

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

FORM 10-Q

(Mark One)

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

For quarterly period ended **September 30, 2022**

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

Commission File Number **000-54653**



AUGUSTA GOLD CORP.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

41-2252162

(I.R.S. Employer
Identification No.)

**Suite 555 - 999 Canada Place
Vancouver, BC, Canada**

(Address of principal executive offices)

V6C 3E1

(Zip Code)

(604) 687-1717

(Registrant's telephone number, including area code)

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

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

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

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

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

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 79,204,606 shares of common stock, par value \$0.0001, were outstanding on November 14, 2022.

AUGUSTA GOLD CORP.

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PART I. FINANCIAL INFORMATION

AUGUSTA GOLD CORP.
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2022 AND DECEMBER 31, 2021
(Expressed in US dollars)

	<u>9/30/22</u>	<u>12/31/21</u>
Assets		
Current assets		
Cash	\$ 2,623,861	\$ 19,581,707
Prepaid	107,437	193,055
Deposits	<u>7,028</u>	<u>7,028</u>
Total current assets	2,738,326	19,781,790
Other assets		
Equipment, net	1,099,463	293,515
Mineral properties, net	<u>58,726,368</u>	<u>12,077,511</u>
Total other assets	59,825,831	12,371,026
Total assets	<u><u>\$ 62,564,157</u></u>	<u><u>\$ 32,152,816</u></u>
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities		
Accounts payable	\$ 3,100,750	\$ 284,047
Note payable and accrued interest - related party	22,227,833	0
Asset retirement obligation	<u>660,900</u>	<u>968,000</u>
Total current liabilities	25,989,483	1,252,047
Long term liabilities		
Asset retirement obligation, net of current	2,278,624	900,265
Warrant liability	<u>7,328,023</u>	<u>7,760,757</u>
Total long term liabilities	9,606,647	8,661,022
Total liabilities	<u><u>35,596,130</u></u>	<u><u>9,913,069</u></u>
Stockholders' equity		
Preferred stock, 250,000,000 shares authorized, \$0.0001 par value	0	0
Preferred stock series A, 5,000,000 shares designated and authorized, \$.0001 par value; zero issued and outstanding as of 9/30/22 and 12/31/21	0	0
Preferred stock series B, 45,000,000 shares designated and authorized, \$.0001 par value; issued and outstanding preferred stock series B shares convertible into zero and 677,084 shares of common stock as of 9/30/22 and 12/31/21, respectively	0	67
Common stock, 750,000,000 shares authorized, \$.0001 par value; 79,204,606 and 70,519,188 shares issued and outstanding 9/30/22 and 12/31/21	7,920	7,052
Additional paid in capital	55,794,793	42,406,169
Accumulated deficit	<u>(28,834,686)</u>	<u>(20,173,541)</u>
Total stockholders' equity	26,968,027	22,239,747
Total liabilities and stockholders' equity	<u><u>\$ 62,564,157</u></u>	<u><u>\$ 32,152,816</u></u>

See accompanying notes to consolidated financial statements

AUGUSTA GOLD CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Expressed in US dollars)

	Three Months Ended		Nine Months Ended	
	9/30/22	9/30/21	9/30/22	9/30/21
Operating expenses				
General and administrative	\$ 1,569,066	\$ 1,152,843	\$ 3,856,168	\$ 3,807,392
Lease expense	0	0	21,000	16,000
Exploration, evaluation and project expense	3,003,730	1,267,366	4,824,158	7,745,089
Accretion expense	23,297	6,162	48,766	18,605
Depreciation expense	11,014	16,910	33,043	33,043
Total operating expenses	<u>4,607,107</u>	<u>2,443,281</u>	<u>8,783,135</u>	<u>11,620,129</u>
Net operating loss	(4,607,107)	(2,443,281)	(8,783,135)	(11,620,129)
Revaluation of warrant liability	5,202,608	3,936,989	435,034	13,826,926
Interest expense	(106,435)	0	(106,435)	0
Foreign currency exchange gain (loss)	(179,405)	(470,565)	(206,609)	185,942
Net income (loss)	<u>\$ 309,661</u>	<u>\$ 1,023,143</u>	<u>\$ (8,661,145)</u>	<u>\$ 2,392,739</u>
Weighted average common shares outstanding – basic	<u>79,204,606</u>	<u>70,472,270</u>	<u>74,082,955</u>	<u>67,500,308</u>
Weighted average common shares outstanding – diluted	<u>79,346,274</u>	<u>71,554,016</u>	<u>74,082,955</u>	<u>68,582,054</u>
Earnings (loss) per common share – basic	<u>\$ 0.00</u>	<u>\$ 0.01</u>	<u>\$ (0.12)</u>	<u>\$ 0.04</u>
Earnings (loss) per common share – diluted	<u>\$ 0.00</u>	<u>\$ 0.01</u>	<u>\$ (0.12)</u>	<u>\$ 0.03</u>

See accompanying notes to consolidated financial statements

AUGUSTA GOLD CORP.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Expressed in US dollars)

	<u>Preferred Stock Shares Issued</u>	<u>Preferred Stock</u>	<u>Common Stock Shares Issued</u>	<u>Common Stock</u>	<u>Additional Paid In Capital</u>	<u>Accumulated Deficit</u>	<u>Total Stockholders' Equity (Deficit)</u>
December 31, 2020	3,093,750	\$ 309	55,842,715	\$ 5,584	\$ 26,276,997	\$ (23,625,573)	2,657,317
Conversion of warrants	0	0	2,343,995	234	2,912,948	0	2,913,182
Conversion of preferred stock	(2,416,667)	(242)	2,416,667	242	0	0	0
Conversion of options	0	0	688,334	69	325,181	0	325,250
Stock based compensation	0	0	0	0	234,277	0	234,277
Placement - March	0	0	7,555,557	756	13,056,047	0	13,056,803
Warrant liability	0	0	0	0	(3,306,758)	0	(3,306,758)
Net loss	0	0	0	0	0	(10,748,346)	(10,748,346)
March 31, 2021	<u>677,083</u>	<u>\$ 67</u>	<u>68,847,268</u>	<u>\$ 6,885</u>	<u>\$ 39,498,692</u>	<u>\$ (34,373,919)</u>	<u>\$ 5,131,725</u>
Conversion of warrants	0	\$ 0	1,625,002	\$ 162	\$ 1,536,199	\$ 0	1,536,361
Stock based compensation	0	0	0	0	487,050	0	487,050
Net income	0	0	0	0	0	12,117,942	12,117,942
June 30, 2021	<u>677,083</u>	<u>\$ 67</u>	<u>70,472,270</u>	<u>\$ 7,047</u>	<u>\$ 41,521,941</u>	<u>\$ (22,255,977)</u>	<u>\$ 19,273,078</u>
Stock based compensation	0	0	0	0	441,901	0	441,901
Net income	0	0	0	0	0	1,023,143	1,023,143
September 30, 2021	<u>677,083</u>	<u>\$ 67</u>	<u>70,472,270</u>	<u>\$ 7,047</u>	<u>\$ 41,963,842</u>	<u>\$ (21,232,834)</u>	<u>\$ 20,738,122</u>
December 31, 2021	677,084	\$ 67	70,519,188	\$ 7,052	\$ 42,406,169	\$ (20,173,541)	22,239,747
Stock based compensation	0	0	0	0	438,522	0	438,522
Net loss	0	0	0	0	0	(1,421,213)	(1,421,213)
March 31, 2022	<u>677,084</u>	<u>\$ 67</u>	<u>70,519,188</u>	<u>\$ 7,052</u>	<u>\$ 42,844,691</u>	<u>\$ (21,594,754)</u>	<u>\$ 21,257,056</u>
Conversion of warrants	0	\$ 0	208,334	\$ 21	\$ 289,317	\$ 0	289,338
Stock based compensation	0	0	0	0	471,896	0	471,896
Conversion of preferred stock	(677,084)	(67)	677,084	67	0	0	0
Purchase of CR Reward	0	0	7,800,000	780	11,515,803	0	11,516,583
Net loss	0	0	0	0	0	(7,549,593)	(7,549,593)
June 30, 2022	<u>0</u>	<u>\$ 0</u>	<u>79,204,606</u>	<u>\$ 7,920</u>	<u>\$ 55,121,707</u>	<u>\$ (29,144,347)</u>	<u>\$ 25,985,280</u>
Stock based	0	0	0	0	673,086	0	673,086

compensation							
Net income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>309,661</u>	<u>309,661</u>
September 30, 2022	<u>0</u>	<u>\$ 0</u>	<u>79,204,606</u>	<u>\$ 7,920</u>	<u>\$ 55,794,793</u>	<u>\$ (28,834,686)</u>	<u>\$ 26,968,027</u>

See accompanying notes to consolidated financial statements

AUGUSTA GOLD CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Expressed in US dollars)

	Nine Months Ended	
	9/30/22	9/30/21
Cash flows from operating activities		
Net income (loss)	\$ (8,661,145)	\$ 2,392,739
Adjustments to reconcile net income (loss) to net cash used in operating activities		
Accretion expense	48,766	18,605
Depreciation expense	33,043	33,043
Revaluation of warrant liability	(435,034)	(13,826,926)
Share based compensation	1,583,504	1,163,228
Change in operating assets and liabilities:		
Prepaid expenses	85,619	199,599
Debt issuance costs	(102,033)	0
Deposits	0	249,961
Accounts payable	2,816,703	(306,235)
Accrued interest	97,305	0
Asset retirement obligation	(198,818)	(92,258)
Net cash used in operating activities	(4,732,090)	(10,168,244)
Cash flows from investing activity		
Acquisition of mineral properties	(33,910,963)	(15,000)
Acquisition of property and equipment	(838,992)	(312,579)
Net cash used in investing activities	(34,749,955)	(327,579)
Cash flows from financing activities		
Proceeds from private placement of stock	0	13,056,803
Proceeds from note payable - related party	22,232,561	0
Proceeds from conversion of options	0	325,250
Proceeds from conversion of warrants	291,638	3,245,027
Net cash provided by financing activities	22,524,199	16,627,080
Net increase (decrease) in cash	(16,957,846)	6,131,257
Cash, beginning of period	19,581,707	14,341,727
Cash, end of period	\$ 2,623,861	\$ 20,472,984
Noncash investing and financing activities		
Interest and taxes paid	\$ 0	\$ 0
Revaluation of asset retirement obligation	\$ 120,877	\$ 598,476
Reclassification of warrant liability upon conversion	\$ 0	\$ 1,204,517
Incurrence of asset retirement obligation	\$ 1,100,434	\$ 0
Stock issued for purchase of CR Reward	\$ 11,516,583	\$ 0

See accompanying notes to consolidated financial statements

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

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

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

Basis of Presentation and Statement of Compliance

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

Basis of Measurement

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

Principles of Consolidation

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

Going Concern and Management’s Plans

As at September 30, 2022, the Company has a working capital deficiency of approximately \$23,300,000. 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 September 30, 2022, the Company’s cash balance was approximately \$2,600,000. 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.

Use of Estimates

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

Foreign Currency Translation

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

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

Property and Equipment

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

Leases

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

Mineral Property Acquisition and Exploration Costs

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

The Company is required to reclaim the property at the Bullfrog Project and Reward Project at the end of their useful lives. In accordance with FASB ASC 410-20, Asset Retirement and Environmental Obligations, the Company recognized the fair value of a liability for an ARO in the amount of \$1,890,655 at the Bullfrog Project and \$1,048,869 at the Reward Project. During the period ended September 30, 2022, we incurred certain costs related to the ARO estimate that has an effect on the accretion and estimated costs.

	<u>2022</u>	<u>2021</u>
Balance, January 1	\$ 1,868,265	\$ 1,135,700
Accretion	48,766	18,605
Costs applied to ARO balance	(132,629)	(92,258)
Acquisition of CR Reward ARO	1,100,434	0
Change in estimates	54,688	598,477
Balance, September 30 (current)	<u>\$ 660,900</u>	<u>\$ 700,500</u>
Balance, September 30 (long term)	<u>\$ 2,278,624</u>	<u>\$ 960,024</u>
Life of mine	2028	2028
Discount rate	4.0%	1.5%
Inflation rate	<u>2.6%</u>	<u>1.8%</u>

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

At September 30, 2022, the estimated future cash flows have been determined using real cash flows and discounted using a rate of 4.0% and a total undiscounted amount for the estimated future cash flows is \$2,061,114 at the Bullfrog Project and \$1,377,455 at the Reward Project.

Fair Value of Financial Instruments

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

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

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

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

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

Income Taxes

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

The Company reports a liability, if any, for unrecognized tax benefits resulting from uncertain tax positions taken, or expected to be taken, in an income tax return. The Company has elected to classify interest and penalties related to unrecognized income tax benefits, if and when required, as part of income tax expense in the statement of operations. No liability has been recorded for uncertain income tax positions, or related interest or penalties as of December 31, 2021 and December 31, 2020. The periods ended December 31, 2021, 2020, 2019, 2018 and 2017 are open to examination by taxing authorities.

Long Lived Assets

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

Preferred Stock

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

Stock-Based Compensation

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment Topic of ASC 718 which requires recognition in the consolidated financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award

(presumptively, the vesting period). This ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

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

Derivative Financial Instruments

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

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

Earnings (Loss) per Common Share

The following table shows basic and diluted earnings per share:

	Three Months Ended		Nine Months Ended	
	9/30/2022	9/30/2021	9/30/2022	9/30/2021
Basic and Diluted Earnings (Loss) per Common Share				
Earnings (loss)	\$ 309,661	\$ 1,023,143	\$ (8,661,145)	\$ 2,392,739
Basic weighted average shares outstanding	79,204,606	70,472,270	74,082,955	67,500,308
Assumed conversion of dilutive shares	141,668	1,081,746	0	1,081,746
Diluted weighted average common shares outstanding, assuming conversion of common stock equivalents	79,346,274	71,554,016	74,082,955	68,582,054
Basic Earnings (Loss) Per Common Share	\$ 0.00	\$ 0.01	\$ (0.12)	\$ 0.04
Diluted Earnings (Loss) Per Common Share	\$ 0.00	\$ 0.01	\$ (0.12)	\$ 0.03

Certain options and warrants and all preferred shares were included in the computation of diluted shares outstanding for the three months and nine months ended September 30, 2022 and 2021. The options and warrants that were not included in the diluted weighted average shares calculation because they were “out-of-the money”. In periods where the Company has a net loss, all common stock equivalents are excluded as they would be anti-dilutive. The following details the dilutive and anti-dilutive shares:

9/30/2022	Dilutive shares In the money	Anti-dilutive shares Out of the money	Total
Options	141,668	5,075,001	5,216,669
Warrants	0	31,002,785	31,002,785
Preferred shares	0	0	0
Total	141,668	36,077,786	36,219,454

9/30/2021	Dilutive shares In the money	Anti- dilutive shares Out of the money	Total
Options	141,668	4,958,334	5,100,002
Warrants	262,994	31,211,119	31,474,113
Preferred shares	677,084	0	677,084
Total	<u>1,081,746</u>	<u>36,169,453</u>	<u>37,251,199</u>

Risks and Uncertainties

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

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

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

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

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

Recent Accounting Pronouncements

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

NOTE 2 - MINERAL PROPERTIES AND EQUIPMENT

	<u>Mineral properties</u>	<u>Property and equipment</u>	<u>Total</u>
Cost			
As of December 31, 2020	\$ 11,130,976	\$ 25,625	\$ 11,156,601
Change in ARO estimate	866,638	0	866,638
Additions	79,897	312,579	392,476
As of December 31, 2021	12,077,511	338,204	12,415,715
Change in ARO estimate	120,877	0	120,877
Additions	46,527,980	838,991	47,366,971
As of September 30, 2022	<u>\$ 58,726,368</u>	<u>\$ 1,177,195</u>	<u>\$ 59,903,563</u>
Accumulated depreciation			
As of December 31, 2020	\$ 0	\$ 632	\$ 632
Depreciation expense	0	44,057	44,057
As of December 31, 2021	0	44,689	44,689
Depreciation expense	0	33,043	33,043
As of September 30, 2022	<u>\$ 0</u>	<u>\$ 77,732</u>	<u>\$ 77,732</u>
Net book value on September 30, 2022	<u>\$ 58,726,368</u>	<u>\$ 1,099,463</u>	<u>\$ 59,825,831</u>

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

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

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

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

Consideration:

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

On June 13, 2022, the Company closed (the “Closing”) on its previously announced membership interest purchase agreement (the “Agreement”) with Waterton Nevada Splitter, LLC (“Waterton”) to acquire all of the outstanding membership interests (collectively, the “CR Interests”) of CR Reward LLC, a wholly-owned subsidiary of Waterton (“CR Reward”). CR Reward holds the Reward Project located just seven miles from the Company’s Bullfrog Project in Nevada.

The CR Interests were acquired for the following consideration:

- \$12,500,000 in cash (the “Closing Payment”) paid at the Closing; plus
- Issuance of 7,800,000 shares of common stock of the Company (“Common Shares”) on the closing date (“Initial Payment Shares”) with an estimated fair value of \$11,516,583 based on the Company’s closing share price of C\$1.85 and a foreign exchange rate of C\$0.7981 to the US dollar on June 13, 2022 plus
- Cash of \$4,621,398, being \$15,000,000 less the deemed price per Common Share equal to the United States dollar equivalent (based on the Bank of Canada daily exchange rate for the conversion of Canadian dollars to United States dollars (the “Currency Exchange Rate”) on the business day immediately preceding the closing date) of \$1.33 for the 7,800,000 Initial Payment Shares. Such cash was paid September 2022; plus
- \$17,500,000 in cash (the “Deferred Payment”) was paid September 2022.

On September 13, 2022, the Company completed the payment of \$22,121,398 to Waterton of the Second Payment and the Deferred Payment under the Agreement.

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

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

Consideration:

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

Net assets acquired

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

NOTE 3 - STOCKHOLDER'S EQUITY

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

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

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

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

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

Recent Sales of Unregistered Securities

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

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

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

In addition to the above, the Company issued the following common shares for the twelve months ending December 31, 2021 and nine months ending September 30, 2022:

Options converted to common shares

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

Warrants converted to common shares

Date	Shares	Price
January-21	387,467	CAD \$ 1.20
January-21	266,685	\$ 0.60
January-21	83,333	\$ 0.90
February-21	573,174	CAD \$ 1.20
February-21	941,669	\$ 0.60

March-21	41,667	CAD	\$	1.20
March-21	50,000		\$	0.60
April-21	41,667	CAD	\$	1.20
April-21	312,501		\$	0.90
May-21	41,667	CAD	\$	1.20
May-21	1,229,167		\$	0.90
October-21	6,500	CAD	\$	1.20
December-21	40,418	CAD	\$	1.20
June-22	208,334	CAD	\$	1.80

Preferred shares converted to common shares

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

Convertible Preferred Stock

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

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

On May 4, 2022, 677,084 shares of Series B Preferred Stock were converted shares of common stock. As of September 30, 2022, there were no Preferred Stock shares outstanding.

Common Stock Options

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

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

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

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

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

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

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

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

Options	Exercise Price	Expected Life	Volatility	Risk Free Interest Rate
350,000	C\$2.50	3.5 years	83.7%	2.94%

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

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

Stock Option Repricing

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

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

For the nine months ended September 30, 2022, the Company recognized share-based compensation expense related to the stock options of \$1,583,504. The options are vested based on years of service, with certain options vested after two years and other options vested after three years.

Stock Option Activity

A summary of the stock options as of 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	913,336	\$ 0.57	6.26	\$ 1,286,650
Exercised	688,334	0.47	0	0
Issued	6,325,000	C\$3.00	0	0
Canceled	1,750,000	C\$3.00	0	0
Balance at December 31, 2021	4,800,002	2.30	4.36	29,817
Exercised	0	0.00	0	0
Issued	450,000	C\$2.03	3.00	0
Canceled	33,333	0.00	0	0
Balance at September 30, 2022	5,216,669	\$ 1.44	3.71	\$ 38,317
Options exercisable at September 30, 2022	2,041,669	\$ 1.39	3.81	\$ 38,317

Total outstanding warrants of 31,002,785 as of September 30, 2022, were as follows:

	Warrants Issued			Total
Warrants issued	1,434,522	27,433,335	3,777,784	32,645,641
Issued date	1/16/2020	10/26/2020	3/4/2021	
Expiration date	1/15/2022	10/26/2024	3/4/2024	
Exercise price (Canadian \$)	\$ 1.20	\$ 1.80	\$ 2.80	
Balance at December 31, 2020	1,348,636	27,433,335	0	28,781,971
Exercised	1,132,560	0	0	1,132,560
Issued	0	0	3,777,784	3,777,784
Expired	0	0	0	0
Balance at December 31, 2021	216,076	27,433,335	3,777,784	31,427,195
Exercised	0	208,334	0	208,334
Issued	0	0	0	0
Expired	216,076	0	0	216,076
Balance at September 30, 2022	0	27,225,001	3,777,784	31,002,785

NOTE 4 - DERIVATIVE FINANCIAL INSTRUMENTS

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

The value of the October 2020 Warrants of \$11,439,156 has been calculated on the date of issuance of October 26, 2020 using Black-Scholes valuation technique. For the nine months ending September 30, 2022 the warrant liability was valued at \$6,582,867 with the following assumptions:

	10/26/20	12/31/21	9/30/22
Fair market value of common stock	\$ 1.26	\$ 0.95	\$ 0.99
Exercise price	\$ 1.38	\$ 1.42	\$ 1.31
Term	4 years	2.8 years	2.1 years
Volatility range	68.4%	78.8%	77.2%
Risk-free rate	0.18%	0.97%	4.22%

The value of the March 2021 Warrants of \$3,306,758 has been calculated on the date of issuance of March 4, 2021 using Black-Scholes valuation technique. For the nine months ending September 30, 2022 the warrant liability was valued at \$745,156 with the following assumptions:

	<u>3/4/21</u>	<u>12/31/21</u>	<u>9/30/22</u>
Fair market value of common stock	\$ 1.97	\$ 0.95	\$ 0.99
Exercise price	\$ 2.21	\$ 2.22	\$ 2.04
Term	3 years	2.2 years	1.4 years
Volatility range	72.7%	81.8%	80.2%
Risk-free rate	0.32%	0.73%	2.92%

NOTE 5 - RELATED PARTY

On September 13, 2022, the Company entered into a secured note purchase agreement (the “Purchase Agreement”) with Augusta Investments Inc. (“Augusta Investments”), of which is under common control of a director of Augusta Gold, to offer and sell a secured promissory note of the Company (the “Note”) in exchange for Augusta Investments loaning the Company \$22,232,561 (the “Loan”). The Loan and the issuance of the Note occurred on September 13, 2022. The Company used the Loan to make the second payment and deferred payment to Waterton Nevada Splitter LLC (“Waterton”) on September 13, 2022, in connection with the Company’s acquisition of its Reward gold project that closed on June 13, 2022.

The Note bears interest at a rate of prime plus 3% and is for a maximum term of 12 months. The Note is secured by a first-priority, perfected security interest in all the assets of the Company pursuant to a guarantee and security agreement (the “Security Agreement”) and certain deeds of trust (the “Deeds of Trust”, collectively with the Purchase Agreement, the Note and the Security Agreement, the “Loan Documents”).

The payment of the obligations of the Company under the Note is also guaranteed by each of the subsidiaries of the Company pursuant to the Security Agreement. The Company paid Augusta Investments an origination fee of 0.5% of the amount of the Loan on the closing of the issuance of the Note pursuant to the Purchase Agreement. The following is the balance of the Loan as of September 30, 2022:

Total principal	\$ 22,232,561
Deferred financing costs, net	(102,033)
Accrued interest	97,305
Total	<u><u>\$ 22,227,833</u></u>

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

The Company was charged for the following with respect to this arrangement for the nine months ended September 30, 2022 and 2021:

	<u>Nine Months Ended</u>	
	<u>9/30/2022</u>	<u>9/30/2021</u>
Salaries and benefits	\$ 337,464	\$ 812,701
Office	61,928	169,095
Operating expenses	62,587	93,282
Total	<u><u>\$ 461,979</u></u>	<u><u>\$ 1,075,078</u></u>

The Company is committed to payments for office leases premises through 2024 in the total amount of approximately \$160,000 based on the Company's current share of rent paid. The Company is jointly liable for rent payments and uses the assets jointly. Payments by fiscal year are:

2022	\$ 56,466
2023	56,466
2024	47,055
Total	<u>\$ 159,987</u>

For the nine months ended September 30, 2022, the Company recognized share-based payments expense to related parties of \$1,583,504 and for the nine months ended September 30, 2021, of \$1,163,228.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

The Company has four leases which require annual advance royalty payments according to the following schedules. These leases are out of the scope of ASC 842 *Leases*, and any advance royalty paid is expensed off as exploration expenses. The advance royalties paid through September 30, 2022, amount to \$445,405. Once in production, each agreement attracts payment of net smelter royalties as per the last row of the following table.

	<u>Connolly</u>	<u>Webster(1)</u>	<u>Orser</u>	<u>Meeteren</u>	<u>Total</u>
2022	\$ 10,000	\$ 7,500	\$ 20,000	\$ 2,400	\$ 39,900
2023	\$ 10,000	\$ 7,500	\$ 20,000	\$ 2,400	\$ 39,900
2024	-	-	\$ 20,000	\$ 2,400	\$ 22,400
2025	-	-	-	\$ 2,400	\$ 2,400
2026	-	-	-	\$ 2,400	\$ 2,400
2027	-	-	-	\$ 2,400	\$ 2,400
2028	-	-	-	\$ 2,400	\$ 2,400
2029	-	-	-	\$ 2,400	\$ 2,400
2030	-	-	-	\$ 2,400	\$ 2,400
Applicable NSRs	3.0%	3.0%	3.0%	3.0%	

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

On July 1, 2017, RMM entered a 30-year Mineral Lease (the "Lunar Lease") with Lunar Landing, LLC ("Lunar") involving 24 patented mining claims situated in the Bullfrog Mining District, Nye County, Nevada. Lunar owns a 100% undivided interest in the mining claims.

Under the Lunar Lease, RMM shall expend as minimum work commitments of \$50,000 per year starting in 2017 until a cumulative of \$500,000 of expense has been incurred. If RMM fails to perform its obligations under the Lunar Lease, and in particular fails to make any payment due to Lunar thereunder, Lunar may declare RMM in default by giving RMM written notice of default which specifies the obligation(s) which RMM has failed to perform. If RMM fails to remedy a default in payment within fifteen (15) days of receiving the notice of default or fails to remedy or commence to remedy any other default within thirty (30) days of receiving notice, Lunar may terminate the Lunar Lease and RMM shall peaceably surrender possession of the properties to Lunar. Notice of default or of termination shall be in writing and served in accordance with the Lunar Lease. RMM has made all required payments and has paid Lunar \$101,000 as of September 30, 2022 and makes lease payments on the following schedule:

<u>Payment due July</u>	<u>Annual Payment</u>
2022-2026	\$ 21,000
2027-2031	\$ 25,000
2032-2036	\$ 30,000
2037-2041	\$ 40,000
2042-2046	\$ 45,000

On October 29, 2014, RMM entered into an Option Agreement (the “Mojave Option”) with Mojave Gold Mining Corporation (“Mojave”). Mojave holds the purchase rights to 100% of 12 patented mining claims located in Nye County, Nevada. This property is contiguous to the Company’s Bullfrog Project and covers approximately 156 acres, including the northeast half of the M-S pit mined by Barrick Gold in the 1990s.

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

In order to maintain in force, the working right and option granted to RMM, and to exercise the Mojave Option, the Company issued Mojave 750,000 shares of Company common stock and paid \$16,000 in October 2014, and RMM must pay to Mojave a total of \$190,000 over the next 10 years of which the Company has made all required payments and paid \$130,000 as of September 30, 2022. Future payments will be due as follows:

Payment due October	Annual Payment
2022	\$ 30,000
2023	\$ 30,000

On March 23, 2015, Rocky Mountain Minerals Corp. a wholly owned subsidiary of the Company, entered into a Mineral Lease and Option to Purchase Agreement with Barrick Bullfrog Inc. involving patented mining claims, unpatented mining claims, and mill site claims located approximately four miles west of Beatty, Nevada. As discussed in note 2, this agreement was terminated and replaced with the aforementioned MIPA.

On December 9, 2020, Bullfrog Mines entered into an option agreement with Abitibi Royalties (USA) Inc. (“Abitibi”) granting Bullfrog Mines the option (the Abitibi Option) to acquire forty-three unpatented lode mining claims to the south of the Bullfrog deposit. Bullfrog Mines made an initial and second annual payment to Abitibi of C\$25,000 and C\$50,000 and can exercise the Abitibi Option by:

- Paying to Abitibi C\$75,000 in cash or shares of Company common stock by December 9, 2022; and
- Granting to Abitibi a 2% net smelter royalty on the claims subject to the Abitibi Option by December 9, 2022, of which Bullfrog Mines would have the option to purchase 0.5% for C\$500,000 on or before December 9, 2030.

In order to exercise the Abitibi Option, Bullfrog Mines is also required to keep the underlying claims in good standing.

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

NOTE 7 - SUBSEQUENT EVENTS

None

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements in this Management's Discussion and Analysis ("MD&A"), other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements". Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "would," "expect," "intend," "could," "estimate," "should," "anticipate," or "believe," and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable law. Readers should carefully review the risk factors and related notes included under Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the Securities and Exchange Commission on March 17, 2022.

The following MD&A is intended to help readers understand the results of our operation and financial condition, and is provided as a supplement to, and should be read in conjunction with, our Interim Unaudited Financial Statements and the accompanying Notes to Interim Unaudited Financial Statements under Part 1, Item 1 of this Quarterly Report on Form 10-Q.

Unless otherwise indicated or unless the context otherwise requires, all references in this document to "we," "us," "our," the "Company," and similar expressions refer to Augusta Gold Corp., and depending on the context, its subsidiaries.

Company History and Recent Events

General Corporate Overview

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

The Bullfrog Gold Project is located approximately 120 miles north-west of Las Vegas, Nevada and 4 miles west of Beatty, Nevada. The Company owns, controls or has acquired mineral rights on patented claims and federal unpatented claims in the State of Nevada for the purpose of exploration and potential development of gold, silver, and other metals. The Company plans to review opportunities and acquire additional mineral properties with current or historic precious and base metal mineralization with meaningful exploration potential.

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

Recent Development of the Business

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

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

The Acquisition Transaction closed on October 26, 2020. Through the Company's acquisition of the Equity Interests, the Company acquired rights to 1,500 acres of land adjoining the Company's Bullfrog Gold deposit.

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

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

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

On June 13, 2022, the Company closed (the “Closing”) on its previously announced membership interest purchase agreement (the “Agreement”) with Waterton Nevada Splitter, LLC (“Waterton”) to acquire all of the outstanding membership interests (collectively, the “CR Interests”) of CR Reward LLC, a wholly-owned subsidiary of Waterton (“CR Reward”). CR Reward holds the Reward Project located just seven miles from the Company’s Bullfrog Project in Nevada.

The CR Interests were acquired for the following consideration:

- \$12,500,000 in cash (the “Closing Payment”) paid at the Closing; plus
- Issuance of 7,800,000 shares of common stock of the Company (“Common Shares”) on the closing date (“Initial Payment Shares”) with an estimated fair value of \$11,516,583 based on the Company’s closing share price of C\$1.85 and a foreign exchange rate of C\$0.7981 to the US dollar on June 13, 2022 plus
- Cash of \$4,621,398, being \$15,000,000 less the deemed price per Common Share equal to the United States dollar equivalent (based on the Bank of Canada daily exchange rate for the conversion of Canadian dollars to United States dollars (the “Currency Exchange Rate”) on the business day immediately preceding the closing date) of \$1.33 for the 7,800,000 Initial Payment Shares. Such cash was paid September 2022; plus
- \$17,500,000 in cash (the “Deferred Payment”) was paid September 2022.

On September 13, 2022, the Company completed the payment of \$22,121,398 to Waterton of the Second Payment and the Deferred Payment under the Agreement.

Results of Operations

Three Months Ended September 30, 2022 and 2021

	Three Months Ended	
	9/30/22	9/30/21
Operating expenses		
General and administrative	\$ 1,569,066	\$ 1,152,843
Lease expense	0	0
Exploration, evaluation and project expense	3,003,730	1,267,366
Accretion expense	23,297	6,162
Depreciation expense	11,014	16,910
Total operating expenses	<u>4,607,107</u>	<u>2,443,281</u>
Net operating loss	(4,607,107)	(2,443,281)
Revaluation of warrant liability	5,202,608	3,936,989
Interest expense	(106,435)	0
Foreign currency exchange gain (loss)	(179,405)	(470,565)
Net income	<u>\$ 309,661</u>	<u>\$ 1,023,143</u>

Nine Months Ended September 30, 2022 and 2021

	Nine Months Ended	
	9/30/22	9/30/21
Operating expenses		
General and administrative	\$ 3,856,168	\$ 3,807,392
Lease expense	21,000	16,000
Exploration, evaluation and project expense	4,824,158	7,745,089
Accretion expense	48,766	18,605
Depreciation expense	33,043	33,043
Total operating expenses	<u>8,783,135</u>	<u>11,620,129</u>
Net operating loss	(8,783,135)	(11,620,129)
Revaluation of warrant liability	435,034	13,826,926
Interest expense	(106,435)	0
Foreign currency exchange gain (loss)	(206,609)	185,942
Net income (loss)	<u>\$ 8,661,145</u>	<u>\$ 2,392,739</u>

For the three months ending September 30, 2022, the Company increased general and administrative expenses by approximately \$416,000. The increase was due to the following year over year variances:

Three months ending	9/30/22	9/30/21	Variance
Accounting fees	\$ 123,000	\$ 62,000	\$ 61,000
Legal and other professional fees	450,000	89,000	361,000
Marketing expense	15,000	1,000	14,000
Payroll	179,000	445,000	(266,000)
Corporate expenses & rent	47,000	42,000	5,000
Share based compensation	673,000	442,000	231,000
Insurance	45,000	31,000	14,000
Stock exchange fees	31,000	13,000	18,000
Other general expenses	6,000	28,000	(22,000)
Total	<u>\$ 1,569,000</u>	<u>\$ 1,153,000</u>	<u>\$ 416,000</u>

For the nine months ending September 30, 2022, the Company increased general and administrative expenses by approximately \$49,000. The increase was due to the following year over year variances:

Nine months ending	9/30/22	9/30/21	Variance
Accounting fees	\$ 248,000	\$ 219,000	\$ 29,000
Legal and other professional fees	1,084,000	354,000	730,000
Marketing expense	36,000	74,000	(38,000)
Payroll	544,000	1,284,000	(740,000)
Corporate expenses & rent	125,000	262,000	(137,000)
Share based compensation	1,584,000	1,163,000	421,000
Insurance	122,000	92,000	30,000
Stock exchange fees	99,000	233,000	(134,000)
Other general expenses	14,000	126,000	(112,000)
Total	<u>\$ 3,856,000</u>	<u>\$ 3,807,000</u>	<u>\$ 49,000</u>

- Accounting fees decrease resulted from fewer costs for additional consulting fees needed for required regulatory filings and tax compliance in 2021.
- Legal fees and professional fees increased due to a legal agreement that was finalized in June 2022 along with professional consulting fees and an increase in franchise tax fees and other expenses.

- Marketing expense was lower as 2021 had additional amounts that were used for company and shareholder awareness projects.

- The payroll and corporate expenses result from the Company entering into an agreement to share office space, equipment, personnel, consultants and various administrative services for the Company's head office located in Vancouver, BC, Canada. Management expects payroll costs to continue to be lower than prior periods due to decreased personnel and consultants used in the quarter.
- The Company granted options to officers, directors and employees of the Company pursuant to the terms of the Company's Stock Option Plan; 4,041,667 in the first quarter 2021 (adjusted for 1,783,333 canceled options); 500,000 in the third quarter 2021; 350,000 in the second quarter 2022; 100,000 in the third quarter 2022.
- Stock exchange fee variance is a result of the initial listing fee paid to the TSX in April 2021. Annual exchange fees will continue; however the Company does not expect initial listing fees to be incurred for the remainder of the year.

For the three months ending September 30, 2022, the Company increased exploration, evaluation and project expenses by approximately \$1,737,000. The decrease was due to the following year over year variances:

Three months ending	9/30/22	9/30/21	Variance
Drilling	\$ 1,211,000	\$ 425,000	\$ 786,000
Consultants/Contractors	1,281,000	279,000	1,002,000
Supplies and equipment	134,000	105,000	29,000
Assay	26,000	154,000	(128,000)
Water haulage	0	82,000	(82,000)
Overhead and payroll	306,000	27,000	279,000
Permits and fees	12,000	183,000	(171,000)
Other	34,000	12,000	22,000
Total	\$ 3,004,000	\$ 1,267,000	\$ 1,737,000

For the nine months ending September 30, 2022, the Company decreased exploration, evaluation and project expenses by approximately \$2,921,000. The decrease was due to the following year over year variances:

Nine months ending	9/30/22	9/30/21	Variance
Drilling	\$ 1,566,000	\$ 3,992,000	\$ (2,426,000)
Consultants/Contractors	2,243,000	1,529,000	714,000
Supplies and equipment	286,000	765,000	(479,000)
Assay	36,000	543,000	(507,000)
Water haulage	0	390,000	(390,000)
Overhead and payroll	392,000	234,000	158,000
Permits and fees	288,000	253,000	35,000
Other	13,000	39,000	(26,000)
Total	\$ 4,824,000	\$ 7,745,000	\$ (2,921,000)

In the third quarter of 2022, the Company continued with test work on the metallurgical drill samples, hydrogeologic modelling and geochemical characterization of the Bullfrog deposit. Preparation of technical reports for the CR Reward and Bullfrog projects continued. In addition, core drilling continued, focused on completing necessary geotechnical and hydro holes in support of permitting efforts.

In September, the Company made the decision to focus resources on CR Reward and limit further resources on Bullfrog.

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

Issue Date	Expiration Date	Outstanding Warrants	Exercise Price
October 2020	October 2024	18,125,001	C\$1.80
March 2021	March 2024	3,777,784	C\$2.80

Liquidity and Capital Resources

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

On March 4, 2021, the Company issued 7,555,556 units pursuant to a private placement at a price of C\$2.25 per unit for gross proceeds of C\$17 million, each unit comprised of one share of common stock of the Company and one half of one common stock purchase warrant. Each whole warrant entitles the holder to acquire one share of common stock at an exercise price of C\$2.80 per share for a period of three (3) years from the date of issuance. Finders' fees of C\$450,000 were paid in connection with the private placement.

Liquidity

As of September 30, 2022, the Company had total liquidity of \$2,600,000 in cash and cash equivalents. The Company had negative working capital of \$23,300,000 and an accumulated deficit of \$28,800,000. For the nine months ended September 30, 2022, the Company had negative operating cash flows before changes in working capital of \$7,431,000 and a net loss of \$8,661,000.

As of September 30, 2021, the Company had total liquidity of \$20,473,000 in cash and cash equivalents. The Company had working capital of \$20,142,000 and an accumulated deficit of \$21,233,000. For the nine months ended September 30, 2021, the Company had negative operating cash flows before changes in working capital of \$10,219,000 and a net income of \$2,393,000.

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

Capital Management

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

As of September 30, 2022, the capital structure of the Company consists of 79,204,606 shares of common stock, par value \$0.0001. The Company manages the capital structure and adjusts it in response to changes in economic conditions, its expected funding requirements, and risk characteristics of the underlying assets. The Company's funding requirements are based on cash forecasts. In order to maintain or adjust the capital structure, the Company may issue new debt, new shares and/or consider strategic alliances. Management reviews its capital management approach on a regular basis. The Company is not subject to any externally imposed capital requirements.

Contractual obligations and commitments

The Company's contractual obligations and commitments as of September 30, 2022, and their approximate timing of payment are as follows:

	<u><1 year</u>	<u>1 - 3 years</u>	<u>4 - 5 years</u>	<u>>5 years</u>	<u>Total</u>
Leases	\$ 152,466	\$ 166,521	\$ 46,000	\$ 675,000	\$ 1,039,987
Capital Expenditure	30,000	30,000	-	-	60,000
	<u>\$ 182,466</u>	<u>\$ 196,521</u>	<u>\$ 46,000</u>	<u>\$ 675,000</u>	<u>\$ 1,099,987</u>

Off Balance Sheet Arrangements

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

Critical Accounting Policies and Use of Estimates

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

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

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES AND MARKET RISK

Not Applicable.

ITEM 4 - CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As required by Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") our management conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2022.

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

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

With respect to the quarterly period ending September 30, 2022, under the supervision and with the participation of our management, we conducted an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act. Based upon our evaluation regarding the quarterly period ending

September 30, 2022, our management, including our chief executive officer and chief financial officer, has concluded that its disclosure controls and procedures were effective.

Changes in Internal Controls

There have been no changes in the Company's internal control over financial reporting during the three months ended September 30, 2022, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

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

ITEM 1A - RISK FACTORS

There have been no material changes to the risk factors set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

ITEM 2 - UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

All unregistered sales of equity securities during the period covered by this report were previously disclosed on Form 8-K.

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4 - MINE SAFETY DISCLOSURES

None

ITEM 5 - OTHER INFORMATION

None

ITEM 6 - EXHIBITS

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on May 11, 2021)
3.2	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, filed with the SEC on August 13, 2021)
4.1	Form of Warrant from March 2021 Private Placement (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on March 5, 2021)
10.1	Stock Option Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on February 26, 2021)
31.1	Certification of Chief Executive Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Chief Financial Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification of Chief Executive Officer filed pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2	Certification of Chief Financial Officer filed pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
101.INS	Inline XBRL Instance Document*
101.SCH	Inline XBRL Taxonomy Extension Schema Document*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herein

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 14, 2022

AUGUSTA GOLD CORP.

By: /S/ Donald R. Taylor

Name: Donald R. Taylor

Title: President and Chief Executive Officer
(Principal Executive Officer)

Date: November 14, 2022

AUGUSTA GOLD CORP.

By: /S/ Michael McClelland

Name: Michael McClelland

Title: Chief Financial Officer (Principal
Financial and Accounting Officer)

CERTIFICATION

I, Donald R. Taylor, certify that:

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

Date: November 14, 2022

By: /s/ Donald R. Taylor
Donald R. Taylor
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, Michael McClelland, certify that:

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

Date: November 14, 2022

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

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Augusta Gold Corp. (the "Company"), for the fiscal quarter ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Donald R. Taylor, Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

Date: November 14, 2022

By: /s/ Donald R. Taylor
Donald R. Taylor
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Augusta Gold Corp. (the "Company"), for the fiscal quarter ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael McClelland, Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

Date: November 14, 2022

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