lone Oak Vineyards, Inc., Holder](#)
- (1) 10.12 [Promissory Note dated September 9, 2005, Power Curve, Inc., Holder](#)
- (1) 10.13 [Assignment and Assumption dated August 31, 2005 between Butte Creek Brewing Company, LLC, Golden West Brewing Company and Golden West Brewing Company, Inc.](#)
- (1) 10.14 [Amended and Restated Assignment and Assumption](#)
- (1) 10.15 [August 7, 1998 Distribution Agreement](#)
- (1) 10.16 [Territorial Agreement](#)
- (1) 10.17 [November 4, 2002 Distribution Agreement](#)
- (1) 10.18 [June 1, 2001 Authorization](#)
- (1) 10.19 [July 22, 2004 Authorization](#)
- (1) 10.20 [September 1, 2005 Authorization](#)
- (1) 10.22 [Second Amended Fund Escrow Agreement](#)
- (1) 10.23 [Contract with New Zealand Hops, Ltd., 2006](#)
- (1) 10.24 [Contract with New Zealand Hops, Ltd., 2007](#)
- (1) 10.25 [Second Amended and Restated Assignment and Assumption](#)
- (1) 10.26 [Third Amended Fund Escrow Agreement](#)
- (1) 10.27 [Secured Promissory Note with John C. Power](#)
- (1) 10.28 [Secured Promissory Note with Power Curve, Inc.](#)
- (1) 10.29 [General Security Agreement with John C. Power and Power Curve, Inc.](#)

- (51) 10.30 [Production Agreement with Bison Brewing Co.](#)
- (51) 10.31 [Employment Agreement with David Del Grande](#)
- (2) 10.32 [License, Production and Distribution Agreement dated November 1, 2006 with Mateveza USA, LLC](#)
- (4) 10.33 [Employment Agreement with Mark Simpson](#)
- (4) 10.34 [Consultation Agreement with Artisan Food and Beverage Group](#)
- (5) 10.35 [Credit Agreement dated December 11, 2007](#)
- (6) 10.36 [Promissory Note dated March 12, 2008](#)
- (6) 10.37 [Security Agreement dated March 12, 2008](#)
- (6) 10.38 [Guaranty Agreement dated March 12, 2008](#)
- (7) 10.39 [Convertible Debenture dated December 31, 2008](#)
- (7) 10.40 [Security Agreement dated December 31, 2008](#)
- (7) 10.41 [Hypothecation Agreement dated December 31, 2008](#)
- (8) 10.42 [Mendocino Production Agreement](#)
- (9) 10.43 [Exclusive Consignment Agency Agreement](#)
- (10) 10.44 [Settlement Stipulation with BRK Holdings, LLC](#)
- (11) 10.45 [Promissory Note dated April 28, 2009 in favor of Clifford Neuman](#)
- (11) 10.46 [Security Agreement dated April 28, 2009 in favor of Clifford Neuman](#)
- (11) 10.47 [Guaranty of John C. Power dated April 28, 2009 in favor of Clifford Neuman](#)
- (11) 10.48 [Promissory Note dated April 28, 2009 in favor of John C. Power](#)
- (11) 10.49 [Security Agreement dated April 28, 2009 in favor of John C. Power](#)
- (11) 10.50 [Promissory Note dated April 28, 2009 in favor of Butte Creek Brands, LLC](#)
- (11) 10.51 [Security Agreement dated April 28, 2009 in favor of Butte Creek Brands LLC](#)
- (11) 10.52 [Factoring Agreement dated April 28, 2009](#)
- (12) 10.53 [Agreement to Convert Debt Clifford L. Neuman PC](#)
- (12) 10.54 [Agreement to Convert Debt Clifford L. Neuman](#)
- (12) 10.55 [Agreement to Convert Debt John Power](#)
- (12) 10.56 [Agreement to Convert Debt Sea Ranch Lodge and Village, LLC](#)
- (12) 10.57 [Agreement to Convert Debt TriPower Resources, Inc.](#)
- (12) 10.58 [Agreement to Convert Debt TriPower Resources, Inc.](#)
- (12) 10.59 [Agreement to Convert Debt Redwood MicroCap Fund, Inc.](#)
- (12) 10.60 [Agreement to Convert Debt Shana Capital, Ltd.](#)
- (13) 10.61 [Asset Purchase Agreement dated May 7, 2009](#)
- (14) 10.62 [Certificate of Amendment to Amended and Restated Certificate of Incorporation](#)
- (14) 10.63 [Articles of Incorporation of Athena Minerals, Inc.](#)
- (15) 10.64 [Sale and Purchase Agreement and Joint Escrow Instructions dated December 9, 2009](#)
- (15) 10.65 [Assignment of Sale and Purchase Agreement and Joint Escrow Instructions dated January 5, 2010](#)
- (15) 10.66 [Promissory Note from Athena Minerals, Inc. to John Power dated January 5, 2010](#)
- (16) 10.67 [Mining Lease and Option to Purchase dated March 11, 2010](#)
- (17) 10.68 [Intellectual Property Assignment dated June 25, 2010](#)
- (18) 10.69 [Promissory Notes John C. Power and John D. Gibbs dated June 30, 2010](#)

- (19) 10.70 [Promissory Note John D. Gibbs dated August 3, 2010](#)
- (20) 10.71 [Agreement to Convert Debt – Clifford L. Neuman](#)
- (21) 10.72 [Agreements to Convert Debt – Donaldson and Kirby](#)
- (22) 10.73 [Agreement to Convert Debt – Clifford L. Neuman](#)
- (23) 10.74 [Agreement to Convert Debt – Huss and Strachan](#)
- (24) 10.75 [Stock Purchase Agreement; Indemnity Agreement and Amendment No. 1 to Indemnity Agreement each dated December 31, 2010](#)
- (25) 10.76 [Consent of Schumacher & Associates dated March 7, 2011](#)
- (26) 10.77 [Marketing Agreement with Bill Fishkin dated April 1, 2011](#)
- (26) 10.78 [Agreement to Convert Debt with Donaldson Consulting Services, Inc. dated May 31, 2011](#)
- (27) 10.79 [Term Sheet with LeRoy Wilkes dated July 14, 2011](#)
- (28) 10.80 [Accredited Members Agreement dated August 31, 2011](#)
- (29) 10.81 [Promissory Note – John D. Gibbs dated October 26, 2011](#)
- (29) 10.82 [Promissory Note – John D. Gibbs dated November 15, 2011](#)
- (30) 10.83 [Marketing Agreement with Bill Fishkin dated December 1, 2011](#)
- (31) 10.84 [Advisor Agreement with GVC Capital, LLC dated January 30, 2012](#)
- (32) 10.85 [Promissory Note – John D. Gibbs dated March 18, 2012](#)
- (33) 10.86 [Promissory Note – John D. Gibbs dated February 2, 2012](#)
- (34) 10.87 [Promissory Note – John D. Gibbs dated April 27, 2012](#)
- (35) 10.88 [Agreement to Convert Debt – John D. Gibbs](#)
- (36) 10.89 [Promissory Note – John D. Gibbs dated May 22, 2012](#)
- (36) 10.90 [Assignment of Right to Purchase Property](#)
- (37) 10.91 [Agreement to Convert Debt – John Donaldson](#)
- (38) 10.92 [Credit Agreement – John D. Gibbs](#)
- (38) 10.93 [Form of Credit Note](#)
- (39) 10.94 [Amendment No. 1 to Langtry Lease Agreement](#)
- (40) 10.95 [Allonge and Modification Agreement with John D. Gibbs](#)
- (41) 10.96 [Amendment No. 2 to Langtry Lease Agreement](#)
- (42) 10.97 [Second Allonge and Modification Agreement with John D. Gibbs](#)
- (43) 10.98 [Amendment No. 3 to Langtry Lease Agreement](#)
- (44) 10.99 [Third Allonge and Modification Agreement with John D. Gibbs](#)
- (45) 10.100 [Promissory Note – Clifford L. Neuman dated April 1, 2015](#)
- (46) 10.101 [Lease/Purchase Option Agreement](#)
- (47) 10.102 [Fifth Allonge and Modification Agreement with John D. Gibbs](#)
- (48) 10.103 [Promissory Note – John Power dated September 12, 2016](#)

| | | |
|------|-------------|--|
| (49) | 10.104 | Agreement to Convert Debt dated May 15, 2018 |
| (50) | 10.105 | Eighth Allonge and Modification Agreement with John D. Gibbs |
| (52) | 10.106 | Tenth Allonge and Modification Agreement with John D. Gibbs |
| (53) | 10.107 | Eleventh Allonge and Modification Agreement with John D. Gibbs |
| (54) | 10.108 | Amendment No. 1 to Lease with an Option to Purchase dated March 10, 2016 |
| (55) | 10.109 | NSR Agreement |
| (56) | 10.110 | Termination Agreement |
| (57) | 10.111 | Twelfth Allonge and Modification Agreement with John Gibbs |
| (58) | 10.112 | Letter of Intent dated August 21, 2020 |
| (59) | 10.113 | Thirteenth Allonge and Modification Agreement with John Gibbs |
| (60) | 10.114 | Letter of Intent |
| (61) | 10.115 | Option Agreement |
| (62) | 10.116 | Option Agreement - Stronghold |
| (63) | 10.117 | Agreement to Convert Debt -Power |
| (64) | 10.118 | Agreement to Convert Debt -Gibbs |
| (65) | 10.119 | Agreement to Convert Debt - Power |
| (66) | 10.120 | Certificate of Amendment to Certificate of Amended and Restated Certificate of Incorporation |
| (2) | 14 | Code of Ethics |
| (1) | 21.0 | List of Subsidiaries |
| # | 31.1 | Certification of the Chief Executive Officer required by Section 13a-14(a) of the Exchange Act. |
| # | 31.2 | Certification of the Chief Financial Officer required by Section 13a-14(a) of the Exchange Act. |
| # | 32.1 | Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| # | 32.2 | Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| | 101.INS | XBRL Instance Document### |
| | 101.SCHXBRL | Schema Document### |
| | 101.CALXBRL | Calculation Linkbase Document### |
| | 101.LABXBRL | Label Linkbase Document### |
| | 101.PRE | XBRL Presentation Linkbase Document### |
| | 101.DEF | XBRL Definition Linkbase Document### |

- (1) Incorporated by reference from the Company's Registration Statement on Form SB-2, SEC File No. 121351 as declared effective by the Commission on February 14, 2006.
- (2) Incorporated by reference from the Company's Annual Report on Form 10-KSB for the year ended December 31, 2006, and filed with the Commission on April 24, 2007.
- (3) Incorporated by reference from the Company's Current Report on Form 8-K dated September 4, 2007 and filed with the Commission on September 14, 2007.
- (4) Incorporated by reference from the Company's Current Report on Form 8-K dated December 4, 2007 and filed with the Commission on December 6, 2007.
- (5) Incorporated by reference from the Company's Current Report on Form 8-K dated December 11, 2007 and filed with the Commission on December 18, 2007.
- (6) Incorporated by reference from the Company's Current Report on Form 8-K dated March 12, 2008 and filed with the Commission on March 14, 2008.
- (7) Incorporated by reference from the Company's Current Report on Form 8-K dated December 31, 2008 and filed with the Commission on January 6, 2009.

- (8) Incorporated by reference from the Company's Current Report on Form 8-K dated February 11, 2009 and filed with the Commission on February 13, 2009.
- (9) Incorporated by reference from the Company's Current Report on Form 8-K dated March 2, 2009 and filed with the Commission on March 5, 2009.
- (10) Incorporated by reference from the Company's Annual Report on Form 10-K dated December 31, 2009 and filed with the Commission on April 14, 2009.
- (11) Incorporated by reference from the Company's Current Report on Form 8-K dated April 28, 2009 and filed with the Commission on May 6, 2009.
- (12) Incorporated by reference from the Company's Current Report on Form 8-K dated June 15, 2009 and filed with the Commission on June 19, 2009.
- (13) Incorporated by reference from the Company's Current Report on Form 8-K dated June 26, 2009 and filed with the Commission on July 2, 2009.
- (14) Incorporated by reference from the Company's Current Report on Form 8-K dated December 14, 2009 and filed with the Commission on December 18, 2009.
- (15) Incorporated by reference from the Company's Current Report on Form 8-K dated January 5, 2010 and filed with the Commission on January 7, 2010.
- (16) Incorporated by reference from the Company's Current Report on Form 8-K dated March 11, 2010 and filed with the Commission on March 15, 2010.
- (17) Incorporated by reference from the Company's Current Report on Form 8-K dated June 25, 2010 and filed with the Commission on June 25, 2010.
- (18) Incorporated by reference from the Company's Current Report on Form 8-K dated June 30, 2010 and filed with the Commission on July 28, 2010.
- (19) Incorporated by reference from the Company's Current Report on Form 8-K dated August 3, 2010 and filed with the Commission on August 4, 2010.
- (20) Incorporated by reference from the Company's Current Report on Form 8-K dated August 20, 2010 and filed with the Commission on August 23, 2010.
- (21) Incorporated by reference from the Company's Current Report on Form 8-K dated August 20, 2010 and filed with the Commission on August 30, 2010.
- (22) Incorporated by reference from the Company's Current Report on Form 8-K/A dated August 20, 2010 and filed with the Commission on November 1, 2010.
- (23) Incorporated by reference from the Company's Current Report on Form 8-K dated November 15, 2010 and filed with the Commission on November 17, 2010.
- (24) Incorporated by reference from the Company's Current Report on Form 8-K dated December 31, 2010 and filed with the Commission on January 6, 2011
- (25) Incorporated by reference from the Company's Current Report on Form 8-K dated March 2, 2011 and filed with the Commission on March 7, 2011.
- (26) Incorporated by reference from the Company's Current Report on Form 8-K dated April 1, 2011 and filed with the Commission on June 2, 2011.
- (27) Incorporated by reference from the Company's Current Report on Form 8-K dated August 1, 2011 and filed with the Commission on August 3, 2011.

- (28) Incorporated by reference from the Company's Current Report on Form 8-K dated August 22, 2011 and filed with the Commission on September 9, 2011.
- (29) Incorporated by reference from the Company's Current Report on Form 8-K dated October 26, 2011 and filed with the Commission on January 4, 2012.
- (30) Incorporated by reference from the Company's Current Report on Form 8-K dated December 15, 2011 and filed with the Commission on January 5, 2012.
- (31) Incorporated by reference from the Company's Current Report on Form 8-K dated February 2, 2012 and filed with the Commission on February 9, 2012.
- (32) Incorporated by reference from the Company's Current Report on Form 8-K dated March 18, 2012 and filed with the Commission on March 23, 2012.
- (33) Incorporated by reference from the Company's Current Report on Form 8-K/A dated February 2, 2012 and filed with the Commission on March 26, 2012.
- (34) Incorporated by reference from the Company's Current Report on Form 8-K dated April 27, 2012 and filed with the Commission on May 2, 2012.
- (35) Incorporated by reference from the Company's Current Report on Form 8-K dated May 10, 2012 and filed with the Commission on May 16, 2012.
- (36) Incorporated by reference from the Company's Current Report on Form 8-K dated May 22, 2012 and filed with the Commission on May 25, 2012.
- (37) Incorporated by reference from the Company's Current Report on Form 8-K dated June 16, 2012 and filed with the Commission on June 19, 2012.
- (38) Incorporated by reference from the Company's Current Report on Form 8-K dated July 18, 2012 and filed with the Commission on July 19, 2012.
- (39) Incorporated by reference from the Company's Current Report on Form 8-K dated November 28, 2012 and filed with the Commission on November 29, 2012.
- (40) Incorporated by reference from the Company's Current Report on Form 8-K dated June 5, 2013 and filed with the Commission on June 6, 2013.
- (41) Incorporated by reference from the Company's Current Report on Form 8-K dated December 19, 2013 and filed with the Commission on December 23, 2013.
- (42) Incorporated by reference from the Company's Current Report on Form 8-K dated December 31, 2013 and filed with the Commission on January 2, 2014.
- (43) Incorporated by reference from the Company's Current Report on Form 8-K dated January 21, 2015 and filed with the Commission on January 21, 2015.
- (44) Incorporated by reference from the Company's Current Report on Form 8-K dated December 31, 2014 and filed with the Commission on March 31, 2015.
- (45) Incorporated by reference from the Company's Current Report on Form 8-K dated May 5, 2015 and filed with the Commission on May 6, 2015.
- (46) Incorporated by reference from the Company's Current Report on Form 8-K dated March 10, 2016 and filed with the Commission on March 15, 2016.

- (47), Incorporated by reference from the Company's Current Report on Form 8-K dated September 12, 2016 and filed with the Commission on
(48) October 14, 2016.
- (49) Incorporated by reference from the Company's Current Report on Form 8-K dated June 27, 2018 and filed with the Commission on June 28,
2018.
- (50) Incorporated by reference from the Company's Current Report on Form 8-K dated July 31, 2018 and filed with the Commission on August
6, 2018.
- (51) Incorporated by reference from the Company's Current Report on Form 8-K dated March 1, 2007 and filed with the Commission on March
8, 2007
- (52) Incorporated by reference from the Company's Current Report on Form 8-K dated November 5, 2019 and filed with the Commission on
November 6, 2019.
- (53), Incorporated by reference from the Company's Current Report on Form 8-K dated February 21, 2020 and filed with the Commission on
(54) February 24, 2020.
- (55), Incorporated by reference from the Company's Current Report on Form 8-K dated April 28, 2020 and filed with the Commission on April
(56) 29, 2020.
- (57), Incorporated by reference from the Company's Current Report on Form 8-K dated August 3, 2020 and filed with the Commission on August
(58) 31, 2020.
- (59) Incorporated by reference from the Company's Current Report on Form 8-K dated October 19, 2020 and filed with the Commission on
October 19, 2020.
- (60) Incorporated by reference from the Company's Current Report on Form 8-K dated October 22, 2020 and filed with the Commission on
October 28, 2020.
- (61) Incorporated by reference from the Company's Current Report on Form 8-K dated December 15, 2020 and filed with the Commission on
December 21, 2020.
- (62), Incorporated by reference from the Company's Current Report on Form 8-K dated December 21, 2020 and filed with the Commission on
(63), January 5, 2021.
(64),
(65)
- (66) Incorporated by reference from the Company's Current Report on Form 8-K dated January 21, 2021 and filed with the Commission on
January 27, 2021.
- # Filed herewith
Furnished, not filed.

ATHENA GOLD CORPORATION
(Formerly Athena Silver Corporation)
TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| <u>Report of Independent Registered Public Accounting Firm</u> | F-1 |
| <u>Consolidated Balance Sheets</u> | F-2 |
| <u>Consolidated Statements of Operations</u> | F-3 |
| <u>Consolidated Statements of Stockholders' Deficit</u> | F-4 |
| <u>Consolidated Statements of Cash Flows</u> | F-5 |
| <u>Notes to Consolidated Financial Statements</u> | F-6 |

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Athena Gold Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Athena Gold Corporation (formerly Athena Silver Corporation) and its subsidiary (collectively, the "Company") as of December 31, 2020 and 2019, and the related consolidated statements of operations, stockholders' deficit, and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern Matter

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that 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 financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's 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 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 misstatement 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 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 financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ *MaloneBailey, LLP*

www.malonebailey.com

We have served as the Company's auditor since 2011.

Houston, Texas

February 25, 2021

ATHENA GOLD CORPORATION
(Formerly Athena Silver Corporation)
CONSOLIDATED BALANCE SHEETS

| | December 31, | |
|---|-------------------|--------------------|
| | 2020 | 2019 |
| ASSETS | | |
| Current Assets | | |
| Cash | \$ 8,986 | \$ 117 |
| Total current assets | 8,986 | 117 |
| Mineral Rights - Excelsior Springs | 150,000 | – |
| Land held for investment | – | 185,290 |
| Total assets | \$ 158,986 | \$ 185,407 |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | |
| Current liabilities: | | |
| Accounts payable | \$ 61,149 | \$ 28,098 |
| Accrued liabilities - related parties | 96,500 | 76,500 |
| Accrued lease option liability | – | 10,000 |
| Accrued interest | 21,189 | 16,897 |
| Accrued interest - related parties | – | 555,872 |
| Advances payable - related party | 21,898 | 29,450 |
| Deed amendment liability - short-term portion | – | 10,000 |
| Convertible note payable, net of discount of \$7,324 and \$0 | 43,946 | 51,270 |
| Convertible credit facility - related party | – | 2,202,120 |
| Total current liabilities | 244,682 | 2,980,207 |
| Deed amendment liability | – | 90,000 |
| Total liabilities | 244,682 | 3,070,207 |
| Commitments and contingencies | | |
| | – | – |
| Stockholders' deficit: | | |
| Preferred stock, \$.0001 par value, 5,000,000 shares authorized, none outstanding | – | – |
| Common stock - \$.0001 par value; 250,000,000 shares authorized, 54,887,876 and 36,532,320 issued and outstanding | 5,489 | 3,653 |
| Additional paid-in capital | 9,897,700 | 6,618,495 |
| Accumulated deficit | (9,988,885) | (9,506,948) |
| Total stockholders' deficit | (85,696) | (2,884,800) |
| Total liabilities and stockholders' deficit | \$ 158,986 | \$ 185,407 |

See accompanying notes to these consolidated financial statements

ATHENA GOLD CORPORATION
(Formerly Athena Silver Corporation)
CONSOLIDATED STATEMENTS OF OPERATIONS

| | Years Ended December 31, | |
|---|--------------------------|--------------|
| | 2020 | 2019 |
| Operating expenses: | | |
| Exploration costs | \$ 89,550 | \$ 40,000 |
| General and administrative expenses | 187,556 | 115,266 |
| Total operating expenses | 277,106 | 155,266 |
| Operating loss | (277,106) | (155,266) |
| Other expense: | | |
| Interest expense - Related party | (112,140) | (106,954) |
| Interest expense | (20,822) | (4,026) |
| Total other expense | (132,962) | (110,980) |
| Net loss | \$ (410,068) | \$ (266,246) |
| Basic and diluted net loss per common share | \$ (0.01) | \$ (0.01) |
| Basic and diluted weighted-average common shares outstanding | 37,127,948 | 36,532,320 |

See accompanying notes to these consolidated financial statements

ATHENA GOLD CORPORATION
(Formerly Athena Silver Corporation)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

| | Common Stock | | Additional Paid-in Capital | Accumulated Deficit | Total |
|--|-------------------|-----------------|----------------------------------|------------------------|--------------------|
| | Shares | Amount | | | |
| Balance, December 31, 2018 | 36,532,320 | 3,653 | 6,618,495 | (9,255,432) | (2,633,284) |
| Cumulative adjustment upon adoption of ASU 2017-11 | | | | 14,730 | 14,730 |
| Net loss | | | | (266,246) | (266,246) |
| Balance, December 31, 2019 | 36,532,320 | 3,653 | 6,618,495 | (9,506,948) | (2,884,800) |
| Convertible note beneficial conversion feature | | | 21,973 | | 21,973 |
| Sales of common stock in private placements | 1,100,000 | 110 | 26,576 | | 26,686 |
| Sales of common stock to related parties | 4,100,000 | 410 | 122,590 | | 123,000 |
| Sale of common stock to a Director | 300,000 | 30 | 8,970 | | 9,000 |
| Common stock issued for director fees | 300,000 | 30 | 13,470 | | 13,500 |
| Conversion of cash advances to common stock | 555,556 | 56 | 24,944 | | 25,000 |
| Principal reduction of convertible credit facility | 7,000,000 | 700 | 314,300 | | 315,000 |
| Common stock issued for Excelsior Springs | 5,000,000 | 500 | 149,500 | | 150,000 |
| Sale of Athena Minerals subsidiary | | | 2,596,882 | (71,869) | 2,525,013 |
| Net loss | | | | (410,068) | (410,068) |
| Balance, December 31, 2020 | <u>54,887,876</u> | <u>\$ 5,489</u> | <u>\$ 9,897,700</u> | <u>\$ (9,988,885)</u> | <u>\$ (85,696)</u> |

See accompanying notes to these consolidated financial statements

ATHENA GOLD CORPORATION
(Formerly Athena Silver Corporation)
CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Years ended December 31, | |
|---|--------------------------|------------------|
| | 2020 | 2019 |
| Cash flows from operating activities: | | |
| Net loss | \$ (410,068) | \$ (266,246) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Amortization of debt discount | 14,649 | – |
| Director fees paid with common stock | 13,500 | – |
| Changes in operating assets and liabilities: | | |
| Accounts payable | 33,051 | 442 |
| Accrued interest - related parties | 112,140 | 106,954 |
| Accrued liabilities and other liabilities | 14,292 | 18,026 |
| Deferred option revenue | 25,000 | – |
| Net cash used in operating activities | <u>(197,436)</u> | <u>(140,824)</u> |
| Cash flows from financing activities: | | |
| Proceeds from advances from related parties | 59,226 | 31,100 |
| Payments on advances from related parties | (41,778) | (26,650) |
| Proceeds from sales of common stock to related parties | 132,000 | – |
| Proceeds from sales of common stock | 26,686 | – |
| Payment on deed amendment liability | (10,000) | (10,000) |
| Borrowings from credit facility and notes payable - related parties | 42,750 | 142,500 |
| Net cash provided by financing activities | <u>208,884</u> | <u>136,950</u> |
| Net increase (decrease) in cash | 11,448 | (3,874) |
| Less cash appropriated by Athena Minerals, Inc. | (2,579) | – |
| Cash at beginning of period | 117 | 3,991 |
| Cash at end of period | <u>\$ 8,986</u> | <u>\$ 117</u> |
| Supplemental disclosure of cash flow information | | |
| Cash paid for interest | \$ 1,881 | \$ – |
| Cash paid for income taxes | \$ – | \$ – |
| Supplemental disclosure of non-cash transactions | | |
| Discount on note payable - Beneficial conversion feature | \$ 21,973 | \$ – |
| Common stock issued for Excelsior Springs | \$ 150,000 | \$ – |
| Common stock issued for principal reduction of Convertible credit facility | \$ 315,000 | \$ – |
| Conversions of Advances payable - related parties | \$ 25,000 | \$ – |
| Addition to capital upon sale of Athena Minerals, Inc. | \$ 2,596,882 | \$ – |
| Cumulative adjustment upon adoption of ASU 2017-11 | \$ – | \$ 14,730 |

See accompanying notes to these consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Organization, Liquidity and Going Concern

Nature of Operations

In January 2021, the company's Board of Directors approved a name change from Athena Minerals, Inc., to Athena Gold Corporation. Athena Gold Corporation ("we," "our," "us," or "Athena") is engaged in the acquisition and exploration of mineral resources. We were incorporated in Delaware on December 23, 2003 and began our mining operations in 2010.

In December 2009, we formed and organized a new wholly-owned subsidiary, Athena Minerals, Inc. ("Athena Minerals") which owns and operates our mining interests and property in California. We have not presently determined whether our mineral properties contain mineral reserves that are economically recoverable. On December 31, 2020 we sold the subsidiary to Tripower Resources Inc., a company controlled by Mr. John Gibbs, a related party, in a non-cash exchange. This transaction is discussed in further detail in Note 3 – Sale of Athena Minerals, Inc.

Effective December 15, 2020, Athena entered into a definitive Property Option Agreement with Nubian Resources Ltd. ("Nubian") (TSXV: NBR), pursuant to which Nubian has granted Athena the option to acquire a 100% interest in Nubian's Excelsior Springs exploration project located in Esmeralda County, Nevada. Details of this transaction are further discussed in Note 4 – Mineral Rights – Excelsior Springs.

Liquidity and Going Concern

Our consolidated financial statements have been prepared on a going concern basis, which assumes that we will be able to meet our obligations and continue our operations during the next fiscal year. Asset realization values may be significantly different from carrying values as shown in our consolidated financial statements and do not give effect to adjustments that would be necessary to the carrying values of assets and liabilities should we be unable to continue as a going concern.

At December 31, 2020, we had not yet achieved profitable operations and we have accumulated losses of \$9,988,885 since our inception. We expect to incur further losses in the development of our business, all of which raise substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern depends on our ability to generate future profits and/or to obtain the necessary financing to meet our obligations arising from normal business operations when they come due.

We anticipate that additional funding will be in the form of additional equity financing from the sale of our common stock, and loans from officers, directors or significant shareholders. In October 2020 the Company authorized the sale of up to 25,000,000 shares of its common stock at \$0.03 per share in private placements. Currently, there are no arrangements in place for new loans or lending facilities.

COVID-19 pandemic: The occurrence of an uncontrollable event such as the COVID-19 pandemic may negatively affect our operations. A pandemic typically results in social distancing, travel bans and quarantine, and this may limit access to our facilities, customers, management, support staff and professional advisors. These factors, in turn, may not only impact our operations, financial condition and demand for our goods and services but our overall ability to react timely to mitigate the impact of this event. Also, it may hamper our efforts to comply with our filing obligations with the Securities and Exchange Commission.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

On December 31, 2020, we sold our 100% interest in Athena Minerals, Inc. As such, the Balance Sheet at December 31, 2020 includes only the accounts of Athena Gold Corporation. The consolidated Statements of Operations and Cash Flows include the accounts of Athena Minerals, Inc. through December 31, 2020. All intercompany transactions and balances have been eliminated. Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Reclassifications

Certain reclassifications may have been made to our prior year’s consolidated financial statements to conform to our current year presentation. These reclassifications had no effect on our previously reported results of operations or accumulated deficit.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of expenses during the periods presented.

We make our estimate of the ultimate outcome for these items based on historical trends and other information available when the financial statements are prepared. Changes in estimates are recognized in accordance with the accounting rules for the estimate, which is typically in the period when new information becomes available.

We believe that our significant estimates, assumptions and judgments are reasonable, based upon information available at the time they were made. Actual results could differ from these estimates, making it possible that a change in these estimates could occur in the near term.

Fair Value of Financial Instruments

We value our financial assets and liabilities using fair value measurements. Our financial instruments primarily consist of cash and cash equivalents, mining rights, accounts payable, accrued liabilities, amounts due to related parties and notes payable to related parties. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying amounts of cash and cash equivalents, accounts payable, accrued liabilities, notes payable to related parties and other amounts due to related parties approximate fair value because of the short-term nature of these financial instruments.

Concentrations of Credit Risk

Our financial instruments that potentially subject us to credit risk are our cash and cash equivalents. We maintain our cash and cash equivalents at reputable financial institutions and currently, we are not exposed to significant credit risk.

Cash

We consider all amounts on deposit with financial institutions and highly liquid investments with an original maturity of three months or less to be cash equivalents.

Mineral Rights - Unproven

We have determined that our mining rights meet the definition of mineral rights, as defined by accounting standards, and are tangible assets. As a result, our direct costs to acquire or lease mineral rights are initially capitalized as tangible assets. Mineral rights include costs associated with: leasing or acquiring patented and unpatented mining claims; leasing mining rights including lease signature bonuses, lease rental payments and advance minimum royalty payments; and options to purchase or lease mineral properties.

If we establish proven and probable reserves for a mineral property and establish that the mineral property can be economically developed, mineral rights will be amortized over the estimated useful life of the property following the commencement of commercial production or expensed if it is determined that the mineral property has no future economic value or if the property is sold or abandoned. For mineral rights in which proven and probable reserves have not yet been established, we assess the carrying values for impairment at the end of each reporting period and whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

The net carrying value of our mineral rights represents the fair value at the time the mineral rights were acquired less accumulated depletion and any impairment losses. Proven and probable reserves have not been established for mineral rights as of December 31, 2020.

Impairment of Long-lived Assets

We continually monitor events and changes in circumstances that could indicate that our carrying amounts of long-lived assets, including mineral rights, may not be recoverable. When such events or changes in circumstances occur, we assess the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through their undiscounted expected future cash flows. If the future undiscounted cash flows are less than the carrying amount of these assets, we recognize an impairment loss based on the excess of the carrying amount over the fair value of the assets.

Notes Payable and Credit Facility— Related Parties

Notes payable and the credit facility payable to related parties are classified as current liabilities as the note holders are control persons and have the ability to control the repayment dates of the notes.

Exploration Costs

Mineral exploration costs are expensed as incurred. When it has been determined that it is economically feasible to extract minerals and the permitting process has been initiated, exploration costs incurred to further delineate and develop the property are considered pre-commercial production costs and will be capitalized and included as mine development costs in our consolidated balance sheets.

Share-based Payments

We measure and recognize compensation expense or professional services expense for all share-based payment awards made to employees, directors and non-employee consultants based on estimated fair values. We estimate the fair value of stock options on the date of grant using the Black-Scholes-Merton option pricing model, which includes assumptions for expected dividends, expected share price volatility, risk-free interest rate, and expected life of the options. Our expected volatility assumption is based on our historical weekly closing price of our stock over a period equivalent to the expected life of the options.

We expense share-based compensation, adjusted for estimated forfeitures, using the straight-line method over the vesting term of the award for our employees and directors and over the expected service term for our non-employee consultants. We estimate forfeitures at the time of grant and revise those estimates in subsequent periods if actual forfeitures differ from our estimates. Our excess tax benefits, if any, cannot be credited to stockholders' equity until the deduction reduces cash taxes payable; accordingly, we realized no excess tax benefits during any of the periods presented in the accompanying consolidated financial statements.

Income Taxes

We account for income taxes through the use of the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and for income tax carry-forwards. A valuation allowance is recorded to the extent that we cannot conclude that realization of deferred tax assets is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years 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 operations in the period that includes the enactment date.

We follow a two-step approach to recognizing and measuring tax benefits associated with uncertain tax positions taken or expected to be taken in a tax return. The first step is to determine if, based on the technical merits, it is more likely than not that the tax position will be sustained upon examination by a taxing authority, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement with a taxing authority. We recognize interest and penalties, if any, related to uncertain tax positions in our provision for income taxes in the consolidated statements of operations. To date, we have not recognized any tax benefits from uncertain tax positions.

Net Loss per Common Share

We compute basic net loss per common share by dividing our net loss attributable to common shareholders by our weighted-average number of common shares outstanding during the period. Computation of diluted net loss per common share is similar to our computation of basic net loss per common share except that the numerator is increased to exclude charges which would not have been incurred, and the denominator is increased to include the number of additional common shares that would have been outstanding (using the if-converted and treasury stock methods) if securities containing potentially dilutive common shares (stock options and convertible debt) had been converted to common shares, and if such assumed conversion is dilutive.

At December 31, 2020 and 2019, potentially dilutive shares of common stock representing shares issuable on conversions of debt totaling 3,450,499 and 6,443,437, respectively, have been excluded from diluted net loss per common share because the impact of such inclusion would be anti-dilutive.

Recent Accounting Pronouncements

We do not expect the adoption of recently issued accounting pronouncements to have a significant impact on our results of operations, financial position or cash flow.

Note 3 – Sale of Athena Minerals, Inc. To a Commonly Controlled Entity

Effective December 31, 2020, Athena Gold Corp entered into a Stock Purchase Agreement with TriPower Resources, Inc., a company controlled by Mr. John Gibbs, a related party and control person, pursuant to which TriPower agreed to purchase 100% of the issued and outstanding shares of Athena Minerals, Inc., in exchange for full satisfaction of the Company’s indebtedness to John Gibbs under the 2012 Credit Agreement. The outstanding principal at the time of the transaction was \$1,929,870. All accrued and unpaid interest due under the Credit Agreement totaling \$668,012 was waived as part of the transaction.

Athena Minerals Inc. owns the mineral and real estate interests in San Bernardino County, California, including the unpatented mining claims in the Langtry Mining District. The Athena Minerals, Inc. summarized balance sheet at the time of deconsolidation was as follows:

| | | |
|---|----|----------|
| Cash | \$ | 2,578 |
| Total current assets | | 2,578 |
| Land held for investment | | 185,290 |
| Total assets | \$ | 187,868 |
| Deed amendment liability | \$ | 90,000 |
| Deferred option revenue | | 25,000 |
| Total liabilities | | 115,000 |
| Total stockholder deficit | | (72,868) |
| Total liabilities and stockholder deficit | \$ | 187,868 |

The transaction netting \$2,025,013 was accounted for as an addition to additional paid capital in stockholders’ equity rather than a gain due to the purchaser being a related party and control person (a transaction between entities under common control).

Note 4 – Mineral Rights - Excelsior Springs

Effective December 15, 2020, Athena entered into a definitive Property Option Agreement with Nubian Resources Ltd. (“Nubian”) (TSXV: NBR), pursuant to which Nubian has granted Athena the option to acquire a 100% interest in Nubian’s Excelsior Springs exploration project located in Esmeralda County, Nevada.

The Option is exercisable in two tranches: the first tranche was exercised immediately pursuant to which the Company acquired a 10% interest in Excelsior Springs in consideration of issuing to Nubian an aggregate of 5,000,000 shares of Athena Gold Corporation common stock. On December 15, 2020 the company issued the 5,000,000 shares of its common stock valued at \$0.03 per share totaling \$150,000. The second tranche is exercisable on or before December 31, 2021 to purchase an additional 90% interest in Excelsior Springs in consideration of issuing to Nubian an additional 45 million shares of Athena common stock. Should both options be exercised, Nubian will hold 50 million shares of Athena common stock, which will be subject to a six-month lockup.

Athena’s agreement with Nubian includes 100% of the 140 unpatented claims at Excelsior Springs with two additional patented claims held under a lease option that are subject to a 2% net smelter returns royalty on gold production. Under the terms of the Option Agreement, Nubian will retain a 1% net smelter returns royalty (“NSR Royalty”) on the Excelsior Springs Project if Athena fully exercises the option. Athena will have the right to purchase 0.5% (being one half) of the NSR Royalty for CAD \$500,000 and the remaining 0.5% of the NSR Royalty at fair market value.

Note 5 – Adoption of ASU 2017-11

The Company changed its method of accounting for its convertible note through the adoption of ASU 2017-11 on January 1, 2019 on a modified retrospective basis. Accordingly, the outstanding derivative liability of \$14,730 associated with a convertible note payable was eliminated as an adjustment to the beginning accumulated deficit. The following table provides a reconciliation of the derivative liability and accumulated deficit upon adoption on January 1, 2019:

| | Derivative Liability | Accumulated Deficit |
|---|-------------------------|------------------------|
| Balance January 1, 2019 (before adoption of ASU 2017-11) | \$ 14,730 | \$ (9,255,432) |
| Reclassified derivative liability and cumulative effect of adoption | (14,730) | 14,730 |
| Balance January 1, 2019 (after adoption of ASU 2017-11) | <u>\$ –</u> | <u>\$ (9,240,702)</u> |

Note 6 – Fair Value of Financial Instruments

Financial assets and liabilities recorded at fair value in our consolidated balance sheets are categorized based upon a fair value hierarchy established by GAAP, which prioritizes the inputs used to measure fair value into the following levels:

Level 1 – Quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable and can be corroborated by observable market data.

Level 3 – Inputs reflecting management’s best estimates and assumptions of what market participants would use in pricing assets or liabilities at the measurement date. The inputs are unobservable in the market and significant to the valuation of the instruments.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Financial assets and liabilities measured at fair value on a recurring basis are summarized below:

| | Carrying Value at December 31, 2018 | Fair Value Measurement at December 31, 2018 | | |
|---|---|---|---------|-----------|
| | | Level 1 | Level 2 | Level 3 |
| Derivative liability – Convertible note payable | \$ 14,730 | \$ – | \$ – | \$ 14,730 |

The carrying values of cash and cash equivalents, accounts payable, accrued liabilities and other short-term debt, approximate their fair value because of the short-term nature of these financial instruments.

Note 7 – Convertible Note Payable

Effective April 1, 2015, the Company executed a convertible promissory note (the “Note”) in the principal amount of \$51,270 in favor of Clifford Neuman, the Company’s legal counsel, representing accrued and unpaid fees for past legal services. The Note is unsecured and accrues interest at the rate of 6% per annum, compounded quarterly, and is due on demand. The principal and accrued interest due under the Note may be converted, at the option of the holder, into shares of the Company’s common stock.

On April 24, 2020, the Company agreed to reduce the conversion price from \$0.0735 per share to \$0.021 per share. All other terms of the convertible note remain unchanged, and therefore did not change the cash flows of the note. The Company determined the transaction was considered an extinguishment because of the change in conversion price in which no gain or loss was recorded according to ASC 470-50. However, because the conversion price was reduced below the \$0.03 market value on the date of the change, a beneficial conversion feature resulted from the price reduction in the amount of \$21,973, which was accounted for as a discount to the debt and a corresponding increase in additional paid in capital. The debt discount is being amortized on a straight-line basis over one year to interest expense. A total of \$14,649 was amortized to interest expense during the year, ending December 31, 2020.

The Note also contains certain anti-dilution provisions that would reduce the conversion price should the Company issue common stock equivalents at a price less than the Note conversion price. Accordingly, prior to the prospective adoption of ASU 2017-11 on January 1, 2019, the conversion features of the Note were considered a discount to the Note. However, since the Note is payable upon demand by the note holder, the value of the discount was considered interest expense at the time of its inception. The Note was evaluated quarterly, and upon any quarterly valuations in which the value of the conversion option changed we recognized a gain or loss due to a decrease or increase in the fair value of the derivative liability, respectively.

As discussed in Note 4, the Company adopted ASU 2017-11 on January 1, 2019, which resulted in the elimination of the derivative liability of \$14,730 at December 31, 2018 as a cumulative adjustment to accumulated deficit.

Accrued interest totaled \$21,189 and \$16,897 at December 31, 2020 and 2019, respectively, and is included in Accrued interest on the accompanying consolidated balance sheets. Total interest expense associated with this Note was \$18,941 and \$4,026 for the years ended December 31, 2020 and 2019, respectively.

Note 8 – Common Stock

On June 23, 2020 the Company entered into a stock subscription agreement whereby the subscriber agreed to purchase an aggregate of 17,142,857 shares of the Company’s common stock at a private offering price of \$0.007 per share, or an aggregate purchase price of \$120,000. The purchase price was to be paid in twelve equal monthly installments of \$10,000 each with the first installment due on or before June 15, 2020 and continuing thereafter on or before the 15th day of each succeeding month until paid in full. Shares shall not be issued or deemed purchased until the purchase price has been paid in full. On September 18, 2020 and subsequent to receiving the first \$10,000 installment, the Company and the subscriber agreed to terminate the subscription agreement. As a result of this Settlement Agreement and Release, the Company agreed to issue 500,000 shares of common stock at \$0.02 per share and release both parties of any further obligations regarding the June 23, 2020 subscription agreement.

On October 15, 2020 we sold 600,000 shares of common stock at a price of \$0.03 per share. The sale was conducted through a broker which resulted in net proceeds from the sale of \$16,685.

On October 26, 2020 we sold 300,000 shares of common stock to a Director at a price of \$.03 per share resulting in total proceeds of \$9,000. And on December 31, 2020 we issued an additional 300,000 shares of common stock at \$0.045 per share totaling \$13,500 to the Director as compensation for Director fees.

On December 11, 2020 we issued 5,000,000 shares of common stock to Nubian Resources, Ltd. under the property option agreement. The shares were valued at \$0.03 resulting in a value of \$150,000 which has been capitalized as Mineral rights on the accompanying balance sheet.

On December 31, 2020 Mr. John Power, the Company's CEO/CFO agreed to convert advances made to the company totaling \$25,000. As a result, we issued 555,556 shares of common stock at a price of \$0.045 per share. Also on December 31, 2020, Mr. Power purchased 1,630,000 shares of common stock at a price of \$0.03 in the private placement.

On December 31, 2020 Mr. John Gibbs, a related party, purchased 2,470,000 shares at a price of \$0.03 in a private placement resulting in proceeds from the sale of \$74,100. Also, on December 31, 2020 Mr. Gibbs agreed to a \$315,000 reduction of outstanding principal of the Convertible credit facility with the issuance of 7,000,000 of common stock at a price of \$0.045.

Note 9 – Commitments and Contingencies

We are subject to various commitments and contingencies as discussed in Note 4 – Mineral Rights – Excelsior Springs.

Note 10 – Share-based Compensation

2004 Equity Incentive Plan

All options previously issued under the 2004 Equity Incentive Plan as well as options issued outside the Plan expired unexercised in 2018.

Note 11 – Related Party Transactions

Conflicts of Interests

Magellan Gold Corporation ("Magellan") is a company under common control. Mr. Power is a significant shareholder of both Athena and Magellan and an officer and director of Athena. Mr. Gibbs is a significant shareholder in both Athena and Magellan. Athena and Magellan are both involved in the business of acquisition and exploration of mineral resources.

Silver Saddle Resources, LLC ("Silver Saddle") is also a company under common control. Mr. Power and Mr. Gibbs are the owners and managing members of Silver Saddle. Athena and Silver Saddle are both involved in the business of acquisition and exploration of mineral resources.

There exists no arrangement or understanding with respect to the resolution of future conflicts of interest. The existence of common ownership and common management could result in significantly different operating results or financial position from those that could have resulted had Athena, Magellan and Silver Saddle been autonomous.

Management Fees – Related Parties

The Company is subject to a month-to-month management agreement with Mr. Power requiring a monthly payment of \$2,500 as consideration for the day-to-day management of Athena. For each of the years ended December 31, 2020 and 2019, a total of \$30,000 was recorded as management fees and are included in general and administrative expenses in the accompanying consolidated statements of operations. At December 31, 2020 and 2019, \$96,500 and \$76,500, respectively, of management fees due to Mr. Power had not been paid and are included in accrued liabilities – related parties on the accompanying consolidated balance sheets.

Accrued Interest – Related Parties

At December 31, 2019, Accrued interest - related parties includes accrued interest payable to Mr. Gibbs of \$555,872, representing unpaid interest on the convertible credit facility. On December 31, 2020 all accrued and unpaid interest due Mr. Gibbs totaling \$668,012 on the convertible credit facility was waived as part of the sale of Athena Minerals transaction discussed in Note 3 – Sale of Athena Minerals Inc.

Interest Expense – Related Parties

Total related party interest expense was \$112,140 and \$106,954 for the years ended December 31, 2020 and 2019, respectively, and is comprised of interest related to the convertible credit facility.

Advances Payable - Related Parties

Mr. Power and Mr. Gibbs have advanced the Company funds generally utilized for day-to-day operating requirements. These advances are non-interest bearing and are generally repaid as cash becomes available. The Company also utilizes credit cards owned by Mr. Power to pay various obligations when an online payment is required, the availability of cash is limited, or the timing of the payments is considered critical.

During the year ended December 31, 2020, Mr. Power made short-term advances to the Company totaling \$59,226 and \$41,778 was repaid during the period. In addition, \$25,000 was converted to 555,556 shares of common stock leaving an unpaid balance of 21,898 at December 31, 2020 and included in Advances payable – related party on the accompanying consolidated balance sheets. During the year ended December 31, 2019, Mr. Power made short-term advances to the Company totaling \$31,100 and was repaid \$26,650 during the period. At December 31, 2019 a total of \$29,450 of advances were outstanding and included in Advances payable – related party on the accompanying consolidated balance sheets.

During the year ended December 31, 2020, Mr. Gibbs made short-term advances to the Company totaling \$84,100, of which \$10,000 was repaid. The remaining \$74,100 was utilized in a private placement of common stock as discussed above in Note 8 – Common Stock. At both December 31, 2020 and 2019, no advances from Mr. Gibbs were outstanding.

Sales of common stock

On December 31, 2020 the Company sold 1,630,000 shares of common stock at \$0.03 to Mr. Power under the private placement. In addition, on December 31, 2020 the Company sold 2,470,000 shares of common stock at \$0.03 to Mr. Gibbs, also under the private placement. In addition, in October 2020 the Company sold 300,000 shares of common stock to a Director at a price of \$0.03 resulting in \$9,000 in proceeds.

Common stock issued to a Director

On December 31, 2020 the Company issued 300,000 shares of common stock valued at \$0.045 to a Director as compensation for 2020 director fees.

Note 12 – Income Taxes

The Company is current on all its corporate tax filings. Tax year 2020 will be extended if not filed by its due date. Tax returns filed for the years 2017 thru 2019 are open for examination from taxing authorities.

Due to the enactment of the Tax Reform Act of 2018, the corporate tax rate for those tax years beginning with 2018 has been reduced to 21%. Our estimated net operating loss carry forward as of December 31, 2020 is \$7,765,477, which may be used to offset future income taxes. Our reconciliation between the expected federal income tax benefit computed by applying the federal statutory rate to our net loss and the actual benefit for taxes on net loss for 2020 and 2019 is as follows:

| | Years Ended December 31, | |
|---|--------------------------|-----------|
| | 2020 | 2019 |
| Expected federal income tax benefit at statutory rate | \$ 86,114 | \$ 55,912 |
| State taxes | 36,250 | 23,536 |
| Change in valuation allowance | (122,364) | (79,448) |
| Income tax benefit | \$ — | \$ — |

Our deferred tax assets as of December 31, 2020 and 2019 were as follows:

| | Years Ended December 31, | |
|---|--------------------------|--------------|
| | 2020 | 2019 |
| Net operating loss | \$ 2,317,218 | \$ 2,194,854 |
| Valuation allowance | (2,317,218) | (2,194,854) |
| Deferred tax assets, net of valuation allowance | \$ — | \$ — |

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. We have provided a valuation allowance of 100% of our net deferred tax asset due to the uncertainty of generating future profits that would allow us to realize our deferred tax assets.

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carryover for Federal income tax reporting purposes may be subject to annual limitations. Should a change in ownership occur, use of the net operating loss carryover could be limited in future years.

Note 13 – Subsequent Events

Change of Name and Authorized Capital: On January 15, 2021 the Company changed its name from Athena Silver Corporation to Athena Gold Corporation. Concurrently, the Company increased its authorized common stock to 250,000,000 with a par value of \$0.0001. No change was made to the authorized preferred stock.

Conversion of Accrued Management Fees: On January 1, 2021 the Company agreed to convert outstanding management fees due Mr. Power totaling \$96,500 into shares of common stock at a price of \$0.045, resulting in the issuance of 2,144,444 shares of the Company's common stock.

Sales of Common Stock: In October 2020 the Company authorized the sale of up to 25,000,000 shares of its common stock at \$0.03 per share in private placements. In January and February 2020, the Company has completed the sale of 5,000,000 shares of its common stock in this private placement to six third parties including 250,000 shares sold to Mr. John Gibbs, a related party, resulting in total gross proceeds of \$150,000.

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: May 21, 2021

ATHENA GOLD CORP.

By: */s/ JOHN C. POWER*
Name: John C. Power
Title: President and Chief Executive Officer (Principal Executive Officer)

Date: May 21, 2021

ATHENA GOLD CORP.

By: */s/ TYLER MINNICK*
Name: Tyler Minnick
Title: Chief Financial Officer (Principal Financial and Accounting Officer)

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><i>/s/ John C. Power</i></u> John C. Power | PRESIDENT, CHIEF EXECUTIVE OFFICER, AND CHIEF FINANCIAL OFFICER (PRINCIPAL EXECUTIVE OFFICER) AND DIRECTOR | May 21, 2021 |
| <u><i>/s/ Brian Power</i></u> Brian Power | DIRECTOR | May 21, 2021 |
| <u><i>/s/ John Hiner</i></u> John Hiner | DIRECTOR | May 21, 2021 |
| <u><i>/s/ TYLER MINNICK</i></u> TYLER MINNICK | CHIEF FINANCIAL OFFICER (PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER) | May 21, 2021 |

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

FORM 10-K

ANNUAL REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2019

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 000-51808

ATHENA SILVER CORPORATION

(Exact Name of Registrant as specified in its Charter)

Delaware

(State or other jurisdiction of incorporation or organization)

90-0775276

(IRS Employer Identification number)

2010A Harbison Drive # 312, Vacaville, CA

(Address of principal executive offices)

95687

(Zip Code)

Registrant's telephone number, including area code: **(707) 291-6198**

Securities registered under Section 12(b) of the Exchange Act: **None**

Securities registered under Section 12(g) of the Exchange Act: **Common Stock, \$.0001 par value**

Securities registered pursuant to Section 12(b) of the Act:

| Title of each Class | Trading Symbol | Name of each exchange on which registered |
|---------------------|----------------|---|
| N/A | N/A | N/A |

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 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 registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition 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 Accelerated filer Non-accelerated filer Smaller Reporting Company
Emerging Growth Company

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

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the

common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: \$300,576 based upon the last sale price of \$0.03 as reported on the OTC.QB effective June 28, 2019.

The number of shares outstanding of the registrant's common stock, as of March 19, 2020 is 36,532,320.

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K (*e.g.*, Part I, Part II, etc.) into which the document is incorporated: (1) Any annual report to security holders; (2) Any proxy or information statement; and (3) Any prospectus filed pursuant to Rule 424(b) or (c) under the Securities Act of 1933. The listed documents should be clearly described for identification purposes:

None.

Forward-looking Statements

In General

This Report contains statements that plan for or anticipate the future. In this Report, forward-looking statements are generally identified by the words "anticipate," "plan," "believe," "expect," "estimate," and the like.

The factors that could cause actual results to differ materially from those projected in the forward-looking statements include:

- the risk factors set forth below under "Risk Factors";
- our ability to raise additional financing necessary to conduct our business;
- our future business plans and strategies;
- changes that could result from future acquisition of new mining properties or businesses;
- our ability to commercially develop our mining interests.;
- risks and hazards inherent in the mining business, including environmental hazards, industrial accidents, weather or geologically related conditions;
- uncertainties inherent in our exploratory and developmental activities, including risks relating to permitting and regulatory delays;
- changes in the market prices of silver;
- uncertainties inherent in the estimation of silver ore reserves;
- effects of environmental and other governmental regulations; and
- the worldwide economic downturn and difficult conditions in the global capital and credit markets.

Readers are cautioned not to put undue reliance on forward-looking statements. We disclaim any intent or obligation to update publicly these forward-looking statements, whether as a result of new information, future events or otherwise.

In light of the significant uncertainties inherent in the forward-looking statements made in this Report, the inclusion of this information should not be regarded as a representation by us or any other person that our objectives and plans will be achieved.

PART I

ITEM 1 – DESCRIPTION OF BUSINESS.

Overview

Athena Silver Corporation (“we,” “our,” “us,” or “Athena”) is an exploration stage company engaged in the acquisition and exploration of mineral resources. We were incorporated in Delaware on December 23, 2003, and we became an exploration stage company effective January 1, 2010. We have not presently determined whether our mineral properties contain mineral reserves that are economically recoverable.

In December 2009, we formed and organized a new wholly-owned subsidiary, Athena Minerals, Inc. (“Athena Minerals”) to take an assignment of a Sale and Purchase Agreement and Joint Escrow Instructions dated December 4, 2009 (the “Purchase Agreement”). The Purchase Agreement granted us an option to purchase a 413 acre group of 20 patented mining claims (the “Langtry Property”) located in the Calico Mining District at the base of the Calico Mountains northeast of Barstow, California.

In March 2010, we entered into a Mining Lease with Option to Purchase (the “Langtry Lease” or the “Lease”) which superseded the Purchase Agreement and granted us a 20-year lease to develop and conduct mining operations on the Langtry Property, also with an option to purchase. Effective November 28, 2012, December 19, 2013, and January 21, 2015, we executed Amendments No. 1, 2 and 3, respectively, to the Langtry Lease modifying certain terms.

In March 2016, we entered into a new lease/option agreement further described herein that replaced the prior mining lease and its amendments #1, #2 and #3. In addition to the patented claims controlled through this mining lease, the Company has staked and acquired unpatented mining claims that together represent the Langtry project.

On February 24, 2020, the Company signed an Amendment No. 1 to Lease with an Option to Purchase dated March 10, 2016 (the “Amendment”), whereby the Company and the Lessor have agreed to a revised payment schedule for fixed amounts of \$45,000 and \$50,000 respectively for the 2020 and 2021 option payments. The fixed amounts payable in 2020 and 2021 are due in equal quarterly amounts of \$11,250 in 2020 and \$12,500 in 2021 due on March 15, June 15, September 15 and December 15 in each year.

On September 28, 2015, at the request of the Company and its advisors, the San Bernardino County Land Use Services Department (the “Department”) issued and recorded a Certificate of Land Use Compliance for Vested Land Use in which the Department formally determined that the Langtry property had the legally established right for mineral resource development activity (the “Vested Right”). The Vested Right is subject to certain conditions set forth in the Certificate and runs with the Langtry property in perpetuity.

During 2017 the Company evaluated its mineral rights and properties. As a result of the evaluation, the Company recognized an impairment loss of \$1,885,816 associated with the Langtry project as of December 31, 2017. The impairment analysis and conclusion was a result of the continuing low silver prices that negatively affect the economic viability of the project. As such, the Company impaired at 100% all capitalized lease and maintenance payments made prior to the Lease Option agreement of March 10, 2016, as well as the deed amendment fee of \$150,000 that provides for a royalty cap upon any future production activities.

During 2018, the Company again evaluated its mineral rights and properties for impairment and determined that due to the continued low silver prices, as well as the Company’s limited access to capital for further development of the Langtry project, additional impairment of the remaining mineral rights assets totaling \$63,183 was recorded at December 31, 2018. After this impairment, the carrying amount of these mineral rights was zero.

Going forward, our primary focus will be to continue our evaluation of the Langtry Property including the possible acquisition of additional mineral rights and additional exploration, development and permitting activities. Our mineral lease payments, permitting applications and exploration and development efforts will require additional capital. Future activity on Langtry will require additional capital that as of the date of this report, we have not been able to secure.

Conflicts of Interests

Magellan Gold Corporation (“Magellan”) is a publicly-held company under common control. Mr. Power is our President, CEO and a director and is also a director (and formerly President and CEO) of Magellan. Mr. Power and Mr. Gibbs are significant investors in both Athena and Magellan.

Silver Saddle Resources, LLC (“Silver Saddle”) is a private company under common control. Mr. Power and Mr. Gibbs are significant investors and managing members of Silver Saddle.

Athena, Magellan and Silver Saddle are exploration stage companies, and each is involved in the business of acquisition and exploration of mineral resources.

The existence of common ownership and common management could result in significantly different operating results or financial position from those that could have resulted had Athena, Magellan and Silver Saddle been autonomous. In addition, the common ownership could result in significant conflicts of interest both in terms of the allocation of working capital as well as under the doctrine of corporate opportunity, inasmuch as all three entities are engaged in mineral exploration in the United States. Messrs. Power and Gibbs have not adopted any policy or guidelines to mitigate the potential adverse effects of their conflicting interests between and among, Athena, Magellan and Silver Saddle.

Investors in Athena should be cognizant that the interests of Athena may, in the future, be in conflict with the other activities of Athena’s control persons.

SUMMARY PROVISIONS OF THE LANGTRY LEASE/OPTION

In 2010, Athena Minerals, Inc., our wholly-owned subsidiary (“Athena Minerals” or “we”), entered into a 20 year Mining Lease with Option to Purchase (the “Langtry Lease” or the “Lease”) granting us the exclusive right to explore, develop and conduct mining operations on a group of 20 patented mining claims consisting of approximately 413 acres that comprise our Langtry Property (“Langtry” or the “Langtry Property”). Effective November 28, 2012, December 19, 2013 and January 21, 2015, we executed Amendments No. 1, 2 and 3, respectively, to the Langtry Lease modifying certain terms.

Effective March 10, 2016, we executed and delivered new Lease/Purchase Option (“Lease/Option”) covering our flagship Langtry Property located in the Calico Mining District, San Bernardino County, California. The Lease/Option also includes two unpatented mining claims in the Calico Mining District known as the Lilly #10 and Quad Deuce XIII (the “Langtry Unpatented Claims”), which we have previously owned and agreed to transfer to the Lessor subject to the Lease/Option. The new Lease/Option supersedes all prior agreements. The following is a summary of the highlights of the new Lease/Option, which is qualified in its entirety by the provisions of the Lease/Option which was filed as Exhibit 10.1 to our Current Report dated March 10, 2016:

- The Lease/Option has a term of 20 years, and grants an exclusive right to explore, develop and purchase the Langtry property. Rent payments under the Lease are a nominal \$1 per year which was paid in full but contingent upon the option being maintained in good standing.

Option payments: in order to maintain the option to purchase, we are required to pay option payments (“Option Payments”) on March 15th of every year as follows: \$40,000 year 1 that was paid for the period through March 15, 2017; the greater of \$40,000 or the spot price of 2,500 ounces of silver in years 2 through 5; the greater of \$50,000 or the spot price of 2,500 ounces of silver in years 6 through 10; the greater of \$75,000 or the spot price of 3,750 ounces of silver in years 11 through 15; and the greater of \$100,000 or the spot price of 5,000 ounces of silver in years 16 through 20. The spot price of silver shall be defined as the average price of the London Fix as reported in the Wall Street Journal or another reliable source for the calendar month for the month prior to each payment date (i.e. the month of February).

- 50% of all Option Payments are credited against the purchase price should the Company exercise the purchase option.
- Option Purchase Price: We have the option to purchase fee title to the Langtry Property for the full 20-year term of the Lease/Option. The purchase price is:
 - Years 1 through 3 (3-15-2016 to 3-15-2019): \$5,000,000
 - Years 4 through 5 (3-15-2019 to 3-15-2021): the greater of \$5,000,000 or the spot price of 250,000 troy ounces of silver, plus payment of the deferred rent of \$130,000;
 - Years 6 through 10 (3-15-2021 to 3-15-26): the greater of \$7,500,000 or the spot price of 375,000 troy ounces of silver, plus payment of the deferred rent of \$130,000;
 - Years 11 through 20 (3-15-2026 to 3-15-2036): the greater of \$10,000,000 or the spot price of 500,000 troy ounces of silver, plus payment of the deferred rent of \$130,000.
- During the lease term, and provided the purchase option has not been exercised, the lessor is entitled to receive a 2% NSR on silver production and a 3% to 5% royalty on other mineral production and certain other revenue streams;
- After exercise of the purchase option, the lessor will not receive royalties on silver or other precious metals production but will receive a 5% royalty on barite production and other revenue streams.
- Deferred rent of \$130,000 under the prior lease shall be payable upon exercise of the purchase option or upon Athena entering into a joint venture or other arrangement to develop the Langtry prospect.
- If we are in breach of the Lease/Option, the Lessor will have the option to terminate the Lease by giving us 30 days written notice. The Lease also provides us with the right to terminate the Lease without penalty on March 15th of each year during the Lease term by giving the lessor 30 days written notice of termination on or before February 13th of each year.
- The Langtry Property is also subject to a net smelter royalty in favor of Mobil Exploration and Producing North America Inc. from the sale of concentrates, precipitates or metals produced from ores mined from the royalty acreage. The agreement dated April 30, 1987 granted a base net smelter royalty of 3% plus an additional incremental 2% royalty on net smelter proceeds from silver sales above \$10.00 per troy ounce plus an additional incremental 2% royalty on net smelter proceeds from silver sales above \$15.00 per troy ounce.
- On May 28, 2015 we executed an amendment to the deed reserving the Mobil Exploration royalty to cap at 2% the net smelter royalty that would be due to Mobil Exploration and Producing North America Inc. (“Mobil”) from any future sales of concentrates, precipitates or metals produced from ores mined from the royalty acreage. In consideration for the amendment, we agreed to pay an amendment fee of \$150,000, with \$10,000 due at the time of the agreement and the balance payable \$10,000 each June 1st until paid in full. We have paid a total of \$50,000 so far on this agreement. If we sell our interest in the Lease or enter into an agreement, joint venture or other agreement for the exploration and development of the Langtry Property, the amendment fee shall become due and payable immediately.]
- On February 24, 2020, the Company signed an Amendment No. 1 to Lease with an Option to Purchase dated March 10, 2016 (the “Amendment”), whereby the Company and the Lessor have agreed to a revised payment schedule for fixed amounts of \$45,000 and \$50,000 respectively for the 2020 and 2021 option payments. The fixed amounts payable in 2020 and 2021 are due in equal quarterly amounts of \$11,250 in 2020 and \$12,500 in 2021 due on March 15, June 15, September 15 and December 15 in each year.
- As of the date of the filing of this Report, we have not made the Option Payment which was due on March 15, 2020. There is a 30 day cure period under the Lease Option. We are currently evaluating whether to make the Option Payment or forfeit the Lease Option agreement altogether. If we determine to not cure the Option Payment default, the Lessor has the right to terminate the Lease Option. If that occurs, we will continue to hold the appurtenant unpatented mining claims.

During the term of the Lease/Option, Athena Minerals has the exclusive right to develop and conduct mining operations on the Langtry Property. Future lease payments and/or exploration and development of this property will require additional equity and/or debt capital.

During 2017 the Company evaluated its mineral rights and properties. As a result of the evaluation, the Company recognized an impairment loss of \$1,885,816 associated with the Langtry project as of December 31, 2017. The impairment analysis and conclusion was a result of the continuing low silver prices that negatively affect the economic viability of the project. As such, the Company impaired at 100% all capitalized lease and maintenance payments made prior to the Lease Option agreement of March 10, 2016, as well as the deed amendment fee of \$150,000 that provides for a royalty cap upon any future production activities.

During 2018, the Company again evaluated its mineral rights and properties for impairment and determined that due to the continued low silver prices, as well as the Company's limited access to capital for further development of the Langtry project, additional impairment of the remaining mineral rights assets totaling \$63,183 was recorded at December 31, 2018. After this impairment, the carrying amount of these mineral rights was zero.

LANGTRY PROJECT CLAIMS

In April, 2010, we staked nine unpatented mining lode claims and in October 2011, we staked an additional 13 unpatented mining lode claims all of which are located in Sections 7,8,9,16,17 & 18 of Township 10 North, Range 1 East, San Bernardino Base & Meridian on federal land managed by the Bureau of Land Management ("BLM"). These 22 unpatented claims are adjacent or in close proximity to our Langtry Property. In Jan 2013, we over staked one additional unpatented mining claim. In August 2015, we acquired 15 unpatented mining claims adjacent to our existing holdings. These 38 unpatented claims together with the 20 patented Langtry Property claims comprise our Langtry Project. All of our unpatented claims are active and valid, subject to renewals. We have not undertaken any exploration activity on our unpatented claims and they have no known reserves. Our annual renewal costs are \$155 per claim prior to September 1 of each year.

| <u>BLM Serial No.</u> | <u>Claim Name</u> |
|------------------------------|--------------------------|
| CAMC296910 | Clipper #1 |
| CAMC296911 | Clipper #2 |
| CAMC296912 | Clipper #3 |
| CAMC296913 | Clipper #4 |
| CAMC296914 | Clipper #5 |
| CAMC296915 | Hawaii Clipper |
| CAMC296916 | California Clipper #2 |
| CAMC296917 | California Clipper #3 |
| CAMC296918 | California Clipper #4 |
| CAMC300265 | Clipper #12 |
| CAMC300266 | Clipper #13 |
| CAMC300267 | Clipper #14 |
| CAMC300268 | Clipper #15 |
| CAMC300269 | Clipper #16 |
| CAMC300270 | Clipper #17 |
| CAMC300271 | Clipper #18 |
| CAMC300272 | Clipper #19 |
| CAMC300273 | Clipper #20 |
| CAMC300274 | Clipper #21 |
| CAMC300275 | Clipper #22 |
| CAMC300276 | Clipper #23 |
| CAMC300277 | Clipper #24 |

On January 15, 2013, we over-staked with the BLM an existing claim, (CAMC0306178) Quad Duece XIII. The claim we over-staked Lilly #10 (CACM 290263) was later acquired in August 2015. Both the Lilly#10 and Quad Deuce XIII were assigned to the Lessor and included in our rights under the Lease/Option.

In August 2015 the Company acquired by deed conveyance 15 unpatented mining claims in the Calico Mining District in San Bernardino, California from a third party. One of these claims was subsequently transferred to the Lessor subject to the Lease/Option. The claims are contiguous to our existing unpatented and patented claims known as the Langtry Property. In consideration of the conveyance, the Company agreed to pay \$10,000, payable in equal monthly installments of \$1,000 beginning on September 1, 2015. The Company has completed all required payments. These claims were renewed with the BLM in August 2015, 2016 and 2017 and are in good standing until August 31, 2018. There is a recorded lien granted to a third party on these claims granted by the former owner. We are attempting to get a release of this lien as we no longer believe it is valid. However, we can make no assurances that a lien release can be obtained and that the lien is no longer valid.

| <u>BLM Serial No.</u> | <u>Claim Name</u> |
|------------------------------|--------------------------|
| CAMC 0290264 | LILLY #11 |
| CAMC 0290265 | LILLY #12 |
| CAMC 0290266 | LILLY #13 |
| CAMC 0290267 | LILLY #14 |
| CAMC 0290268 | LILLY #15 |
| CAMC 0290269 | LILLY #16 |
| CAMC 0290270 | LILLY #17 |
| CAMC 0290271 | LILLY #18 |
| CAMC 0290272 | LILLY #19 |
| CAMC 0289957 | SILVERADO #30 |
| CAMC 0289958 | SILVERADO #31 |
| CAMC 0289960 | SILVERADO #33 |
| CAMC 0289962 | SILVERADO #35 |
| CAMC 0289963 | SILVERADO #36 |

OTHER UNPATENTED MINING CLAIMS

On December 14, 2011, we staked and subsequently filed with the BLM, on March 13, 2012, four unpatented lode claims located in San Bernardino County, California. We renewed these claims annually until 2017 when we elected let these claims lapse as of August 31, 2017 to reduce our costs. The claims are located in Sections 7 and 18, Township 10 North, Range 1 West and Sections 12 and 13, Township 10 North, Range 2 West, San Bernardino Base & Meridian. The claims are adjacent to a historic silver mine known as the Waterman Mine (the "Waterman Claims"). There are no known reserves on these claims.

| <u>BLM Serial No.</u> | <u>Claim Name</u> |
|------------------------------|--------------------------|
| CAMC302228 | Silver Glance |
| CAMC302229 | Front |
| CAMC302230 | Omega East |
| CAMC302231 | Alpha East |

There are no capitalized costs associated with this property.

SECTION 13 PROPERTY

On May 22, 2012, we purchased 661 acres of land (“Section 13 Property”) in fee simple for \$135,685 cash, located in San Bernardino County, California, that was sold in a property tax auction conducted on behalf of the County. The parcel is all of Section 13 located in Township 7 North, Range 4 East, San Bernardino Base & Meridian.

The Section 13 property is near the Lava Beds Mining District and has evidence of historic mining. The property is located in the same regional geologic area known as the Western Mojave Block that includes our flagship Langtry Project. The property is approximately 28 miles southeast of our Langtry Project.

We do not intend to engage in any material exploration activities on the Section 13 property during the next twelve months.

CHIMNEY ROCK PROPERTY

In May 2014, we purchased 160 acres of land located in the Calico Mining District, San Bernardino County, California. The parcel is the SE quarter of Section 25, Township 10 North, Range 1 East and is mostly surrounded by public lands. It was purchased for approximately \$21,000 in a property tax auction conducted on behalf of the County.

We do not intend to engage in any material exploration activities on this property during the next twelve months.

SECTION 16 PROPERTY

In August 2016, we purchased 30+/- acres of land located in the Calico Mining District, San Bernardino County, California. The parcel is in the SE quarter of Section 16, Township 10 North, Range 1 East and is adjacent to patented mining claims and public lands. It was purchased for approximately \$28,600 from an unrelated third party.

Unpatented Mining Claims: The Mining Law of 1872

Except for the Langtry Property, our mineral rights consist of leases covering "unpatented" mining claims created and maintained in accordance with the U.S. General Mining Law of 1872, or the “General Mining Law.” Unpatented mining 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 mining claims is often uncertain. The validity of an unpatented mining claim, in terms of both its location and its maintenance, is dependent on strict compliance with a complex body of federal and state statutory and decisional law that supplement the General Mining Law. Also, unpatented mining claims and related rights, including rights to use the surface, are subject to possible challenges by third parties or contests by the federal government. In addition, there are few public records that definitively control the issues of validity and ownership of unpatented mining claims. We have not filed a patent application for any of our unpatented mining claims that are located on federal public lands in the United States and, under possible future legislation to change the General Mining Law, patents may be difficult to obtain.

Location of mining claims under the General Mining Law, is a self-initiation system under which a person physically stakes an unpatented mining claim on public land that is open to location, posts a location notice and monuments the boundaries of the claim in compliance with federal laws and regulations and with state location laws, and files notice of that location in the county records and with the BLM. Mining claims can be located on land as to which the surface was patented into private ownership under the Stockraising Homestead Act of 1916, 43 U.S.C. §299, but the mining claimant cannot injure, damage or destroy the surface owner's permanent improvements and must pay for damage to crops caused by prospecting. Discovery of a valuable mineral deposit, as defined under federal law, is essential to the validity of an unpatented mining claim and is required on each mining claim individually. The location is made as a lode claim for mineral deposits found as veins or rock in place, or as a placer claim for other deposits. While the maximum size and shape of lode claims and placer claims are established by statute, there are no limits on the number of claims one person may locate or own. The General Mining Law also contains provision for acquiring five-acre claims of non-mineral land for millsite purposes. A mining operation typically is comprised of many mining claims.

The holder of a valid unpatented mining claim has possessory title to the land covered thereby, which gives the claimant exclusive possession of the surface for mining purposes and the right to mine and remove minerals from the claim. Legal title to land encompassed by an unpatented mining claim remains in the United States, and the government can contest the validity of a mining claim. The General Mining Law requires the performance of annual assessment work for each claim, and subsequent to enactment of the Federal Land Policy and Management Act of 1976, 43 U.S.C. §1201 et seq., mining claims are invalidated if evidence of assessment work is not timely filed with BLM. However, in 1993 Congress enacted a provision requiring payment of \$140 per year claim maintenance fee in lieu of performing assessment work, subject to an exception for small miners having less than 10 claims. No royalty is paid to the United States with respect to minerals mined and sold from a mining claim.

The General Mining Law provides a procedure for a qualified claimant to obtain a mineral patent (*i.e.*, fee simple title to the mining claim) under certain conditions. It has become much more difficult in recent years to obtain a patent. Beginning in 1994, Congress imposed a funding moratorium on the processing of mineral patent applications which had not reached a designated stage in the patent process at the time the moratorium went into effect. Additionally, Congress has considered several bills in recent years to repeal the General Mining Law or to amend it to provide for the payment of royalties to the United States and to eliminate or substantially limit the patent provisions of the law.

Mining claims are conveyed by deed, or leased by the claimant to the party seeking to develop the property. Such a deed or lease (or memorandum of it) needs to be recorded in the real property records of the county where the property is located, and evidence of such transfer needs to be filed with BLM. It is not unusual for the grantor or lessor to reserve a royalty, which as to precious metals often is expressed as a percentage of net smelter returns.

Patented Mining Claims

Patented mining claims, such as our Langtry Property claims, are mining claims on federal lands that are held in fee simple by the owner. No maintenance fees or royalties are payable to the BLM; however, lease payments and royalties are payable under the operative leases.

LOCATION, HISTORY AND GEOLOGY OF THE LANGTRY PROJECT

Langtry Project:

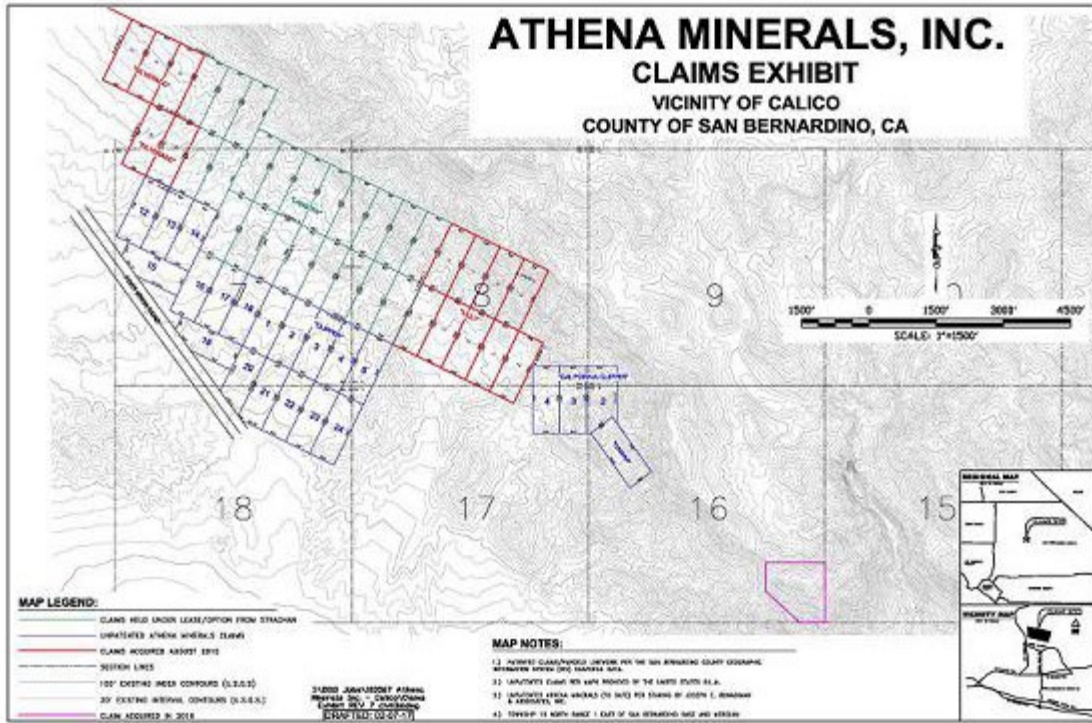
The Langtry Project covers approximately 1,200 acres and consists of 20 patented and 2 unpatented lode mining claims held under the Strachan Lease and 36 unpatented lode mining claims with the BLM.

Location, Access and Composition

The Langtry Project is located in the central part of the Mojave Desert of Southern California. It is situated along the western flank of the Calico Mountains, about 10 miles northeast of Barstow in San Bernardino County. Access is good with paved county roads within a mile of the project. A rail shipping point is about five miles to the south.

The property can be accessed from Barstow by traveling north on I-15 to the Fort Irwin Road exit and traveling approximately 5.4 miles to a 4WD dirt road that leads to the claims.

The following map shows the location of our Langtry Project claims:



Power and Water

Commercial power is available about 3 miles west of the Project.

A likely source of process water would be groundwater produced from an alluvial or regional aquifer. Based upon a hydrologic investigation of the Marine Corps Logistics Base, Nebo and Yermo Annexes, near Barstow, California, conducted by the U.S. Geological Survey (1997), such aquifers may exist in major washes associated with the Calico Mountains.¹

We continue to investigate and evaluate but have not secured commercial sources of power or water yet.

Geology

The large tonnage, modest grade disseminated silver-barite mineralization at Langtry is hosted by the Barstow Formation, a brecciated sequence of Miocene age siltstones, sandstones, some thin bedded calcarenites, and water laid tuffs that were deposited in a shallow lake environment. These sediments are underlain by volcanic flows and breccias of primarily dacitic to andesitic composition (Pickhandle Formation). Both vein mineralization, hosted in the Pickhandle Formation, and the disseminated mineralization hosted in the overlying Barstow Formation are believed to have formed from a common event, with the host rock controlling the style of mineralization. The vein network generally parallels a regional zone of northwestern-trending faults that has acted as both a feeder for mineralization and has displaced it during periods of reactivation.

The disseminated silver mineralization, hosted in the brecciated Barstow Formation, consists of pervasive silicification with barite, grading with depth to quartz with lesser barite, minor hematite, calcite, and silver bearing sulfides, mostly acanthite with very fine-grained native silver. Sphalerite and galena were identified from microscopy in grains typically smaller than 25 microns. Argentobarite and cerargyrite are also reported locally. A separate event with magnetite and manganese oxide and silver mineralization is also known from the district.

The host rock type for the Langtry mineralization is the Miocene age Barstow formation. This is a sedimentary sequence of sandstone, mudstone, siltstone, and locally silty limestone.

The Langtry deposit is intersected by multiple faults. The most prominent is the Calico fault that is located along the southwest side of the mineralization. The fault is interpreted to be right lateral with displacement as much as several miles horizontally and several hundred feet vertically. There are numerous "splay" faults from the Calico of which at least two are interpreted to cross the Langtry deposit striking east to north east.

The northeastern boundary of the deposit is defined by an un-named fault that strikes more to the northwest than the Calico fault. This boundary fault occurs almost immediately at the toe of the mountains that lie immediately north of the Langtry Deposit. The north bounding fault and the Calico fault intersect at the east end of the Langtry Deposit.

Numerous silver bearing veins are hosted within the Barstow formation. These are often high grade when compared to the surrounding rock mass.

History

Early mining in the Calico District was most active during the period 1881 to 1896. During that time an estimated 20 million ounces of silver were mined by underground methods from veins, mostly in the Wall Street Canyon and Odessa Canyon areas, on the south end of the Calico Mountains, just north of the historic town of Calico. Calico is now a ghost town and California state park.

¹ The U.S. Geological Survey (1997) defined two main aquifer systems in the area of the Nebo and Yermo Annexes. The Mojave River aquifer is contained within the sand and gravel of the Mojave River alluvium, and the regional aquifer lies in the bordering alluvial-fan deposits and older alluvium.

The earliest report on the Langtry Mines was published by the California State Mining Bureau (1896). The report states:

“They [the Langtry Mines] are 5 miles west of Calico, and comprise a group of claims upon which considerable work has been done. The veins are fissures in tufa, and are the only veins in this district entitled to be called fissures. The strike is E. and W. and the dip 80° N. The tufa lies in nearly horizontal beds. The main filling is baryta [barium hydroxide] and quartz containing chloride of silver, iron oxide, and carbonate of lead. Idle. T. N. Stebbins, of Daggett, owner.”

Around 1967, the Superior Oil Company, Minerals Division, began exploration in the area of the old Langtry Mine. The Superior Oil program resulted in the discovery of a bulk minable disseminated silver deposit. The principal development work consisted of more than 200 drill holes, most drilled to depths of about 500 feet, surface trenches, and access roads. Most of the boreholes were rotary drilled, although some were core drilled. Rotary cuttings were collected on 5-ft or 10-ft intervals and assayed; core was assayed at approximately 10-ft intervals. The assay data for each hole were recorded by Superior Oil on Graphic Drill Logs, 198 of which are available with assays. Silver, in ounces per ton, was reported for every hole, even if it was reported as “trace.” Percent barite (BaSO₄) was reported for many holes, and lead assays were reported for a limited number of holes. Laboratory reports for these data are not available.

At the behest of Superior Oil Company, the BLM prepared a Mineral Validity Report (BLM, 1974) evaluating Mineral Patent Application No. R-4645. The application was filed by Title Insurance and Trust Company, agent for Superior Oil Company, for 21 lode mining claims located in T.10 N., R. 1 E., Sections 6, 7, 8, and totaling 433.881 acres. The BLM verified drill sites on the individual claims; drilled twin holes; collected 62 check samples that were assayed by Skyline Labs, Inc. in Tucson, Arizona; correlated assay data for each claim; and excavated surface cuts and trenches to expose sample locations where the ore deposit cropped out near the surface.

Superior received a patent for 20 of the 21 claims applied for which comprise the claims now held under the option/lease agreement between Strachan and Athena. The claim not approved for patent known as Lilly 10 or Quad Deuce XIII is also held under the option lease agreement between Strachan and Athena.

Current State of Exploration and Development

Our current focus is primarily on the exploration of our Langtry Property.

Athena conducted a 13-hole confirmation drilling program performed by us in January and February 2011. Our drilling program consisted of 10 vertical holes drilled to depths of between 350’ to 575’ for a total of 4,285’ to test the results of a much larger historic drilling program conducted by Superior Oil Company; and three angle holes drilled to a depth of between 500’ and 600’ for a total of 1,700’ were exploratory as they targeted veins near 19th century historic workings on the Property and were not intended to replicate any prior drill holes.

We are currently working with our consultants to develop additional exploration plans subject to available funding. Future work could include core drilling and metallurgical studies, but no firm plans or budgets have been completed. Any proposed program would be exploratory in nature.

Future lease payments and/or exploration and development of this property will require new equity and/or debt capital.

During 2017 the Company evaluated its mineral rights and properties. As a result of the evaluation, the Company recognized an impairment loss of \$1,885,816 associated with the Langtry project as of December 31, 2017. The impairment analysis and conclusion was a result of the continuing low silver prices that negatively affect the economic viability of the project. As such, the Company impaired at 100% all capitalized lease and maintenance payments made prior to the Lease Option agreement of March 10, 2016, as well as the deed amendment fee of \$150,000 that provides for a royalty cap upon any future production activities.

During 2018, the Company again evaluated its mineral rights and properties for impairment and determined that due to the continued low silver prices, as well as the Company's limited access to capital for further development of the Langtry project, additional impairment of the remaining mineral rights assets totaling \$63,183 was recorded at December 31, 2018. After this impairment, the carrying amount of these mineral rights was zero.

No Proven or Probable Mineral Reserves/Exploration Stage Company

We are considered an exploration stage company under SEC criteria since we have not demonstrated the existence of proven or probable mineral reserves at any of our properties. In Industry Guide 7, the SEC defines a "reserve" as that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination. Proven or probable mineral reserves are those reserves for which (a) quantity is computed and (b) the sites for inspection, sampling, and measurement are spaced so closely that the geologic character is defined and size, shape and depth of mineral content can be established (proven) or the sites are farther apart or are otherwise less adequately spaced but high enough to assume continuity between observation points (probable). Mineral Reserves cannot be considered proven or probable unless and until they are supported by a feasibility study, indicating that the mineral reserves have had the requisite geologic, technical and economic work performed and are economically and legally extractable.

We have not completed a feasibility study with regard to all or a portion of any of our properties to date. Any mineralized material discovered or extracted by us should not be considered proven or probable mineral reserves. As of December 31, 2019 none of our mineralized material met the definition of proven or probable mineral reserves. We expect to remain an exploration stage company for the foreseeable future, even though we were extracting and processing mineralized material. We will not exit the exploration stage until such time, if ever, that we demonstrate the existence of proven or probable mineral reserves that meet the guidelines under SEC Industry Guide 7.

OUR EXPLORATION PROCESS

Our exploration program is designed to acquire, explore and evaluate exploration properties in an economically efficient manner. We have not at this time identified or delineated any mineral reserves on any of our properties.

We expect our exploration work on a given property to proceed generally in three phases. Decisions about proceeding to each successive phase will take into consideration the completion of the previous phases and our analysis of the results of those phases.

The first phase is intended to determine whether a prospect warrants further exploration and involves:

- researching the available geologic literature;
- interviewing geologists, mining engineers and others familiar with the prospect sites;
- conducting geologic mapping, geophysical testing and geochemical testing;
- examining any existing workings, such as trenches, prospect pits, shafts or tunnels;
- digging trenches that allow for an examination of surface vein structures as well as for efficient reclamation, re-contouring and re-seeding of disturbed areas; and,
- analyzing samples for minerals that are known to have occurred in the test area.

Subject to obtaining the necessary permits in a timely manner, the first phase can typically be completed on an individual property in several months at a cost of less than \$200,000.

The second phase is intended to identify any mineral deposits of potential economic importance and would involve:

- examining underground characteristics of mineralization that were previously identified;
- conducting more detailed geologic mapping;
- conducting more advanced geochemical and geophysical surveys;
- conducting more extensive trenching; and
- conducting exploratory drilling.

Subject to obtaining the necessary permits in a timely manner, the second phase can typically be completed on an individual property in nine to twelve months at a cost of less than \$1 million. None of our properties has reached the second phase.

The third phase is intended to precisely define depth, width, length, tonnage and value per ton of any deposit that has been identified and would involve:

- drilling to develop the mining site;
- conducting metallurgical testing; and
- obtaining other pertinent technical information required to define an ore reserve and complete a feasibility study.

Depending upon the nature of the particular deposit, the third phase on any one property could take one to five years or more and cost well in excess of \$1 million. None of our properties has reached the third phase.

We intend to explore and develop our properties ourselves, although our plans could change depending on the terms and availability of financing and the terms or merits of any joint venture proposals.

SILVER PRICES

Our operating results are substantially dependent upon the world market prices of silver. We have no control over silver prices, which can fluctuate widely. The volatility of such prices is illustrated by the following table, which sets forth the high and low London Fix prices of silver (as reported by www.kitco.com) per ounce during the periods indicated:

| | Year Ended December 31, | | | | | |
|--------|-------------------------|----------|----------|----------|----------|----------|
| | 2019 | | 2018 | | 2017 | |
| | High | Low | High | Low | High | Low |
| Silver | \$ 19.30 | \$ 14.37 | \$ 17.52 | \$ 13.97 | \$ 18.56 | \$ 15.22 |

These historical prices are not indicative of future silver prices.

MARKETING

All of our mining operations, if successful, will produce silver in doré form or a concentrate that contains silver.

We plan to market our refined metal and doré to credit worthy bullion trading houses, market makers and members of the London Bullion Market Association, industrial companies and sound financial institutions. The refined metals will be sold to end users for use in electronic circuitry, jewelry, silverware, and the pharmaceutical and technology industries. Generally, the loss of a single bullion trading counterparty would not adversely affect us due to the liquidity of the markets and the availability of alternative trading counterparties.

We plan to refine and market its precious metals doré and concentrates using a geographically diverse group of third party smelters and refiners. The loss of any one smelting and refining client may have a material adverse effect if alternate smelters and refiners are not available. We believe there is sufficient global capacity available to address the loss of any one smelter.

GOVERNMENT REGULATION

General

Our activities are and will be subject to extensive federal, state and local laws governing the protection of the environment, prospecting, mine development, production, taxes, labor standards, occupational health, mine safety, toxic substances and other matters. The costs associated with compliance with such regulatory requirements are substantial and possible future legislation and regulations could cause additional expense, capital expenditures, restrictions and delays in the development and continued operation of our properties, the extent of which cannot be predicted. In the context of environmental permitting, including the approval of reclamation plans, we must comply with known standards and regulations which may entail significant costs and delays. Although we are committed to environmental responsibility and believe we are in substantial compliance with applicable laws and regulations, amendments to current laws and regulations, more stringent implementation of these laws and regulations through judicial review or administrative action or the adoption of new laws could have a materially adverse effect upon our results of operations.

Federal Environmental Laws

Certain mining wastes from extraction and beneficiation of ores are currently exempt from the extensive set of Environmental Protection Agency (“EPA”) regulations governing hazardous waste, although such wastes may be subject to regulation under state law as a solid or hazardous waste. The EPA has worked on a program to regulate these mining wastes pursuant to its solid waste management authority under the Resource Conservation and Recovery Act (“RCRA”). Certain ore processing and other wastes are currently regulated as hazardous wastes by the EPA under RCRA. If our future mine wastes, if any, were treated as hazardous waste or such wastes resulted in operations being designated as a “Superfund” site under the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA” or “Superfund”) for cleanup, material expenditures would be required for the construction of additional waste disposal facilities or for other remediation expenditures. Under CERCLA, any present owner or operator of a Superfund site or an owner or operator at the time of its contamination generally may be held liable and may be forced to undertake remedial cleanup action or to pay for the government’s cleanup efforts. Such owner or operator may also be liable to governmental entities for the cost of damages to natural resources, which may be substantial. Additional regulations or requirements may also be imposed upon our future tailings and waste disposal, if any, in Nevada under the Federal Clean Water Act (“CWA”) and state law counterparties. We have reviewed and considered current federal legislation relating to climate change and we do not believe it to have a material effect on our operations. Additional regulation or requirements under any of these laws and regulations could have a materially adverse effect upon our results of operations.

EMPLOYEES AND CONSULTANTS

We have only one part-time employee, Mr. Power, who devotes approximately 25% of his time and attention to our business. We have agreed to pay Mr. Power \$2,500 per month for his services.

We rely heavily on the services of consulting engineers and geologists.

ITEM 1A – RISK FACTORS.

An investment in our securities is speculative and involves a high degree of risk. Please carefully consider the following risk factors, as well as the possibility of the loss of your entire investment, before deciding to invest in our securities.

Risks Related to our Business

Due to our history of operating losses our auditors have expressed substantial doubt about our ability to continue as a going concern.

Our financial statements have been prepared assuming that we will continue as a going concern. Due to our continuing operating losses and negative cash flows from our operations, the report of our auditors issued in connection with our financial statements for the years ended December 31, 2019 and 2018, contain explanatory paragraphs indicating that the foregoing matters raised substantial doubt about our ability to continue as a going concern. We cannot provide any assurance that we will be able to continue as a going concern.

Uncontrollable events like the COVID-19 pandemic may negatively impact our operations.

The occurrence of an uncontrollable event such as the COVID-19 pandemic may negatively affect our operations. A pandemic typically results in social distancing, travel bans and quarantine, and this may limit access to our facilities, customers, management, support staff and professional advisors. These factors, in turn, may not only impact our operations, financial condition and demand for our goods and services but our overall ability to react timely to mitigate the impact of this event. Also, it may hamper our efforts to comply with our filing obligations with the Securities and Exchange Commission.

We have substantially impaired our Langtry Project.

During 2017 the Company evaluated its mineral rights and properties. As a result of the evaluation, the Company recognized an impairment loss of \$1,885,816 associated with the Langtry project as of December 31, 2017. The impairment analysis and conclusion was a result of the continuing low silver prices that negatively affect the economic viability of the project. As such, the Company impaired at 100% all capitalized lease and maintenance payments made prior to the Lease Option agreement of March 10, 2016, as well as the deed amendment fee of \$150,000 that provides for a royalty cap upon any future production activities.

During 2018, the Company again evaluated its mineral rights and properties for impairment and determined that due to the continued low silver prices, as well as the Company's limited access to capital for further development of the Langtry project, additional impairment of the remaining mineral rights assets totaling \$63,183 was recorded at December 31, 2018. After this impairment, the carrying amount of these mineral rights was zero.

We have no history of or experience in mineral production.

We have no history of or experience in producing silver or other metals. The development of our Langtry Project would require the construction and operation of mines, processing plants, and related infrastructure. As a result, we would be subject to all of the risks associated with establishing a new mining operation and business enterprise. We may never successfully establish mining operations, and any such operations may not achieve profitability.

Our principal shareholders and control persons are also principal shareholders and control persons of Magellan and Silver Saddle, which could result in conflicts with the interests of minority stockholders.

Messrs. Gibbs and Power are control persons and principal shareholders of Athena, Magellan and Silver Saddle. Athena, Magellan and Silver Saddle are engaged in mineral exploration activities, although in different geographical regions. While the geographical focus of the companies is different, numerous conflicts could arise in the future. For example, Messrs. Gibbs and Power have provided the majority of working capital for all three companies to date, and in the likely event that these companies require additional capital in the future, their resources may be inadequate to finance the activities of all. In addition, if new prospects become available, a conflict may exist with respect to which company to offer those opportunities. Messrs. Gibbs and Power have not developed a conflict of interest policy to mitigate the potential adverse effects of these conflicts and as a result these conflicts represent a significant risk to the shareholders of the Company. Conflicts for access to limited resources and opportunities cannot be eliminated completely, and investors should be aware of their potential.

Our principal executive officer intends to devote only a limited amount of his time and attention to our business.

Mr. Power is the only executive officer of Athena. He anticipates that he will only devote approximately 25% of his time and attention to our business. This limited focus could result in significant delays in our exploration and development activities and ability to generate revenues and profits, if any, in the future.

We have no proven or probable reserves.

We are currently in the exploration stage and have no proven or probable reserves, as those terms are defined by the SEC, on any of our properties including the Langtry Project. The mineralized material identified to date in respect of the Langtry Project has not demonstrated economic viability and we cannot provide any assurance that mineral reserves with economic viability will be identified on that property.

In order to demonstrate the existence of proven or probable reserves under SEC guidelines, it would be necessary for us to advance the exploration of our Langtry Project by significant additional delineation drilling to demonstrate the existence of sufficient mineralized material with satisfactory continuity which would provide the basis for a feasibility study which would demonstrate with reasonable certainty that the mineralized material can be economically extracted and produced. We do not have sufficient data to support a feasibility study with regard to the Langtry Project, and in order to perform the drill work to support such feasibility study, we must obtain the necessary permits and funds to continue our exploration efforts. It is possible that, even after we have obtained sufficient geologic data to support a feasibility study on the Langtry Project, such study will conclude that none of the identified mineral deposits can be economically and legally extracted or produced. If we cannot adequately confirm or discover any mineral reserves of precious metals on the Langtry Property, we may not be able to generate any revenues. Even if we discover mineral reserves on the Langtry Property in the future that can be economically developed, the initial capital costs associated with development and production of any reserves found is such that we might not be profitable for a significant time after the initiation of any development or production. The commercial viability of a mineral deposit once discovered is dependent on a number of factors beyond our control, including particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as metal prices. In addition, development of a project as significant as Langtry will likely require significant debt financing, the terms of which could contribute to a delay of profitability.

The exploration of mineral properties is highly speculative in nature, involves substantial expenditures and is frequently non-productive.

Mineral exploration is highly speculative in nature and is frequently non-productive. Substantial expenditures are required to:

- establish ore reserves through drilling and metallurgical and other testing techniques;
- determine metal content and metallurgical recovery processes to extract metal from the ore; and,
- design mining and processing facilities.

If we discover ore at the Langtry Project, we expect that it would be several additional years from the initial phases of exploration until production is possible. During this time, the economic feasibility of production could change. As a result of these uncertainties, there can be no assurance that our exploration programs will result in proven and probable reserves in sufficient quantities to justify commercial operations at the Langtry Project.

Even if our exploration efforts at Langtry are successful, we may not be able to raise the funds necessary to develop the Langtry Project.

If our exploration efforts at Langtry are successful, our current estimates indicate that we would be required to raise at least \$50 million in external financing to develop and construct the Langtry Project. Sources of external financing could include bank borrowings and debt and equity offerings, but financing has become significantly more difficult to obtain in the current market environment. The failure to obtain financing would have a material adverse effect on our growth strategy and our results of operations and financial condition. There can be no assurance that we will commence production at Langtry or generate sufficient revenues to meet our obligations as they become due or obtain necessary financing on acceptable terms, if at all, and we may not be able to secure the financing necessary to begin or sustain production at the Langtry Project. In addition, should we incur significant losses in future periods, we may be unable to continue as a going concern, and we may not be able to realize our assets and settle our liabilities in the normal course of business at amounts reflected in our financial statements included or incorporated by reference in this Form 10-K.

We may not be able to obtain all of the permits required for development of the Langtry Project.

In the ordinary course of business, mining companies are required to seek governmental permits for expansion of existing operations or for the commencement of new operations. We will be required to obtain numerous permits for our Langtry Project. Obtaining the necessary governmental permits is a complex and time-consuming process involving numerous jurisdictions and often involving public hearings and costly undertakings. Our efforts to develop the Property may also be opposed by environmental groups. In addition, mining projects require the evaluation of environmental impacts for air, water, vegetation, wildlife, cultural, historical, geological, geotechnical, geochemical, soil and socioeconomic conditions. An Environmental Impact Statement would be required before we could commence mine development or mining activities. Baseline environmental conditions are the basis on which direct and indirect impacts of the Langtry Project are evaluated and based on which potential mitigation measures would be proposed. If the Langtry Project were found to significantly adversely impact the baseline conditions, we could incur significant additional costs to avoid or mitigate the adverse impact, and delays in the Langtry Project could result.

Permits would also be required for, among other things, storm-water discharge; air quality; wetland disturbance; dam safety (for water storage and/or tailing storage); septic and sewage; and water rights appropriation. In addition, compliance must be demonstrated with the Endangered Species Act and the National Historical Preservation Act.

The mining industry is intensely competitive.

The mining industry is intensely competitive. We may be at a competitive disadvantage because we must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than we do. Increased competition could adversely affect our ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future. We may also encounter increasing competition from other mining companies in our efforts to locate acquisition targets, hire experienced mining professionals and acquire exploration resources.

Our future success is subject to risks inherent in the mining industry.

Our future mining operations, if any, would be subject to all of the hazards and risks normally incident to developing and operating mining properties. These risks include:

- insufficient ore reserves;
- fluctuations in metal prices and increase in production costs that may make mining of reserves uneconomic;
- significant environmental and other regulatory restrictions;
- labor disputes; geological problems;
- failure of underground stopes and/or surface dams;
- force majeure events; and
- the risk of injury to persons, property or the environment.

Our future profitability will be affected by changes in the prices of metals.

If we establish reserves, complete a favorable feasibility study for the Langtry Project, and complete development of a mine, our profitability and long-term viability will depend, in large part, on the market price of silver. The market prices for metals are volatile and are affected by numerous factors beyond our control, including:

- global or regional consumption patterns;
- supply of, and demand for, silver and other metals;
- speculative activities;
- expectations for inflation; and
- political and economic conditions.

The aggregate effect of these factors on metals prices is impossible for us to predict. Decreases in metals prices could adversely affect our ability to finance the exploration and development of our properties, which would have a material adverse effect on our financial condition and results of operations and cash flows. There can be no assurance that metals prices will not decline. As reported on the website www.kitco.com, during the three-year period ended December 31, 2019, the high and low settlement prices for silver were \$19.30 and \$13.97 per ounce, respectively.

The market price of silver is volatile. Low silver prices could result in decreased revenues, decreased net income or increased losses and decreased cash flows, and may negatively affect our business.

Silver is a commodity. Its price fluctuates, and is affected by many factors beyond our control, including interest rates, expectations regarding inflation, speculation, currency values, governmental decisions regarding the disposal of precious metals stockpiles, global and regional demand and production, political and economic conditions and other factors.

The price of silver may decline in the future. Factors that are generally understood to contribute to a decline in the price of silver include sales by private and government holders, and a general global economic slowdown. If the price of silver is depressed for a sustained period and our net losses continue, we may be forced to suspend operations until the prices increase, and to record asset impairment write-downs. Any continued or increased net losses or asset impairment write-downs would adversely affect our financial condition and results of operations

We might be unable to raise additional financing necessary to complete capital needs, conduct our business and make payments when due.

We will need to raise additional funds in order to meet capital needs and implement our business plan. Any required additional financing might not be available on commercially reasonable terms, or at all. If we raise additional funds by issuing equity securities, holders of our common stock could experience significant dilution of their ownership interest, and these securities could have rights senior to those of the holders of our common stock.

Mineral exploration and development inherently involves significant and irreducible financial risks. We may suffer from the failure to find and develop profitable mines.

The exploration for and development of mineral deposits involves significant financial risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Unprofitable efforts may result from the failure to discover mineral deposits. Even if mineral deposits are found, such deposits may be insufficient in quantity and quality to return a profit from production, or it may take a number of years until production is possible, during which time the economic viability of the Project may change. Few properties which are explored are ultimately developed into producing mines. Mining companies rely on consultants and others for exploration, development, construction and operating expertise.

Substantial expenditures are required to establish ore reserves, extract metals from ores and, in the case of new properties, to construct mining and processing facilities. The economic feasibility of any development project is based upon, among other things, estimates of the size and grade of ore reserves, proximity to infrastructures and other resources (such as water and power), metallurgical recoveries, production rates and capital and operating costs of such development projects, and metals prices. Development projects are also subject to the completion of favorable feasibility studies, issuance and maintenance of necessary permits and receipt of adequate financing.

Once a mineral deposit is developed, whether it will be commercially viable depends on a number of factors, including: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; government regulations including taxes, royalties and land tenure; land use, importing and exporting of minerals and environmental protection; and mineral prices. Factors that affect adequacy of infrastructure include: reliability of roads, bridges, power sources and water supply; unusual or infrequent weather phenomena; sabotage; and government or other interference in the maintenance or provision of such infrastructure. All of these factors are highly cyclical. The exact effect of these factors cannot be accurately predicted, but the combination may result in not receiving an adequate return on invested capital.

Significant investment risks and operational costs are associated with our exploration, development and mining activities. These risks and costs may result in lower economic returns and may adversely affect our business.

Mineral exploration, particularly for silver, involves many risks and is frequently unproductive. If mineralization is discovered, it may take a number of years until production is possible, during which time the economic viability of the Project may change.

Development projects may have no operating history upon which to base estimates of future operating costs and capital requirements. Development project items such as estimates of reserves, metal recoveries and cash operating costs are to a large extent based upon the interpretation of geologic data, obtained from a limited number of drill holes and other sampling techniques, and feasibility studies. Estimates of cash operating costs are then derived based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of metals from the ore, comparable facility and equipment costs, anticipated climate conditions and other factors. As a result, actual cash operating costs and economic returns of any and all development projects may materially differ from the costs and returns estimated, and accordingly, our financial condition and results of operations may be negatively affected.

The estimation of ore reserves is imprecise and depends upon subjective factors. Estimated ore reserves may not be realized in actual production. Our operating results may be negatively affected by inaccurate estimates.

If, in the future, we present estimates of ore reserve figures in our public filings, those figures may be estimated by our technical personnel. Reserve estimates are a function of geological and engineering analyses that require us to make assumptions about production costs and silver market prices. Reserve estimation is an imprecise and subjective process. The accuracy of such estimates is a function of the quality of available data and of engineering and geological interpretation, judgment and experience. Assumptions about silver market prices are subject to great uncertainty as those prices have fluctuated widely in the past. Declines in the market prices of silver may render future potential reserves containing relatively lower grades of ore uneconomic to exploit, and we may be required to reduce reserve estimates, discontinue development or mining at one or more of our properties, or write down assets as impaired. Should we encounter mineralization or geologic formations at any of our projects different from those we predicted, we may adjust our reserve estimates and alter our mining plans. Either of these alternatives may adversely affect our actual future production and operating results.

The estimation of the ultimate recovery of metals contained within a heap leach pad inventory is inherently inaccurate and subjective and requires the use of estimation techniques. Actual recoveries can be expected to vary from estimations.

We expect to use the heap leach process to extract silver from ore. The heap leach process is a process of extracting silver by placing ore on an impermeable pad and applying a diluted cyanide solution that dissolves a portion of the contained silver, which is then recovered in metallurgical processes.

We will use several integrated steps in the process of extracting silver to estimate the metal content of ore placed on the leach pads. Although we will refine our estimates as appropriate at each step in the process, the final amounts are not determined until a third-party smelter converts the doré and determines final ounces of silver available for sale. We will then review this end result and reconcile it to the estimates we developed and used throughout the production process. Based on this review, we may adjust our estimation procedures when appropriate. As a result, actual recoveries can vary from estimates, and the amount of the variation could be significant and could have a material adverse impact on our financial condition and results of operations.

Silver mining involves significant production and operational risks. We may suffer from the failure to efficiently operate our mining projects.

Silver mining involves significant degrees of risk, including those related to mineral exploration success, unexpected geological or mining conditions, the development of new deposits, climatic conditions, equipment and/or service failures, compliance with current or new governmental requirements, current availability of or delays in installing and commissioning plant and equipment, import or customs delays and other general operating risks. Problems may also arise due to the quality or failure of locally obtained equipment or interruptions to services (such as power, water, fuel or transport or processing capacity) or technical support, which results in the failure to achieve expected target dates for exploration or production activities and/or result in a requirement for greater expenditure. The right to develop silver reserves may depend on obtaining certain licenses and quotas, the granting of which may be at the discretion of the relevant regulatory authorities. There may be delays in obtaining such licenses and quotas, leading to our results of operations being adversely affected, and it is possible that from time to time mining licenses may be refused.

There will be significant hazards associated with our mining activities, some of which may not be fully covered by insurance. To the extent we must pay the costs associated with such risks, our business may be negatively affected.

The mining business is subject to risks and hazards, including environmental hazards, industrial accidents, the encountering of unusual or unexpected geological formations, cave-ins, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, reduced production and delays in mining, asset write-downs, monetary losses and possible legal liability. Insurance fully covering many environmental risks (including potential liability for pollution or other hazards as a result of disposal of waste products occurring from exploration and production) is not generally available to us or to other companies in the industry. Although we maintain insurance in an amount that we consider to be adequate, liabilities might exceed policy limits, in which event we could incur significant costs that could adversely affect our financial condition, results of operation and liquidity.

We are subject to significant governmental regulations.

Our operations and exploration and development activities are subject to extensive federal, state, and local laws and regulations governing various matters, including:

- environmental protection;
- management and use of toxic substances and explosives;
- management of natural resources;
- exploration and development of mines, production and post-closure reclamation;
- taxation;
- labor standards and occupational health and safety, including mine safety; and
- historic and cultural preservation.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in us incurring significant expenditures. We may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or a more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of any future operations and delays in the exploration of our properties.

Changes in mining or environmental laws could increase costs and impair our ability to develop our properties.

From time to time the U.S. Congress may consider revisions in its mining and environmental laws. It remains unclear to what extent new legislation may affect existing mining claims. The effect of any such revisions on our operations cannot be determined conclusively until such revision is enacted; however, such legislation could materially increase costs on properties located on federal lands, such as ours, and such revision could also impair our ability to develop the Langtry Project and to explore and develop other mineral projects.

Compliance with environmental regulations and litigation based on environmental regulations could require significant expenditures.

Mining exploration and mining are subject to the potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) is not generally available to us (or to other companies in the minerals industry) at a reasonable price.

Environmental regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees.

To the extent we are subject to environmental liabilities, the settlement of such liabilities or the costs that we may incur to remedy environmental pollution would reduce funds otherwise available to us and could have a material adverse effect on our financial condition and results of operations. If we are unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The environmental standards that may ultimately be imposed at a mine site impact the cost of remediation and may exceed the financial accruals that have been made for such remediation. The potential exposure may be significant and could have a material adverse effect on our financial condition and results of operations.

Moreover, governmental authorities and private parties may bring lawsuits based upon damage to property and injury to persons resulting from the environmental, health and safety impacts of our operations, which could lead to the imposition of substantial fines, remediation costs, penalties and other civil and criminal sanctions. Substantial costs and liabilities, including for restoring the environment after the closure of mines, are inherent in our proposed operations

Some mining wastes are currently exempt to a limited extent from the extensive set of federal Environmental Protection Agency (“EPA”) regulations governing hazardous waste under the Resource Conservation and Recovery Act (“RCRA”). If the EPA designates these wastes as hazardous under RCRA, we may be required to expend additional amounts on the handling of such wastes and to make significant expenditures to construct hazardous waste disposal facilities. In addition, if any of these wastes causes contamination in or damage to the environment at a mining facility, such facility may be designated as a “Superfund” site under the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”). Under CERCLA, any owner or operator of a Superfund site since the time of its contamination may be held liable and may be forced to undertake extensive remedial cleanup action or to pay for the government’s cleanup efforts. Such owner or operator may also be liable to governmental entities for the cost of damages to natural resources, which may be substantial. Additional regulations or requirements are also imposed under the federal Clean Water Act (“CWA”). The Company considers the current proposed federal legislation relating to climate change and its potential enactment may have future impacts to the Company’s operations in the United States.

In addition, there are numerous legislative and regulatory proposals related to climate change, including legislation pending in the U.S. Congress to require reductions in greenhouse gas emissions. The Company has reviewed and considered current federal legislation relating to climate change and does not believe it to have a material effect on its operations, however, additional regulation or requirements under any of these laws and regulations could have a materially adverse effect upon the Company and its results of operations.

Compliance with CERCLA, the CWA and state environmental laws could entail significant costs, which could have a material adverse effect on our operations.

In the context of environmental permits, including the approval of reclamation plans, we must comply with standards and regulations which entail significant costs and can entail significant delays. Such costs and delays could have a dramatic impact on our operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect our operations. We intend to fully comply with all applicable environmental regulations.

We are required to obtain government permits to begin new operations. The acquisition of such permits can be materially impacted by third party litigation seeking to prevent the issuance of such permits. The costs and delays associated with such approvals could affect our operations, reduce our revenues, and negatively affect our business as a whole.

Mining companies are required to seek governmental permits for the commencement of new operations. Obtaining the necessary governmental permits is a complex and time-consuming process involving numerous jurisdictions and often involving public hearings and costly undertakings. The duration and success of permitting efforts are contingent on many factors that are out of our control. The governmental approval process may increase costs and cause delays depending on the nature of the activity to be permitted, and could cause us to not proceed with the development of a mine. Accordingly, this approval process could harm our results of operations.

Any of our future acquisitions may result in significant risks, which may adversely affect our business.

An important element of our business strategy is the opportunistic acquisition of silver mines, properties and businesses or interests therein. While it is our practice to engage independent mining consultants to assist in evaluating and making acquisitions, any mining properties or interests therein we may acquire may not be developed profitably or, if profitable when acquired, that profitability might not be sustained. In connection with any future acquisitions, we may incur indebtedness or issue equity securities, resulting in increased interest expense, or dilution of the percentage ownership of existing shareholders. We cannot predict the impact of future acquisitions on the price of our business or our common stock. Unprofitable acquisitions, or additional indebtedness or issuances of securities in connection with such acquisitions, may impact the price of our common stock and negatively affect our results of operations.

We are continuously considering possible acquisitions of additional mining properties or interests therein that are located in other countries, and could be exposed to significant risks associated with any such acquisitions.

In the ordinary course of our business, we are continuously considering the possible acquisition of additional significant mining properties or interests therein that may be located in countries other than those in which we now have interests. Consequently, in addition to the risks inherent in the valuation and acquisition of such mining properties, as well as the subsequent development, operation or ownership thereof, we could be subject to additional risks in such countries as a result of governmental policies, economic instability, currency value fluctuations and other risks associated with the development, operation or ownership of mining properties or interests therein. Such risks could adversely affect our results of operations.

Our ability to find and acquire new mineral properties is uncertain. Accordingly, our prospects are uncertain for the future growth of our business.

Because mines have limited lives based on proven and probable ore reserves, we expect we will be continually seeking to replace and expand any future ore reserves. Identifying promising mining properties is difficult and speculative. Furthermore, we encounter strong competition from other mining companies in connection with the acquisition of properties producing or capable of producing silver. Many of these companies have greater financial resources than we do. Consequently, we may be unable to replace and expand future ore reserves through the acquisition of new mining properties or interests therein on terms we consider acceptable. As a result, our future revenues from the sale of silver may decline, resulting in lower income and reduced growth.

Current economic conditions and in the global economy generally, including ongoing disruptions in the debt and equity capital markets, may adversely affect our business and results of operations, and our ability to obtain financing.

The global economy has undergone a slowdown, which some observers view as a deepening recession, and the future economic environment may continue to be less favorable than that of recent years. The mining industry has experienced and may continue to experience significant downturns in connection with, or in anticipation of, declines in general economic conditions. We are unable to predict the likely duration and severity of the current disruptions in debt and equity capital markets and adverse economic conditions in the United States and other countries, which may continue to have an adverse effect on our business and results of operations.

The global stock and credit markets have recently experienced significant price volatility, dislocations and liquidity disruptions, which have caused market prices of many stocks to fluctuate substantially and the spreads on prospective and outstanding debt financings to widen considerably. These circumstances have materially impacted liquidity in the financial markets, making terms for certain financings materially less attractive, and in certain cases have resulted in the unavailability of certain types of financing. This volatility and illiquidity has negatively affected a broad range of mortgage and asset-backed and other fixed income securities. As a result, the market for fixed income securities has experienced decreased liquidity, increased price volatility, credit downgrade events, and increased defaults. Global equity markets have also been experiencing heightened volatility and turmoil, with issuers exposed to the credit markets particularly affected. These factors and the continuing market disruption have an adverse effect on us, in part because we, like many companies, from time to time may need to raise capital in debt and equity capital markets including in the asset-backed securities markets.

In addition, continued uncertainty in the stock and credit markets may negatively affect our ability to access additional short-term and long-term financing, including future securitization transactions, on reasonable terms or at all, which would negatively impact our liquidity and financial condition. In addition, if one or more of the financial institutions that support our future credit facilities fails, we may not be able to find a replacement, which would negatively impact our ability to borrow under the credit facilities. These disruptions in the financial markets also may adversely affect our credit rating and the market value of our common stock. If the current pressures on credit continue or worsen, we may not be able to refinance, if necessary, our outstanding debt when due, which could have a material adverse effect on our business. While we believe we will have adequate sources of liquidity to meet our anticipated requirements for working capital, debt servicing and capital expenditures for the foreseeable future if our operating results worsen significantly and our cash flow or capital resources prove inadequate, or if interest rates increase significantly, we could face liquidity problems that could materially and adversely affect our results of operations and financial condition.

As we do not maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, current and potential shareholders could lose confidence in our financial reporting. This would harm our business and the trading price of our stock.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. If we cannot provide financial reports or prevent fraud, our business reputation and operating results could be harmed. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our stock.

Risks Related to Our Stock

Future issuances of our common stock could dilute current shareholders and adversely affect the market if it develops.

We have the authority to issue up to 100 million shares of common stock and 5 million shares of preferred stock and to issue options and warrants to purchase shares of our common stock, without shareholder approval. Future share issuances are likely due to our need to raise additional working capital in the future. Those future issuances will likely result in dilution to our shareholders. In addition, we could issue large blocks of our common stock to fend off unwanted tender offers or hostile takeovers without further shareholder approval, which would not only result in further dilution to investors in this offering but could also depress the market value of our common stock, if a public trading market develops.

We may issue preferred stock that would have rights that are preferential to the rights of our common stock that could discourage potentially beneficial transactions to our common shareholders.

An issuance of shares of preferred stock could result in a class of outstanding securities that would have preferences with respect to voting rights and dividends and in liquidation over our common stock and could, upon conversion or otherwise, have all of the rights of our common stock. Our Board of Directors' authority to issue preferred stock could discourage potential takeover attempts or could delay or prevent a change in control through merger, tender offer, proxy contest or otherwise by making these attempts more difficult or costly to achieve. The issuance of preferred stock could impair the voting, dividend and liquidation rights of common stockholders without their approval.

Outstanding shares that are eligible for future sale could adversely impact a public trading market for our common stock, if a public trading market develops.

In the future, we may offer and sell shares without registration under the Securities Act. All of such shares will be "restricted securities" as defined by Rule 144 ("Rule 144") under the Securities Act and cannot be resold without registration except in reliance on Rule 144 or another applicable exemption from registration. Under Rule 144, our non-affiliates can sell restricted shares held for at least six months, subject only to the restriction that we made available public information as required by Rule 144. Our affiliates can sell restricted securities after six months, subject to compliance with the volume limitation, manner of sale, Form 144 filing and current public information requirements.

No prediction can be made as to the effect, if any, that future sales of restricted shares of common stock, or the availability of such common stock for sale, will have on the market price of the common stock prevailing from time to time. Sales of substantial amounts of such common stock in the public market, or the perception that such sales may occur, could adversely affect the then prevailing market price of the common stock.

If a public trading market for our shares develops, owners of our common stock will be subject to the "penny stock" rules.

Since our shares are not listed on a national stock exchange or quoted on the Nasdaq Capital Market within the United States, if a public trading market develops, of which there can be no assurance, trading in our shares on the OTC market will be subject, to the extent the market price for our shares is less than \$5.00 per share, to a number of regulations known as the "penny stock rules". The penny stock rules require a broker-dealer to deliver a standardized risk disclosure document prepared by the SEC, to provide the customer with additional information including current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, monthly account statements showing the market value of each penny stock held in the customer's account, and to make a special written determination that the penny stock is a suitable investment for the investor and receive the investor's written agreement to the transaction. To the extent these requirements may be applicable they will reduce the level of trading activity in the secondary market for our shares and may severely and adversely affect the ability of broker-dealers to sell our shares, if a publicly traded market develops.

We do not expect to pay cash dividends in the foreseeable future. Any return on investment may be limited to the value of our stock.

We have never paid any cash dividends on any shares of our capital stock, and we do not anticipate that we will pay any dividends in the foreseeable future. Our current business plan is to retain any future earnings to finance the expansion of our business. Any future determination to pay cash dividends will be at the discretion of our Board of Directors, and will be dependent upon our financial condition, results of operations, capital requirements and other factors as our board of directors may deem relevant at that time. If we do not pay cash dividends, our stock may be less valuable because a return on your investment will only occur if our stock price appreciates.

Delaware law and our by-laws protect our directors from certain types of lawsuits.

Delaware law provides that our directors will not be liable to us or our stockholders for monetary damages for all but certain types of conduct as directors. Our by-laws require us to indemnify our directors and officers against all damages incurred in connection with our business to the fullest extent provided or allowed by law. The exculpation provisions may have the effect of preventing stockholders from recovering damages against our directors caused by their negligence, poor judgment or other circumstances. The indemnification provisions may require us to use our assets to defend our directors and officers against claims, including claims arising out of their negligence, poor judgment, or other circumstances.

ITEM 1B – UNRESOLVED STAFF COMMENTS.

None.

ITEM 2 – PROPERTIES.

Descriptions of our mining and other properties are contained in the Business discussion in this Report.

ITEM 3 – LEGAL PROCEEDINGS.

None.

ITEM 4 – REMOVED AND RESERVED.

PART II

ITEM 5 – MARKET FOR REGISTRANT’S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Market Information

Our outstanding shares of common stock traded over-the-counter and quoted on the OTC Bulletin Board (“OTCBB”) under the symbol “GWBC” from January 1, 2007 to February 5, 2010. Effective February 5, 2010, our outstanding shares of common stock have traded over-the-counter and quoted on the OTCBB under the symbol “AHNR”. Our common stock is quoted currently on the OTC.QB of the OTC Markets Group, Inc. under the symbol “AHNR.” The reported high and low prices for our common stock are shown below for the period from January 1, 2018 through December 31, 2019. All quoted prices reflect inter-dealer prices without retail markup, mark-down or commission and may not necessarily represent actual transactions.

| | 2019 | | 2018 | |
|----------------------------------|---------|---------|---------|---------|
| | High | Low | High | Low |
| First quarter ended March 31 | \$ 0.02 | \$ 0.02 | \$ 0.33 | \$ 0.04 |
| Second quarter ended June 30 | \$ 0.04 | \$ 0.01 | \$ 0.30 | \$ 0.04 |
| Third quarter ended September 30 | \$ 0.06 | \$ 0.02 | \$ 0.05 | \$ 0.03 |
| Fourth quarter ended December 31 | \$ 0.05 | \$ 0.02 | \$ 0.04 | \$ 0.02 |

Registered Holders of our Common Stock

As of February 20, 2020, there were approximately 60 record owners of our common stock. We believe that a number of stockholders hold stock on deposit with their brokers or investment bankers registered in the name of stock depositories.

Dividends

Our Board of Directors may declare and pay dividends on outstanding shares of common stock out of funds legally available therefore in its sole discretion; however, to date, no dividends have been paid on common stock and we do not anticipate the payment of dividends in the foreseeable future.

Trading in our common stock is subject to rules adopted by the SEC regulating broker dealer practices in connection with transactions in "penny stocks." Those disclosure rules applicable to penny stocks 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 prepared by the SEC. That disclosure document advises an investor that investment in penny stocks can be very risky and that the investor's salesperson or broker is not an impartial advisor but rather paid to sell the shares. The disclosure contains further warnings for the investor to exercise caution in connection with an investment in penny stocks, to independently investigate the security, as well as the salesperson with whom the investor is working and to understand the risky nature of an investment in this security. The broker dealer must also provide the customer with certain other information and 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. Further, the rules require that, following the proposed transaction, the broker provide the customer with monthly account statements containing market information about the prices of the securities.

Recent Sales of Unregistered Securities

None.

Equity Compensation Plan Information

The Company has no equity compensation plans.

ITEM 6 – SELECTED FINANCIAL DATA.

We are a smaller reporting company as defined by the Exchange Act and are not required to provide the information required under this item.

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

We use the terms “Athena,” “we,” “our,” and “us” to refer to Athena Silver Corporation and its consolidated subsidiary.

The following discussion should be read in conjunction with our financial statements, including the notes thereto, appearing elsewhere in this Report. The discussion of results, causes and trends should not be construed to imply any conclusion that these results or trends will necessarily continue into the future.

Forward-Looking Statements

Some of the information presented in this Form 10-K constitutes “forward-looking statements. These forward-looking statements include, but are not limited to, statements that include terms such as “may,” “will,” “intend,” “anticipate,” “estimate,” “expect,” “continue,” “believe,” “plan,” or the like, as well as all statements that are not historical facts. Forward-looking statements are inherently subject to risks and uncertainties that could cause actual results to differ materially from current expectations. Although we believe our expectations are based on reasonable assumptions within the bounds of our knowledge of our business and operations, there can be no assurance that actual results will not differ materially from expectations.

All forward-looking statements speak only as of the date on which they are made. We undertake no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they are made.

Business Overview

We were incorporated on December 23, 2003, in Delaware and our principal business is the acquisition and exploration of mineral resources.

Our holdings consist of a Mining Lease with Option to Purchase (“Langtry Lease” “Langtry” or the “Lease”), as well as other mining and investment properties acquired in cash sales. All mining assets are located in the Calico Mining District in San Bernardino County, California. The Lease expires in 2036 and grants us the right to develop and conduct mining operations on a 413-acre group of 20 patented claims subject to our annual option payment obligations. Our other mining and investment properties totaling approximately 850 acres are located adjacent to, or near the Langtry property in San Bernardino, California.

Because of limited resources as well as prolonged depressed silver prices, we have not performed drilling operations since a drilling and testing program performed in 2011 and 2012. Rather, we have focused our efforts to maximize value through the renegotiation of our lease obligation into a more favorable overall lease/option agreement, acquiring additional mining claims adjacent to the Langtry property and working with San Bernardino County to confirm our vested mining right for the Langtry patented claims held under the lease/option agreement. A complete discussion of our mineral rights and properties can be found in the Notes to the Financial Statements included in this report.

In 2017, we evaluated our mineral rights and properties, and as a result an impairment loss of \$1,885,816 was recognized associated with the Langtry project. The impairment analysis and conclusion considered the Company's historical operating losses and the likelihood that such losses would continue in the future due to the prolonged depression in silver prices which make further exploration and development activity uneconomical. In 2018 we again evaluated our mineral rights and properties and due to the continued low silver prices and limited access to capital for further development of the project, we recorded an additional impairment charge of \$63,183 representing all remaining assets associated with the Langtry project.

We continue to evaluate strategies to enhance the value of our mining assets subject to restrictions based on our limited capital available under our line of credit. Our ongoing mineral lease payments, exploration and development efforts and general and administrative expenses will require additional capital.

Results of Operations:

Results of Operations for the Years Ended December 31, 2019 and 2018

A summary of our results from operations is as follows:

| | Years Ended December 31, | |
|-------------------------------------|--------------------------|---------------------|
| | 2019 | 2018 |
| Operating expenses: | | |
| Exploration costs | \$ 40,000 | \$ 20,825 |
| General and administrative expenses | 115,266 | 144,225 |
| Impairment of mineral rights | - | 63,183 |
| Total operating expenses | <u>155,266</u> | <u>228,233</u> |
| Operating loss | (155,266) | (228,233) |
| Total other expenses, net | (110,980) | (60,029) |
| Net loss | <u>\$ (266,246)</u> | <u>\$ (288,262)</u> |

For the year ended December 31, 2019, our net loss was \$266,246 as compared to a net loss of \$288,262 during the same period in 2018. The \$22,016 decrease in our loss was mainly attributable to the impairment loss and the effect of the change in the derivative liability in 2018.

Operating expenses:

Our total operating expenses decreased \$72,967, or 32%, from \$228,233 to \$155,266 for the years ended December 31, 2018 and 2019, respectively.

During the year ended December 31, 2019, we incurred \$40,000 of exploration costs representing the total annual lease option obligations for the Langtry project. In March 2019, the trustee overseeing this lease/option contract agreed to split the payment due on March 15, 2019 into two parts, with \$20,000 due in March 2019, and the other \$20,000 due in September 2019. The March payment was paid as scheduled. During September 2019, the trustee agreed to split the \$20,000 payment originally due in September 2019, into two \$10,000 payments due on October 15, 2019 and November 15, 2019. The payment due on October 15, 2019 was paid as agreed. As of December 31, 2019, the remaining \$10,000 obligation was not yet paid and is therefore included on the consolidated balance sheet as an Accrued lease option liability. This amount was subsequently paid in February 2020. During the year ended December 31, 2018, we incurred \$20,825 of exploration costs representing only the portion of the annual lease option payment that were not deemed applicable to the purchase option price for the Langtry project.

Our general and administrative expenses decreased by \$28,959, or 20%, from \$144,225 to \$115,266 for the year ended December 31, 2018 and 2019, respectively. The decrease is primarily attributed to a decrease in certain professional services.

On December 31, 2018 due to the continued low silver prices and our limited access to capital to further develop the project, we recognized an additional impairment loss of \$63,183 also associated with the Langtry project. No impairment losses were recognized during the year ended December 31, 2019.

Other income and expense:

Our total other expenses, net was \$110,980 during the year ended December 31, 2019, as compared to total other expenses, net of \$60,029 during the year ended December 31, 2018.

For the year ended December 31, 2019 other expenses consisted entirely of interest expense totaling \$110,980 which included \$106,954 associated with our related party convertible credit facility, and \$4,026 of interest expense associated with a convertible note payable originating in April 2015, from the conversion of certain amounts due our primary legal counsel.

For the year ended December 31, 2018 we incurred a total of \$103,639 in interest expense which included \$99,464 in interest expense associated with our related party convertible credit facility, \$386 associated with an installment note payable with our Chief Executive Officer that matured in the third quarter, as well as \$3,789 of interest expense associated with a convertible note payable originating in April 2015, from the conversion of certain amounts due our primary legal counsel.

In April 2015, we converted certain amounts due our primary legal counsel to a convertible note payable in the face amount of \$51,270. The Note contains certain anti-dilution provisions that would reduce the conversion price should the Company issue common stock equivalents at a price less than the Note conversion price. Accordingly, the conversion features of the Note were considered a discount to the Note at its inception of \$31,710, which was charged to interest expense in the second quarter of 2015, and the establishment of a derivative liability. The Note is evaluated quarterly, and upon any quarterly valuations in which the value of the discount changes we recognize a gain or loss due to a decrease or increase in the fair value of the derivative liability, respectively. For the year ended December 31, 2018 the periodic valuation resulted in \$43,610 decrease in the derivative liability, and a resulting credit to our results of operations as a change in the fair value of derivative liabilities. Upon the adoption of ASU 2017-11, the remaining liability was eliminated and credited to our accumulated deficit as a cumulative adjustment on January 1, 2019.

Liquidity and Capital Resources:

Going Concern

Our interim consolidated financial statements have been prepared on a going concern basis, which assumes that we will be able to meet our obligations and continue our operations during the next fiscal year. Asset realization values may be significantly different from carrying values as shown in our consolidated financial statements and do not give effect to adjustments that would be necessary to the carrying values of assets and liabilities should we be unable to continue as a going concern.

At December 31, 2019, we had not yet achieved profitable operations and we have accumulated losses of \$9,506,948 since our inception. We expect to incur further losses in the development of our business, all of which casts substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern depends on our ability to generate future profits and/or to obtain the necessary financing to meet our obligations arising from normal business operations when they come due. Effective September 30, 2019, we amended our credit agreement with Mr. Gibbs to increase the borrowing limit under the convertible credit facility to \$2,400,000, and effective December 31, 2019 we amended the agreement to extend the maturity date to June 30, 2020.

We have financed our capital requirements primarily through borrowings from related parties. We expect to meet our future financing needs and working capital and capital expenditure requirements through additional borrowings and offerings of debt or equity securities, although there can be no assurance that our future financing efforts will be successful. The terms of future financing could be highly dilutive to existing shareholders. Currently, there are no arrangements in place for additional equity funding or new loans.

Liquidity

As of December 31, 2019, we had \$117 of cash and negative working capital of \$2,980,090. This compares to cash on hand of \$3,991 and negative working capital of \$2,718,574 at December 31, 2018.

We have a Credit Agreement with a significant shareholder, as amended, which provides us with an unsecured credit facility in the maximum borrowing amount of \$2,400,000. The aggregate principal amount borrowed, together with interest at the rate of 5% per annum, is due in full on June 30, 2020, and is convertible, at the option of the lender, into common shares at a conversion price of \$0.50 per share.

The convertible credit facility also contains customary representations and warranties (including those relating to organization and authorization, compliance with laws, payment of taxes and other obligations, absence of defaults, material agreements and litigation) and customary events of default (including those relating to monetary defaults, covenant defaults, cross defaults and bankruptcy events). As of December 31, 2019, total borrowings under the Credit Agreement were \$2,202,120, leaving \$197,880 of credit available for future borrowings.

The Langtry lease and option to purchase originated in March 2010, and had been subject to various amendments. A Lease/Purchase Option dated March 10, 2016, which modified the rental, option payments and lessor royalties covering the Langtry Property, replaced the lease and subsequent amendments thereto in its entirety. Details of the terms obligations of the Lease/Purchase Option are contained in Note 3 of the financial statements.

On February 24, 2020, the Company signed an Amendment No. 1 to Lease with an Option to Purchase dated March 10, 2016 (the “Amendment”), whereby the Company and the Lessor have agreed to a revised payment schedule for fixed amounts of \$45,000 and \$50,000 respectively for the 2020 and 2021 option payments. The fixed amounts payable in 2020 and 2021 are due in equal quarterly amounts of \$11,250 in 2020 and \$12,500 in 2021 due on March 15, June 15, September 15 and December 15 in each year.

As of the date of the filing of this Report, we have not made the Option Payment which was due on March 15, 2020. There is a 30 day cure period under the Lease Option. We are currently evaluating whether to make the Option Payment or forfeit the Lease Option agreement altogether. If we determine to not cure the Option Payment default, the Lessor has the right to terminate the Lease Option. If that occurs, we will continue to hold the appurtenant unpatented mining claims.

Cash Flows

A summary of our cash provided by and used in operating, investing and financing activities is as follows:

| | Years Ended December 31, | |
|---|--------------------------|--------------|
| | 2019 | 2018 |
| Net cash used in operating activities | \$ (140,824) | \$ (117,339) |
| Net cash used in investing activities | – | (20,825) |
| Net cash provided by financing activities | 136,950 | 141,491 |
| Net (decrease) increase in cash | (3,874) | 3,327 |
| Cash, beginning of period | 3,991 | 664 |
| Cash, end of period | \$ 117 | \$ 3,991 |

Net cash used in operating activities:

Net cash used in operating activities was \$140,824 and \$117,339 during the year ended December 31, 2019 and 2018, respectively.

Cash used in operating activities during the year ended December 31, 2019 is primarily attributed to our \$266,246 net loss. We also realized increases in accounts payable of \$442, accrued interest on our notes payable of \$106,954, and other accrued liabilities of \$18,026.

Cash used in operating activities during the year ended December 31, 2018 is primarily attributed to our \$288,262 net loss, which includes a non-cash mining rights impairment charge of \$63,183. In addition, we recognized a non-cash gain of \$43,610 associated with the quarterly valuations of a derivative liability associated with a convertible note payable.

We also realized increases in accounts payable of \$23,651, accrued interest on our notes payable of \$99,410, and other accrued liabilities of \$28,289.

Net cash used in investing activities:

No cash was used in investing activities during the year ended December 31, 2019 as compared to \$20,825 during the year ended December 31, 2018.

Cash used in investing activities during the year ended December 31, 2018 represented the portion of the annual lease payments due under the 2016 Lease/Purchase Option that were applicable to the option purchase price. The total annual lease payment in 2018 was \$41,650, of which 50%, or \$20,825 was applicable to the option purchase price. As a result, we capitalized \$20,825 as an investment in mineral rights, and expensed the remaining \$20,825 as lease option costs, which is included in exploration costs as discussed above in Results of Operations. As a result of our asset impairment evaluation in December 2018, it was determined that all aspects of the lease payments shall be expensed as exploration costs and are discussed above in Results of Operations.

Net cash provided by financing activities:

Cash provided by financing activities during the year ended December 31, 2019 was \$136,950 compared to cash provided by financing activities of \$141,491 during the same period in 2018.

For the year ended December 31, 2019 borrowings under our convertible credit facility were \$142,500. Also, during the year ended December 31, 2019 the Company's President had advanced a total of \$31,100, of which \$26,650 was repaid during the period. In addition, in August we paid the \$10,000 on our deed amendment liability that was due on June 1, 2019. The next scheduled payment of \$10,000 will be due on June 1, 2020.

For the year ended December 31, 2018 borrowings under our convertible credit facility were \$169,000. Also, during the year the Company's President had advanced a total of \$13,600, all of which was repaid during the period. We also paid \$10,000 that was due on June 1st on our deed amendment liability. In addition, we made a total of \$17,509 in regularly scheduled principal payments due on an installment note payable with the Company's President and Chief Executive that matured on September 12, 2018.

Off Balance Sheet Arrangements:

We do not have and never had any off-balance sheet arrangements.

Recent Accounting Pronouncements

On July 13, 2017, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2017-11, Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480), Derivatives and Hedging (Topic 815): I. Accounting for Certain Financial Instruments with Down Round Features and II. Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Non-controlling Interests with a Scope Exception. Part I applies to financial instruments such as warrants, convertible debt or convertible preferred stock that contain down round features. Part II replaces the indefinite deferral for certain mandatorily redeemable non-controlling interests and mandatorily redeemable financial instruments of nonpublic entities contained within Accounting Standards Codification (ASC) Topic 480 with a scope exception and does not impact the accounting for these mandatorily redeemable instruments. The pronouncement is effective for annual and interim periods beginning after December 15, 2018. The Company has adopted this standard on a modified retrospective basis on January 1, 2019.

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, "Leases (Topic 842)" ("ASU 2016-02"). ASU 2016-02 will require lessees to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. Under ASU 2016-02, a lessee will be required to recognize assets and liabilities for leases with terms of more than 12 months. Lessor accounting remains substantially similar to current GAAP. In addition, disclosures of leasing activities are to be expanded to include qualitative along with specific quantitative information. ASU 2016-02 is effective in fiscal years beginning after December 15, 2018 (with early adoption permitted). ASU 2016-02 mandates a modified retrospective transition method. The Company has adopted this standard, which did not have a material impact on its financial statements.

Critical Accounting Policies

The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates, assumptions and judgments that affect the amounts reported in our financial statements. The accounting positions described below are significantly affected by critical accounting estimates.

We believe that the significant estimates, assumptions and judgments used when accounting for items and matters such as capitalized mineral rights, asset valuations, recoverability of assets, asset impairments, taxes, and other provisions were reasonable, based upon information available at the time they were made. Actual results could differ from these estimates, making it possible that a change in these estimates could occur in the near term.

Mineral Rights

We have determined that our mining rights meet the definition of mineral rights, as defined by accounting standards, and are tangible assets. As a result, our direct costs to acquire or lease mineral rights are initially capitalized as tangible assets. Mineral rights include costs associated with: leasing or acquiring patented and unpatented mining claims; leasing mining rights including lease signature bonuses, lease rental payments and advance minimum royalty payments; and options to purchase or lease mineral properties.

If we establish proven and probable reserves for a mineral property and establish that the mineral property can be economically developed, mineral rights will be amortized over the estimated useful life of the property following the commencement of commercial production or expensed if it is determined that the mineral property has no future economic value or if the property is sold or abandoned. For mineral rights in which proven and probable reserves have not yet been established, we assess the carrying values for impairment at the end of each reporting period and whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

The net carrying value of our mineral rights represents the fair value at the time the mineral rights were acquired less accumulated depletion and any impairment losses. Proven and probable reserves have not been established for mineral rights as of December 31, 2019. Impairment losses were recognized during each of the years ended December 31, 2018 and 2017. As such, our mineral rights are net of \$1,948,999 of impairment losses as of December 31, 2019.

Impairment of Long-lived Assets

We continually monitor events and changes in circumstances that could indicate that our carrying amounts of long-lived assets, including mineral rights, may not be recoverable. When such events or changes in circumstances occur, we assess the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through their undiscounted expected future cash flows. If the future undiscounted cash flows are less than the carrying amount of these assets, we recognize an impairment loss based on the excess of the carrying amount over the fair value of the assets.

Exploration Costs

Mineral exploration costs are expensed as incurred. When it has been determined that it is economically feasible to extract minerals and the permitting process has been initiated, exploration costs incurred to further delineate and develop the property are considered pre-commercial production costs and will be capitalized and included as mine development costs in our consolidated balance sheets.

Share-based Payments

We measure and recognize compensation expense or professional services expense for all share-based payment awards made to employees, directors and non-employee consultants based on estimated fair values. We estimate the fair value of stock options on the date of grant using the Black-Scholes-Merton option pricing model, which includes assumptions for expected dividends, expected share price volatility, risk-free interest rate, and expected life of the options. Our expected volatility assumption is based on our historical weekly closing price of our stock over a period equivalent to the expected life of the options.

We expense share-based compensation, adjusted for estimated forfeitures, using the straight-line method over the vesting term of the award for our employees and directors and over the expected service term for our non-employee consultants. We estimate forfeitures at the time of grant and revise those estimates in subsequent periods if actual forfeitures differ from our estimates. Our excess tax benefits, if any, cannot be credited to stockholders' equity until the deduction reduces cash taxes payable; accordingly, we realized no excess tax benefits during any of the periods presented in the accompanying consolidated financial statements.

Income Taxes

We account for income taxes through the use of the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and for income tax carry-forwards. A valuation allowance is recorded to the extent that we cannot conclude that realization of deferred tax assets is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years 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 operations in the period that includes the enactment date.

We follow a two-step approach to recognizing and measuring tax benefits associated with uncertain tax positions taken, or expected to be taken in a tax return. The first step is to determine if, based on the technical merits, it is more likely than not that the tax position will be sustained upon examination by a taxing authority, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement with a taxing authority. We recognize interest and penalties, if any, related to uncertain tax positions in our provision for income taxes in the consolidated statements of operations. To date, we have not recognized any tax benefits from uncertain tax positions.

ITEM 7A – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 8 – FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The financial statements required by this item are located in Item 15 beginning on page F-1 of this Annual Report on Form 10-K and are incorporated herein by reference.

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

None, except as previously disclosed.

ITEM 9A – CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time period specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosures. Our management necessarily applied its judgment in assessing the costs and benefits of such controls and procedures, which, by their nature, can provide only reasonable assurance regarding management's control objectives.

Our management, with the participation of our CEO, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Report. Based upon this evaluation, our CEO concluded that our disclosure controls and procedures were not effective because of the identification of a material weakness in our internal control over financial reporting which is described below.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Rule 13a-15(f). Our internal control over financial reporting is a process designed to provide reasonable assurance to our management and board of directors regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with U.S. GAAP.

Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP and our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. All internal control systems, no matter how well designed, have inherent limitations, including the possibility of human error and the circumvention of overriding controls. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation. Also, 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 or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2019. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework (2013). Based on this evaluation, management concluded that that our internal control over financial reporting was not effective as of December 31, 2019. Our CEO concluded we have a material weakness due to lack of segregation of duties, a limited corporate governance structure, and a lack of a formal management review process over preparation of financial information. A material weakness is a deficiency, or a combination of control deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Our size has prevented us from being able to employ sufficient resources to enable us to have an adequate level of supervision and segregation of duties within our system of internal control. Therefore, while there are some compensating controls in place, it is difficult to ensure effective segregation of accounting and financial reporting duties. Management reported the following material weaknesses:

- Lack of segregation of duties in certain accounting and financial reporting processes including the initiation, processing, recording and approval of disbursements;
- Our corporate governance responsibilities are performed by the Board of Directors, none of whom are independent under applicable standards; we do not have an audit committee or compensation committee. Our Board of Directors acts primarily by written consent without meetings which results in several of our corporate governance functions not being performed concurrent (or timely) with the underlying transactions, including evaluation of the application of accounting principles and disclosures relating to those transactions; and
- Certain reports that we prepare and accounting and reporting conclusions reached in connection with the financial statement preparation process are not subjected to a formal review process that includes multiple levels of review, and are not submitted timely to the Board of Directors for review or approval.

While we strive to segregate duties as much as practicable, there is an insufficient volume of transactions at this point in time to justify additional full-time staff. We believe that this is typical in many exploration stage companies. We may not be able to fully remediate the material weakness until we commence mining operations at which time we would expect to hire more staff. We will continue to monitor and assess the costs and benefits of additional staffing.

This Annual Report does not include an attestation report of our 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 SEC rules that permit us to provide only management's report in this Annual Report.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2019, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B – OTHER INFORMATION.

None.

PART III

ITEM 10 – DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Directors and Executive Officers

Our current executive officers and directors are:

| Name | Age | Position |
|------------------------------|-----|---|
| John C. Power ⁽¹⁾ | 57 | CEO, President, CFO, Secretary and Director |
| Brian Power ⁽¹⁾ | 54 | Director |

⁽¹⁾ John C. Power and Brian Power are brothers.

John C. Power has served as a director of Athena since its inception in December 2003 and has served as Athena's President from December 2005 to December 2007 and from January 2009 to the present and has served as Athena's Secretary since January 2007. He has also served as director of Magellan Gold Corporation since its formation in September 2010 and as an officer of Magellan from its formation until August 2017.

Mr. Power is also a co-managing member since 2011 of Silver Saddle Resources, LLC that owns mining claims in Nevada.

From March 2010 to present, Mr. Power has severed as co-Managing Member of Ryan Air Exposition, LLC, a private California holding company that invests in antique airplanes. Mr. Power has served as President and director of Alta California Broadcasting, Inc., which operated radio stations, from December 1993 to March 2007; and President and director of Four Rivers Broadcasting, Inc., also a radio broadcaster, from May 1997 to March 2005 and Vice President from March 2005 to the present. Mr. Power has served as Co-Managing Member of Wyoming Resorts, LLC, which owned and operated an historic hotel in Thermopolis, Wyoming, from June 1997 until June 2017; and Mr. Power has served as President of Power Curve, Inc., a private investment company, since 1986. Mr. Power has also been the managing member of Best of Sea Ranch, LLC since December 2004 which operated through a joint venture a vacation home rental business in The Sea Ranch California until August 2013. Mr. Power has been a general partner of Power Vacaville, LP a real estate investment firm since January 2008. Mr. Power also serves as the vice-president and director of The Tide Community Broadcasting, Inc. since July 2012.

From September 2008 to March 2012, Mr. Power served as an officer and director of Hungry Hunter, Inc., a private California-based restaurant enterprise. From March 2008 until February 2010, Mr. Power served as a director of Reserve Energy Corporation, a small private oil and gas exploration and production company; and was Managing Member of Montana Resorts, LLC, which is a holding company for Yellowstone Gateway Resorts, LLC, (from May 2002 until May 2008; and was Managing Member of Yellowstone Gateway Resorts, LLC, which owned and operated the Gallatin Gateway Inn, from May 2002 until May 2008. On November 16, 2004, Yellowstone Gateway Resorts, LLC filed a voluntary petition in bankruptcy under Chapter 11 of the U.S. Bankruptcy Code in response to an adverse arbitration award in favor of a former employee. Yellowstone Gateway Resorts, LLC was successfully reorganized under Chapter 11.

Mr. Power attended, but did not receive a degree from, Occidental College and University of California at Davis.

Brian Power has served as an officer/director of the company since its inception in December 2003. He was CEO and President from December 2003 until December 2005 and currently serves as a director of the company. From 1997 to 2014 Mr. Power served as CEO and President of Lone Oak Vineyards, Incorporated, a real estate/agricultural investment company. From October 1998 to 2005, he was a co-founder and managing member of Spirit of Adventure, LLC a company engaged in the development of deep ocean exploration technologies including the design/build of advanced manned submersibles. From 1996 through the present he serves on the board of directors of Snuba, Incorporated, a manufacturer and international licensor of proprietary ocean diving systems. From 2014 through the present, Mr. Power founded and is the managing member of Asperatus LLC, a company engaged in the development of airborne remote earth sensing technologies and related data processing analytics. Mr. Power attended Solano Community College and the University of California at Davis.

Involvement in Certain Legal Proceedings

During the last 10 years, except as disclosed above, none of our directors or officers has:

- a. had any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- b. been convicted in a criminal proceeding or subject to a pending criminal proceeding;
- c. been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; or
- d. been found by a court of competent jurisdiction in a civil action, the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

Our executive officers are elected at the annual meeting of our Board of Directors held after each annual meeting of our shareholders. Our directors are elected at the annual meeting of our shareholders. Each director and executive officer holds office until his successor is duly elected and qualified, until his resignation or until he is removed in the manner provided by our by-laws.

Family Relationships

John C. Power and Brian Power are brothers. There do not exist any arrangements or understandings between any director and any other person pursuant to which any director was elected as such.

Director Independence

Our common stock is listed on the OTC Market Inc.'s OTCQB and OTC Pinks inter-dealer quotation systems, which does not have director independence requirements. Nevertheless, for purposes of determining director independence, we have applied the definition set forth in NASDAQ Rule 4200(a)(15). The following directors are considered "independent" as defined under Rule 4200(a)(15): None. John C. Power and Brian Power would not be considered "independent" under the NASDAQ rule due to the fact that John C. Power is an officer and Brian Power is John C. Power's brother.

Board Meetings

During the year ended December 31, 2019 Our Board held no meetings but has taken numerous actions by unanimous written consent.

Committees of the Board of Directors

We currently do not have standing audit, compensation or nominating committees of the Board of Directors. We plan to form audit, compensation and nominating committees when it is necessary to do so to comply with federal securities laws or to meet listing requirements of a stock exchange or the Nasdaq Capital Market.

Compliance with Section 16(a), Beneficial Ownership

Under the Securities Laws of the United States, our directors, executive (and certain other) officers, and any persons holding more than ten percent (10%) of our common stock during any part of our most recent fiscal year are required to report their ownership of common stock and any changes in that ownership to the SEC. Specific due dates for these reports have been established and we are required to report in this Report any failure to file by these dates. During the year ended December 31, 2019, all of these filing requirements were satisfied by our officers, directors, and ten-percent holders. In making these statements, we have relied on the written representation of our directors and officers or copies of the reports that they have filed with the Commission.

Code of Ethics

We have adopted a Code of Ethics that applies to, among other persons, our company's principal executive officer, as well as persons performing similar functions. As adopted, our Code of Ethics sets forth written guidelines to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in all reports and documents that we file with, or submit to, the SEC and in other public communications made by us that are within the executive officer's area of responsibility;
- compliance with applicable governmental laws, rules and regulations;
- the prompt internal reporting of violations of the Code; and
- accountability for adherence to the Code.

Our Code of Ethics has been filed with the SEC as Exhibit 14 to our Annual Report on Form 10-KSB for the fiscal year ended December 31, 2006, as filed with the SEC on April 24, 2007. We will provide a copy of the Code of Ethics to any person without charge, upon request. Requests can be sent to: Athena Silver Corporation, 2010A Harbison Drive # 312, Vacaville, CA 95687.

ITEM 11 – EXECUTIVE COMPENSATION

Director Compensation

The following table summarizes all director compensation in the most recent fiscal year ended December 31, 2019. There are no standard compensation arrangements in place for our directors.

| Director Compensation | | | | |
|-----------------------|--|--------------------------|-----------------------------------|---------------|
| Name | Fees Earned or Paid in Cash (\$) | Option Awards (\$) | All Other Compensation (\$) | Total (\$) |
| John C. Power | – | – | – | – |
| Brian Power | – | – | – | – |

Executive Compensation

The executive officers for the most recent fiscal year ended December 31, 2019 are as follows:

John C. Power, CEO, President, CFO, Secretary and director.

Summary Compensation Table

The following table sets forth all compensation recorded by us to Mr. Power during the years ended December 31, 2019 and 2018:

| Summary Compensation Table | | | | | | | | | |
|--------------------------------------|------|----------------|---------------|-------------------------|--------------------------|--|--|-----------------------------------|---------------|
| Name and Principal Position | Year | Salary (\$) | Bonus (\$) | Stock Awards (\$) | Option Awards (\$) | Non-Equity Incentive Plan Compensation (\$) | Nonqualified Deferred Compensation Earnings (\$) | All Other Compensation (\$) | Total (\$) |
| John C. Power, President | 2019 | 30,000 | – | – | – | – | – | – | 30,000 |
| | 2018 | 30,000 | – | – | – | – | – | – | 30,000 |

Mr. Power is our only executive officer. We entered into a one-year consulting agreement with Mr. Power at the rate of \$30,000 per year for his part-time service as our President. Mr. Power devotes approximately 25% of his time and attention to our business.

Employment Agreements

We do not have any written employment agreements other than the above-referenced consulting agreement with any of our executive officers; nor do we have or maintain key man life insurance on Mr. Power.

Equity Incentive Plan

On December 10, 2004, we adopted our 2004 Equity Incentive Plan (the “Plan”) for our officers, directors and other employees, plus outside consultants and advisors. Under the Plan, our employees, outside consultants and advisors may receive awards of non-qualified options and incentive options, stock appreciation rights or shares of stock. As required by Section 422 of the Internal Revenue Code of 1986, as amended, the aggregate fair market value of our common stock underlying incentive stock options granted to an employee exercisable for the first time in any calendar year may not exceed \$100,000. The foregoing limitation does not apply to non-qualified options. The exercise price of an incentive option may not be less than 100% of the fair market value of the shares of our common stock on the date of grant. The same limitation does not apply to non-qualified options. An option is not transferable, except by will or the laws of descent and distribution. If the employment of an optionee terminates for any reason, (other than for cause, or by reason of death, disability or retirement), the optionee may exercise his options within a 90-day period following such termination to the extent he was entitled to exercise such options at the date of termination. A maximum of 500,000 shares of our common stock are subject to the Plan. The purpose of the Plan is to provide employees, including our officers, directors, and non-employee consultants and advisors with an increased incentive to make significant and extraordinary contributions to our long-term performance and growth, to join their interests with the interests of our shareholders, and to facilitate attracting and retaining employees of exceptional ability.

The Plan may be administered by the Board or in the Board's sole discretion by the Compensation Committee of the Board or such other committee as may be specified by the Board to perform the functions and duties of the Committee under the Plan. Subject to the provisions of the Plan, the

Committee and the Board shall determine, from those eligible to be participants in the Plan, the persons to be granted stock options, stock appreciation rights and restricted stock, the amount of stock or rights to be optioned or granted to each such person, and the terms and conditions of any stock option, stock appreciation rights and restricted stock.

As the termination date of the Plan has passed, we can no longer make additional award grants under the Plan.

Outstanding Equity Awards at Fiscal Year-End

None

Expense Reimbursement

We will reimburse our officers and directors for reasonable expenses incurred during the course of their performance.

Retirement Plans and Benefits

None.

Indemnification of Directors and Officers

Our bylaws contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director's duty of loyalty to us or our stockholders,
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law,
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law, or
- any transaction from which the director derived an improper personal benefit.

Our bylaws provide that we are required to indemnify our directors and executive officers to the fullest extent permitted by Delaware law. Any repeal of or modification to our restated certificate of incorporation or bylaws may not adversely affect any right or protection of a director or executive officer for or with respect to any acts or omissions of such director or executive officer occurring prior to such amendment or repeal. Our bylaws also provide that we may advance expenses incurred by a director or executive officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law. We believe that these bylaw provisions are necessary to attract and retain qualified persons as directors and officers.

The limitation of liability and indemnification provisions in our bylaws may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and executive officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, there is no pending litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

ITEM 12 – SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The following table sets forth information with respect to beneficial ownership of our common stock by:

- each person who beneficially owns more than 5% of our common stock;
- each of our named executive officers;
- each of our directors; and
- all named executive officers and directors as a group.

The following table shows the number of shares owned as of December 31, 2019 and the percentage of outstanding common stock owned as of that date. Each person has sole voting and investment power with respect to the shares shown, except as noted.

| Name and Address of Beneficial Owner ⁽¹⁾ | Amount and Nature of Beneficial Ownership ⁽²⁾ | Ownership as a Percentage of Outstanding Common Shares ⁽³⁾ |
|--|---|---|
| John Gibbs 807 Wood N Creek Ardmore, OK 73041 | 15,583,324(4) | 42.65% |
| John C. Power | 3,972,500 | 10.87 |
| Clifford L. Neuman 8300 Greenwood Drive Niwot, CO, 80503 | 3,586,030(5) | 9.67 |
| Bruce and Elizabeth Strachan Trustees UTA dtd 7/25/07 P.O. Box 577, Joshua Tree, CA 92252-0577 | 2,880,470 | 7.88 |
| Brian Power | 100,000 | nil |
| All officers and directors as a group (two persons) | 4,072,500 | 11.15 |

(1) Unless otherwise stated, address is 2010A Harbison Drive # 312, Vacaville, CA 95687.

(2) Under SEC Rules, we include in the number of shares owned by each person the number of shares issuable under outstanding options or warrants if those options or warrants are exercisable within 60 days of the date of this Annual Report. In calculating percentage ownership, we calculate the ownership of each person who owns exercisable options by adding (i) the number of exercisable options for that person only to (ii) the number of total shares outstanding and dividing that result into (iii) the total number of shares and exercisable options owned by that person.

(3) Shares and percentages beneficially owned are based upon 36,532,320 shares outstanding on March 19, 2020.

(4) Includes 5,165,000 shares owned by TriPower Resources, Inc., of which John D. Gibbs is President and controlling shareholder; includes 500,000 shares owned by Redwood Microcap Fund, of which Mr. Gibbs is a control person.

(5) Includes 3,030,523 shares of common stock and an additional 553,507 shares of common stock issuable in partial conversion of a convertible promissory note in the principal amount of \$51,270 convertible into shares of common stock at a conversion price of \$0.0735 per share. The convertible note has a blocker provision that precludes its conversion if as a result of such conversion the holder would own more than 9.9% of the Company's total issued and outstanding shares. Includes 1,000 shares owned by Ratna Foundation a non-profit organization (now known as Mindfulness Peace Project) of which Mr. Neuman is a Director and 1,000 shares owned by Ratna Enterprises, LLC of which Mr. Neuman is a 50% owner.

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

Except as disclosed herein and in the Notes to Financial Statements, there have been no transactions or proposed transactions in which the amount involved exceeds the lesser of \$120,000 or 1% of the average of our total assets at year-end for the last two completed fiscal years in which any of our directors, executive officers or beneficial holders of more than 5% of the outstanding shares of our common stock, or any of their respective relatives, spouses, associates or affiliates, has had or will have any direct or material indirect interest.

The information required by this Item is located in the Notes to our consolidated financial statements included in Item 15 beginning on page F-1 of this Annual Report on Form 10-K and are incorporated herein by reference.

Director Independence

Our common stock is listed on the OTC Market Inc.'s OTQB and OTC Pinks inter-dealer quotation systems, which does not have director independence requirements. Nevertheless, for purposes of determining director independence, we have applied the definition set forth in NASDAQ Rule 4200(a)(15). John C. Power and Brian Power would not be considered "independent" under the NASDAQ rule due to the fact that John C. Power is an officer and Brian Power is John C. Power's brother.

ITEM 14 – PRINCIPAL ACCOUNTING FEES AND SERVICES.

We understand the need for our principal accountants to maintain objectivity and independence in their audit of our financial statements. To minimize relationships that could appear to impair the objectivity of our principal accountants, our Board of Directors has restricted the non-audit services that our principal accountants may provide to us primarily to tax services and audit-related services. We are only to obtain non-audit services from our principal accountants when the services offered by our principal accountants are more effective or economical than services available from other service providers, and, to the extent possible, only after competitive bidding. These determinations are among the key practices adopted by the Board of Directors. Our Board has adopted policies and procedures for pre-approving work performed by our principal accountants.

The aggregate fees billed for the years ended December 31, 2019 and 2018, for professional services rendered by our principal accountants for the audit of our annual financial statements and review of the financial statements included in our Quarterly Reports on Form 10-Q and services that are normally provided by our accountants in connection with statutory and regulatory filings or engagements for these fiscal periods were as follows:

| | 2019 | 2018 |
|--|------------------|------------------|
| Audit fees - audit of annual financial statements and review of financial statements included in our quarterly reports, services normally provided by the accountant in connection with statutory and regulatory filings | \$ 24,500 | \$ 24,500 |
| Audit-related fees - related to the performance of audit or review of financial statements not reported under "audit fees" | | - |
| Tax fees - tax compliance, tax advice and tax planning | \$ 1,500 | 3,000 |
| All other fees - services provided by our principal accountants other than those identified above | | - |
| Total fees | <u>\$ 26,000</u> | <u>\$ 27,500</u> |

After careful consideration, the Board of Directors has determined that payment of the audit fees is in conformance with the independent status of our principal independent accountants.

PART IV

ITEM 15 – EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

- (1) 2.1 [Asset Purchase and Sale Agreement dated October 8, 2004](#)
- (1) 2.2 [Amendment No. 1 to Asset Purchase and Sale Agreement](#)
- (1) 2.3 [Amendment No. 2 to Asset Purchase and Sale Agreement dated July 31, 2005](#)
- (1) 2.4 [Amendment No. 3 to Asset Purchase and Sale Agreement dated August 31, 2005](#)
- (1) 3.1 [Amended and Restated Certificate of Incorporation](#)
- (3) 3.1.1 [Certificate of Designations, Preferences and Rights of Series A Convertible Preferred Stock](#)
- (1) 3.2 [By-Laws](#)
- (1) 4.1 [2004 Equity Incentive Plan](#)
- (1) 4.2 [Form of Subscription Agreement](#)
- (1) 4.3 [Specimen common stock certificate](#)
- (1) 10.1 [Lease Agreement](#)
- (1) 10.2 [Form of Escrow Agreement](#)
- (1) 10.3 [Amended Trademark Assignment](#)
- (1) 10.3.2 [Initial Assignment of Trademark](#)
- (1) 10.4 [Lock-up Letter for Brian Power](#)
- (1) 10.5 [Lock-up Letter for John C. Power](#)
- (1) 10.6 [Lock-up Letter for J. Andrew Moorner](#)
- (1) 10.7 [Amended Fund Escrow Agreement](#)
- (1) 10.8 [Lease Agreement with Golden West Brewing Company](#)
- (1) 10.9 [Security Agreement in favor of Power Curve, Inc., Lone Oak Vineyards, Inc. and Tiffany Grace.](#)
- (1) 10.10 [Promissory Note dated September 9, 2005, Tiffany Grace, Holder](#)
- (1) 10.11 [Promissory Note dated September 9, 2005, Lone Oak Vineyards, Inc., Holder](#)
- (1) 10.12 [Promissory Note dated September 9, 2005, Power Curve, Inc., Holder](#)
- (1) 10.13 [Assignment and Assumption dated August 31, 2005 between Butte Creek Brewing Company, LLC, Golden West Brewing Company and Golden West Brewing Company, Inc.](#)
- (1) 10.14 [Amended and Restated Assignment and Assumption](#)
- (1) 10.15 [August 7, 1998 Distribution Agreement](#)
- (1) 10.16 [Territorial Agreement](#)
- (1) 10.17 [November 4, 2002 Distribution Agreement](#)
- (1) 10.18 [June 1, 2001 Authorization](#)
- (1) 10.19 [July 22, 2004 Authorization](#)
- (1) 10.20 [September 1, 2005 Authorization](#)
- (1) 10.22 [Second Amended Fund Escrow Agreement](#)
- (1) 10.23 [Contract with New Zealand Hops, Ltd., 2006](#)
- (1) 10.24 [Contract with New Zealand Hops, Ltd., 2007](#)
- (1) 10.25 [Second Amended and Restated Assignment and Assumption](#)
- (1) 10.26 [Third Amended Fund Escrow Agreement](#)
- (1) 10.27 [Secured Promissory Note with John C. Power](#)
- (1) 10.28 [Secured Promissory Note with Power Curve, Inc.](#)
- (1) 10.29 [General Security Agreement with John C. Power and Power Curve, Inc.](#)

- (51) 10.30 [Production Agreement with Bison Brewing Co.](#)
- (51) 10.31 [Employment Agreement with David Del Grande](#)
- (2) 10.32 [License, Production and Distribution Agreement dated November 1, 2006 with Mateveza USA, LLC](#)
- (4) 10.33 [Employment Agreement with Mark Simpson](#)
- (4) 10.34 [Consultation Agreement with Artisan Food and Beverage Group](#)
- (5) 10.35 [Credit Agreement dated December 11, 2007](#)
- (6) 10.36 [Promissory Note dated March 12, 2008](#)
- (6) 10.37 [Security Agreement dated March 12, 2008](#)
- (6) 10.38 [Guaranty Agreement dated March 12, 2008](#)
- (7) 10.39 [Convertible Debenture dated December 31, 2008](#)
- (7) 10.40 [Security Agreement dated December 31, 2008](#)
- (7) 10.41 [Hypothecation Agreement dated December 31, 2008](#)
- (8) 10.42 [Mendocino Production Agreement](#)
- (9) 10.43 [Exclusive Consignment Agency Agreement](#)
- (10) 10.44 [Settlement Stipulation with BRK Holdings, LLC](#)
- (11) 10.45 [Promissory Note dated April 28, 2009 in favor of Clifford Neuman](#)
- (11) 10.46 [Security Agreement dated April 28, 2009 in favor of Clifford Neuman](#)
- (11) 10.47 [Guaranty of John C. Power dated April 28, 2009 in favor of Clifford Neuman](#)
- (11) 10.48 [Promissory Note dated April 28, 2009 in favor of John C. Power](#)
- (11) 10.49 [Security Agreement dated April 28, 2009 in favor of John C. Power](#)
- (11) 10.50 [Promissory Note dated April 28, 2009 in favor of Butte Creek Brands, LLC](#)
- (11) 10.51 [Security Agreement dated April 28, 2009 in favor of Butte Creek Brands LLC](#)
- (11) 10.52 [Factoring Agreement dated April 28, 2009](#)
- (12) 10.53 [Agreement to Convert Debt Clifford L. Neuman PC](#)
- (12) 10.54 [Agreement to Convert Debt Clifford L. Neuman](#)
- (12) 10.55 [Agreement to Convert Debt John Power](#)
- (12) 10.56 [Agreement to Convert Debt Sea Ranch Lodge and Village, LLC](#)
- (12) 10.57 [Agreement to Convert Debt TriPower Resources, Inc.](#)
- (12) 10.58 [Agreement to Convert Debt TriPower Resources, Inc.](#)
- (12) 10.59 [Agreement to Convert Debt Redwood MicroCap Fund, Inc.](#)
- (12) 10.60 [Agreement to Convert Debt Shana Capital, Ltd.](#)
- (13) 10.61 [Asset Purchase Agreement dated May 7, 2009](#)
- (14) 10.62 [Certificate of Amendment to Amended and Restated Certificate of Incorporation](#)
- (14) 10.63 [Articles of Incorporation of Athena Minerals, Inc.](#)
- (15) 10.64 [Sale and Purchase Agreement and Joint Escrow Instructions dated December 9, 2009](#)
- (15) 10.65 [Assignment of Sale and Purchase Agreement and Joint Escrow Instructions dated January 5, 2010](#)
- (15) 10.66 [Promissory Note from Athena Minerals, Inc. to John Power dated January 5, 2010](#)
- (16) 10.67 [Mining Lease and Option to Purchase dated March 11, 2010](#)
- (17) 10.68 [Intellectual Property Assignment dated June 25, 2010](#)
- (18) 10.69 [Promissory Notes John C. Power and John D. Gibbs dated June 30, 2010](#)

- (19) 10.70 [Promissory Note John D. Gibbs dated August 3, 2010](#)
- (20) 10.71 [Agreement to Convert Debt – Clifford L. Neuman](#)
- (21) 10.72 [Agreements to Convert Debt – Donaldson and Kirby](#)
- (22) 10.73 [Agreement to Convert Debt – Clifford L. Neuman](#)
- (23) 10.74 [Agreement to Convert Debt – Huss and Strachan](#)
- (24) 10.75 [Stock Purchase Agreement; Indemnity Agreement and Amendment No. 1 to Indemnity Agreement each dated December 31, 2010](#)
- (25) 10.76 [Consent of Schumacher & Associates dated March 7, 2011](#)
- (26) 10.77 [Marketing Agreement with Bill Fishkin dated April 1, 2011](#)
- (26) 10.78 [Agreement to Convert Debt with Donaldson Consulting Services, Inc. dated May 31, 2011](#)
- (27) 10.79 [Term Sheet with LeRoy Wilkes dated July 14, 2011](#)
- (28) 10.80 [Accredited Members Agreement dated August 31, 2011](#)
- (29) 10.81 [Promissory Note – John D. Gibbs dated October 26, 2011](#)
- (29) 10.82 [Promissory Note – John D. Gibbs dated November 15, 2011](#)
- (30) 10.83 [Marketing Agreement with Bill Fishkin dated December 1, 2011](#)
- (31) 10.84 [Advisor Agreement with GVC Capital, LLC dated January 30, 2012](#)
- (32) 10.85 [Promissory Note – John D. Gibbs dated March 18, 2012](#)
- (33) 10.86 [Promissory Note – John D. Gibbs dated February 2, 2012](#)
- (34) 10.87 [Promissory Note – John D. Gibbs dated April 27, 2012](#)
- (35) 10.88 [Agreement to Convert Debt – John D. Gibbs](#)
- (36) 10.89 [Promissory Note – John D. Gibbs dated May 22, 2012](#)
- (36) 10.90 [Assignment of Right to Purchase Property](#)
- (37) 10.91 [Agreement to Convert Debt – John Donaldson](#)
- (38) 10.92 [Credit Agreement – John D. Gibbs](#)
- (38) 10.93 [Form of Credit Note](#)
- (39) 10.94 [Amendment No. 1 to Langtry Lease Agreement](#)
- (40) 10.95 [Allonge and Modification Agreement with John D. Gibbs](#)
- (41) 10.96 [Amendment No. 2 to Langtry Lease Agreement](#)
- (42) 10.97 [Second Allonge and Modification Agreement with John D. Gibbs](#)
- (43) 10.98 [Amendment No. 3 to Langtry Lease Agreement](#)
- (44) 10.99 [Third Allonge and Modification Agreement with John D. Gibbs](#)
- (45) 10.100 [Promissory Note – Clifford L. Neuman dated April 1, 2015](#)
- (46) 10.101 [Lease/Purchase Option Agreement](#)
- (47) 10.102 [Fifth Allonge and Modification Agreement with John D. Gibbs](#)
- (48) 10.103 [Promissory Note – John Power dated September 12, 2016](#)

- | | | |
|------|---------|---|
| (49) | 10.104 | Agreement to Convert Debt dated May 15, 2018 |
| (50) | 10.105 | Eighth Allonge and Modification Agreement with John D. Gibbs |
| (52) | 10.106 | Tenth Allonge and Modification Agreement with John D. Gibbs |
| (2) | 14 | Code of Ethics |
| (1) | 21.0 | List of Subsidiaries |
| # | 31 | Certification required by Section 13a-14(a) of the Exchange Act. |
| # | 32 | Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| | 101.INS | XBRL Instance Document## |
| | 101.SCH | XBRL Schema Document## |
| | 101.CAL | XBRL Calculation Linkbase Document## |
| | 101.LAB | XBRL Label Linkbase Document## |
| | 101.PRE | XBRL Presentation Linkbase Document## |
| | 101.DEF | XBRL Definition Linkbase Document## |
-
- (1) Incorporated by reference from the Company's Registration Statement on Form SB-2, SEC File No. 121351 as declared effective by the Commission on February 14, 2006.
 - (2) Incorporated by reference from the Company's Annual Report on Form 10-KSB for the year ended December 31, 2006, and filed with the Commission on April 24, 2007.
 - (3) Incorporated by reference from the Company's Current Report on Form 8-K dated September 4, 2007 and filed with the Commission on September 14, 2007.
 - (4) Incorporated by reference from the Company's Current Report on Form 8-K dated December 4, 2007 and filed with the Commission on December 6, 2007.
 - (5) Incorporated by reference from the Company's Current Report on Form 8-K dated December 11, 2007 and filed with the Commission on December 18, 2007.
 - (6) Incorporated by reference from the Company's Current Report on Form 8-K dated March 12, 2008 and filed with the Commission on March 14, 2008.
 - (7) Incorporated by reference from the Company's Current Report on Form 8-K dated December 31, 2008 and filed with the Commission on January 6, 2009.
 - (8) Incorporated by reference from the Company's Current Report on Form 8-K dated February 11, 2009 and filed with the Commission on February 13, 2009.
 - (9) Incorporated by reference from the Company's Current Report on Form 8-K dated March 2, 2009 and filed with the Commission on March 5, 2009.
 - (10) Incorporated by reference from the Company's Annual Report on Form 10-K dated December 31, 2009 and filed with the Commission on April 14, 2009.
 - (11) Incorporated by reference from the Company's Current Report on Form 8-K dated April 28, 2009 and filed with the Commission on May 6, 2009.
 - (12) Incorporated by reference from the Company's Current Report on Form 8-K dated June 15, 2009 and filed with the Commission on June 19, 2009.

- (13) Incorporated by reference from the Company's Current Report on Form 8-K dated June 26, 2009 and filed with the Commission on July 2, 2009.
- (14) Incorporated by reference from the Company's Current Report on Form 8-K dated December 14, 2009 and filed with the Commission on December 18, 2009.
- (15) Incorporated by reference from the Company's Current Report on Form 8-K dated January 5, 2010 and filed with the Commission on January 7, 2010.
- (16) Incorporated by reference from the Company's Current Report on Form 8-K dated March 11, 2010 and filed with the Commission on March 15, 2010.
- (17) Incorporated by reference from the Company's Current Report on Form 8-K dated June 25, 2010 and filed with the Commission on June 25, 2010.
- (18) Incorporated by reference from the Company's Current Report on Form 8-K dated June 30, 2010 and filed with the Commission on July 28, 2010.
- (19) Incorporated by reference from the Company's Current Report on Form 8-K dated August 3, 2010 and filed with the Commission on August 4, 2010.
- (20) Incorporated by reference from the Company's Current Report on Form 8-K dated August 20, 2010 and filed with the Commission on August 23, 2010.
- (21) Incorporated by reference from the Company's Current Report on Form 8-K dated August 20, 2010 and filed with the Commission on August 30, 2010.
- (22) Incorporated by reference from the Company's Current Report on Form 8-K/A dated August 20, 2010 and filed with the Commission on November 1, 2010.
- (23) Incorporated by reference from the Company's Current Report on Form 8-K dated November 15, 2010 and filed with the Commission on November 17, 2010.
- (24) Incorporated by reference from the Company's Current Report on Form 8-K dated December 31, 2010 and filed with the Commission on January 6, 2011
- (25) Incorporated by reference from the Company's Current Report on Form 8-K dated March 2, 2011 and filed with the Commission on March 7, 2011.
- (26) Incorporated by reference from the Company's Current Report on Form 8-K dated April 1, 2011 and filed with the Commission on June 2, 2011.
- (27) Incorporated by reference from the Company's Current Report on Form 8-K dated August 1, 2011 and filed with the Commission on August 3, 2011.
- (28) Incorporated by reference from the Company's Current Report on Form 8-K dated August 22, 2011 and filed with the Commission on September 9, 2011.
- (29) Incorporated by reference from the Company's Current Report on Form 8-K dated October 26, 2011 and filed with the Commission on January 4, 2012.
- (30) Incorporated by reference from the Company's Current Report on Form 8-K dated December 15, 2011 and filed with the Commission on January 5, 2012.
- (31) Incorporated by reference from the Company's Current Report on Form 8-K dated February 2, 2012 and filed with the Commission on February 9, 2012.

- (32) Incorporated by reference from the Company's Current Report on Form 8-K dated March 18, 2012 and filed with the Commission on March 23, 2012.
- (33) Incorporated by reference from the Company's Current Report on Form 8-K/A dated February 2, 2012 and filed with the Commission on March 26, 2012.
- (34) Incorporated by reference from the Company's Current Report on Form 8-K dated April 27, 2012 and filed with the Commission on May 2, 2012.
- (35) Incorporated by reference from the Company's Current Report on Form 8-K dated May 10, 2012 and filed with the Commission on May 16, 2012.
- (36) Incorporated by reference from the Company's Current Report on Form 8-K dated May 22, 2012 and filed with the Commission on May 25, 2012.
- (37) Incorporated by reference from the Company's Current Report on Form 8-K dated June 16, 2012 and filed with the Commission on June 19, 2012.
- (38) Incorporated by reference from the Company's Current Report on Form 8-K dated July 18, 2012 and filed with the Commission on July 19, 2012.
- (39) Incorporated by reference from the Company's Current Report on Form 8-K dated November 28, 2012 and filed with the Commission on November 29, 2012.
- (40) Incorporated by reference from the Company's Current Report on Form 8-K dated June 5, 2013 and filed with the Commission on June 6, 2013.
- (41) Incorporated by reference from the Company's Current Report on Form 8-K dated December 19, 2013 and filed with the Commission on December 23, 2013.
- (42) Incorporated by reference from the Company's Current Report on Form 8-K dated December 31, 2013 and filed with the Commission on January 2, 2014.
- (43) Incorporated by reference from the Company's Current Report on Form 8-K dated January 21, 2015 and filed with the Commission on January 21, 2015.
- (44) Incorporated by reference from the Company's Current Report on Form 8-K dated December 31, 2014 and filed with the Commission on March 31, 2015.
- (45) Incorporated by reference from the Company's Current Report on Form 8-K dated May 5, 2015 and filed with the Commission on May 6, 2015.
- (46) Incorporated by reference from the Company's Current Report on Form 8-K dated March 10, 2016 and filed with the Commission on March 15, 2016.
- (47) Incorporated by reference from the Company's Current Report on Form 8-K dated September 12, 2016 and filed with the Commission on October 14, 2016.
- (48)
- (49) Incorporated by reference from the Company's Current Report on Form 8-K dated June 27, 2018 and filed with the Commission on June 28, 2018.
- (50) Incorporated by reference from the Company's Current Report on Form 8-K dated July 31, 2018 and filed with the Commission on August 6, 2018.
- (51) Incorporated by reference from the Company's Current Report on Form 8-K dated March 1, 2007 and filed with the Commission on March 8, 2007.
- (52) Incorporated by reference from the Company's Current Report on Form 8-K dated November 5, 2019 and filed with the Commission on

November 6, 2019.

Filed herewith
Furnished, not filed.

ATHENA SILVER CORPORATION

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| Report of Independent Registered Public Accounting Firm | F-1 |
| Consolidated Balance Sheets | F-2 |
| Consolidated Statements of Operations | F-3 |
| Consolidated Statements of Stockholders' Deficit | F-4 |
| Consolidated Statements of Cash Flows | F-5 |
| Notes to Consolidated Financial Statements | F-6 |

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Athena Silver Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Athena Silver Corporation and its subsidiary (collectively, the "Company") as of December 31, 2019 and 2018, and the related consolidated statements of operations, stockholders' deficit, and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern Matter

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that 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 financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's 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 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 entity's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement 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 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 financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ *MaloneBailey, LLP*
www.malonebailey.com

We have served as the Company's auditor since 2011.
Houston, Texas
March 30, 2020

ATHENA SILVER CORPORATION
CONSOLIDATED BALANCE SHEETS

| | December 31, | |
|--|--------------|-------------|
| | 2019 | 2018 |
| ASSETS | | |
| Current Assets | | |
| Cash | \$ 117 | \$ 3,991 |
| Total current assets | 117 | 3,991 |
| Mineral rights and properties - unproven, net of impairment of \$1,948,999 | 185,290 | 185,290 |
| Total assets | \$ 185,407 | \$ 189,281 |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | |
| Current liabilities: | | |
| Accounts payable | \$ 28,098 | \$ 27,656 |
| Accrued liabilities - related parties | 76,500 | 72,500 |
| Accrued lease option liability | 10,000 | - |
| Accrued interest | 16,897 | 12,871 |
| Accrued interest - related parties | 555,872 | 448,918 |
| Advances payable - related party | 29,450 | 25,000 |
| Deed amendment liability - short-term portion | 10,000 | 10,000 |
| Derivative liabilities | - | 14,730 |
| Convertible note payable | 51,270 | 51,270 |
| Convertible credit facility - related party | 2,202,120 | 2,059,620 |
| Total current liabilities | 2,980,207 | 2,722,565 |
| Deed amendment liability | 90,000 | 100,000 |
| Total liabilities | 3,070,207 | 2,822,565 |
| Commitments and contingencies | | |
| Stockholders' deficit: | | |
| Preferred stock, \$.0001 par value, 5,000,000 shares authorized, none outstanding | - | - |
| Common stock - \$.0001 par value; 100,000,000 shares authorized, 36,532,320 issued and outstanding | 3,653 | 3,653 |
| Additional paid-in capital | 6,618,495 | 6,618,495 |
| Accumulated deficit | (9,506,948) | (9,255,432) |
| Total stockholders' deficit | (2,884,800) | (2,633,284) |
| Total liabilities and stockholders' deficit | \$ 185,407 | \$ 189,281 |

See accompanying notes to these consolidated financial statements

ATHENA SILVER CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

| | Years Ended December 31, | |
|--|--------------------------|--------------|
| | 2019 | 2018 |
| Operating expenses: | | |
| Exploration costs | \$ 40,000 | \$ 20,825 |
| General and administrative expenses | 115,266 | 144,225 |
| Impairment of mineral rights | – | 63,183 |
| Total operating expenses | 155,266 | 228,233 |
| Operating loss | (155,266) | (228,233) |
| Other income (expense): | | |
| Interest expense | (110,980) | (103,639) |
| Change in fair value of derivative liabilities | – | 43,610 |
| Total other expense | (110,980) | (60,029) |
| Net loss | \$ (266,246) | \$ (288,262) |
| Basic and diluted net loss per common share | \$ (0.01) | \$ (0.01) |
| Basic and diluted weighted-average common shares outstanding | 36,532,320 | 36,410,265 |

See accompanying notes to these consolidated financial statements

ATHENA SILVER CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

| | Common Stock | | Additional Paid-in | Accumulated | Total |
|---|-------------------|-----------------|-----------------------|-----------------------|-----------------------|
| | Shares | Amount | Capital | Deficit | |
| Balance, December 31, 2017 | 36,202,320 | \$ 3,620 | \$ 6,602,028 | \$ (8,967,170) | \$ (2,361,522) |
| Conversion of accrued director fees to common stock | 330,000 | 33 | 16,467 | - | 16,500 |
| Net loss | - | - | - | (288,262) | (288,262) |
| Balance, December 31, 2018 | 36,532,320 | 3,653 | 6,618,495 | (9,255,432) | (2,633,284) |
| Cumulative adjustment upon adoption of ASU 2017-11 | - | - | - | 14,730 | 14,730 |
| Net loss | - | - | - | (266,246) | (266,246) |
| Balance, December 31, 2019 | <u>36,532,320</u> | <u>\$ 3,653</u> | <u>\$ 6,618,495</u> | <u>\$ (9,506,948)</u> | <u>\$ (2,884,800)</u> |

See accompanying notes to these consolidated financial statements

ATHENA SILVER CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Years Ended December 31, | |
|---|--------------------------|------------------|
| | 2019 | 2018 |
| Cash flows from operating activities: | | |
| Net loss | \$ (266,246) | \$ (288,262) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Impairment of mineral rights | – | 63,183 |
| Change in fair value of derivative liabilities | – | (43,610) |
| Changes in operating assets and liabilities: | | |
| Accounts payable | 442 | 23,651 |
| Accrued interest - related parties | 106,954 | 99,410 |
| Accrued liabilities and other liabilities | 18,026 | 28,289 |
| Net cash used in operating activities | <u>(140,824)</u> | <u>(117,339)</u> |
| Cash flows from investing activities: | | |
| Additions of mineral rights | – | (20,825) |
| Net cash used in investing activities | <u>–</u> | <u>(20,825)</u> |
| Cash flows from financing activities: | | |
| Proceeds from advances from related parties | 31,100 | 13,600 |
| Payments on advances from related parties | (26,650) | (13,600) |
| Borrowings from credit facility and notes payable - related parties | 142,500 | 169,000 |
| Payments on note payable - related party | – | (17,509) |
| Payment on deed amendment liability | (10,000) | (10,000) |
| Net cash provided by financing activities | <u>136,950</u> | <u>141,491</u> |
| Net increase (decrease) in cash | <u>(3,874)</u> | <u>3,327</u> |
| Cash at beginning of period | 3,991 | 664 |
| Cash at end of period | <u>\$ 117</u> | <u>\$ 3,991</u> |
| Supplemental disclosure of cash flow information | | |
| Cash paid for interest | <u>\$ –</u> | <u>\$ 440</u> |
| Cash paid for income taxes | <u>\$ –</u> | <u>\$ –</u> |
| Supplemental disclosure of non-cash financing activities | | |
| Conversion of accrued director fees to common stock | <u>\$ –</u> | <u>\$ 16,500</u> |
| Cumulative adjustment upon adoption of ASU 2017-11 | <u>\$ 14,730</u> | <u>\$ –</u> |

See accompanying notes to these consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Organization, Liquidity and Going Concern

Nature of Operations

Athena Silver Corporation (“we,” “our,” “us,” or “Athena”) is engaged in the acquisition and exploration of mineral resources. We were incorporated in Delaware on December 23, 2003, and began our mining operations in 2010.

In December 2009, we formed and organized a new wholly-owned subsidiary, Athena Minerals, Inc. (“Athena Minerals”) which owns and operates our mining interests. Since its formation, we have acquired various properties and rights and are currently determining whether those rights and properties could sustain profitable mining operations. We have not presently determined whether our mineral properties contain mineral reserves that are economically recoverable.

Our primary focus going forward will be to continue our evaluation of our properties, and the possible acquisition of additional mineral rights and additional exploration, development and permitting activities. Our mineral lease payments, permitting applications and exploration and development efforts will require additional capital. Further information regarding our mining properties and rights are discussed below in Note 3 – Mineral Rights and Properties.

Liquidity and Going Concern

Our consolidated financial statements have been prepared on a going concern basis, which assumes that we will be able to meet our obligations and continue our operations during the next fiscal year. Asset realization values may be significantly different from carrying values as shown in our consolidated financial statements and do not give effect to adjustments that would be necessary to the carrying values of assets and liabilities should we be unable to continue as a going concern.

At December 31, 2019, we had not yet achieved profitable operations and we have accumulated losses of \$9,506,948 since our inception. We expect to incur further losses in the development of our business, all of which raise substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern depends on our ability to generate future profits and/or to obtain the necessary financing to meet our obligations arising from normal business operations when they come due. Effective September 30, 2019, we amended our credit agreement with Mr. Gibbs to increase the borrowing limit under the convertible credit facility to \$2,400,000, and effective December 31, 2019 we amended the agreement to extend the maturity date to June 30, 2020.

We anticipate that additional funding will be in the form of additional loans from officers, directors or significant shareholders, or equity financing from the sale of our common stock. Currently, there are no arrangements in place for additional equity funding or new loans.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

Our consolidated financial statements include our accounts and the accounts of our wholly-owned subsidiary, Athena Minerals, Inc. All intercompany transactions and balances have been eliminated. Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of expenses during the periods presented.

We make our estimate of the ultimate outcome for these items based on historical trends and other information available when the financial statements are prepared. Changes in estimates are recognized in accordance with the accounting rules for the estimate, which is typically in the period when new information becomes available.

We believe that our significant estimates, assumptions and judgments are reasonable, based upon information available at the time they were made. Actual results could differ from these estimates, making it possible that a change in these estimates could occur in the near term.

Fair Value of Financial Instruments

We value our financial assets and liabilities using fair value measurements. Our financial instruments primarily consist of cash and cash equivalents, accounts payable, accrued liabilities, amounts due to related parties and notes payable to related parties. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying amounts of cash and cash equivalents, accounts payable, accrued liabilities, notes payable to related parties and other amounts due to related parties approximate fair value because of the short-term nature of these financial instruments.

Concentrations of Credit Risk

Our financial instruments that potentially subject us to credit risk are our cash and cash equivalents. We maintain our cash and cash equivalents at reputable financial institutions and currently, we are not exposed to significant credit risk.

Cash

We consider all amounts on deposit with financial institutions and highly liquid investments with an original maturity of three months or less to be cash equivalents.

Mineral Rights - Unproven

We have determined that our mining rights meet the definition of mineral rights, as defined by accounting standards, and are tangible assets. As a result, our direct costs to acquire or lease mineral rights are initially capitalized as tangible assets. Mineral rights include costs associated with: leasing or acquiring patented and unpatented mining claims; leasing mining rights including lease signature bonuses, lease rental payments and advance minimum royalty payments; and options to purchase or lease mineral properties.

If we establish proven and probable reserves for a mineral property and establish that the mineral property can be economically developed, mineral rights will be amortized over the estimated useful life of the property following the commencement of commercial production or expensed if it is determined that the mineral property has no future economic value or if the property is sold or abandoned. For mineral rights in which proven and probable reserves have not yet been established, we assess the carrying values for impairment at the end of each reporting period and whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

The net carrying value of our mineral rights represents the fair value at the time the mineral rights were acquired less accumulated depletion and any impairment losses. Proven and probable reserves have not been established for mineral rights as of December 31, 2019. On December 31, 2017, we recognized an impairment loss of \$1,885,816 associated with our Langtry project, and on December 31, 2018 we recognized an additional impairment loss of \$63,183 also associated with the Langtry project. Mineral rights are net of \$1,948,999 of impairment losses and as a result the carrying amount of the mineral rights is zero as of both December 31, 2019 and 2018.

Impairment of Long-lived Assets

We continually monitor events and changes in circumstances that could indicate that our carrying amounts of long-lived assets, including mineral rights, may not be recoverable. When such events or changes in circumstances occur, we assess the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through their undiscounted expected future cash flows. If the future undiscounted cash flows are less than the carrying amount of these assets, we recognize an impairment loss based on the excess of the carrying amount over the fair value of the assets.

Notes Payable and Credit Facility— Related Parties

Notes payable and the credit facility payable to related parties are classified as current liabilities as the note holders are control persons and have the ability to control the repayment dates of the notes.

Exploration Costs

Mineral exploration costs are expensed as incurred. When it has been determined that it is economically feasible to extract minerals and the permitting process has been initiated, exploration costs incurred to further delineate and develop the property are considered pre-commercial production costs and will be capitalized and included as mine development costs in our consolidated balance sheets.

Share-based Payments

We measure and recognize compensation expense or professional services expense for all share-based payment awards made to employees, directors and non-employee consultants based on estimated fair values. We estimate the fair value of stock options on the date of grant using the Black-Scholes-Merton option pricing model, which includes assumptions for expected dividends, expected share price volatility, risk-free interest rate, and expected life of the options. Our expected volatility assumption is based on our historical weekly closing price of our stock over a period equivalent to the expected life of the options.

We expense share-based compensation, adjusted for estimated forfeitures, using the straight-line method over the vesting term of the award for our employees and directors and over the expected service term for our non-employee consultants. We estimate forfeitures at the time of grant and revise those estimates in subsequent periods if actual forfeitures differ from our estimates. Our excess tax benefits, if any, cannot be credited to stockholders' equity until the deduction reduces cash taxes payable; accordingly, we realized no excess tax benefits during any of the periods presented in the accompanying consolidated financial statements.

Income Taxes

We account for income taxes through the use of the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and for income tax carry-forwards. A valuation allowance is recorded to the extent that we cannot conclude that realization of deferred tax assets is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years 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 operations in the period that includes the enactment date.

We follow a two-step approach to recognizing and measuring tax benefits associated with uncertain tax positions taken or expected to be taken in a tax return. The first step is to determine if, based on the technical merits, it is more likely than not that the tax position will be sustained upon examination by a taxing authority, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement with a taxing authority. We recognize interest and penalties, if any, related to uncertain tax positions in our provision for income taxes in the consolidated statements of operations. To date, we have not recognized any tax benefits from uncertain tax positions.

Net Loss per Common Share

We compute basic net loss per common share by dividing our net loss attributable to common shareholders by our weighted-average number of common shares outstanding during the period. Computation of diluted net loss per common share is similar to our computation of basic net loss per common share except that the numerator is increased to exclude charges which would not have been incurred, and the denominator is increased to include the number of additional common shares that would have been outstanding (using the if-converted and treasury stock methods) if securities containing potentially dilutive common shares (stock options and convertible debt) had been converted to common shares, and if such assumed conversion is dilutive.

At December 31, 2019 and 2018, potentially dilutive shares of common stock representing shares issuable on conversions of debt totaling 6,443,437 and 5,889,748, respectively, have been excluded from diluted net loss per common share because the impact of such inclusion would be anti-dilutive.

Recent Accounting Pronouncements

On July 13, 2017, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2017-11, Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480), Derivatives and Hedging (Topic 815): I. Accounting for Certain Financial Instruments with Down Round Features and II. Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Non-controlling Interests with a Scope Exception. Part I applies to financial instruments such as warrants, convertible debt or convertible preferred stock that contain down round features. Part II replaces the indefinite deferral for certain mandatorily redeemable non-controlling interests and mandatorily redeemable financial instruments of nonpublic entities contained within Accounting Standards Codification (ASC) Topic 480 with a scope exception and does not impact the accounting for these mandatorily redeemable instruments. The pronouncement is effective for annual and interim periods beginning after December 15, 2018. The Company has adopted this standard on a modified retrospective basis on January 1, 2019.

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, "Leases (Topic 842)" ("ASU 2016-02"). ASU 2016-02 will require lessees to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. Under ASU 2016-02, a lessee will be required to recognize assets and liabilities for leases with terms of more than 12 months. Lessor accounting remains substantially similar to current GAAP. In addition, disclosures of leasing activities are to be expanded to include qualitative along with specific quantitative information. ASU 2016-02 is effective in fiscal years beginning after December 15, 2018 (with early adoption permitted). ASU 2016-02 mandates a modified retrospective transition method. The Company has adopted this standard effective January 1, 2019. Since we have no leases in scope, the adoption did not have an impact on our financial statements.

Note 3 – Mineral Rights and Properties, net

Our mineral rights and mineral properties consist of:

| | December 31, 2019 | December 31, 2018 |
|---|-------------------|-------------------|
| Mineral and other properties | \$ 185,290 | \$ 185,290 |
| Mineral rights - Langtry project | – | – |
| Mineral rights and properties - unproven, net | <u>\$ 185,290</u> | <u>\$ 185,290</u> |

Mineral and Other Properties

On August 8, 2016, we purchased 33+/- acres of land (“Section 16 Property”) for \$28,582, net of \$18 of title fees, located in San Bernardino County, California. The property is located in the Calico Mining District in the SE ¼ of the SE ¼ of Section 16; T 10 North, R 1 East. The State of California patented this land to a private party in 1935 and reserved in favor of the State one-sixteenth of all coal, oil, gas and other mineral deposits contained in the land.

In 2014, we purchased 160 acres of land (“Castle Rock”), located in the eastern Calico Mining District, San Bernardino County, California. The parcel is the SE quarter of Section 25, Township 10 North, Range 1 East and is mostly surrounded by public lands. It was purchased for \$21,023 in a property tax auction conducted on behalf of the County. The eastern part of the Calico Mining District is best known for industrial minerals and is not known to have any precious metal deposits.

In 2012, we purchased 661 acres of land (“Section 13 Property”) in fee simple for \$135,685 cash, located in San Bernardino County, California, that was sold in a property tax auction conducted on behalf of the County. The parcel is all of Section 13 located in Township 7 North, Range 4 East, San Bernardino Base & Meridian.

The Section 13 property is near the Lava Beds Mining District and has evidence of historic mining. It is adjacent to both the Silver Cliffs and Silver Bell historic mines. The property is located in the same regional geologic area known as the Western Mojave Block that includes our flagship Langtry Project. The property is approximately 28 miles southeast of our Langtry Project.

Mineral Rights

In 2010, we entered into a 20-year Mining Lease with Option to Purchase (the “Langtry Lease” or the “Lease”) granting us the exclusive right to explore, develop and conduct mining operations on a group of 20 patented mining claims consisting of approximately 413 acres that comprise our Langtry Property. Effective November 28, 2012, December 19, 2013 and January 21, 2015, we executed Amendments No. 1, 2 and 3, respectively, to the Langtry Lease modifying certain terms.

Effective March 10, 2016, we executed and delivered a new Lease/Purchase Option (“Lease/Option”) covering our flagship Langtry Property located in the Calico Mining District, San Bernardino County, California. The Lease/Option also includes two unpatented mining claims in the Calico Mining District known as the Lilly #10 and Quad Deuce XIII (the “Langtry Unpatented Claims”), which we have previously owned and agreed to transfer to the Lessor subject to the Lease/Option. The new Lease/Option supersedes all prior agreements.

The following is a summary of the highlights of the new Lease/Option, which is qualified in its entirety by the provisions of the Lease/Option dated March 10, 2016:

The Lease/Option has a term of 20 years, and grants an exclusive right to explore, develop and purchase the Langtry property. Lease payments under the new agreement are a nominal \$1 per year, payable in advance. This amount was paid in March 2016. The lease requires us to also maintain the option to purchase in good standing as described below.

Option payments: in order to maintain the option to purchase, we are required to pay option payments (“Option Payments”) as follows: \$40,000 year 1; the greater of \$40,000 or the spot price of 2,500 ounces of silver in years 2 through 5; the greater of \$50,000 or the spot price of 2,500 ounces of silver in years 6 through 10; the greater of \$75,000 or the spot price of 3,750 ounces of silver in years 11 through 15; and the greater of \$100,000 or the spot price of 5,000 ounces of silver in years 16 through 20. 50% of all Option Payments are credited against the purchase price should the Company exercise the purchase option. The annual payments are due on March 15th each year.

In March 2018, we made the required year 3 payment totaling \$41,650. 50% of the payment, or \$20,825 was capitalized as mining rights as the amount is applicable to the option purchase price. The remaining \$20,825 was expensed as lease option costs and included in exploration costs. In March 2019, the trustee overseeing this lease/option contract agreed to split the payment due on March 15, 2019 into two parts, with \$20,000 due in March 2019, and the other \$20,000 due in September 2019. The March payment was paid as scheduled. During September 2019, the trustee agreed to split the \$20,000 payment originally due in September 2019, into two \$10,000 payments due on October 15, 2019 and November 15, 2019. The payment due on October 15, 2019 was paid as agreed. As of December 31, 2019, the remaining \$10,000 obligation was not yet paid and is therefore included on the consolidated balance sheet as an Accrued lease option liability. This amount was subsequently paid in February 2020.

Option Purchase Price: We have the option to purchase fee title to the Langtry Property for the full 20-year term of the Lease/Option. The purchase price is:

- Years 1 through 3 (3-15-2016 to 3-15-2019): \$5,000,000
- Years 4 through 5 (3-15-2019 to 3-15-2021): the greater of \$5,000,000 or the spot price of 250,000 troy ounces of silver, plus payment of the deferred rent of \$130,000;
- Years 6 through 10 (3-15-2021 to 3-15-26): the greater of \$7,500,000 or the spot price of 375,000 troy ounces of silver, plus payment of the deferred rent of \$130,000;
- Years 11 through 20 (3-15-2026 to 3-15-2036): the greater of \$10,000,000 or the spot price of 500,000 troy ounces of silver, plus payment of the deferred rent of \$130,000.

During the lease term, and provided the purchase option has not been exercised, the lessor is entitled to receive a 2% NSR on silver production and a 3% to 5% royalty on other mineral production and certain other revenue streams;

After exercise of the purchase option, the lessor will not receive royalties on silver or other precious metals production but will receive a 5% royalty on barite production and other revenue streams.

Deferred rent of \$130,000 under the prior lease shall be payable upon exercise of the purchase option or upon Athena entering into a joint venture or other arrangement to develop the Langtry prospect.

If we are in breach of the Lease/Option, the Lessor will have the option to terminate the Lease by giving us 30 days’ written notice. The Lease also provides us with the right to terminate the Lease without penalty on March 15th of each year during the Lease term by giving the lessor 30 days’ written notice of termination on or before February 13th of each year.

The Langtry Property is also subject to a net smelter royalty in favor of Mobil Exploration and Producing North America Inc. from the sale of concentrates, precipitates or metals produced from ores mined from the royalty acreage. The agreement dated April 30, 1987 granted a base net smelter royalty of 3% plus an additional incremental 2% royalty on net smelter proceeds from silver sales above \$10.00 per troy ounce plus an additional incremental 2% royalty on net smelter proceeds from silver sales above \$15.00 per troy ounce.

On May 28, 2015 we executed an amendment to the deed underlying the Langtry Lease to cap at 2% the net smelter royalty that would be due to Mobil Exploration and Producing North America Inc. (“Mobil”) from any future sales of concentrates, precipitates or metals produced from ores mined from the royalty acreage. In consideration for the amendment, we agreed to pay an amendment fee of \$150,000, with \$10,000 due at the time of the agreement and the balance payable \$10,000 each June 1st until paid in full. We have paid a total of \$50,000 so far on this agreement, and the balance of \$100,000 was outstanding as of December 31, 2019. If we sell our interest in the Lease or enter into an agreement, joint venture or other agreement for the exploration and development of the Langtry Property, the amendment fee shall become due and payable immediately.

During the term of the Lease, Athena Minerals has the exclusive right to develop and conduct mining operations on the Langtry Property. Future option payments and/or exploration and development of this property will require new equity and/or debt capital.

On February 24, 2020, the Company signed an Amendment No. 1 to Lease with an Option to Purchase dated March 10, 2016 (the “Amendment”), whereby the Company and the Lessor have agreed to a revised payment schedule for fixed amounts of \$45,000 and \$50,000 respectively for the 2020 and 2021 option payments. The fixed amounts payable in 2020 and 2021 are due in equal quarterly amounts of \$11,250 in 2020 and \$12,500 in 2021 due on March 15, June 15, September 15 and December 15 in each year.

As of the date of the filing of this Report, we have not made the Option Payment which was due on March 15, 2020. There is a 30 day cure period under the Lease Option. We are currently evaluating whether to make the Option Payment or forfeit the Lease Option agreement altogether. If we determine to not cure the Option Payment default, the Lessor has the right to terminate the Lease Option. If that occurs, we will continue to hold the appurtenant unpatented mining claims.

On September 28, 2015, at the request of the Company and its advisors, the San Bernardino County Land Use Services Department (the “Department”) issued and recorded a Certificate of Land Use Compliance for Vested Land Use in which the Department formally determined that the Langtry property had the legally established right for mineral resource development activity (the “Vested Right”). The Vested Right is subject to certain conditions set forth in the Certificate and runs with the Langtry property in perpetuity.

In August 2015 the Company acquired by deed conveyance 15 unpatented mining claims in the Calico Mining District in San Bernardino, California from a third party for \$10,000. The claims are contiguous to our existing unpatented and patented claims known as the Langtry Property.

All commitments and obligations under our prior 2010 Lease and the 2016 Lease/Option to Purchase have been fulfilled to date. Future option payments and/or exploration and development of this property may require new equity and/or debt capital. In addition, as of December 31, 2019 all regulatory obligations due or accrued regarding our mineral rights had been paid, and all our claims remain in good standing.

Impairment of Mineral Rights

During 2017 the Company evaluated its mineral rights and properties. As a result of the evaluation, the Company recognized an impairment loss of \$1,885,816 associated with the Langtry project as of December 31, 2017. The impairment analysis and conclusion was a result of the continuing low silver prices that negatively affect the economic viability of the project. As such, the Company impaired at 100% all capitalized lease and maintenance payments made prior to the Lease Option agreement of March 10, 2016, as well as the deed amendment fee of \$150,000 that provides for a royalty cap upon any future production activities.

During 2018, the Company again evaluated its mineral rights and properties for impairment and determined that due to the continued low silver prices, as well as the Company's limited access to capital for further development of the Langtry project, additional impairment of those remaining mineral rights assets totaling \$63,183 was recorded at December 31, 2018.

Note 4 – Adoption of ASU 2017-11

The Company changed its method of accounting for its convertible note through the adoption of ASU 2017-11 on January 1, 2019 on a modified retrospective basis. Accordingly, the outstanding derivative liability of \$14,730 associated with a convertible note payable was eliminated as an adjustment to the beginning accumulated deficit. The following table provides a reconciliation of the derivative liability and accumulated deficit upon adoption on January 1, 2019:

| | Derivative Liability | Accumulated Deficit |
|---|-------------------------|------------------------|
| Balance January 1, 2019 (before adoption of ASU 2017-11) | \$ 14,730 | \$ (9,255,432) |
| Reclassified derivative liability and cumulative effect of adoption | (14,730) | 14,730 |
| Balance January 1, 2019 (after adoption of ASU 2017-11) | <u>\$ –</u> | <u>\$ (9,240,702)</u> |

Note 5 – Fair Value of Financial Instruments

Financial assets and liabilities recorded at fair value in our consolidated balance sheets are categorized based upon a fair value hierarchy established by GAAP, which prioritizes the inputs used to measure fair value into the following levels:

Level 1 – Quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable and can be corroborated by observable market data.

Level 3 – Inputs reflecting management's best estimates and assumptions of what market participants would use in pricing assets or liabilities at the measurement date. The inputs are unobservable in the market and significant to the valuation of the instruments.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Financial assets and liabilities measured at fair value on a recurring basis are summarized below:

| | Carrying Value at December 31, 2018 | Fair Value Measurement at December 31, 2018 | | |
|---|---|---|---------|-----------|
| | | Level 1 | Level 2 | Level 3 |
| Derivative liability – Convertible note payable | \$ 14,730 | \$ – | \$ – | \$ 14,730 |

The carrying values of cash and cash equivalents, accounts payable, accrued liabilities and other short-term debt, approximate their fair value because of the short-term nature of these financial instruments.

Note 6 – Convertible Note Payable

Effective April 1, 2015, the Company executed a convertible promissory note (the “Note”) in the principal amount of \$51,270 in favor of Clifford Neuman, the Company’s legal counsel, representing accrued and unpaid fees for past legal services. The Note is unsecured and accrues interest at the rate of 6% per annum, compounded quarterly, and is due on demand. The principal and accrued interest due under the Note may be converted, at the option of the holder, into shares of the Company’s common stock at a conversion price of \$0.0735 per share, which represented the market price of the Company’s common stock on the date the Note was made. The conversion price is subject to adjustment in the event the Company sells shares of common stock or common stock equivalent at a price below the conversion price.

The Note contains certain anti-dilution provisions that would reduce the conversion price should the Company issue common stock equivalents at a price less than the Note conversion price. Accordingly, prior to the prospective adoption of ASU 2017-11 on January 1, 2019, the conversion features of the Note were considered a discount to the Note. However, since the Note is payable upon demand by the note holder, the value of the discount is considered interest expense at the time of its inception. The Note was evaluated quarterly, and upon any quarterly valuations in which the value of the conversion option changed we recognized a gain or loss due to a decrease or increase in the fair value of the derivative liability, respectively.

As discussed in Note 4, the Company adopted ASU 2017-11 on January 1, 2019, which resulted in the elimination of the derivative liability of \$14,730 at December 31, 2018 as a cumulative adjustment to accumulated deficit.

Accrued interest totaled \$16,897 and \$12,871 at December 31, 2019 and 2018, respectively, and is included in Accrued interest on the accompanying consolidated balance sheets.

Note 7 – Convertible Credit Facility – Related Party

Effective July 18, 2012, we entered into a Credit Agreement with Mr. Gibbs, a significant shareholder, providing us with an unsecured credit facility in the maximum amount of \$1,000,000. The aggregate principal amount borrowed, together with interest at the rate of 5% per annum, is convertible, at the option of the lender, into common shares at a conversion price of \$0.50 per share. Since its inception we have amended the credit agreement several times to either increase the borrowing limit and/or extend the maturity date. Effective September 30, 2019, we amended our credit agreement with Mr. Gibbs to increase the borrowing limit under the convertible credit facility to \$2,400,000, and effective December 31, 2019 we amended the agreement to extend the maturity date to June 30, 2020. All other provisions remained unchanged. The modification was not considered substantial.

The Company evaluated the convertible line of credit for derivative and beneficial feature conversion and concluded that there is no beneficial conversion since the conversion price at inception was greater than the market value of shares that would be issued upon conversion. Likewise, derivative accounting did not apply to the embedded conversion option.

The credit facility also contains customary representations and warranties (including those relating to organization and authorization, compliance with laws, payment of taxes and other obligations, absence of defaults, material agreements and litigation) and customary events of default (including those relating to monetary defaults, covenant defaults, cross defaults and bankruptcy events).

Total principal amounts owed under the credit facility notes payable were \$2,202,120 and \$2,059,620 at December 31, 2019 and 2018, respectively. Borrowings under our convertible note payable to Mr. Gibbs were \$142,500 and \$169,000 for the years ended December 31, 2019 and 2018, respectively, and were generally used to pay certain mining lease obligations as well as other operating expenses. No principal or interest payments have made to Mr. Gibbs since the inception of the convertible credit facility. As of December 31, 2019, there remained \$197,880 of credit available for future borrowings.

Total accrued interest on the notes payable to Mr. Gibbs was \$555,872 and \$448,918 at December 31, 2019 and 2018, respectively, and are included in Accrued interest - related parties on the accompanying consolidated balance sheets.

Interest Expense – Related Parties

Total related party interest expense was \$106,954 and \$99,850 for the years ended December 31, 2019 and 2018, respectively.

Note 8– Commitments and Contingencies

We are subject to various commitments and contingencies under the Langtry Lease/Option to Purchase as discussed in Note 3 – Mining Rights and Properties.

Note 9 – Share-based Compensation

2004 Equity Incentive Plan

All options previously issued under the 2004 Equity Incentive Plan as well as options issued outside the Plan expired unexercised in April 2018. No share-based compensation expense was recorded for either the years ended December 31, 2019 or 2018.

Note 10 – Related Party Transactions

Conflicts of Interests

Magellan Gold Corporation (“Magellan”) is a company under common control. Mr. Power is a significant shareholder and director of both Athena and Magellan. Mr. Gibbs is a significant shareholder and creditor (see Note 7 – Convertible Credit Facility – Related Parties), in both Athena and Magellan. Athena and Magellan are both involved in the business of acquisition and exploration of mineral resources.

Silver Saddle Resources, LLC (“Silver Saddle”) is also a company under common control. Mr. Power and Mr. Gibbs are the owners and managing members of Silver Saddle. Athena and Silver Saddle are both involved in the business of acquisition and exploration of mineral resources.

There exists no arrangement or understanding with respect to the resolution of future conflicts of interest. The existence of common ownership and common management could result in significantly different operating results or financial position from those that could have resulted had Athena, Magellan and Silver Saddle been autonomous.

Management Fees – Related Parties

The Company is subject to a month-to-month management agreement with Mr. Power requiring a monthly payment of \$2,500 as consideration for the day-to-day management of Athena. For each of the years ended December 31, 2019 and 2018, a total of \$30,000 was recorded as management fees and are included in general and administrative expenses in the accompanying consolidated statements of operations. At December 31, 2019 and 2018, \$76,500 and \$72,500, respectively, of management fees due to Mr. Power had not been paid and are included in accrued liabilities – related parties on the accompanying consolidated balance sheets.

Accrued Interest - Related Parties

At December 31, 2019 and 2018, Accrued interest - related parties includes accrued interest payable to Mr. Gibbs in the amounts of \$555,872 and \$448,918, respectively, representing unpaid interest on the convertible credit facility.

Advances Payable - Related Parties

Mr. Power has on occasion advanced the Company funds generally utilized for day-to-day operating requirements. These advances are non-interest bearing and are generally repaid as cash becomes available.

During the year ended December 31, 2019, Mr. Power made short-term advances to the Company totaling \$31,100 and was repaid \$26,650 during the period. At December 31, 2019 and 2018 a total of \$29,450 and \$25,000 of advances were outstanding and included in Advances payable – related party on the accompanying consolidated balance sheets.

The Company also utilizes credit cards owned by Mr. Power to pay various obligations when an online payment is required, the availability of cash is limited, or the timing of the payments is considered critical. As of December 31, 2019, and 2018, no amounts were due to Mr. Power from the Company on these credit cards.

Note 11 – Income Taxes

The Company is current on all its corporate tax filings. Tax year 2019 will be extended if not filed by its due date. Tax returns filed for the years 2016 thru 2018 are open for examination from taxing authorities.

Due to the enactment of the Tax Reform Act of 2018, the corporate tax rate for those tax years beginning with 2018 has been reduced to 21%. Our estimated net operating loss carry forward as of December 31, 2019 is \$7,355,409, which may be used to offset future income taxes. Our reconciliation between the expected federal income tax benefit computed by applying the federal statutory rate to our net loss and the actual benefit for taxes on net loss for 2019 and 2018 is as follows:

| | Years Ended December 31, | |
|---|--------------------------|-----------|
| | 2019 | 2018 |
| Expected federal income tax benefit at statutory rate | \$ 55,912 | \$ 47,267 |
| State taxes | 23,536 | 7,877 |
| Change in valuation allowance | (79,448) | (55,144) |
| Income tax benefit | \$ — | \$ — |

Our deferred tax assets as of December 31, 2019 and 2018 were as follows:

| | Years Ended December 31, | |
|---|--------------------------|--------------|
| | 2019 | 2018 |
| Net operating loss | \$ 2,194,854 | \$ 1,728,120 |
| Valuation allowance | (2,194,854) | (1,728,120) |
| Deferred tax assets, net of valuation allowance | \$ — | \$ — |

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. We have provided a valuation allowance of 100% of our net deferred tax asset due to the uncertainty of generating future profits that would allow us to realize our deferred tax assets.

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carryover for Federal income tax reporting purposes may be subject to annual limitations. Should a change in ownership occur, use of the net operating loss carryover could be limited in future years.

Note 12 – Subsequent Events

Subsequent to December 31, 2019 Mr. Gibbs has advanced \$36,250 under the credit facility.

On February 24, 2020, the Company signed an Amendment No. 1 to Lease with an Option to Purchase dated March 10, 2016 (the “Amendment”), whereby the Company and the Lessor have agreed to a revised payment schedule for fixed amounts of \$45,000 and \$50,000 respectively for the 2020 and 2021 option payments. The fixed amounts payable in 2020 and 2021 are due in equal quarterly amounts of \$11,250 in 2020 and \$12,500 in 2021 due on March 15, June 15, September 15 and December 15 in each year.

As of the date of the filing of this Report, we have not made the Option Payment which was due on March 15, 2020. There is a 30 day cure period under the Lease Option. We are currently evaluating whether to make the Option Payment or forfeit the Lease Option agreement altogether. If we determine to not cure the Option Payment default, the Lessor has the right to terminate the Lease Option. If that occurs, we will continue to hold the appurtenant unpatented mining claims.

SIGNATURES

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

ATHENA SILVER CORPORATION

Date: March 30, 2020

By: /s/ John C. Power
John C. Power
Chief Executive Officer, President,
Chief Financial Officer, Secretary & Director
(Principal Executive Officer)
(Principal Accounting Officer)

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.

| SIGNATURE | TITLE | DATE |
|---|---|----------------|
| <u>/s/ John C. Power</u> John C. Power | Chief Executive Officer, President, Chief Financial Officer, Secretary & Director (Principal Executive Officer) (Principal Accounting Officer) | March 30, 2020 |
| <u>/s/ Brian Power</u> Brian Power | Director | March 30, 2020 |

SCHEDULE "C"

**SEC Form 10-Q
for the Quarterly Period Ended June 30, 2021**

See attached.

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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2021

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 000-51808

ATHENA GOLD CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

90-0775276
(IRS Employer Identification Number)

2010A Harbison Drive #312, Vacaville, CA
(Address of principal executive offices)

95687
(Zip Code)

Registrant's telephone number, including area code: (707) 291-6198

Securities registered pursuant to Section 12(b) of the Act:

| Title of each Class | Trading Symbol | Name of each exchange on which registered |
|---------------------|----------------|---|
| N/A | N/A | N/A |

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition 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
Non-accelerated Filer

Accelerated Filer
Smaller reporting company
Emerging growth company

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

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

On August 10, 2021, there were 68,282,320 shares of the registrant's common stock, \$.0001 par value, outstanding.

TABLE OF CONTENTS

| | Page |
|--|-------------|
| <u>PART I. FINANCIAL INFORMATION</u> | 3 |
| Item 1. <u>FINANCIAL STATEMENTS</u> | 3 |
| <u>Balance Sheets (unaudited)</u> | 3 |
| <u>Statements of Operations (unaudited)</u> | 4 |
| <u>Statements of Stockholders' Deficit (unaudited)</u> | 5 |
| <u>Statements of Cash Flows (unaudited)</u> | 6 |
| <u>Notes to Financial Statements (unaudited)</u> | 7 |
| Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> | 13 |
| Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u> | 22 |
| Item 4. <u>Controls and Procedures</u> | 22 |
| <u>PART II. OTHER INFORMATION</u> | 23 |
| Item 1. <u>Legal Proceedings</u> | 23 |
| Item 1A. <u>Risk Factors</u> | 23 |
| Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u> | 23 |
| Item 3. <u>Defaults Upon Senior Securities</u> | 23 |
| Item 4. <u>Mine Safety Disclosures</u> | 23 |
| Item 5. <u>Other Information</u> | 23 |
| Item 6. <u>Exhibits</u> | 23 |
| <u>Signature</u> | 24 |

PART I. FINANCIAL INFORMATION

ITEM I. FINANCIAL STATEMENTS

ATHENA GOLD CORPORATION
BALANCE SHEETS
(unaudited)

| | <u>June 30, 2021</u> | <u>December 31, 2020</u> |
|---|----------------------|--------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash | \$ 271,311 | \$ 8,986 |
| Total current assets | 271,311 | 8,986 |
| Mineral Rights - Excelsior Springs | <u>150,000</u> | <u>150,000</u> |
| Total assets | <u>\$ 421,311</u> | <u>\$ 158,986</u> |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | |
| Current liabilities: | | |
| Accounts payable | \$ 39,604 | \$ 61,149 |
| Accrued liabilities - related party | - | 96,500 |
| Accrued interest | 23,345 | 21,189 |
| Advances payable - related party | - | 21,898 |
| Convertible note payable, net of discount of \$-0- and \$7,324 | <u>51,270</u> | <u>43,946</u> |
| Total current liabilities | 114,219 | 244,682 |
| Long term liabilities | | |
| Warrant liability | <u>422,959</u> | <u>-</u> |
| Total liabilities | 537,178 | 244,682 |
| Stockholders' deficit: | | |
| Preferred stock, \$.0001 par value, 5,000,000 shares authorized, none outstanding | - | - |
| Common stock - \$.0001 par value; 250,000,000 shares authorized, 68,282,320 and 54,887,876 issued and outstanding | 6,828 | 5,489 |
| Additional paid-in capital | 10,206,927 | 9,897,700 |
| Accumulated deficit | <u>(10,329,622)</u> | <u>(9,988,885)</u> |
| Total stockholders' deficit | <u>(115,867)</u> | <u>(85,696)</u> |
| Total liabilities and stockholders' deficit | <u>\$ 421,311</u> | <u>\$ 158,986</u> |

See accompanying notes to the unaudited financial statements.

ATHENA GOLD CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

| | Three months ending June 30, | | Six months ending June 30, | |
|---|------------------------------|--------------------|----------------------------|---------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Operating expenses: | | | | |
| Exploration costs | \$ 26,099 | \$ – | \$ 61,776 | \$ – |
| General and administrative expenses | 116,844 | 30,561 | 330,947 | 64,936 |
| Total operating expenses | <u>142,943</u> | <u>30,561</u> | <u>392,723</u> | <u>64,936</u> |
| Operating loss | (142,943) | (30,561) | (392,723) | (64,936) |
| Other expenses: | | | | |
| Interest expense - related party | – | (27,984) | – | (55,557) |
| Interest expense | (2,915) | (4,712) | (10,107) | (6,380) |
| Gain on change in value of warrant liability | 62,093 | – | 62,093 | – |
| Total other expenses | <u>59,178</u> | <u>(32,696)</u> | <u>51,986</u> | <u>(61,937)</u> |
| Net loss | <u>\$ (83,765)</u> | <u>\$ (63,257)</u> | <u>\$ (340,737)</u> | <u>\$ (126,873)</u> |
| Loss per common share -- basic and diluted | <u>\$ (0.00)</u> | <u>\$ (0.00)</u> | <u>\$ (0.01)</u> | <u>\$ (0.00)</u> |
| Weighted average common shares outstanding -- basic and diluted | <u>63,447,155</u> | <u>36,532,320</u> | <u>61,462,461</u> | <u>36,532,320</u> |

See accompanying notes to the unaudited financial statements.

ATHENA GOLD CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(Unaudited)

| | Common Stock | | Additional Paid-in Capital | Accumulated Deficit | Total |
|---|-------------------|-----------------|----------------------------------|------------------------|-----------------------|
| | Shares | Amount | | | |
| Three months ending June 30, 2021 | | | | | |
| Balance, March 31, 2021 | 60,282,320 | \$ 6,028 | \$ 10,272,436 | \$ (10,245,857) | \$ 32,607 |
| Common stock sold in private placements - related parties | 2,500,000 | 250 | 164,350 | - | 164,600 |
| Common stock sold in private placements | 3,750,000 | 375 | 236,848 | - | 237,223 |
| Prepaid shares issued | 1,750,000 | 175 | (175) | - | - |
| Stock based compensation | - | - | 18,520 | - | 18,520 |
| Warrant derivative | - | - | (485,052) | - | (485,052) |
| Net loss, three months ending June 30, 2021 | - | - | - | (83,765) | (83,765) |
| Balance, June 30, 2021 | <u>68,282,320</u> | <u>\$ 6,828</u> | <u>\$ 10,206,927</u> | <u>\$ (10,329,622)</u> | <u>\$ (115,867)</u> |
| Three months ending June 30, 2020 | | | | | |
| Balance, March 31, 2020 | 36,532,320 | \$ 3,653 | \$ 6,618,495 | \$ (9,570,564) | \$ (2,948,416) |
| Convertible note beneficial conversion feature | - | - | 21,973 | - | 21,973 |
| Net loss, three months ending June 30, 2020 | - | - | - | (63,257) | (63,257) |
| Balance, June 30, 2020 | <u>36,532,320</u> | <u>\$ 3,653</u> | <u>\$ 6,640,468</u> | <u>\$ (9,633,821)</u> | <u>\$ (2,989,700)</u> |
| Six months ending June 30, 2021 | | | | | |
| Balance, December 31, 2020 | 54,887,876 | \$ 5,489 | \$ 9,897,700 | \$ (9,988,885) | \$ (85,696) |
| Conversion of management fees payable | 2,144,444 | 214 | 96,286 | - | 96,500 |
| Common stock sold in private placements - related parties | 2,750,000 | 275 | 171,825 | - | 172,100 |
| Common stock sold in private placements | 8,500,000 | 850 | 378,873 | - | 379,723 |
| Stock based compensation | - | - | 147,295 | - | 147,295 |
| Warrant derivative | - | - | (485,052) | - | (485,052) |
| Net loss, six months ending June 30, 2021 | - | - | - | (340,737) | (340,737) |
| Balance, June 30, 2021 | <u>68,282,320</u> | <u>\$ 6,828</u> | <u>\$ 10,206,927</u> | <u>\$ (10,329,622)</u> | <u>\$ (115,867)</u> |
| Six months ending June 30, 2020 | | | | | |
| Balance, December 31, 2019 | 36,532,320 | \$ 3,653 | \$ 6,618,495 | \$ (9,506,948) | \$ (2,884,800) |
| Convertible note beneficial conversion feature | - | - | 21,973 | - | 21,973 |
| Net loss, six months ending June 30, 2020 | - | - | - | (126,873) | (126,873) |
| Balance, June 30, 2020 | <u>36,532,320</u> | <u>\$ 3,653</u> | <u>\$ 6,640,468</u> | <u>\$ (9,633,821)</u> | <u>\$ (2,989,700)</u> |

See accompanying notes to the unaudited financial statements.

ATHENA GOLD CORPORATION
STATEMENTS OF CASH FLOWS
(unaudited)

| | Six Months Ended June 30, | |
|---|---------------------------|------------------|
| | 2021 | 2020 |
| Cash flows from operating activities: | | |
| Net loss | \$ (340,737) | \$ (126,873) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Amortization of debt discount | 7,324 | 3,662 |
| Stock based compensation | 147,295 | – |
| Gain on change in value of derivative liability | (62,093) | – |
| Changes in operating assets and liabilities: | | |
| Accounts payable | (21,545) | 8,844 |
| Accrued interest - related parties | – | 55,557 |
| Accrued liabilities and other liabilities | 2,156 | 4,570 |
| Net cash used in operating activities | <u>(267,600)</u> | <u>(54,240)</u> |
| Cash flows from financing activities: | | |
| Proceeds from advances from related parties | 12,012 | 33,401 |
| Payments on advances from related parties | (33,910) | (20,687) |
| Proceeds from sales of common stock to related parties | 172,100 | – |
| Proceeds from sales of common stock | 379,723 | – |
| Proceeds from stock subscription | – | 10,000 |
| Payment on deed amendment liability | – | (10,000) |
| Borrowings from credit facility and notes payable - related parties | – | 42,750 |
| Net cash provided by financing activities | <u>529,925</u> | <u>55,464</u> |
| Net increase in cash | 262,325 | 1,224 |
| Cash at beginning of period | 8,986 | 117 |
| Cash at end of period | <u>\$ 271,311</u> | <u>\$ 1,341</u> |
| Supplemental disclosure of cash flow information | | |
| Cash paid for interest | <u>\$ 627</u> | <u>\$ 648</u> |
| Cash paid for income taxes | <u>\$ –</u> | <u>\$ –</u> |
| Supplemental disclosure of non-cash transactions | | |
| Conversion of management fees payable | <u>\$ 96,500</u> | <u>\$ –</u> |
| Warrant liability | <u>\$ 485,052</u> | <u>\$ –</u> |
| Discount on note payable - Beneficial conversion feature | <u>\$ –</u> | <u>\$ 21,793</u> |

See accompanying notes to the unaudited financial statements.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

Note 1 – Organization, Basis of Presentation, Liquidity and Going Concern

Nature of Operations

Athena Gold Corporation (“we,” “our,” “us,” or “Athena”) is engaged in the acquisition and exploration of mineral resources. We were incorporated in Delaware on December 23, 2003 and began our mining operations in 2010.

In December 2009, we formed and organized a wholly-owned subsidiary, Athena Minerals, Inc. (“Athena Minerals”) which owns and operates mining interests and property in California. On December 31, 2020 we sold the subsidiary to Tripower Resources Inc., a company controlled by Mr. John Gibbs, a related party, in a non-cash exchange. This transaction is discussed in further detail in our Annual Report on Form 10-K for the year ended December 31, 2020.

Effective December 15, 2020, Athena entered into a definitive Property Option Agreement with Nubian Resources Ltd. (“Nubian”) (TSXV: NBR), pursuant to which Nubian has granted Athena the option to acquire a 100% interest in Nubian’s Excelsior Springs exploration project located in Esmeralda County, Nevada. Details of this transaction are further discussed in Note 2 – Mineral Rights – Excelsior Springs.

Our primary focus going forward will be to continue evaluating of our properties, and possible acquisitions of additional mineral rights and exploration, all of which will require additional capital. Further information regarding our mineral rights are discussed below in Note 2 – Mineral Rights – Excelsior Springs, as well as in our Annual Report on Form 10-K for the year ended December 31, 2020.

Basis of Presentation

On December 31, 2020 we sold our wholly-owned subsidiary, Athena Minerals Inc. to a related party shareholder in a non-cash exchange. As such, operating results for all reporting periods prior to January 1, 2021 include the operations of Athena Minerals, Inc., while all reporting periods subsequent to December 31, 2020 do not include the operations of Athena Minerals, Inc.

We prepared these interim financial statements in accordance with accounting principles generally accepted in the United States (“GAAP”). The accompanying unaudited interim financial statements have been prepared in accordance with GAAP for interim financial information and in accordance with Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In our opinion, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and six month periods ended June 30, 2021 are not necessarily indicative of the results for the full year. While we believe that the disclosures presented herein are adequate and not misleading, these interim consolidated financial statements should be read in conjunction with the audited financial statements and the footnotes thereto contained in our Annual Report on Form 10-K for the year ended December 31, 2020.

Reclassifications

Certain reclassifications may have been made to our prior year’s consolidated financial statements to conform to our current year presentation. These reclassifications had no effect on our previously reported results of operations or accumulated deficit.

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

Recent Accounting Pronouncements

We do not expect the adoption of recently issued accounting pronouncements to have a significant impact on our results of operations, financial position or cash flow.

Liquidity and Going Concern

Our interim financial statements have been prepared on a going concern basis, which assumes that we will be able to meet our obligations and continue our operations during the next fiscal year. Asset realization values may be significantly different from carrying values as shown in our consolidated financial statements and do not give effect to adjustments that would be necessary to the carrying values of assets and liabilities should we be unable to continue as a going concern.

At June 30, 2021, we had not yet achieved profitable operations and we have accumulated losses of \$10,329,622 since our inception. We expect to incur further losses in the development of our business, all of which raise substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern depends on our ability to generate future profits and/or to obtain the necessary financing to meet our obligations arising from normal business operations when they come due.

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.

COVID-19 pandemic

An occurrence of an uncontrollable event such as the COVID-19 pandemic may negatively affect our operations. The occurrence of an uncontrollable event such as the COVID-19 pandemic may negatively affect our operations. A pandemic typically results in social distancing, travel bans and quarantine, and this may limit access to our facilities, customers, management, support staff and professional advisors. These factors, in turn, may not only impact our operations, financial condition and demand for our goods and services but our overall ability to react timely to mitigate the impact of this event. Also, it may hamper our efforts to comply with our filing obligations with the Securities and Exchange Commission.

Note 2 – Mineral Rights - Excelsior Springs

Effective December 15, 2020, Athena entered into a definitive Property Option Agreement (“Option Agreement”) with Nubian Resources Ltd. (“Nubian”) (TSXV: NBR), pursuant to which Nubian has granted Athena the option to acquire a 100% interest in Nubian’s Excelsior Springs exploration project located in Esmeralda County, Nevada.

The Option Agreement is exercisable in two tranches: the first tranche was exercised immediately pursuant to which the Company acquired a 10% interest in Excelsior Springs in consideration of issuing to Nubian an aggregate of 5,000,000 shares of Athena common stock. On December 15, 2020 the company issued the 5,000,000 shares of its common stock valued at \$0.03 per share totaling \$150,000. The second tranche is exercisable on or before December 31, 2021 to purchase an additional 90% interest in Excelsior Springs in consideration of issuing to Nubian an additional 45 million shares of Athena common stock. Should both options be exercised, Nubian will hold 50 million shares of Athena common stock, which will be subject to a six-month lockup.

Athena’s agreement with Nubian includes 100% of the 140 unpatented claims at Excelsior Springs with two additional patented claims held under a lease option that are subject to a 2% net smelter returns royalty on gold production. Under the terms of the Option Agreement, Nubian will retain a 1% net smelter returns royalty (“NSR Royalty”) on the Excelsior Springs Project if Athena fully exercises the option. Athena will have the right to purchase 0.5% (being one half) of the NSR Royalty for CAD \$500,000 and the remaining 0.5% of the NSR Royalty at fair market value.

Note 3 – Fair Value of Financial Instruments

Financial assets and liabilities recorded at fair value in our balance sheets are categorized based upon a fair value hierarchy established by GAAP, which prioritizes the inputs used to measure fair value into the following levels:

Level 1 – Quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable and can be corroborated by observable market data.

Level 3 – Inputs reflecting management’s best estimates and assumptions of what market participants would use in pricing assets or liabilities at the measurement date. The inputs are unobservable in the market and significant to the valuation of the instruments.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The carrying values of cash and cash equivalents, accounts payable, accrued liabilities and other short-term debt, approximate their fair value because of the short-term nature of these financial instruments.

Financial assets and liabilities measured at fair value on a recurring basis are summarized below:

| | Carrying Value at June 30, 2021 | Fair Value Measurement at December 31, 2020 | | |
|--|--|--|---------|------------|
| | | Level 1 | Level 2 | Level 3 |
| Derivative liability – Investor warrants | \$ 422,959 | \$ – | \$ – | \$ 422,959 |

Note 4 – Convertible Note Payable

Effective April 1, 2015, the Company executed a convertible promissory note (the “Note”) in the principal amount of \$51,270 in favor of Clifford Neuman, the Company’s legal counsel, representing accrued and unpaid fees for past legal services. The Note is unsecured and accrues interest at the rate of 6% per annum, compounded quarterly, and is due on demand. The principal and accrued interest due under the Note may be converted, at the option of the holder, into shares of the Company’s common stock.

On April 24, 2020, the Company agreed to reduce the conversion price from \$0.0735 per share to \$0.021 per share. All other terms of the convertible note remain unchanged, and therefore did not change the cash flows of the note. The Company determined the transaction was considered an extinguishment because of the change in conversion price in which no gain or loss was recorded according to ASC 470-50. However, because the conversion price was reduced below the \$0.03 market value on the date of the change, a beneficial conversion feature resulted from the price reduction in the amount of \$21,973, which was accounted for as a discount to the debt and a corresponding increase in additional paid in capital. The debt discount is being amortized on a straight-line basis over one year to interest expense. A total of \$7,324 was amortized to interest expense during the six months ended June 30, 2021. At December 31, 2020 and June 30, 2021, a total of \$7,324 and \$0-, respectively, of unamortized discounts remained and are presented as a reduction of the Note principle on the accompanying balance sheets.

Accrued interest totaled \$23,345 and \$21,189 at June 30, 2021 and December 31, 2020, respectively, and is shown as Accrued interest on the accompanying balance sheets. Total interest expense associated with this Note was \$9,840 and \$2,070 for the six months ended June 30, 2021 and 2020, respectively.

Note 5 – Common Stock and Warrants

During the six-months ended June 30, 2021 we sold 11,250,000 shares of common stock in private placements realizing proceeds of \$551,823.

On May 25, 2021 we completed a private placement in which we sold 6,250,000 units. Each unit was priced at CAD\$0.08 and consisted of one share of the Company’s common stock and one stock purchase warrant granting the holder the right to purchase one additional share of common stock at a price of CAD\$0.15. The warrants expire three years from the date of issuance. All securities issued in connection with the offering are subject to restrictions on resale in Canada and the United States pursuant to applicable securities laws and the policies of any applicable stock exchange. An additional 173,810 Broker Warrants (“Broker Warrants”) were granted to a Canadian broker as a placement fee. We realized total proceeds of \$401,823 net of offering costs.

The 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 warrants have a derivative liability value.

At inception date of May 25, 2021, we determined the warrants fair value to be \$485,052. For the six months ending June 30, 2021, the warrant liability was valued at \$422,959, resulting in a gain on revaluation of warrant liability of \$62,093 based on the following assumptions:

| Fair value assumptions – warrant liability: | May 25, 2021 | June 30, 2021 |
|--|---------------------|----------------------|
| Risk free interest rate | 0.30% | 0.47% |
| Expected term (years) | 3.0 | 2.9 |
| Expected volatility | 180% | 179% |
| Expected dividends | 0% | 0% |

The Broker Warrants were evaluated for purposes of classification between liability and equity. The Broker Warrants do not contain features that would require a liability classification and are therefore considered equity. The Black Scholes pricing model was calculated in US dollars to estimate the fair value of \$12,943 with the following inputs:

| Fair value assumptions – broker warrants: | May 25, 2021 |
|--|---------------------|
| Risk free interest rate | 0.14% |
| Expected term (years) | 2.0 |
| Expected volatility | 205% |
| Expected dividends | 0% |

During the quarter ended March 31, 2021, we sold 5,000,000 shares of common stock in private placements to six individuals at a price of \$0.03 per share, realizing total proceeds of \$150,000. Of the 5,000,000 shares sold, 1,750,000 shares were issued on May 28, 2021.

On January 1, 2021 Mr. John Power, the Company's CEO/CFO agreed to convert accrued management fees totaling \$96,500. As a result, we issued 2,144,444 shares common stock at a price of \$0.045 per share.

Note 6 – Share Based Compensation

On March 22, 2021 the Company issued a total of 2,000,000 non-statutory stock options to four individuals, three of which are Directors of the Company, the other an independent technical consultant that is helping design our 2021 exploration programs at Excelsior Spring. Upon vesting, each option is exercisable to purchase one share of common stock at a price of \$0.09 per share. The options vest 50% upon issuance, and 25% on each of the 1st and 2nd anniversaries of the grant date.

We estimated the fair value of the options using the Black-Scholes option pricing model, which includes assumptions for expected dividends, expected share price volatility, risk-free interest rate, and expected life of the options. Our expected volatility assumption is based on our historical weekly closing price of our stock over a period equivalent to the expected remaining life of the options. The total estimated fair value of the options utilized the following assumptions:

| | |
|-------------------------|---------|
| Expected volatility | 184% |
| Contractual term | 5 years |
| Risk free interest rate | 0.87% |
| Expected dividend rate | 0% |

The calculations resulted in the total fair value of the options issued to be \$197,552. We expense share-based compensation, adjusted for estimated forfeitures, using the straight-line method over the vesting term of the award for our employees and directors and over the expected service term for our non-employee consultants. As such, a stock-based compensation charges totaling of \$117,295 have been charged during the six-months ended June 30, 2021, and is included in administrative expenses on the accompanying Statement of Operations.

Also, on March 22, 2021 the Company agreed to issue a total of 300,000 restricted stock units at a price of \$0.10 per share to the independent technical consultant helping design our 2021 exploration programs at Excelsior Springs. However, the shares shall not be issued until such time the individual either provides a written request or his termination date, whichever is sooner. The shares shall have no voting rights until issued. As such, we have recorded stock-based compensation in the amount of \$30,000 which was charged to exploration costs on the accompanying Statement of Operations. We have charged the \$30,000 to stock-based compensation, but since the shares have not been issued, we have recorded the full amount as an addition to paid in capital.

Note 7 – Commitments and Contingencies

We are subject to various commitments and contingencies as discussed in Note 2 – Mineral Rights – Excelsior Springs.

Note 8 – Related Party Transactions

Conflicts of Interests

Magellan Gold Corporation (“Magellan”) is a company under common control. Mr. John Power is a significant shareholder of both Athena and Magellan and an officer and director of Athena. Mr. John Gibbs is a significant shareholder in both Athena and Magellan. Athena and Magellan are both involved in the business of acquisition and exploration of mineral resources.

Silver Saddle Resources, LLC (“Silver Saddle”) is also a company under common control. Mr. Power and Mr. Gibbs are the owners and managing members of Silver Saddle. Athena and Silver Saddle are both involved in the business of acquisition and exploration of mineral resources.

There exists no arrangement or understanding with respect to the resolution of future conflicts of interest. The existence of common ownership and common management could result in significantly different operating results or financial position from those that could have resulted had Athena, Magellan and Silver Saddle been autonomous.

Management Fees – Related Parties

The Company is subject to a month-to-month management agreement with Mr. Power requiring a monthly payment of \$2,500 as consideration for the day-to-day management of Athena. For each of the six months ended June 30, 2021 and 2020, a total of \$15,000 was recorded as management fees and are included in general and administrative expenses in the accompanying statements of operations. At June 30, 2021 and December 31, 2020, \$-0- and \$96,500, respectively, of management fees due to Mr. Power had not been paid and are included in accrued liabilities – related parties on the accompanying consolidated balance sheets.

On January 1, 2021, the Company agreed to convert the \$96,500 balance of management fees due Mr. Power into 2,144,444 shares of common stock at a price of \$0.045 per share.

Accrued Interest and Interest Expense – Related Parties

Related party interest primarily represented interest on the convertible credit facility which was settled as part of the sale of Athena Minerals, Inc. on December 31, 2020. Therefore, on December 31, 2020 all accrued and unpaid interest due Mr. Gibbs totaling \$668,012 on the convertible credit facility was also waived as part of the sale of Athena Minerals transaction discussed in Note 1 – basis of presentation. Further information regarding this transaction is included in our Annual Report on Form 10-K for the year ended December 31, 2020.

Total related party interest was \$-0- and \$55,557 for the six months ended June 30, 2021 and 2020, respectively.

Advances Payable - Related Parties

Mr. Power and Mr. Gibbs have advanced the Company funds generally utilized for day-to-day operating requirements. These advances are non-interest bearing and are generally repaid as cash becomes available. The Company also utilizes credit cards owned by Mr. Power to pay various obligations when an online payment is required, the availability of cash is limited, or the timing of the payments is considered critical.

During the six months ended June 30, 2021, Mr. Power made short-term advances to the Company totaling \$12,012, and \$33,910 was repaid during the period, leaving an unpaid balance of \$-0- representing Advances payable – related party on the accompanying balance sheets.

During the three months ended June 30, 2021, Mr. Power made short-term advances to the Company totaling \$2,767, and \$16,065 was repaid during the period, leaving an unpaid balance of \$-0- representing Advances payable – related party on the accompanying balance sheets.

Sales of Common Stock - Related Parties

On May 25, 2021 the Company sold 2,200,000 units in its private placement at a price of CAD\$0.08 to Mr. Gibbs, realizing net proceeds of \$144,848. During the same private placement, Mr. Power purchased 300,000 units realizing net proceeds of \$19,752.

On January 15, 2021 the Company sold 250,000 shares of common stock at a price of \$0.03 per share in a private placement to Mr. Gibbs, realizing total proceeds of \$7,500.

Note 9 – Subsequent Events

None

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We use the terms “Athena,” “we,” “our,” and “us” to refer to Athena Gold Corporation.

The following discussion and analysis provide information that management believes is relevant for an assessment and understanding of our results of operations and financial condition. This information should be read in conjunction with our audited consolidated financial statements which are included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, and our interim unaudited consolidated financial statements and notes thereto included with this report in Part I. Item 1.

Forward-Looking Statements

Some of the information presented in this Form 10-Q constitutes “forward-looking statements”. These forward-looking statements include, but are not limited to, statements that include terms such as “may,” “will,” “intend,” “anticipate,” “estimate,” “expect,” “continue,” “believe,” “plan,” or the like, as well as all statements that are not historical facts. Forward-looking statements are inherently subject to risks and uncertainties that could cause actual results to differ materially from current expectations. Although we believe our expectations are based on reasonable assumptions within the bounds of our knowledge of our business and operations, there can be no assurance that actual results will not differ materially from expectations.

All forward-looking statements speak only as of the date on which they are made. We undertake no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they are made.

Business Overview

We were incorporated on December 23, 2003, in Delaware and our principal business is the acquisition and exploration of mineral resources.

In January 2021, the company’s Board of Directors approved a name change from Athena Silver Corporation, to Athena Gold Corporation. Athena Gold Corporation (“we,” “our,” “us,” or “Athena”) is engaged in the acquisition and exploration of mineral resources. We began our mining operations in 2010.

In December 2009, we formed and organized a new wholly-owned subsidiary, Athena Minerals, Inc. (“Athena Minerals”) which owned and operated our mining interests and properties in California. On December 31, 2020 we sold the subsidiary to Tripower Resources Inc., a company controlled by Mr. John Gibbs, a related party, in a non-cash exchange. Further information regarding this transaction is included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

In December 2020, Athena entered into a definitive Property Option Agreement with Nubian Resources Ltd. (“Nubian”) (TSXV: NBR), pursuant to which Athena acquired a 10% interest in Nubian’s Excelsior Springs exploration project located in Esmeralda County, Nevada and has an option to acquire the remaining 90% held by Nubian.

The Option is exercisable in two tranches: the first tranche was exercised immediately pursuant to which the Company acquired a 10% interest in Excelsior Springs in consideration of issuing to Nubian an aggregate of 5,000,000 shares of Athena Gold Corporation common stock. The Company issued the 5,000,000 shares of its common stock valued at \$0.03 per share totaling \$150,000 in December 2020. The second tranche is exercisable on or before December 31, 2021 to purchase an additional 90% interest in Excelsior Springs in consideration of issuing to Nubian an additional 45 million shares of Athena common stock. Should both options be exercised, Nubian will hold 50 million shares of Athena common stock, which will be subject to a six-month lockup.

Athena’s agreement with Nubian includes 100% of the 140 unpatented claims at Excelsior Springs with two additional patented claims held under a lease option that are subject to a 2% net smelter returns royalty on gold production. Under the terms of the Option Agreement, Nubian will retain a 1% net smelter returns royalty (“NSR Royalty”) on the Excelsior Springs Project if Athena fully exercises the option. Athena will have the right to purchase 0.5% (being one half) of the NSR Royalty for CAD \$500,000 and the remaining 0.5% of the NSR Royalty at fair market value.

Excelsior Springs is our flagship project and we have completed a N.I. 43-101 Technical Report to support our planned listing on the Canadian Stock Exchange that details historical exploration activities on the property, recent exploration activities conducted by Athena and also highlights future exploration plans to advance the Property.

We have not presently determined whether our mineral properties contain mineral reserves that are economically recoverable.

Reclassifications: Certain reclassifications may have been made to our prior year's consolidated financial statements to conform to our current year presentation. These reclassifications had no effect on our previously reported results of operations or accumulated deficit.

COVID-19 pandemic: An occurrence of an uncontrollable event such as the COVID-19 pandemic may negatively affect our operations. The occurrence of an uncontrollable event such as the COVID-19 pandemic may negatively affect our operations. A pandemic typically results in social distancing, travel bans and quarantine, and this may limit access to our facilities, customers, management, support staff and professional advisors. These factors, in turn, may not only impact our operations, financial condition and demand for our goods and services but our overall ability to react timely to mitigate the impact of this event. Also, it may hamper our efforts to comply with our filing obligations with the Securities and Exchange Commission.

Results of Operations for the Three Months Ended June 30, 2021 and 2020

A summary of our results from operations is as follows:

| | Three Months Ended June 30, | |
|-------------------------------------|-----------------------------|--------------------|
| | 2021 | 2020 |
| Operating expenses: | | |
| Exploration costs | \$ 26,099 | \$ – |
| General and administrative expenses | 116,844 | 30,561 |
| Total operating expenses | <u>142,943</u> | <u>30,561</u> |
| Operating loss | (142,943) | (30,561) |
| Total other income (expenses), net | 59,178 | (32,696) |
| Net loss | <u>\$ (83,765)</u> | <u>\$ (63,257)</u> |

During the three months ended June 30, 2021, our net loss was \$83,765 as compared to a net loss of \$63,257 during the same period in 2020. The 2021 operating loss of \$142,943 increased \$112,382 over the prior year period and was mainly attributable to stock-based compensation resulting from the issuance of incentive stock options, as well as increased legal and professional fees associated with the acquisition and maintenance of the Excelsior Springs project. The 2021 operating loss was partially offset by a \$62,093 gain in the change in value of the warrant derivative liability associated with a private placement concluded on May 25, 2021.

Operating expenses:

Our total operating expenses increased \$112,382, from \$30,561 to \$142,943 for the three months ended June 30, 2020 and 2021, respectively.

During the three months ended June 30, 2021, we incurred \$26,099 of exploration costs, which include a \$15,000 payment associated with the lease of two patented claims within the Excelsior Springs project. We have also begun initial activities on our future exploration programs which has resulted in an additional \$11,099 of exploration costs. During the three months ended June 30, 2020, we incurred no exploration costs.

Our general and administrative expenses increased by \$86,283, from \$30,561 to \$116,844 for the three months ended June 30, 2020 and 2021, respectively.

Legal and professional fees and other expenses were \$94,438 and \$27,833 for three months ended June 30, 2021 and 2020, respectively, an increase of \$66,605. The majority of the legal and other professional fees associated with our planned listing on the Canadian Stock Exchange (“CSE”). The Company is currently in the comment stage with the CSE and will be submitting an updated application in the third quarter.

On March 22, 2021, the Company issued a total of 2,000,000 non-statutory stock options to four individuals, three of which are Directors of the Company, the other an independent technical consultant. Upon vesting, each option is exercisable to purchase one share of common stock at a price of \$0.09 per share. The options vest 50% upon issuance, and 25% on each of the 1st and 2nd anniversaries of the grant date.

We estimated the fair value of the options using the Black-Scholes option pricing model, which includes assumptions for expected dividends, expected share price volatility, risk-free interest rate, and expected life of the options. Our expected volatility assumption is based on our historical weekly closing price of our stock over a period equivalent to the expected remaining life of the options. The total estimated fair value of the options utilized the following assumptions:

| | |
|-------------------------|---------|
| Expected volatility | 184% |
| Contractual term | 5 years |
| Risk free interest rate | 0.87% |
| Expected dividend rate | 0% |

The calculations resulted in the total fair value of the options issued to be \$197,552. During each vesting period or upon the vesting date a percentage of the total value of the options issued and outstanding is charged to stock-based compensation. As such, an administrative expense charge of \$18,520 was recorded for the three months ended June 30, 2021.

Other income and expense:

Our total other income, net was \$59,178 during the three months ended June 30, 2021, as compared to total other expenses, net of \$32,696 during the three months ended June 30, 2020.

For the three months ended June 30, 2021, other income, net included \$2,915 of interest expense associated with a convertible note payable originating in April 2015, from the conversion of certain amounts due our primary legal counsel. Interest expense on the convertible note payable includes \$1,831 of interest expense resulting from the amortization of the note discount. As of June 30, 2021, all the discount associated with the note has been fully amortized.

For the three months ended June 30, 2020, interest expense included \$27,984 in interest expense associated with our related party convertible credit facility, \$1,050 of interest expense associated with a convertible note payable originating in April 2015 from the conversion of certain amounts due our primary legal counsel, as well as \$3,662 resulting from the amortization of the discount on a convertible note payable.

On May 25, 2021, we completed a private placement in which we sold 6,250,000 units. Each unit was priced at CAD\$0.08 and consisted of one share of the Company’s common stock and one stock purchase warrant granting the holder the right to purchase one additional share of common stock at a price of CAD\$0.15. The warrants expire three years from the date of issuance. An additional 173,810 warrants were granted to a Canadian broker as a placement fee. We realized total proceeds of \$401,823 net of offering costs.

The 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 warrants have a derivative liability value.

At inception date of May 25, 2021, we determined the warrants fair value to be \$485,052. As of June 30, 2021, the warrant liability was valued at \$422,959, resulting in a gain on revaluation of warrant liability of \$62,093 based on the following assumptions:

| Fair value assumptions – derivative warrants: | May 25, 2021 | June 30, 2021 |
|--|---------------------|----------------------|
| Risk free interest rate | 0.30% | 0.47% |
| Expected term (years) | 3.0 | 2.9 |
| Expected volatility | 180% | 179% |
| Expected dividends | 0% | 0% |

Results of Operations for the Six Months Ended June 30, 2021 and 2020

A summary of our results from operations is as follows:

| | Six Months Ended June 30, | |
|-------------------------------------|---------------------------|--------------|
| | 2021 | 2020 |
| Operating expenses: | | |
| Exploration costs | \$ 61,776 | \$ – |
| General and administrative expenses | 330,947 | 64,936 |
| Total operating expenses | 392,723 | 64,936 |
| Operating loss | (392,723) | (64,936) |
| Total other income (expenses), net | 51,986 | (61,937) |
| Net loss | \$ (340,737) | \$ (126,873) |

During the six months ended June 30, 2021, our net loss was \$340,737 as compared to a net loss of \$126,873 during the same period in 2020. The \$213,864 increase in our loss was mainly attributable to exploration costs associated with the Excelsior Springs project, stock-based compensation resulting from the issuance of incentive stock options and restricted stock units, as well as increased legal and professional fees associated with the sale of Athena Minerals, Inc. and the acquisition of the Excelsior Springs project. The loss for the six months ended June 30, 2021 is also partially offset by a \$62,093 gain on the change in fair value of a derivative liability established as a result of the June 30, 2021 valuations of warrants attached to the common stock sold in a private placement concluded on May 25, 2021.

Operating expenses:

Our total operating expenses increased \$327,787, from \$64,936 to \$392,723 for the six months ended June 30, 2020 and 2021, respectively.

During the six months ended June 30, 2021, we incurred \$61,776 of exploration costs. In March 2021, we issued 300,000 restricted stock units at a price of \$0.10 per share to the independent technical consultant. However, the shares shall not be issued until such time the individual either provides a written request or his termination date, whichever is sooner. As such, we have recorded stock-based compensation in the amount of \$30,000 which was charged to exploration costs. In May 2021, we made the \$15,000 annual lease payment for two patented claims within the Excelsior project. We have also begun preliminary work on our future exploration programs which has resulted in an additional \$16,776 of exploration costs. During the six months ended June 30, 2020, we incurred no exploration costs.

Our general and administrative expenses increased by \$266,011, from \$64,936 to \$330,947 for the six months ended June 30, 2020 and 2021.

Legal and professional fees for the six months ended June 30, 2021 totaled \$206,392 and are attributed to legal and other professional fees associated with the acquisition and maintenance of the Excelsior Springs project and our planned listing on the CSE as previously discussed. Total legal costs for the six months ended June 30, 2020, totaled \$55,242, an increase of \$151,150 as compared to the six months ended June 30, 2021.

On March 22, 2021, the Company issued a total of 2,000,000 non-statutory stock options to four individuals, three of which are Directors of the Company, the other an independent technical consultant that is helping design our 2021 exploration programs at Excelsior Spring. Upon vesting, each option is exercisable to purchase one share of common stock at a price of \$0.09 per share. The options vest 50% upon issuance, and 25% on each of the 1st and 2nd anniversaries of the grant date.

We estimated the fair value of the options using the Black-Scholes option pricing model, which includes assumptions for expected dividends, expected share price volatility, risk-free interest rate, and expected life of the options. Our expected volatility assumption is based on our historical weekly closing price of our stock over a period equivalent to the expected remaining life of the options. The total estimated fair value of the options utilized the following assumptions:

| | |
|-------------------------|---------|
| Expected volatility | 184% |
| Contractual term | 5 years |
| Risk free interest rate | 0.87% |
| Expected dividend rate | 0% |

The calculations resulted in the total fair value of the options issued to be \$197,552. Upon each vesting date a percentage of the total value of the options issued and outstanding is charged to stock-based compensation. As such, administrative expense charges of \$117,295 have been recorded through June 30, 2021.

Other income and expense:

Total other income, net was \$51,986 during the six months ended June 30, 2021, as compared to total other expense, net of \$61,937 during the six months ended June 30, 2020.

For the six months ended June 30, 2021, other income, net included interest expense associated with a convertible note payable originating in April 2015, from the conversion of certain amounts due our primary legal counsel. Interest expense on the convertible note payable includes \$7,324 of interest expense resulting from the amortization of the note discount. As of June 30, 2021, all the discount associated with the note has been fully amortized. For the six months ended June 30, 2020 interest expense totaled \$61,937 which included \$55,557 in interest expense associated with our related party convertible credit facility, \$2,070 of interest expense associated with a convertible note payable originating in April 2015 from the conversion of certain amounts due our primary legal counsel, \$3,662 resulting from the amortization of the discount on a convertible note payable, as well as \$648 of interest associated with the resolution of a 2019 franchise tax obligation which was paid during the quarter.

On May 25, 2021, we completed a private placement in which we sold 6,250,000 units. Each unit was priced at CAD\$0.08 and consisted of one share of the Company's common stock and one stock purchase warrant granting the holder the right to purchase one additional share of common stock at a price of CAD\$0.15. The warrants expire three years from the date of issuance. An additional 173,810 warrants were granted to a Canadian broker as a placement fee. We realized total proceeds of \$401,823 net of offering costs.

The 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 warrants have a derivative liability value.

At inception date of May 25, 2021, we determined the warrants fair value to be \$485,052. For the six months ending June 30, 2021, the warrant liability was valued at \$422,959, resulting in a gain on revaluation of warrant liability of \$62,093 based on the following assumptions:

| Fair value assumptions – derivative warrants: | May 25, 2021 | June 30, 2021 |
|--|---------------------|----------------------|
| Risk free interest rate | 0.30% | 0.47% |
| Expected term (years) | 3.0 | 2.9 |
| Expected volatility | 180% | 179% |
| Expected dividends | 0% | 0% |

For the six months ended June 30, 2020 interest expense totaled \$61,937 which included \$55,557 in interest expense associated with our related party convertible credit facility, \$2,070 of interest expense associated with a convertible note payable originating in April 2015 from the conversion of certain amounts due our primary legal counsel, \$3,662 resulting from the amortization of the discount on a convertible note payable, as well as \$648 of interest associated with the resolution of a 2019 franchise tax obligation which was paid during the quarter.

Liquidity and Capital Resources

Going Concern

Our consolidated financial statements have been prepared on a going concern basis, which assumes that we will be able to meet our obligations and continue our operations during the next fiscal year. Asset realization values may be significantly different from carrying values as shown in our consolidated financial statements and do not give effect to adjustments that would be necessary to the carrying values of assets and liabilities should we be unable to continue as a going concern.

At June 30, 2021, we had not yet achieved profitable operations and we have accumulated losses of \$10,329,622 since our inception. We expect to incur further losses in the development of our business, all of which casts substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern depends on our ability to generate future profits and/or to obtain the necessary financing to meet our obligations arising from normal business operations when they come due.

We have financed our capital requirements primarily through borrowings from related parties and equity financings. We expect to meet our future financing needs and working capital and capital expenditure requirements through additional borrowings and offerings of debt or equity securities, although there can be no assurance that our future financing efforts will be successful. The terms of future financing could be highly dilutive to existing shareholders. Currently, there are no arrangements in place for additional equity funding or new loans.

Liquidity

As of June 30, 2021, we had \$271,311 of cash and working capital of \$157,092. This compares to cash on hand of \$8,986 and negative working capital of \$235,696 at December 31, 2020.

During the six months ended June 30, 2021, we have sold 11,250,000 shares of common stock in private placements realizing proceeds of \$551,823. We anticipate that future funding will be in the form of additional equity financing from the sale of our common stock, or loans from officers, directors or significant shareholders.

Cash Flows

A summary of our cash provided by and used in operating, investing and financing activities is as follows:

| | Six Months Ended June 30, | |
|---|---------------------------|-------------|
| | 2021 | 2020 |
| Net cash used in operating activities | \$ (267,600) | \$ (54,240) |
| Net cash provided by financing activities | 529,925 | 55,464 |
| Net increase in cash | 262,325 | 1,224 |
| Cash, beginning of period | 8,986 | 117 |
| Cash, end of period | \$ 271,311 | \$ 1,341 |

Net cash used in operating activities:

Net cash used in operating activities was \$267,600 and \$54,240 during the six months ended June 30, 2021 and 2020, respectively.

Cash used in operating activities during the six months ended June 30, 2021 is primarily attributed to our \$340,737 net loss. Non-cash charges to operating activities included \$7,324 of amortization of the debt discount on our convertible note payable, total stock based compensation of \$147,295, and the gain on change in value of the derivative liability of \$62,093. We also realized a decrease in accounts payable of \$21,545, and an increase in other accrued liabilities of \$2,156.

Cash used in operating activities during the six months ended June 30, 2020 is primarily attributed to our \$126,873 net loss. A non-cash charge of \$3,662 to operating activities represents amortization of the debt discount on our convertible note payable. We also realized increases in accounts payable of \$8,844, accrued interest on our notes payable of \$55,557, and an increase in other accrued liabilities of \$4,570.

Net cash provided by financing activities:

Cash provided by financing activities during the six months ended June 30, 2021 was \$529,925 compared to cash provided by financing activities of \$55,464 during the same period in 2020.

During the six months ended June 30, 2021 the Company's President had advanced a total of \$12,012, and was repaid a total of \$33,910. At June 30, 2021 there were no unpaid advances.

On May 25, 2021 we completed a private placement in which we sold 6,250,000 units. Each unit was priced at CAD\$0.08 and consisted of one share of the Company's common stock and one stock purchase warrant granting the holder the right to purchase one additional share of common stock at a price of CAD\$0.15. The warrants expire three years from the date of issuance. All securities issued in connection with the offering are subject to restrictions on resale in Canada and the United States pursuant to applicable securities laws and the policies of any applicable stock exchange. An additional 173,810 warrants were granted to a Canadian broker as a placement fee. We realized total proceeds of \$401,823 net of offering costs. Of the total units sold, 2,200,000 were sold to a significant shareholder related party, and an additional 300,000 were sold to the Company's President and CEO.

During the six months ended June 30, 2021, we also sold 5,000,000 shares of our common stock in private placements at a price of \$0.03 per share, resulting in total proceeds of \$150,000. Of the total shares sold, 250,000 were sold to a significant shareholder related party.

For the six months ended June 30, 2020 borrowings under our convertible credit facility were \$42,750. Also, during the period the Company's President had advanced a total of \$33,401, and was repaid a total of \$20,687 associated with advances outstanding at December 31, 2019. We also paid \$10,000 that was due on June 1st on our deed amendment liability.

On June 23, 2020, the Company entered into a stock subscription agreement whereby the subscriber agreed to purchase an aggregate of 17,142,857 shares of the Company's common stock at a private offering price of \$0.007 per share, or an aggregate purchase price of \$120,000. The purchase price was to be paid in twelve equal monthly installments of \$10,000 each with the first installment due on or before June 15, 2020 and continuing thereafter on or before the 15th day of each succeeding month until paid in full. Shares were not to be deemed purchased until the purchase price has been paid in full. We received the first \$10,000 payment in June as scheduled. Subsequently, on September 18, 2020 the Company and the subscriber agreed to terminate the subscription agreement. As a result of this Settlement Agreement and Release, the Company agreed to issue 500,000 shares of common stock at \$0.02 per share for total proceeds of \$10,000, and released both parties of any further obligations regarding the June 23, 2020 subscription agreement.

Off Balance Sheet Arrangements:

We do not have and never had any off-balance sheet arrangements.

Recent Accounting Pronouncements

We do not expect the adoption of recently issued accounting pronouncements to have a significant impact on our results of operations, financial position or cash flow.

Critical Accounting Policies

The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates, assumptions and judgments that affect the amounts reported in our financial statements. The accounting positions described below are significantly affected by critical accounting estimates.

We believe that the significant estimates, assumptions and judgments used when accounting for items and matters such as capitalized mineral rights, asset valuations, recoverability of assets, asset impairments, taxes, and other provisions were reasonable, based upon information available at the time they were made. Actual results could differ from these estimates, making it possible that a change in these estimates could occur in the near term.

Foreign Currency

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

Mineral Rights

We have determined that our mining rights meet the definition of mineral rights, as defined by accounting standards, and are tangible assets. As a result, our direct costs to acquire or lease mineral rights are initially capitalized as tangible assets. Mineral rights include costs associated with: leasing or acquiring patented and unpatented mining claims; leasing mining rights including lease signature bonuses, lease rental payments and advance minimum royalty payments; and options to purchase or lease mineral properties.

If we establish proven and probable reserves for a mineral property and establish that the mineral property can be economically developed, mineral rights will be amortized over the estimated useful life of the property following the commencement of commercial production or expensed if it is determined that the mineral property has no future economic value or if the property is sold or abandoned. For mineral rights in which proven and probable reserves have not yet been established, we assess the carrying values for impairment at the end of each reporting period and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Proven and probable reserves have not been established for any mineral rights as of June 30, 2021.

Impairment of Long-lived Assets

We continually monitor events and changes in circumstances that could indicate that our carrying amounts of long-lived assets, including mineral rights, may not be recoverable. When such events or changes in circumstances occur, we assess the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through their undiscounted expected future cash flows. If the future undiscounted cash flows are less than the carrying amount of these assets, we recognize an impairment loss based on the excess of the carrying amount over the fair value of the assets.

Exploration Costs

Mineral exploration costs are expensed as incurred. When it has been determined that it is economically feasible to extract minerals and the permitting process has been initiated, exploration costs incurred to further delineate and develop the property are considered pre-commercial production costs and will be capitalized and included as mine development costs in our consolidated balance sheets.

Share-based Payments

We measure and recognize compensation expense or professional services expense for all share-based payment awards made to employees, directors and non-employee consultants based on estimated fair values. We estimate the fair value of stock options on the date of grant using the Black-Scholes-Merton option pricing model, which includes assumptions for expected dividends, expected share price volatility, risk-free interest rate, and expected life of the options. Our expected volatility assumption is based on our historical weekly closing price of our stock over a period equivalent to the expected life of the options.

We expense share-based compensation, adjusted for estimated forfeitures, using the straight-line method over the vesting term of the award for our employees and directors and over the expected service term for our non-employee consultants. We estimate forfeitures at the time of grant and revise those estimates in subsequent periods if actual forfeitures differ from our estimates. Our excess tax benefits, if any, cannot be credited to stockholders' equity until the deduction reduces cash taxes payable; accordingly, we realized no excess tax benefits during any of the periods presented in the accompanying consolidated financial statements.

Income Taxes

We account for income taxes through the use of the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and for income tax carry-forwards. A valuation allowance is recorded to the extent that we cannot conclude that realization of deferred tax assets is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years 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 operations in the period that includes the enactment date.

We follow a two-step approach to recognizing and measuring tax benefits associated with uncertain tax positions taken, or expected to be taken in a tax return. The first step is to determine if, based on the technical merits, it is more likely than not that the tax position will be sustained upon examination by a taxing authority, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement with a taxing authority. We recognize interest and penalties, if any, related to uncertain tax positions in our provision for income taxes in the consolidated statements of operations. To date, we have not recognized any tax benefits from uncertain tax positions.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures:

Disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time period specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosures. Our management necessarily applied its judgment in assessing the costs and benefits of such controls and procedures, which, by their nature, can provide only reasonable assurance regarding management's control objectives.

Our management, with the participation of our CEO and CFO, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based upon this evaluation, our CEO and CFO concluded that our disclosure controls and procedures were not effective as of such date as a result of a material weakness in our internal control over financial reporting due to lack of segregation of duties, a limited corporate governance structure and insufficient formal management review processes over certain financial and accounting reports as discussed in Item 9A of our Form 10-K for the fiscal year ended December 31, 2020.

While we strive to segregate duties as much as practicable, there is an insufficient volume of transactions at this point in time to justify additional full time staff. We believe that this is typical in many exploration stage companies. We may not be able to fully remediate the material weakness until we commence mining operations at which time we would expect to hire more staff. We will continue to monitor and assess the costs and benefits of additional staffing.

Changes in Internal Control over Financial Reporting:

There were no changes in our internal control over financial reporting that occurred during the last fiscal quarter covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors disclosed in Part I. Item 1A. of our Annual Report on Form 10-K for the year ended December 31, 2020.

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

All sales of unregistered securities were reported on Form 8-K during the period.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

| EXHIBIT NUMBER | DESCRIPTION |
|---------------------------|---|
| 31.1 | Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002* |
| 31.2 | Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002* |
| 32 | Certification 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 (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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 in IXBRL, and included in exhibit 101).** |
| * | Filed herewith |
| ** | Furnished, not filed. |

SIGNATURE

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

ATHENA SILVER CORPORATION

Dated: August 13, 2021

By: /s/ John C. Power
John C. Power
Chief Executive Officer, President,
Secretary & Director
(Principal Executive Officer)

ATHENA SILVER CORPORATION

Dated: August 13, 2021

By: /s/ Tyler J. Minnick
Tyler J. Minnick
Chief Financial Officer
(Principal Accounting Officer)

CERTIFICATE OF THE ISSUER

Dated: August 31, 2021

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Issuer as required by the securities legislation of British Columbia.

"John Power"

JOHN POWER
Chief Executive Officer

"Tyler Minnick"

TYLER MINNICK
Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS OF
THE ISSUER**

"Brian Power"

BRIAN POWER
Director

"Markus Janser"

MARKUS JANSER
Director

CERTIFICATE OF THE PROMOTER

Dated: August 31, 2021

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Issuer as required by the securities legislation of British Columbia.

"John Power"

JOHN POWER