

ATHENA GOLD CORPORATION
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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 sheet of Athena Gold Corporation and its subsidiary (collectively, the "Company") as of December 31, 2022, and the related consolidated statement of operations, stockholders' equity, and cash flows for the year 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, 2022, and the results of its operations and its cash flows for the year 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 audit 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 audit 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 audit 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 audit 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 audit 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 15, 2023

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors
of Athena Gold Corp.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheet of Athena Gold Corp. (the “Company”), as of December 31, 2023, and the related consolidated statements of operations, changes in stockholders’ deficit, and cash flows for the year ended December 31, 2023, and the related notes (collectively referred to as the “financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Athena Gold Corp. as of December 31, 2023, and the results of its operations and its cash flows for the year ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has as a working capital deficiency of approximately \$270,000, which raises substantial doubt about its ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

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

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

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

We have served as the Company’s auditor since 2023.

/s/ DAVIDSON & COMPANY LLP

Chartered Professional Accountants

Vancouver, Canada

March 28, 2024

ATHENA GOLD CORPORATION
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN US DOLLARS)

Assets	<u>12/31/23</u>	<u>12/31/22</u>
Current assets		
Cash	\$ 2,808	\$ 15,075
Prepaid expenses	45,647	32,200
Total current assets	48,455	47,275
Other assets		
Investment in securities	496,400	–
Mineral rights	6,196,114	6,196,114
Total other assets	6,692,514	6,196,114
Total assets	\$ 6,740,969	\$ 6,243,389
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 144,695	\$ 143,939
Accounts payable - related party	100,500	30,006
Advanced deposits	46,000	–
Warrant liability	29,151	–
Note payable	–	106,210
Total current liabilities	320,346	280,155
Long term liabilities		
Warrant liability	102,811	999,820
Total long term liabilities	102,811	999,820
Total liabilities	423,157	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, 167,138,069 and 136,091,400 issued and outstanding as of December 31, 2023 and December 31, 2022, respectively	16,714	13,609
Additional paid in capital	17,391,148	16,652,603
Accumulated deficit	(11,090,050)	(11,702,798)
Total stockholders' equity	6,317,812	4,963,414
Total liabilities and stockholders' equity	\$ 6,740,969	\$ 6,243,389

Commitments and contingencies (Note 5)

See accompanying notes to the financial statements.

ATHENA GOLD CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(EXPRESSED IN US DOLLARS)

	Twelve Months Ended	
	12/31/23	12/31/22
Operating expenses		
Exploration, evaluation and project expenses	\$ 351,132	\$ 617,262
General and administrative expenses	432,460	682,512
Total operating expenses	783,592	1,299,774
Net operating loss	(783,592)	(1,299,774)
Interest income	2,598	–
Interest expense	–	(463)
Revaluation of warrant liability	1,393,742	616,579
Net income (loss)	\$ 612,748	\$ (683,658)
Weighted average common shares outstanding – basic and diluted	146,153,300	127,608,629
Income per common share – basic and diluted	\$ 0.00	\$ (0.01)

See accompanying notes to the financial statements.

ATHENA GOLD CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(EXPRESSED IN US DOLLARS)

	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	–	–	197,116	–	197,116
Shares issued for services	675,000	67	33,683	–	33,750
Private placement	15,057,700	1,506	922,484	–	923,990
Warrant liability	–	–	(592,191)	–	(592,191)
Common stock issued for mineral property	500,000	50	34,950	–	35,000
Net loss	–	–	–	(683,658)	(683,658)
December 31, 2022	<u>136,091,400</u>	<u>\$ 13,609</u>	<u>\$ 16,652,603</u>	<u>\$ (11,702,798)</u>	<u>\$ 4,963,414</u>
December 31, 2022	136,091,400	\$ 13,609	\$ 16,652,603	\$ (11,702,798)	\$ 4,963,414
Private placement, net	14,500,000	1,450	742,710	–	744,160
Warrant liability	–	–	(525,884)	–	(525,884)
Stock based compensation	–	–	26,974	–	26,974
Common stock issued for investment in securities	16,546,669	1,655	494,745	–	496,400
Net income	–	–	–	612,748	612,748
December 31, 2023	<u>167,138,069</u>	<u>\$ 16,714</u>	<u>\$ 17,391,148</u>	<u>\$ (11,090,050)</u>	<u>\$ 6,317,812</u>

See accompanying notes to the financial statements.

ATHENA GOLD CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN US DOLLARS)

	Twelve Months Ended	
	12/31/23	12/31/22
Cash flows from operating activities		
Net income (loss)	\$ 612,748	\$ (683,658)
Adjustments to reconcile net loss to net cash used in operating activities		
Revaluation of warrant liability	(1,393,742)	(616,579)
Shares issued for services	–	33,750
Share based compensation	26,974	197,116
Change in operating assets and liabilities:		
Prepaid expense	(13,447)	18,966
Accounts payable	756	93,566
Accounts payable - related party	70,494	30,006
Net cash used in operating activities	<u>(696,217)</u>	<u>(926,833)</u>
Cash flows from investing activities		
Purchase of mineral properties	–	(29,214)
Net cash used in investing activities	<u>–</u>	<u>(29,214)</u>
Cash flows from financing activities		
Loan from related parties	25,000	101,100
Deposits for future private placement	46,000	–
Payments on notes payable	(106,210)	(25,690)
Proceeds from private placement of stock, net	719,160	822,890
Net cash provided by financing activities	<u>683,950</u>	<u>898,300</u>
Net decrease in cash	<u>(12,267)</u>	<u>(57,747)</u>
Cash, beginning of period	15,075	72,822
Cash, end of period	<u>\$ 2,808</u>	<u>\$ 15,075</u>
Noncash investing and financing activities		
Interest and taxes paid	\$ –	\$ –
Stock issued to payoff note payable	\$ 25,000	\$ 101,100
Common stock issued for mineral properties	\$ –	\$ 35,000
Related party note payable for mineral property	\$ –	\$ 131,900
Warrant liability recognition	\$ 525,884	\$ 592,191
Common stock issued for investment in securities	\$ 496,400	\$ –
Broker warrants issued	\$ 7,954	\$ –

See accompanying notes to the financial statements.

ATHENA GOLD CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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.

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 and Statement of Compliance

The accompanying consolidated financial statements (the “consolidated financial statements”), have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and pursuant to the rules and regulations of the United States Securities and Exchange Commission (“SEC”).

Basis of Measurement

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

Principles of Consolidation

The consolidated financial statements include the accounts of Athena Gold Corp. and its wholly owned subsidiary, Nubian USA. All significant inter-entity balances and transactions have been eliminated in consolidation. Subsidiaries are entities the Company controls when it is exposed, or has rights, to variable returns from its involvement in the entity and can affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are included in the consolidated financial results of the Company from the date of acquisition up to the date of disposition or loss of control.

Going Concern and Management’s Plans

As at December 31, 2023, the Company has a working capital deficiency of approximately \$270,000. The ability of the Company to meet its obligations and continue operations is dependent on its ability to obtain additional debt or equity financing. These circumstances raise substantial doubt about the Company’s ability to continue as a going concern.

Cash, Cash Equivalents and Concentration

The Company considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. The Company places its cash with high credit quality financial institutions in the United States and Canada. On December 31, 2023, the Company’s cash balance was approximately \$3,000. To reduce its risk associated with the failure of such financial institution, the Company will evaluate, as needed, the rating of the financial institution in which it holds deposits.

Critical Judgements and Estimation Uncertainties

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, and expenses. These estimates and judgements are subject to change based on experience and new information which could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affecting future periods. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Share-based compensation – The fair value of share-based compensation is calculated using the Black-Scholes model. The main assumptions used in the model include the estimated life of the option, the expected volatility of the Company’s share price, and the risk-free rate of interest. The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm’s-length transaction.

Warrant liability – The fair value of the warrant liability is calculated using the Black-Scholes model. The main assumptions used in the model include the estimated life of the warrant, the expected volatility of the Company’s share price, and the risk-free rate of interest. The resulting value calculated is not necessarily the value that the holder of the warrant could receive in an arm’s-length transaction.

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 into any contracts to manage foreign exchange risk.

These consolidated financial statements are presented in U.S. dollars (“USD”), which is the Company’s reporting currency. The functional currency of the Company and its subsidiaries is the US dollar; therefore, the Company is exposed to currency risk from financial assets and liabilities denominated in Canadian dollars. The Company does not consider the currency risk to be material to the future operations of the Company and, as such, does not have a program to manage currency risk.

Transactions in foreign currencies are recorded in the functional currency at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rates. Non-monetary items are translated at the exchange rates in effect on the date of the transactions. Foreign exchange gains and losses arising on translation are presented in the consolidated statements of loss and comprehensive loss.

Mineral Property Acquisition and Exploration Costs

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

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, prepaid expenses, accounts payable, advanced deposits, and note payable approximate their carrying values due to their short term to maturity. The investment in securities is recorded at the fair value of the Company as of the closing date of the nonmonetary transaction, with subsequent valuation recorded at the fair value of Nubian Resources Ltd. The warrant liabilities are measured using level 3 inputs (Note 3).

Income Taxes

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

The Company reports a liability, if any, for unrecognized tax benefits resulting from uncertain tax positions taken, or expected to be taken, in an income tax return. The Company has elected to classify interest and penalties related to unrecognized income tax benefits, if and when required, as part of income tax expense in the statement of operations. No liability has been recorded for uncertain income tax positions, or related interest or penalties as of December 31, 2023 and December 31, 2022. The periods ended December 31, 2022, 2021, 2020 and 2019 are open to examination by taxing authorities.

Long Lived Assets

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

Stock-Based Compensation

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

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

Derivative Financial Instruments

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

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

Investment in securities

We have concluded that the Company does not have the ability to exercise significant influence over operating and financial policies of its investee. The Company has elected to measure the investment at fair value less impairment.

Earnings (Loss) per Common Share

The following table shows basic and diluted earnings per share:

	Twelve Months Ended	
	12/31/2023	12/31/2022
Basic and Diluted Earnings (Loss) per Common Share		
Earnings (loss)	\$ 654,495	\$ (683,658)
Basic weighted average shares outstanding	146,153,300	127,608,629
Assumed conversion of dilutive shares	–	–
Diluted weighted average common shares outstanding, assuming conversion of common stock equivalents	<u>146,153,300</u>	<u>127,608,629</u>
Basic Earnings (Loss) Per Common Share	\$ 0.00	\$ (0.01)
Diluted Earnings (Loss) Per Common Share	\$ 0.00	\$ (0.01)

The options and warrants that were not included in the diluted weighted average shares calculation were excluded because they were “out-of-the money”. In periods when the Company has a net loss, all common stock equivalents are excluded as they would be anti-dilutive. The following details the dilutive and anti-dilutive shares:

	Dilutive shares –	Anti-dilutive shares	Total
	In the money	– Out of the money	
December 31, 2023			
Options	0	5,230,000	5,230,000
Warrants	0	39,391,503	39,391,503
Total	<u>0</u>	<u>44,621,503</u>	<u>44,621,503</u>

	Dilutive shares –	Anti-dilutive shares	Total
	In the money	– Out of the money	
December 31, 2022			
Options	0	4,980,000	4,980,000
Warrants	0	24,935,560	24,935,560
Total	<u>0</u>	<u>29,915,560</u>	<u>29,915,560</u>

Risks and Uncertainties

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

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

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

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

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

Recent Accounting Pronouncements

Certain new standards, amendments and interpretations, and improvements to existing standards have been published by the FASB and United States Securities and Exchange Commission but are not yet effective and have not been adopted early by the Company. The Company does not anticipate that any of these pronouncements will have a material impact on its consolidated financial statements.

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 Esmeralda 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").

Nubian Resources Ltd (The "seller") retained a 1% Net Smelter Returns Royalty (the "NSR Royalty") on the claims it sold to Athena. One-half (0.5%) of the NSR Royalty may be purchased by Athena for CAD \$500,000 payable to Nubian Resources. An additional one-half (0.5%) of the NSR Royalty may be purchased by Athena at fair market value.

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 as part of the Excelsior Springs Project. The Agreement was completed in July 2022 with the following terms:

- \$25,000 settled in cash
- \$35,000 of the purchase price settled by the issuance of 500,000 shares of the Company’s common stock; and
- \$125,000 settled by a loan, paid by the Company in quarterly installments of \$25,000, beginning November 13, 2022, and continuing until October 13, 2023.

All payments have been made with no balance remaining on the note payable.

Note 3 – Common Stock and Warrants

Effective December 29, 2023, the Company completed the sale of an aggregate of 16,546,699 shares of its Common Stock to a corporation incorporated under the laws of Ontario (“Vendor”) in consideration of the assignment by Vendor to the Company of an aggregate of 10 million shares of Common Stock of Nubian.

In April 2023 the Company completed a private placement in which we sold 14,500,000 units. Each unit was priced at C\$0.07 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\$0.10. The warrants expire April 24, 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 220,303 broker warrants were granted to a Canadian broker and C\$7,921 as a placement fee. We realized total proceeds of \$744,160 net of offering costs.

During January 2023, the Company executed a promissory note with John Gibbs, a related party discussed in Note 6, for \$25,000. The Company issued 357,143 shares at C\$0.07 per share as a part of the April 2023 private placement to settle this note payable.

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\$0.08 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 December 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 December 31, 2023:

	Issue Date	Expiration Date	Exercise Price (CAD)	Valuation	Volatility	Warrants Issued
Subscription Warrants						
	5/25/2021	5/31/2024	\$0.15	\$6,210	140%	6,250,000
	9/30/2021	5/31/2024	\$0.15	3,002	136%	3,108,700
	4/14/2022	4/13/2025	\$0.15	21,707	107%	6,250,000
	8/12/2022	8/12/2024	\$0.12	6,501	120%	3,247,500
	8/31/2022	8/31/2024	\$0.12	5,182	119%	2,300,000
	9/14/2022	9/14/2024	\$0.12	6,978	119%	2,760,200
	10/24/2022	10/24/2024	\$0.12	1,278	111%	500,000
	4/24/2023	4/24/2025	\$0.10	81,104	108%	14,500,000
				<u>\$131,962</u>		<u>38,916,400</u>
Broker Warrants						
	4/14/2022	4/13/2024	\$0.15	1,344	138%	70,000
	8/31/2022	8/31/2024	\$0.12	6,312	132%	104,250
	9/14/2022	9/14/2024	\$0.12	2,921	134%	80,100
	4/24/2023	4/24/2025	\$0.10	7,954	117%	220,303
				<u>\$18,531</u>		<u>474,653</u>

As of December 31, 2022:

	Issue Date	Expiration Date	Exercise Price (CAD)	Valuation	Volatility	Warrants Issued
Subscription Warrants						
	5/25/2021	5/31/2024	\$0.15	\$225,316	132%	6,250,000
	9/30/2021	5/31/2024	\$0.15	115,122	134%	3,108,700
	4/14/2022	4/13/2025	\$0.15	293,698	133%	6,250,000
	8/12/2022	8/12/2024	\$0.12	134,067	128%	3,247,500
	8/31/2022	8/31/2024	\$0.12	95,351	126%	2,300,000
	9/14/2022	9/14/2024	\$0.12	115,000	125%	2,760,200
	10/24/2022	10/24/2024	\$0.12	21,266	124%	500,000
				<u>\$999,820</u>		<u>24,416,400</u>
Broker Warrants						
	5/25/2021	5/31/2023	\$0.15	12,943	205%	173,810
	9/30/2021	9/30/2023	\$0.15	7,472	196%	91,000
	4/14/2022	4/13/2024	\$0.15	1,344	138%	70,000
	8/31/2022	8/31/2024	\$0.12	6,312	132%	104,250
	9/14/2022	9/14/2024	\$0.12	2,921	134%	80,100
				<u>\$30,992</u>		<u>519,160</u>

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

	<u>Total</u>
Balance at December 31, 2021	9,623,510
Exercised	0
Issued	15,312,050
Expired	0
Balance at December 31, 2022	24,935,560
Exercised	0
Issued	14,720,303
Expired	(264,810)
Balance at December 31, 2023	<u>39,391,053</u>
Weighted average exercise price	\$ 0.12

Note 4 – Share Based Compensation

The Company adopted its 2020 Equity Incentive Plan (the “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.

On January 16, 2023, the Company granted 250,000 options pursuant to the Company’s Plan at a price of \$0.0675. 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 totaled \$12,712 for the twelve months ending December 31, 2023.

On October 12, 2022, the Company granted 2,250,000 options pursuant to the Company’s Plan, fully vested, at a price of \$0.06. The options were issued to five individuals, the CEO, CFO, and three Directors of the Company. The SBC expense totaled \$106,109 for the twelve months ending December 31, 2022.

On August 24, 2022, the Company granted 730,000 options pursuant to the Company’s Plan, fully vested, at a price of \$0.06. The options were issued to a consultant to the Company. The SBC expense totaled \$43,456 for the twelve months ending December 31, 2022.

On March 22, 2021, the Company granted 2,000,000 options pursuant to the Company’s Plan 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 twelve months ending December 31, 2023.

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

<u>Grant Date</u>	<u>Expiration Date</u>	<u>Exercise Price</u>	<u>Valuation</u>	<u>Volatility</u>	<u>Options Granted</u>	<u>Expected Life (Yrs)</u>	<u>SBC Expense - 12 Months Ending</u>	
							<u>12/31/2023</u>	<u>12/31/2022</u>
3/22/2021	3/22/2026	\$ 0.0900	\$ 190,202	211%	2,000,000	3.4	\$ 14,262	\$ 47,551
8/24/2022	8/24/2032	\$ 0.0600	\$ 43,456	178%	730,000	5.5	0	43,456
10/12/2022	10/12/2032	\$ 0.0600	\$ 106,109	162%	2,250,000	5.5	0	106,109
1/16/2023	1/16/2028	\$ 0.0675	\$ 13,267	174%	250,000	3.3	12,712	0
							<u>\$ 26,974</u>	<u>\$ 197,116</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	0	0	0	0
Issued	2,980,000	0.06	10.0	0
Canceled	0	0	0	0
Balance at December 31, 2022	4,980,000	0.07	7.1	0
Exercised	0	0	0	0
Issued	250,000	0.07	4.0	0
Canceled	0	0	0	0
Balance at December 31, 2023	5,230,000	0.07	6.0	0
Options exercisable at December 31, 2023	5,105,000	0.07	6.1	0

Note 5 – Commitments and Contingencies

None.

Note 6 – Related Party Transactions

Management and Consulting 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, \$30,000 was recorded as management fees and are included in general and administrative expenses in the accompanying consolidated statements of operations for the years ended December 31, 2023 and 2022.

The Company paid the Chief Financial Officer for consulting services \$28,033 and \$21,240 for the years ended December 31, 2023 and 2022, respectively

Director Fees

The four members of the Board of Directors each received \$7,500 for the year ended December 31, 2023 for a total of \$30,000. There were no director fees paid in 2022.

Stock based compensation

On October 12, 2022, the Company granted 2,250,000 options, fully vested, at a price of \$0.06. The options were issued to five individuals, the CEO, CFO, and three Directors of the Company. The SBC expense totaled \$106,109 for the twelve months ending December 31, 2022.

On March 22, 2021, the Company granted 1,500,000 options at a price of \$0.09 to three Directors of 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 \$142,652 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 \$10,989 and \$35,663 for the twelve months ending December 31, 2023 and 2022, respectively.

Advanced deposits and accounts payable

In December 2023, the Company received an advanced deposit for future investment into a private placement from John Gibbs for \$25,000 and from John Power for \$21,000. In addition, John Power is due approximately \$100,000 and \$30,000 as of December 31, 2023 and 2022, respectively for expense reports and other advances made to the Company.

Note Payable

In January 2023, the Company executed a promissory note with John Gibbs for \$25,000 at 6% that is payable on demand (Note 3). The amount was converted into equity as part of the April 2023 private placement. There are no notes payable as of December 31, 2023.

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, for total proceeds of C\$234,675.

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 860,200 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, for total proceeds of C\$68,816.

Note 8 – Income Taxes

The Company is current on all its corporate tax filings. Tax year 2023 will be extended if not filed by its due date. Tax returns filed for the years 2019 through 2022 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 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 2023 and 2022 is as follows:

Reconciliation of income tax expense

	Years Ended December 31,	
	2023	2022
Expected federal income tax expense (benefit) at statutory rate	\$ 128,677	\$ (224,568)
Expected state income tax expense (benefit) at statutory rate	54,167	(94,532)
Adjustment to prior years provision versus statutory tax returns	(158,826)	–
Change in valuation allowance	(24,018)	319,100
Income tax benefit	<u>\$ –</u>	<u>\$ –</u>

Our deferred tax assets as of December 31, 2023, and 2022 are as follows:

Schedule of deferred tax assets

	Years Ended December 31,	
	2023	2022
Deferred tax assets:		
Net operating carryover	\$ 3,366,577	\$ 2,982,751
Stock compensation	124,202	116,153
Warrant revaluation	(519,466)	(103,574)
Total deferred tax asset	2,971,313	2,995,330
Less: valuation allowance	(2,971,313)	(2,995,330)
Deferred tax assets, net of valuation allowance	<u>\$ –</u>	<u>\$ –</u>

The Company has approximately a \$11,282,000 and \$10,528,000 net operating loss carryover as of December 31, 2023, and December 31, 2022, respectively. The net operating loss may offset against taxable income, with \$4,963,000 of the net operating loss carryover begins expiring in 2027 and \$6,319,000 with no expiry date may be subject to U.S. Internal Revenue Code Section 382 limitations.

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.

The Company and its subsidiary files annual US Federal income tax returns and annual income tax returns for the state of California. Income taxing authorities have conducted no formal examinations of past Federal or state income tax returns and supporting records.

Note 9 – Segmented Information

All long-lived assets are in the United States of America.

Note 10 – Subsequent Events

Effective January 17, 2024, the Company completed the sale of an aggregate of C\$200,000 of its Units at a purchase price of C\$0.04 per Unit for a total of 5,000,000 Units. Each Unit consisted of one share of Common Stock and one common stock purchase warrant exercisable for one year to purchase one additional share of Common Stock at a price of C\$0.05 per share.

The Company settled debt to a creditor by issuing 685,564 common shares to the creditor in full discharge and complete satisfaction of the C\$34,278 debt,

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 GOLD CORPORATION

Date: March 28, 2024

By: /s/ John C. Power
John C. Power
Chief Executive Officer, President,
Secretary & Director
(Principal Executive Officer)

Date: March 28, 2024

By: /s/ Tyler Minnick
Tyler Minnick
Chief Financial 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, Secretary & Director (Principal Executive Officer)	March 28, 2024
<u>/s/ Brian Power</u> Brian Power	Director	March 28, 2024
<u>/s/ John Hiner</u> John Hiner	Director	March 28, 2024
<u>/s/ Tyler Minnick</u> Tyler Minnick	Chief Financial Officer (Principal Accounting Officer)	March 28, 2024