

PART I. FINANCIAL INFORMATION

ITEM I. FINANCIAL STATEMENTS

ATHENA GOLD CORPORATION
CONSOLIDATED BALANCE SHEETS
(unaudited)

	<u>9/30/22</u>	<u>12/31/21</u>
Assets		
Current assets		
Cash	\$ 256,275	\$ 72,822
Prepaid expenses	<u>13,967</u>	<u>51,166</u>
Total current assets	270,242	123,988
Other assets		
Mineral Rights	<u>6,189,214</u>	<u>6,000,000</u>
Total other assets	6,189,214	6,000,000
Total assets	<u>\$ 6,459,456</u>	<u>\$ 6,123,988</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 121,652	\$ 50,373
Note payable	<u>125,000</u>	<u>0</u>
Total current liabilities	246,652	50,373
Long term liabilities		
Warrant liability	<u>775,166</u>	<u>1,024,208</u>
Total long term liabilities	775,166	1,024,208
Total liabilities	<u>1,021,818</u>	<u>1,074,581</u>
Stockholders' equity		
Preferred stock, \$.0001 par value, 5,000,000 shares authorized, none outstanding	0	0
Common stock - \$.0001 par value; 250,000,000 shares authorized, 134,916,400 and 119,858,700 issued and outstanding	13,492	11,986
Additional paid in capital	16,490,452	16,056,561
Accumulated deficit	<u>(11,066,306)</u>	<u>(11,019,140)</u>
Total stockholders' equity	5,437,638	5,049,407
Total liabilities and stockholders' equity	<u>\$ 6,459,456</u>	<u>\$ 6,123,988</u>

See accompanying notes to the unaudited financial statements.

ATHENA GOLD CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended		Nine Months Ended	
	9/30/22	9/30/21	9/30/22	9/30/21
Operating expenses				
Exploration, evaluation and project expenses	\$ 143,287	\$ 66,840	\$ 449,350	\$ 128,616
General and administrative expenses	186,506	123,434	419,956	454,381
Total operating expenses	329,793	190,274	869,306	582,997
Net operating loss	(329,793)	(190,274)	(869,306)	(582,997)
Interest expense	(463)	(1,096)	(463)	(11,203)
Revaluation of warrant liability	854,281	(120,226)	822,603	(58,133)
Net income (loss)	\$ 524,025	\$ (311,596)	\$ (47,166)	\$ (652,333)
Weighted average common shares outstanding – basic and diluted	129,727,349	68,282,320	124,830,919	63,760,729
Earnings (loss) per common share – basic and diluted	\$ 0.00	\$ (0.00)	\$ (0.00)	\$ (0.01)

See accompanying notes to the unaudited financial statements.

ATHENA GOLD CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)

	Common Stock		Additional Paid In Capital	Accumulated Deficit	Total
	Shares	Amount			
December 31, 2020	54,887,876	\$ 5,489	\$ 9,897,700	\$ (9,988,885)	\$ (85,696)
Conversion of management fees	2,144,444	214	96,286	0	96,500
Stock based compensation	0	0	128,775	0	128,775
Private placement	3,250,000	325	149,675	0	150,000
Net loss	0	0	0	(256,972)	(256,972)
March 31, 2021	<u>60,282,320</u>	<u>\$ 6,028</u>	<u>\$ 10,272,436</u>	<u>\$ (10,245,857)</u>	<u>\$ 32,607</u>
Private placement	8,000,000	800	401,023	0	401,823
Warrant liability	0	0	(485,052)	0	(485,052)
Stock based compensation	0	0	18,520	0	18,520
Net loss	0	0	0	(83,765)	(83,765)
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>
Private placement	3,108,700	311	190,241	0	190,552
Warrant liability	0	0	(269,674)	0	(269,674)
Stock based compensation	0	0	18,520	0	18,520
Net loss	0	0	0	(311,596)	(311,596)
September 30, 2021	<u>71,391,020</u>	<u>\$ 7,139</u>	<u>\$ 10,146,014</u>	<u>\$ (10,641,218)</u>	<u>\$ (488,065)</u>
December 31, 2021	119,858,700	11,986	16,056,561	(11,019,140)	5,049,407
Stock based compensation	0	0	11,888	0	11,888
Net income	0	0	0	261,944	261,944
March 31, 2022	<u>119,858,700</u>	<u>\$ 11,986</u>	<u>\$ 16,068,449</u>	<u>\$ (10,757,196)</u>	<u>\$ 5,323,239</u>
Private placement	6,250,000	625	393,457	0	394,082
Warrant liability	0	0	(203,838)	0	(203,838)
Common stock issued for mineral property	500,000	50	34,950	0	35,000
Stock based compensation	0	0	11,888	0	11,888
Net loss	0	0	0	(833,135)	(833,135)
June 30, 2022	<u>126,608,700</u>	<u>\$ 12,661</u>	<u>\$ 16,304,906</u>	<u>\$ (11,590,331)</u>	<u>\$ 4,727,236</u>
Private placement	8,307,700	831	499,925	0	500,756
Warrant liability	0	0	(369,723)	0	(369,723)
Stock based compensation	0	0	55,344	0	55,344
Net income	0	0	0	524,025	524,025
September 30, 2022	<u>134,916,400</u>	<u>\$ 13,492</u>	<u>\$ 16,490,452</u>	<u>\$ (11,066,306)</u>	<u>\$ 5,437,638</u>

See accompanying notes to the unaudited financial statements.

ATHENA GOLD CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	9/30/22	9/30/21
Cash flows from operating activities		
Net loss	\$ (47,166)	\$ (652,333)
Adjustments to reconcile net loss to net cash used in operating activities		
Amortization of debt discount	0	7,324
Revaluation of warrant liability	(822,603)	58,133
Share based compensation	79,120	165,815
Change in operating assets and liabilities:		
Prepaid expense	37,199	0
Accounts payable	71,279	26,612
Other liabilities	0	3,252
Net cash used in operating activities	(682,171)	(391,197)
Cash flows from investing activities		
Purchase of mineral properties	(29,214)	0
Net cash used in investing activities	(29,214)	0
Cash flows from financing activities		
Proceeds from private placement of stock	793,738	742,375
Proceeds from related parties	101,100	12,012
Payments to related parties	0	(33,910)
Net cash provided by financing activities	894,838	720,477
Net increase in cash	183,453	329,280
Cash, beginning of period	72,822	8,986
Cash, end of period	\$ 256,275	\$ 338,266
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 0	\$ 627
Cash paid for income taxes	\$ 0	\$ 0
Noncash investing and financing activities		
Stock issued to payoff note payable	\$ 101,100	\$ 0
Common stock issued for mineral properties	\$ 35,000	\$ 0
Note payable for mineral property	\$ 125,000	\$ 0
Conversion of management fee payable	\$ 0	\$ 96,500
Warrant liability	\$ 573,561	\$ 754,726

See accompanying notes to the unaudited financial statements.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

Note 1 – Nature of Business and Summary of Significant Accounting Policies

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 Mr. John Gibbs, a related party, in a non-cash exchange.

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

Basis of Presentation

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-month periods ended March 31, 2022 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, 2021.

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

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

Liquidity and Going Concern

Our 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 September 30, 2022, we had not yet achieved profitable operations and we have accumulated losses of approximately \$11,000,000 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.

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 - Related Party

Related party payables 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.

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.

Fair Value of Financial Instruments

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

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

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

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

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

Earnings (Loss) per Common Share

The Company incurred a net income and net loss for the three months ended September 30, 2022 and 2021, respectively. In periods where the Company has a net income certain options and warrants are included in the computation of diluted shares outstanding, however, the options and warrants were not included in the calculation because they were "out-of-the money". In periods where the Company has a net loss, all common stock equivalents are excluded as they would be anti-dilutive.

The Company incurred a net loss for the nine months ended September 30, 2022 and 2021, respectively. In periods where the Company has a net loss, all common stock equivalents are excluded as they would be anti-dilutive. As of September 30, 2022 there were 2,730,000 options and 24,435,560 warrants. As of September 30, 2021 there were 2,000,000 options and 9,623,510 warrants.

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 27, 2021 (“Effective Date”), the Company simultaneously executed and consummated a definitive Share Purchase Agreement (the “SPA”) with Nubian Resources, Ltd. (“Nubian”). The SPA was the result of a previously disclosed Option Agreement with Nubian dated as of December 11, 2020, as amended by First Amendment to Option Agreement dated November 10, 2021 (the “Option”). While the Option granted the Company the right to acquire up to a 100% interest in the mining claims comprising the Excelsior Springs Prospect (the “Property”) located in Esmerelda County, Nevada, the Company and Nubian agreed to restructure the transaction so that the Company purchased 100% of the issued and outstanding shares of common stock of Nubian Resources USA, Ltd (“Nubian USA”), a wholly-owned subsidiary of Nubian which held the Property. By purchasing 100% of Nubian USA, the Company effectively acquired the remaining 90% interest in the Property through the issuance of 45,000,000 shares, the Company having previously acquired a 10% interest in the Property in December 2020 with the issuance of 5,000,000 shares. The 50 million shares issued to Nubian were issued as “restricted securities” under the Securities Act of 1933, as amended (“Securities Act”).

The mineral property was valued at the December 31, 2021, the closing date for the SPA with a stock price of \$0.13, resulting in a fair value consideration of \$5,850,000 for the 45,000,000 shares issued. The transaction does not constitute a business combination in accordance with ASC 805, which defines a business as an integrated set of activities and assets capable of being conducted and managed for the purposes of providing a return to investors or other participants and that a business consists of inputs and processes applied to those inputs that have the ability to contribute to the creation of outputs. Management has determined that the acquired assets do not contain processes sufficient to constitute a business in accordance with ASC 805. The transaction represents the acquisition of assets in exchange for the assumption of liabilities and the issuance of share-based payments.

Note 3 – 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 was unsecured and accrued interest at the rate of 6% per annum, compounded quarterly, and was due on demand. The principal and accrued interest due under the Note was convertible, 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 nine months ended September 30, 2021, no interest in 2022.

On November 30, 2021, the Company received a notice of conversion of the Note with a principal balance of \$51,270 and a conversion price of \$0.021. On December 3, 2021, a total of 2,441,476 shares of Common Stock were issued. An additional 1,026,204 shares were issued for \$21,550 of accrued interest on the same Note.

Note 4 – Common Stock and Warrants

During August and September 2022, the Company completed the private placement of three tranches (August 12, 2022; August 31, 2022; September 14, 2022) in which we sold 8,307,700 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\$0.12. The warrants expire 24 months from issue date. 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 184,350 broker warrants were granted along with CAD\$14,748 to brokers as a placement fee. We realized total proceeds of CAD\$649,868 net of offering costs. In June 2022, the Company executed a promissory note with John Gibbs for \$26,100 at 6% that is payable on demand as part payment for mineral property in escrow. In September 2022, the Company issued 443,110 shares of common stock as a part of the private placement offering to settle \$26,100 of notes payable and \$463 of accrued interest to Mr. Gibbs.

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.

Tranche 1 – August 12, 2022:

The warrant liability had an initial value of \$129,812 based on 3,247,500 warrants issued. As of September 30, 2022, the warrant liability was valued at \$106,093, resulting in a gain on revaluation of warrant liability of \$23,719 based on the following assumptions:

Fair value assumptions – warrant liability:	8/12/22	9/30/22
Risk free interest rate	3.25%	4.22%
Expected term (years)	2.0	1.9
Expected volatility	132%	129%

Tranche 2 – August 31, 2022:

The warrant liability had an initial value of \$139,255 based on 2,300,000 warrants issued. As of September 30, 2022, the warrant liability was valued at \$79,609, resulting in a gain on revaluation of warrant liability of \$59,646 based on the following assumptions:

Fair value assumptions – warrant liability:	8/31/22	9/30/22
Risk free interest rate	3.45%	4.22%
Expected term (years)	2.0	1.9
Expected volatility	132%	135%

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 \$6,312 for the 104,250 warrants issued with the following inputs:

Fair value assumptions – broker warrants:	8/31/22
Risk free interest rate	3.45%
Expected term (years)	2.0
Expected volatility	132%

Tranche 3 – September 14, 2022:

The warrant liability had an initial value of \$100,656 based on 2,760,200 warrants issued. As of September 30, 2022, the warrant liability was valued at \$97,080, resulting in a gain on revaluation of warrant liability of \$3,576 based on the following assumptions:

Fair value assumptions – warrant liability:	9/14/22	9/30/22
Risk free interest rate	3.78%	4.22%
Expected term (years)	2.0	1.9
Expected volatility	134%	136%

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 \$2,921 for the 80,100 warrants issued with the following inputs:

Fair value assumptions – broker warrants:	9/14/22
Risk free interest rate	3.78%
Expected term (years)	2.0
Expected volatility	134%

On June 9, 2022, the Company entered into an Acquisition Agreement (the "Agreement") to purchase an undivided 100% interest in the Fortunatus and Prout patented lode mining claims in Esmeralda County, Nevada \$185,000. The Agreement was completed in July 2022 with the following terms:

- \$25,000 will be settled in cash (Paid July 2022)
- \$35,000 of the purchase price settled by the issuance of 500,000 shares of the Company's common stock (Issued); and
- \$125,000 will be settled by a loan, repayable by the Company in quarterly installments of \$25,000, beginning November 13, 2022 (paid), and continuing until October 13, 2023, at which time the entire remaining unpaid principal balance will be payable.

In April 2022 the Company 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 April 13, 2025. 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 70,000 broker warrants were granted to a Canadian broker as a placement fee. We realized total proceeds of \$394,082 net of offering costs. During March 2022, the Company executed two promissory notes with John Gibbs for \$50,000 and \$25,000 at 6% that is payable on demand. In April 2022, the Company issued 1,181,250 shares out of 3,375,000 shares of common stock in April 2022 at C\$.08 per share as a part of the private placement offering to settle \$75,000 of notes payable to Mr. Gibbs.

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.

In April 2022, the warrant liability had an initial value of \$203,838. As of September 30, 2022, the warrant liability was valued at \$248,760, resulting in a loss on revaluation of warrant liability of \$44,922 based on the following assumptions:

Fair value assumptions – warrant liability:	4/13/22	9/30/22
Risk free interest rate	2.57%	4.25%
Expected term (years)	3.0	2.5
Expected volatility	184%	145%

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 \$1,344 with the following inputs:

Fair value assumptions – broker warrants:	4/13/22
Risk free interest rate	2.37%
Expected term (years)	2.0
Expected volatility	138%

During the twelve months ended December 31, 2021 we sold 14,358,700 shares of common stock in private placements realizing proceeds of \$742,375.

On September 30, 2021 the Company completed a private placement in which we sold 3,108,700 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 May 31, 2024. 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 91,000 broker warrants were granted to a Canadian broker as a placement fee. We realized total proceeds of \$190,552 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 December 31, 2021, the warrant liability was valued at \$341,145. As of September 30, 2022, the warrant liability was valued at \$80,463, resulting in a gain on revaluation of warrant liability of \$260,682 based on the following assumptions:

Fair value assumptions – warrant liability:	9/30/21	12/31/21	9/30/22
Risk free interest rate	0.53%	0.97%	4.22%
Expected term (years)	2.7	2.4	1.7
Expected volatility	189%	191%	121%

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 \$7,472 with the following inputs:

Fair value assumptions – broker warrants:	9/30/21
Risk free interest rate	0.28%
Expected term (years)	2.0
Expected volatility	196%

On May 25, 2021 the Company 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 May 31, 2024. 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 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 December 31, 2021, the warrant liability was valued at \$683,063. As of September 30, 2022, the warrant liability was valued at \$163,161, resulting in a gain on revaluation of warrant liability of \$519,902 based on the following assumptions:

Fair value assumptions – warrant liability:	5/25/21	12/31/21	9/30/22
Risk free interest rate	0.30%	0.97%	4.22%
Expected term (years)	3.0	2.4	1.7
Expected volatility	180%	189%	123%

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:	5/25/21
Risk free interest rate	0.14%
Expected term (years)	2.0
Expected volatility	205%

Total outstanding warrants of 24,435,560 as of September 30, 2022 were as follows:

	Warrants Issued					Total
Warrants issued	6,250,000	3,108,700	6,250,000	5,547,500	2,760,200	23,916,400
Broker warrants issued (1)	173,810	91,000	70,000	104,250	80,100	519,160
Issued date	May 21	Sep 21	Apr 22	Aug 22	Sep 22	
Expiration date	May 24	May 24	Apr 25	Aug 24	Sep 24	
Exercise price (Canadian \$)	\$0.15	\$0.15	\$0.15	\$0.12	\$0.12	
Balance at December 31, 2020	0	0	0	0	0	0
Exercised	0	0	0	0	0	0
Issued	6,423,810	3,199,700	0	0	0	9,623,510
Expired	0	0	0	0	0	0
Balance at December 31, 2021	6,423,810	3,199,700	0	0	0	9,623,510
Exercised	0	0	0	0	0	0
Issued	0	0	6,320,000	5,651,750	2,840,300	14,812,050
Expired	0	0	0	0	0	0
Balance at September 30, 2022	6,423,810	3,199,700	6,320,000	5,651,750	2,840,300	24,435,560

(1) Broker warrants expire 24 months from issue date

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 5 – 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 whom 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 first and second 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	211%
Expected life	3.4 years
Risk free interest rate	0.31%

The calculations resulted in the total fair value of the options issued to be \$190,202. We expense share-based compensation 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 \$35,664 and \$135,815 have been charged during the nine months ended September 30, 2022 and September 30, 2021, respectively. A summary of the stock options as of September 30, 2022 and changes during the periods are presented below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Balance at December 31, 2020	0	\$0.00	0	\$0
Exercised	0	0	0	0
Issued	2,000,000	0.09	4.2	0
Canceled	0	0	0	0
Balance at December 31, 2021	2,000,000	0.09	4.2	80,000
Exercised	0	0	0	0
Issued	730,000	0.06	10.0	0
Canceled	0	0	0	0
Balance at September 30, 2022	2,730,000	0.07	5.2	0
Options exercisable at September 30, 2022	2,230,000	0.08	5.6	0

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.

On August 24, 2022, the Company granted 730,000 options pursuant to the terms of the Company's Stock Option Plan. The Black Scholes option pricing model was used to estimate the aggregate fair value of the August 2022 options of \$43,456 as stock-based compensation with the following inputs:

Options	Exercise Price	Expected Life	Volatility	Risk Free Interest Rate
730,000	C\$0.08	5.5 years	177.9%	3.2%

Note 6 – Commitments and Contingencies

We are subject to various commitments and contingencies.

Note 7 – Related Party Transactions

Conflicts of Interests

Magellan Gold Corporation (“Magellan”) is a company under common control. 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

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, \$22,500 was recorded as management fees and are included in general and administrative expenses in the accompanying consolidated statements of operations.

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.

Note Payable

During March 2022, the Company executed two promissory notes with John Gibbs for \$50,000 and \$25,000 at 6% that is payable on demand. In April 2022, the Company issued 1,181,250 shares out of 3,375,000 shares of common stock in April 2022 at C\$.08 per share as a part of the private placement offering to settle \$75,000 of notes payable to Mr. Gibbs.

In June 2022, the Company executed a promissory note with John Gibbs for \$26,100 at 6% that is payable on demand as part payment for mineral property in escrow. In September 2022, the Company issued 443,110 shares out of 2,760,200 shares of common stock in September 2022 at C\$.08 per share as a part of the private placement offering to settle \$26,100 of notes payable and \$463 of accrued interest to Mr. Gibbs.

Note 8 – Subsequent Events

Effective October 12, 2022, the Company has granted an aggregate of 2,250,000 stock options (the “Options”) to certain directors and officers to purchase 2,250,000 common shares (the “Option Shares”) in the capital stock of the Company pursuant to the Company’s equity incentive plan. The Options, which vest immediately, are exercisable at an exercise price of \$0.06 per Option Share for a period of ten years from the date of grant. In addition, the board of directors of the Company has approved the issuance of an aggregate of 675,000 common shares in the capital stock of the Company at a deemed price per Share of \$0.052 to its officers and directors. The shares were issued as of filing date.

On October 24, 2022, the Company completed the sale of an aggregate of C\$40,000 of its Units at a purchase price of C\$.08 per Unit for a total of 500,000 Units. Each Unit consisted of one share of Common Stock and one common stock purchase warrant exercisable for two years to purchase one additional share of Common Stock at a price of C\$0.12 per share.