

**PART I. FINANCIAL INFORMATION**

**ITEM I. FINANCIAL STATEMENTS**

**ATHENA GOLD CORPORATION  
CONSOLIDATED BALANCE SHEETS**  
*(unaudited)*

	3/31/23	12/31/22
<b>Assets</b>		
Current assets		
Cash	\$ 3,425	\$ 15,075
Prepaid expenses	16,000	32,200
Total current assets	<u>19,425</u>	<u>47,275</u>
Other assets		
Mineral Rights	6,196,114	6,196,114
Total other assets	<u>6,196,114</u>	<u>6,196,114</u>
Total assets	<u>\$ 6,215,539</u>	<u>\$ 6,243,389</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Accounts payable	\$ 158,337	\$ 143,939
Accounts payable - related party	100,060	30,006
Advanced deposits	25,000	—
Note payable	79,140	106,210
Note payable - related party	25,000	—
Total current liabilities	<u>387,537</u>	<u>280,155</u>
Long term liabilities		
Warrant liability	603,127	999,820
Total long term liabilities	<u>603,127</u>	<u>999,820</u>
Total liabilities	990,664	1,279,975
Stockholders' equity		
Preferred stock, \$.0001 par value, 5,000,000 shares authorized, none outstanding	—	—
Common stock - \$.0001 par value; 250,000,000 shares authorized, 136,091,400 issued and outstanding	13,609	13,609
Additional paid in capital	16,674,603	16,652,603
Accumulated deficit	<u>(11,463,337)</u>	<u>(11,702,798)</u>
Total stockholders' equity	<u>5,224,875</u>	<u>4,963,414</u>
Total liabilities and stockholders' equity	<u>\$ 6,215,539</u>	<u>\$ 6,243,389</u>

*See accompanying notes to the unaudited financial statements.*

**ATHENA GOLD CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
*(unaudited)*

	Three Months Ended	
	3/31/23	3/31/22
Operating expenses		
Exploration, evaluation and project expenses	\$ 16,768	\$ 192,566
General and administrative expenses	140,464	137,588
Total operating expenses	157,232	330,154
Net operating loss	(157,232)	(330,154)
Revaluation of warrant liability	396,693	592,098
Net income	\$ 239,461	\$ 261,944
Weighted average common shares outstanding – basic and diluted	136,091,400	119,858,700
Income per common share – basic and diluted	\$ 0.00	\$ 0.00

*See accompanying notes to the unaudited financial statements.*

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

	Common Stock		Additional Paid In Capital	Accumulated Deficit	Total
	Shares	Amount			
December 31, 2021	119,858,700	\$ 11,986	\$ 16,056,561	\$ (11,019,140)	\$ 5,049,407
Stock based compensation	-	-	11,888	-	11,888
Net income	-	-	-	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>
December 31, 2022	136,091,400	\$ 13,609	\$ 16,652,603	\$ (11,702,798)	\$ 4,963,414
Stock based compensation	-	-	22,000	-	22,000
Net income	-	-	-	239,461	239,461
March 31, 2023	<u>136,091,400</u>	<u>\$ 13,609</u>	<u>\$ 16,674,603</u>	<u>\$ (11,463,337)</u>	<u>\$ 5,224,875</u>

*See accompanying notes to the unaudited financial statements.*

**ATHENA GOLD CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(unaudited)*

	Three Months Ended	
	3/31/23	3/31/22
Cash flows from operating activities		
Net income	\$ 239,461	\$ 261,944
Adjustments to reconcile net income to net cash used in operating activities		
Revaluation of warrant liability	(396,693)	(592,098)
Share based compensation	22,000	11,888
Change in operating assets and liabilities:		
Prepaid expense	16,200	10,825
Accounts payable	14,398	199,766
Accounts payable - related party	70,054	—
Advanced deposits	25,000	—
Net cash used in operating activities	(9,580)	(107,675)
Cash flows from financing activities		
Proceeds from note payable - related parties	25,000	75,000
Payments on notes payable	(27,070)	—
Net cash provided by (used in) financing activities	(2,070)	75,000
Net decrease in cash	(11,650)	(32,675)
Cash, beginning of period	15,075	72,822
Cash, end of period	\$ 3,425	\$ 40,147
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ —	\$ —
Cash paid for income taxes	\$ —	\$ —

*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, 2023 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, 2022.

***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 March 31, 2023, 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 per Common Share***

The Company incurred a net income for the three months ended March 31, 2023 and 2022, 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".

### **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.

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.

### **Note 3 – Common Stock and Warrants**

During August, September and October 2022, the Company completed the private placement of four tranches (August 12, 2022; August 31, 2022; September 14, 2022; October 28, 2022) in which we sold 8,807,700 units. Each unit was priced at C\$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 C\$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 C\$14,748 to brokers as a placement fee. We realized total proceeds of C\$689,868 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.

In April 2022 the Company completed a private placement in which we sold 6,250,000 units. Each unit was priced at C\$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 C\$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. Outstanding subscription warrants were valued as of March 31, 2023, with various inputs using a Black Scholes model, broker warrants are valued at the time of issuance. The following is a summary of warrants issued and outstanding as of March 31, 2023:

<u>Date Issued</u>	<u>Date Expired</u>	<u>Exercise Price (CAD)</u>	<u>Valuation</u>	<u>Volatility</u>	<u>Warrants Issued</u>
<b>Subscription Warrants</b>					
5/25/2021	5/31/2024	\$ 0.15	\$ 121,656	119%	6,250,000
9/30/2021	5/31/2024	\$ 0.15	61,198	119%	3,108,700
4/14/2022	4/13/2025	\$ 0.15	180,405	118%	6,250,000
8/12/2022	8/12/2024	\$ 0.12	86,929	124%	3,247,500
8/31/2022	8/31/2024	\$ 0.12	63,022	125%	2,300,000
9/14/2022	9/14/2024	\$ 0.12	75,738	124%	2,760,200
10/24/2022	10/24/2024	\$ 0.12	14,179	122%	500,000
<b>Broker Warrants</b>					
5/25/2021	5/31/2023	\$ 0.15			173,810
9/30/2021	9/30/2023	\$ 0.15			91,000
4/14/2022	4/13/2025	\$ 0.15			70,000
8/31/2022	8/31/2024	\$ 0.12			104,250
9/14/2022	9/14/2024	\$ 0.12			80,100
			<u>\$ 603,127</u>		<u>24,935,560</u>

The following is a summary of warrants exercised, issued and expired:

	<u>Total</u>
Balance at December 31, 2021	9,623,510
Exercised	—
Issued	15,312,050
Expired	—
Balance at December 31, 2022	24,935,560
Exercised	—
Issued	—
Expired	—
Balance at March 31, 2023	24,935,560

#### Note 4 – Share Based Compensation

On January 16, 2023, the Company granted 250,000 options at a price of \$0.0675 pursuant to the terms of the Company’s Stock Option Plan. The options were issued to a consultant to the Company. The options were valued at \$13,267 on the grant date and 50% vested on grant date with the remaining 50% vesting one year from grant date. Stock-Based Compensation (SBC) expense totaling \$7,738 for the three months ending March 31, 2023.

On October 12, 2022, the Company granted 2,250,000 options at a price of \$0.06 pursuant to the terms of the Company’s Stock Option Plan. The options were issued to five individuals, the CEO, CFO, and three Directors of the Company. The options were valued at \$106,109 and charged to SBC expense on the grant date and 100% vested.

On August 24, 2022, the Company granted 730,000 options at a price of \$0.06 pursuant to the terms of the Company’s Stock Option Plan. The options were issued to a consultant to the Company. The options were valued at \$43,456 and charged to SBC expense on the grant date and 100% vested.

On March 22, 2021, the Company granted 2,000,000 options at a price of \$0.09 to four individuals, three Directors of the Company, the other a consultant to the Company. The options vest 50% upon issuance, and 25% on each of the first and second anniversaries of the grant date. The options were valued at \$190,202 on the grant date and 50% vested on grant date with 25% vesting one year from grant date and the remaining 25% vesting two years from grant date. SBC expense totaling \$14,262 for the three months ending March 31, 2023.

A summary of the stock options as of March 31, 2023, and changes during the periods are presented below:

Grant Date	Expiration Date	Exercise Price	Valuation	Volatility	Options Granted	Expected Life (Yrs)	SBC Expense - 3 Months Ending	
							3/31/2023	3/31/2022
3/22/2021	3/22/2026	\$ 0.0900	\$ 190,202	211%	2,000,000	3.4	\$ 14,262	\$ 11,888
8/24/2022	8/24/2032	\$ 0.0600	\$ 43,456	178%	730,000	5.5	–	–
10/12/2022	10/12/2032	\$ 0.0600	\$ 106,109	162%	2,250,000	5.5	–	–
1/16/2023	1/16/2028	\$ 0.0675	\$ 13,267	174%	250,000	3.3	7,738	–
							<u>\$ 22,000</u>	<u>\$ 11,888</u>

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Balance at December 31, 2021	2,000,000	\$ 0.09	4.2	\$ 80,000
Exercised	—	—	—	—
Issued	2,980,000	0.06	10.0	—
Canceled	—	—	—	—
Balance at December 31, 2022	4,980,000	0.07	7.1	—
Exercised	—	—	—	—
Issued	250,000	0.068	5.0	—
Canceled	—	—	—	—
Balance at March 31, 2023	5,230,000	0.07	6.8	—
Options exercisable at March 31, 2023	5,105,000	0.07	6.8	—

#### **Note 5 – Commitments and Contingencies**

We are subject to various commitments and contingencies.

#### **Note 6 – 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, \$7,500 was recorded as management fees and are included in general and administrative expenses in the accompanying consolidated statements of operations. Mr. Power submits expense reports and makes advances to the Company for ordinary business expenses with a balance due as of March 31, 2023 of \$100,060.

**Note Payable**

In January 2023, the Company executed a promissory note with John Gibbs for \$25,000 at 6% that is payable on demand.

In March 2023, the Company received an advance deposit of \$25,000 from John Gibbs.

**Note 7 – Subsequent Events**

Effective April 24, 2023, the Company completed the sale of an aggregate of C\$1,015,000 of its Units at a purchase price of C\$.07 per Unit for a total of 14,500,000 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\$0.10 per share. The Company paid finders' fees in the amount of C\$7,921 in connection with the sale of the Units. The finders were also entitled to 6% warrants based on the number of Units sold and received 220,303 broker warrants. These shares have not been issued as of the date of this filing.