

AUGUSTA GOLD CORP.
Index to Consolidated Financial Statements

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of Augusta Gold Corp.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Augusta Gold Corp. (the “Company”), as of December 31, 2024 and 2023, and the related consolidated statements of operations and comprehensive income (loss), changes in shareholders’ equity (deficit), and cash flows for the years ended December 31, 2024 and 2023, and the related notes and schedules (collectively referred to as the “financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Augusta Gold Corp. as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years ended December 31, 2024 and 2023 in conformity with accounting principles generally accepted in the United States of America.

Going Concern

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

Basis for Opinion

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

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

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



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Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which they relate.

In addition to the matter described in the Going Concern section, we have determined the matters described below to be the critical audit matters to be communicated in our auditor's report.

Assessment of Impairment Indicators of Mineral Properties

As described in Note 2 to the financial statements, the carrying amount of the Company's Mineral Properties was \$58,468,673 as of December 31, 2024. As more fully described in Note 1 to the financial statements, management assesses Mineral Properties for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the Mineral Properties is a critical audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the Mineral Properties, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the Mineral Properties.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the Mineral Properties through discussion and communication with management.
- Evaluating the mining stage to determine the accounting treatment and whether an impairment test is required.
- Reviewing the Company's recent expenditure activity and its ability to fund future exploration and development;
- Obtaining, on a test basis through government websites, confirmation of title to ensure mineral rights underlying the Mineral Properties are in good standing.

Asset Retirement Obligation ("ARO")

As described in Note 1 to the consolidated financial statements, the carrying amount of the Company's ARO was \$2,721,138 as of December 31, 2024.

The principal considerations for our determination that the Company's ARO is a critical audit matter are that there was judgment made by management when assessing this obligation, including the assessment of the nature and extent of future work to be performed, the future cost of performing the rehabilitation work, the timing of when the rehabilitation will take place and economic assumptions such as the discount rate and inflation rates applicable to future cash outflows associated with rehabilitation activities to bring them to their present value.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. Our audit procedures included, among others:

- Obtaining the Company's assessment of their obligations to reclaim disturbed areas and the estimated future cost of that work.
- Assessing the qualifications, competence and objectivity of management's experts who produced the cost estimates.
- Utilizing our internal valuation expert to assess the reasonability of the discount rates.
- Testing the mathematical accuracy of the reclamation obligation model to support the provision balance.
- Evaluating and testing, on a sample basis, key assumptions used in the reclamation obligation model and recalculating the present value of the obligation.

We have served as the Company's auditor since 2019.

/s/ DAVIDSON & COMPANY LLP

Vancouver, Canada

Chartered Professional Accountants

March 17, 2025

AUGUSTA GOLD CORP.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND DECEMBER 31, 2023
(Expressed in US dollars)

Assets	12/31/24	12/31/23
Current assets		
Cash	\$ 315,001	\$ 300,734
Prepaid	38,946	55,999
Deposits	0	7,028
Total current assets	353,947	363,761
Other assets		
Equipment, net	1,000,335	1,044,392
Reclamation bonds	1,115,813	1,115,813
Mineral properties, net	58,468,673	58,992,286
Total other assets	60,584,821	61,152,491
Total assets	<u>\$ 60,938,768</u>	<u>\$ 61,516,252</u>
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,754,491	\$ 1,411,439
Note payable and accrued interest - related party	31,418,516	25,393,879
Warrant liability	0	692,949
Asset retirement obligation	1,117,000	110,700
Total current liabilities	34,290,007	27,608,967
Long term liabilities		
Asset retirement obligation, net of current	1,604,138	2,971,097
Warrant liability, net of current	364,056	417,758
Total long term liabilities	1,968,194	3,388,855
Total liabilities	36,258,201	30,997,822
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, \$0.0001 par value; zero issued and outstanding as of 12/31/24 and 12/31/23	0	0
Preferred stock series B, 45,000,000 shares designated and authorized, \$0.0001 par value; issued and outstanding preferred stock series B shares convertible into zero shares of common stock as of 12/31/24 and 12/31/23	0	0
Common stock, 750,000,000 shares authorized, \$0.0001 par value; 85,929,753 shares issued and outstanding as of 12/31/24 and 12/31/23	8,593	8,593
Additional paid in capital	64,495,341	63,745,580
Accumulated deficit	(39,823,367)	(33,235,743)
Total stockholders' equity	24,680,567	30,518,430
Total liabilities and stockholders' equity	<u>\$ 60,938,768</u>	<u>\$ 61,516,252</u>

Commitments and contingencies (Note 6)

See accompanying notes to consolidated financial statements

AUGUSTA GOLD CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in US dollars)

	Twelve Months Ended	
	12/31/24	12/31/23
Operating expenses		
General and administrative	\$ 2,131,043	\$ 4,143,352
Lease expense	21,000	21,000
Exploration, evaluation and project expense	1,870,814	2,686,656
Accretion expense	240,688	111,548
Depreciation expense	44,057	44,057
Total operating expenses	<u>4,307,602</u>	<u>7,006,613</u>
Net operating loss	(4,307,602)	(7,006,613)
Revaluation of warrant liability	746,651	16,267,187
Interest expense	(3,024,636)	(2,550,557)
Foreign currency exchange loss	(2,037)	(52,007)
Net income (loss) and comprehensive income (loss)	<u>\$ (6,587,624)</u>	<u>\$ 6,658,010</u>
Weighted average common shares outstanding – basic	<u>85,929,753</u>	<u>85,561,252</u>
Weighted average common shares outstanding – diluted	<u>85,929,753</u>	<u>85,682,086</u>
Earnings (loss) per common share – basic	<u>\$ (0.08)</u>	<u>\$ 0.08</u>
Earnings (loss) per common share – diluted	<u>\$ (0.08)</u>	<u>\$ 0.08</u>

See accompanying notes to consolidated financial statements

AUGUSTA GOLD CORP.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in US dollars)

	Common Stock Shares Issued	Common Stock	Additional Paid In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
December 31, 2022	79,204,606	\$ 7,920	\$ 56,375,344	(\$ 39,893,753)	\$ 16,489,511
Stock based compensation	0	0	1,265,971	0	1,265,971
Placement - January	6,725,147	673	7,866,753	0	7,867,426
Warrant liability	0	0	(1,762,488)	0	(1,762,488)
Net income	0	0	0	6,658,010	6,658,010
December 31, 2023	<u>85,929,753</u>	<u>\$ 8,593</u>	<u>\$ 63,745,580</u>	<u>(\$ 33,235,743)</u>	<u>\$ 30,518,430</u>
Stock based compensation	0	0	749,761	0	749,761
Net loss	0	0	0	(6,587,624)	(6,587,624)
December 31, 2024	<u>85,929,753</u>	<u>8,593</u>	<u>64,495,341</u>	<u>(39,823,367)</u>	<u>24,680,567</u>

See accompanying notes to consolidated financial statements

AUGUSTA GOLD CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in US dollars)

	Twelve Months Ended	
	12/31/24	12/31/23
Cash flows from operating activities		
Net income (loss)	\$ (6,587,624)	\$ 6,658,010
Adjustments to reconcile net income (loss) to net cash used in operating activities		
Accretion expense	240,688	111,548
Depreciation expense	44,057	44,057
Revaluation of warrant liability	(746,651)	(16,267,187)
Share based compensation	749,761	1,265,971
Change in operating assets and liabilities:		
Prepaid expenses	17,053	100,960
Deferred stock issuance costs	0	121,424
Debt issuance costs	167,437	53,152
Deposits	7,028	0
Accounts payable	343,052	(1,285,926)
Accrued interest	2,857,200	2,497,404
Asset retirement obligation	(77,734)	155,814
Net cash used in operating activities	(2,985,733)	(6,544,773)
Cash flows from investing activity		
Acquisition of mineral properties	0	(238,919)
Net cash used in investing activities	0	(238,919)
Cash flows from financing activities		
Proceeds from private placement of stock	0	8,568,651
Proceeds from note payable - related party	3,000,000	0
Share issuance costs	0	(701,225)
Increase in surety bond collateral	0	(1,115,813)
Net cash provided by financing activities	3,000,000	6,751,613
Net increase (decrease) in cash	14,267	(32,079)
Cash, beginning of period	300,734	332,813
Cash, end of period	\$ 315,001	\$ 300,734
	0	
Noncash investing and financing activities		
Interest and taxes paid	\$ 5,479,941	\$ 15,446
Change in ARO estimate	\$ 523,613	\$ 215,098
Warrant liability from units placement	\$ 0	\$ 1,762,488

See accompanying notes to consolidated financial statements

AUGUSTA GOLD CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Nature of Business

Augusta Gold Corp. (the “Company”) is an exploration stage issuer 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 Reward Gold Project has mineral reserves under subpart 1300 of Regulation S-K (“S-K 1300”) under the Exchange Act of 1934, as amended (the “Exchange Act”), but the Company has not yet made a development and production determination for the project and the Company’s other mineral 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”) and pursuant to the rules and regulations of the United States Securities and Exchange Commission (“SEC”).

Basis of Measurement

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

Principles of Consolidation

The consolidated financial statements include the accounts of 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. Subsidiaries are entities the Company controls when it is exposed, or has rights, to variable returns from its involvement in the entity and can affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are included in the consolidated financial results of the Company from the date of acquisition up to the date of disposition or loss of control.

Going Concern and Management’s Plans

As at December 31, 2024, the Company has a working capital deficiency of approximately \$34,000,000. The Company expects to continue to obtain necessary funds primarily through additional debt, the issuance of common shares, or a strategic alternative. While the Company has been successful in securing financing to date, there can be no assurances that additional debt, future equity financing, or strategic alternatives will be available on acceptable terms to the Company or at all. These circumstances raise substantial doubt about the Company’s ability to continue as a going concern.

Cash, Cash Equivalents and Concentration

The Company considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. The Company places its cash with high credit quality financial institutions in the United States and Canada. On December 31, 2024, the Company’s cash balance was approximately \$315,000. To reduce its risk associated with the failure of such financial institution, the Company will evaluate, as needed, the rating of the financial institution in which it holds deposits.

Critical Judgements and Estimation Uncertainties

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

Impairment of mineral properties – Management applies significant judgment in its assessment of mineral properties and whether there are any indications of impairment. The Company considers both internal and external sources of information when making the impairment assessment. External sources of information considered are changes in the Company’s economic, legal and regulatory environment, which it does not control, but affects the recoverability of its mining assets. Internal sources of information the Company considers include the manner in which mining properties are expected to be used and indications of economic performance.

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

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

Asset retirement obligation – Significant judgment is involved in the determination of future reclamation costs, inflation rates, discount rate, and the life of mine. Revisions to these inputs may result in an adjustment to the carrying value of the obligation and the mineral properties involved.

Foreign Currency Translation

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

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

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

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are 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. For leases of 12 months or less, the Company has elected to apply the short-term lease exemption permitted by ASC 842. 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 established proven and probable reserves on its Reward Gold Project but has not established any proven or probable mineral reserves on its other mineral properties. The Company has not yet made a development decision on the Reward Gold Project. 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 mineral 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 mineral 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 only determined the commercial feasibility of its Reward Gold Project but has not made a development decision on the project and has not established the commercial feasibility of any of its other 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 \$1,908,470 at the Bullfrog Project and \$812,668 at the Reward Project. During the period ended December 31, 2024, the Company incurred certain costs related to the ARO estimate that had an effect on the accretion and estimated costs.

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.

Period end	12/31/2024	12/31/2023
Balance, beginning of period	\$ 3,081,797	\$ 2,814,435
Accretion	240,688	111,548
Costs applied to ARO balance	(77,734)	(59,285)
Change in estimates	(523,613)	215,099
Balance, end of period (current)	\$ 1,117,000	\$ 110,700
Balance, end of period (long term)	\$ 1,604,138	\$ 2,971,097
Life of mine - Bullfrog Project	2031	2031
Life of mine - Reward Project	2029	2029
Discount rate	11.5%	3.9%
Inflation rate (average)	2.1%	2.2%

At December 31, 2024, the estimated future cash flows have been determined using real cash flows and discounted using a rate of 11.5% and a total undiscounted amount for the estimated future cash flows is \$2,246,820 at the Bullfrog Project and \$1,256,067 at the Reward Project. The Bullfrog and CR Reward projects have surety bonding in place with the Bureau of Land Management for \$2,286,611 and \$1,161,725 respectively.

At December 31, 2023, the estimated future cash flows have been determined using real cash flows and discounted using a rate of 3.9% and a total undiscounted amount for the estimated future cash flows is \$2,037,222 at the Bullfrog Project and \$1,296,261 at the Reward Project. The Bullfrog and CR Reward projects have surety bonding in place with the Bureau of Land Management for \$2,282,270 and \$1,161,725 respectively.

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, 2024, and December 31, 2023. The tax returns are generally open for IRS examination for three years from the date the return was filed or the due date of the return, whichever is later.

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:

	Twelve Months Ended	
	12/31/2024	12/31/2023
Basic and diluted earnings (loss) per common share		
Earnings (loss)	\$ (6,587,624)	\$ 6,658,010
Basic weighted average shares outstanding	85,929,753	85,561,252
Assumed conversion of dilutive shares	0	120,835
Diluted weighted average common shares outstanding, assuming conversion of common stock equivalents	85,929,753	85,682,086
Basic earnings (loss) per common share	\$ (0.08)	\$ 0.08
Diluted earnings (loss) per common share	\$ (0.08)	\$ 0.08

Certain options and warrants were excluded in the diluted weighted average shares calculation because they were “out-of-the money”. In periods when the Company has a net loss, all common stock equivalents are excluded as they would be anti-dilutive. The following details the dilutive and anti-dilutive shares as of December 31, 2023:

December 31, 2023	Dilutive shares - In the money	Anti-dilutive shares - Out of the money	Total
Options	58,334	4,951,668	5,010,002
Warrants	0	34,701,615	34,701,615
Total	58,334	39,653,283	39,711,617

All “in-the-money” options and warrants were excluded in the diluted weighted average shares calculation because there was a net loss for the year ended December 31, 2024.

Risks and Uncertainties

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

Natural resource exploration, and exploring for gold, is a business that by its nature is very speculative. There is a strong possibility that we will not discover gold or any other mineralization on our exploration properties which can be mined or extracted at a profit. Even if we do discover gold or other deposits on our exploration properties, 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. While our Reward Gold Project has mineral reserves established pursuant to a feasibility study, even if we develop and begin production on the project, we may not realize the expected economic potential of the mineral reverses as stated in the feasibility study. 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 anticipates, adversely affecting any potential mining operations. Future mining operations, if any, may also be subject to liability for pollution or other environmental damage. The Company may choose not to be insured against this risk because of high insurance costs or other reasons.

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

Recent Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, Segment Reporting – Improvements to Reportable Segments Disclosures. The amendments enhance disclosures of significant segment expenses by requiring disclosure of significant segment expenses regularly provided to the chief operating decision maker (CODM), extend certain annual disclosures to interim periods, and permit more than one measure of segment profit or loss to be reported under certain conditions. The amendments are effective for the Company in fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption of the amendment is permitted, including adoption in any interim periods for which financial statements have not been issued. The Company adopted ASU 2023-07 effective as of December 31, 2024, and the segment disclosures in Note 8 are reflective of that adoption.

Accounting pronouncements not yet adopted

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which improve the transparency of disclosures related to the income tax rate reconciliation and income taxes paid. The amendments are effective for the Company in fiscal years beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The Company is currently evaluating the guidance and its impact to the financial statements.

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires all public entities to disclose information about purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depletion for each income statement line item that contains those expenses. The amendments are effective for the Company in fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 27, 2027. Early adoption is permitted on either a prospective or retrospective basis. The Company is currently evaluating the guidance and its impact to the financial statements.

NOTE 2 - MINERAL PROPERTIES

	Mineral properties	Equipment	Land improvements	Total
Cost				
As of December 31, 2022	\$ 58,962,286	\$ 161,326	\$ 1,015,869	\$ 60,139,481
Additions	30,000	0	0	30,000
As of December 31, 2023	58,992,286	161,326	1,015,869	60,169,481
Change in ARO estimate	(523,613)	0	0	(523,613)
Additions	0	0	0	0
As of December 31, 2024	\$ 58,468,673	\$ 161,326	\$ 1,015,869	\$ 59,645,868
Accumulated depreciation				
As of December 31, 2022	\$ 0	\$ 65,162	\$ 23,584	\$ 88,746
Depreciation expense	0	32,265	11,792	44,057
As of December 31, 2023	0	97,427	35,376	132,803
Depreciation expense	0	32,265	11,792	44,057
As of December 31, 2024	\$ 0	\$ 129,692	\$ 47,168	\$ 176,860
Net book value on December 31, 2024	\$ 58,468,673	\$ 31,634	\$ 968,701	\$ 59,469,008

Mineral properties consist of two main projects:

Bullfrog Gold Project

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”).

The project is subject to 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”).

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%.

Reward Gold Project

On June 13, 2022, the Company completed the acquisition of the outstanding membership interests (collectively, the “CR Interests”) of CR Reward LLC, a wholly owned subsidiary of Waterton (“CR Reward”), pursuant to a membership interest purchase agreement with Waterton Nevada Splitter, LLC (“Waterton”). CR Reward holds the Reward Project located seven miles from the Company’s Bullfrog Project in Nevada.

See Note 6 Commitments for discussion of other option agreements underlying mineral claims.

NOTE 3 - STOCKHOLDER’S EQUITY

On January 20, 2023, the Company closed its offering (the “Offering”) of 6,725,147 units (“Units”) of the Company at a price of C\$1.71 per Unit, including the units issued pursuant to the full exercise of the over-allotment option by the underwriters in the Offering (the “Underwriters”), for aggregate gross proceeds of approximately C\$11,500,000 before deducting Offering expenses. Each Unit was comprised of one share of the Company’s common stock and one-half of one common stock purchase warrant.

In connection with the closing of the Offering, the Company entered into a Warrant Indenture dated January 20, 2023 (the “Warrant Indenture”) with Endeavor Trust Corporation, as the warrant agent, pursuant to which the Company issued Warrants to purchase up to a maximum of 3,362,573 Warrant Shares. Each Warrant is exercisable at any time after January 20, 2023, and prior to January 20, 2026.

As compensation in connection to the Offering, the Company paid the Underwriters cash compensation equal to 5.0% of the aggregate gross proceeds of the Offering and issued to the Underwriters 336,257 common stock purchase warrants (the “Compensation Warrants”). Each Compensation Warrant is exercisable for one share of common stock (each, a “Compensation Warrant Share”) for a period of 12 months following the closing of the Offering at a price of C\$1.71 per Compensation Warrant Share.

The Company did not issue common shares for the twelve months ended December 31, 2024.

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.

As of December 31, 2024 and 2023, 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. Options granted vest in accordance with terms at the discretion of the Board.

On April 16, 2024, the Company granted 2,800,000 options to certain directors, officers and employees. On August 13, 2024, the Company granted 200,000 options to an officer. No options were granted for the twelve months ended December 31, 2023.

The Company recognized share-based compensation expense related to stock options of \$749,761 and \$1,265,971 for the twelve months ended December 31, 2024, and 2023, respectively. The options are vested based on years of service, with options vesting between immediately and three years.

The Black Scholes option pricing model was used to estimate the aggregate fair value of the options with the following inputs:

Options	Exercise Price	Expected Life	Volatility	Risk Free Interest Rate
2,800,000	C\$ 1.11	3.3 years	75.9%	4.8%
200,000	C\$ 1.11	3.5 years	72.4%	3.8%

Stock Option Activity

A summary of the stock options as of December 31, 2024, and 2023, and changes during the years ended are presented below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Balance at December 31, 2022	5,200,002	\$ 1.56	3.45	\$ 57,468
Exercised	0	0	0	0
Issued	0	0	0	0
Canceled	(190,000)	C\$ 2.02	0	0
Balance at December 31, 2023	5,010,002	\$ 1.48	2.43	0
Exercised	0	0	0	0
Issued	3,000,000	C\$ 1.11	0	0
Canceled	(840,000)	C\$ 1.93	0	0
Balance at December 31, 2024	7,170,002	\$ 1.12	2.58	\$ 366,342
Options exercisable at December 31, 2024	4,545,002	\$ 1.89	1.57	\$ 55,149

Warrant Activity

Total outstanding warrants of 3,662,573 as of December 31, 2024, were as follows:

	Warrants Issued					Total
Warrants issued (includes expired warrants)	27,433,335	3,777,784	3,362,573	336,257	300,000	35,209,949
Issued date	10/26/2020	3/4/2021	1/20/2023	1/20/2023	2/26/2024	
Expiration date	10/26/2024	3/4/2024	1/20/2026	1/20/2024	2/26/2029	
Exercise price (Canadian \$)	\$ 1.80	\$ 2.80	\$ 2.30	\$ 1.71	\$ 0.62	
Balance at December 31, 2022	27,225,001	3,777,784	0	0	0	31,002,785
Exercised	0	0	0	0	0	0
Issued	0	0	3,362,573	336,257	0	3,698,830
Expired	0	0	0	0	0	0
Balance at December 31, 2023	27,225,001	3,777,784	3,362,573	336,257	0	34,701,615
Exercised	0	0	0	0	0	0
Issued	0	0	0	0	300,000	300,000
Expired	(27,225,001)	(3,777,784)	0	(336,257)	0	(31,339,042)
Balance at December 31, 2024	0	0	3,362,573	0	300,000	3,662,573

NOTE 4 - DERIVATIVE FINANCIAL INSTRUMENTS

The October 2020 Warrants, March 2021 Warrants, and January 2023 Warrants have an exercise price in Canadian dollars while the Company's functional currency is US dollars. Therefore, in accordance with ASU 815 - Derivatives and Hedging, the Warrants have a derivative liability value.

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. The warrant liability expired as of December 31, 2024 and was valued at \$691,782 for the year ending December 31, 2023 with the following assumptions:

	10/26/20	12/31/23	12/31/24
Fair market value of common stock	\$ 1.26	\$ 0.63	\$ 0.00
Exercise price	\$ 1.38	\$ 1.36	\$ 0.00
Term	4 years	0.8 years	0.00
Volatility range	68.4%	72.7%	0.0%
Risk-free rate	0.2%	4.8%	0.0%

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. The warrant liability expired as of December 31, 2024 and was valued at \$1,167 for the year ending December 31, 2023 with the following assumptions:

	3/4/21	12/31/23	12/31/24
Fair market value of common stock	\$ 1.97	\$ 0.63	\$ 0.00
Exercise price	\$ 2.21	\$ 2.12	\$ 0.00
Term	3 years	0.2 years	0.00
Volatility range	72.7%	101.2%	0.0%
Risk-free rate	0.3%	5.4%	0.0%

The value of the January 2023 Warrants of \$1,762,488 has been calculated on the date of issuance of January 20, 2023, using Black-Scholes valuation technique. The warrant liability was valued at \$364,056 and \$417,758 for the year ending December 31, 2024, and 2023, respectively with the following assumptions:

	1/20/23	12/31/23	12/31/24
Fair market value of common stock	\$ 1.13	\$ 0.63	\$ 0.81
Exercise price	\$ 1.71	\$ 1.74	\$ 1.60
Term	3 years	2 years	1.1 years
Volatility range	84.1%	80.1%	79.2%
Risk-free rate	3.8%	4.2%	4.2%

NOTE 5 - RELATED PARTY

Augusta Investments Inc.

- On September 13, 2022, the Company entered into a secured note purchase agreement (the "Purchase Agreement") with Augusta Investments Inc. ("Augusta Investments"), which shares a common 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%. 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.

- On September 13, 2023, the Company and Augusta Investments entered into Amendment Number One (the “Amendment”) to the Note. The Amendment amended Section 1 of the Note to change the maturity date of the Note from September 13, 2023 to the earlier of (i) first Business Day occurring 30 days after the Lender has provided written notice to the Company demanding payment on the entire unpaid balance of principal and all accrued and unpaid interest thereon; (ii) the date upon which the Company makes payment in full of the entire unpaid balance of principal and all accrued and unpaid interest; and (iii) December 13, 2023.
- On December 13, 2023, the Company and Augusta Investments entered into Amendment Number Two (“Amendment 2”) to the Note. Amendment 2 amends Section 1 of the Note to change the maturity date of the Note from December 13, 2023, to March 31, 2024. In consideration for the Lender granting an extension to the maturity date, the Company has agreed to pay to the Lender an extension fee of \$33,501, which is accrued and due on the maturity date.
- On March 27, 2024, the Company entered into Amendment Number One (the “Purchase Agreement Amendment”) to its previously issued Purchase Agreement with Augusta Investments, pursuant to which Augusta Investments agreed to purchase the Note in the amount of US\$22,232,561.

In connection with entering into the Purchase Agreement Amendment, Augusta Investments loaned the Company an additional \$525,000, less a \$25,000 loan origination fee, and the Company issued an amended and restated Note to Augusta Investments dated March 27, 2024 (the “Amended and Restated Note”). The Amended and Restated Note amended the Note to provide that the principal amount due and payable thereunder will be set forth on Schedule A thereto, as amended from time to time, by the mutual agreement of the parties. As issued on March 27, 2024, the Amended and Restated Note was for a principal amount of \$22,818,853, which includes (i) the original issue amount of the Note on September 13, 2022 of \$22,126,000 (along with \$106,561 of debt issuance costs), (ii) an extension fee of \$33,501 on December 13, 2023, (iii) the \$500,000 loan (along with an additional \$25,000 of debt issuance costs) on March 27, 2024 and (iv) the extension fee of \$27,791 on March 27, 2024. The Amended and Restated Note bears interest at a rate of prime plus 3% and had an outside maturity date of June 30, 2024.

- On April 26, 2024, the Company amended Schedule A to the Amended and Restated Note. In connection with amending Schedule A, the Purchaser loaned the Company an additional \$1,500,000 pursuant to the terms and conditions of the Amended and Restated Note. As amended by the amended Schedule A, the Amended and Restated Note was for a principal amount of \$24,318,853.
- On June 28, 2024, the Company entered into Amendment Number One (the “June 2024 Amendment”) to the Amended and Restated Note.

The June 2024 Amendment amended Section 1 of the Amended and Restated Note to change the outside maturity date of the Amended and Restated Note from June 30, 2024, to September 30, 2024. In consideration for Augusta Investments granting an extension to the maturity date, the Company agreed to pay Augusta Investments an extension fee of \$30,399, which amount is accrued and due on the maturity date.

In connection with the June 2024 Amendment, the Company and Augusta Investments further amended Schedule A to the Amended and Restated Note to add the amount of the Extension Fee to the principal amount of the Amended and Restated Note. As amended by the amended Schedule A, the Amended and Restated Note was for a principal amount of \$24,349,251.

- On September 3, 2024, the Company further amended Schedule A to the Amended and Restated Note.

The amended Schedule A evidenced Augusta Investments loaning the Company an additional \$250,000 on August 28, 2024, pursuant to the terms and conditions of the Amended and Restated Note. As amended by the amended Schedule A, the Amended and Restated Note was for a principal amount of \$24,599,251.

- On September 30, 2024, the Company, entered into a Second Amendment (the “Second Amendment”) to the Amended and Restated Note.

The Second Amendment amended Section 1 of the Amended and Restated Note to (i) extend the maturity date of the Amended and Restated Note from September 30, 2024 to April 30, 2025, (ii) approve an extension fee to the Lender of \$71,748, and (iii) provide that Augusta Investments will loan to the Company \$5,479,941, an amount equal to all interest and fees payable on the loan under the Amended and Restated Note through September 30, 2024 (including the amount of the \$71,748 extension fee), which the Company immediately repaid to the Lender in full satisfaction of all interest and fees payable through September 30, 2024.

- On November 5, 2024, the Company executed an amended Schedule A to its amended and restated secured promissory note. The Amended Schedule A evidenced Augusta Investments Inc. loaning the Company an additional \$250,000.00 on October 30, 2024.
- On December 27, 2024, the Company, executed Amendment Number Three (“Amendment Number Three”) to its amended and restated secured promissory note. Amendment Number Three evidenced Augusta Investments Inc. loaning the Company an additional \$250,000.00 on December 19, 2024.

On February 26, 2024, the Company entered into an unsecured note purchase agreement with Donald Taylor to offer and sell an unsecured promissory note of the Company in exchange for the Lender loaning the Company \$250,000 (along with an additional \$12,500 of debt issuance fees). The note bears interest at a rate of 14% and originally matured on December 31, 2024. In connection with the loan, the Company issued 300,000 warrants (the “Warrants”) to Mr. Taylor. Each Warrant is exercisable for one share of the Company’s common stock for a period of five years at an exercise price of C\$0.62. The value of the February 2024 Warrants of \$97,370 has been calculated on the date of issuance of February 26, 2024, using Black-Scholes valuation technique.

On December 27, 2024, the Company and Mr. Taylor entered into Amendment Number One to the unsecured promissory note to extend the maturity date to June 30, 2025.

Related Party - Augusta Investments	Note Payable	Accrued Interest	Total
As of December 31, 2022	\$ 22,232,561	\$ 610,761	\$ 22,843,322
Additional debt issuance costs	33,501	(33,501)	0
Interest expense	0	2,550,557	2,550,557
As of December 31, 2023	22,266,062	3,127,817	25,393,879
Additional debt issued	2,750,000		2,750,000
Additional debt issuance costs	154,937	(154,937)	0
Accrued interest converted to debt	5,180,339	(5,180,339)	0
Interest expense	0	2,980,924	2,980,924
As of December 31, 2024	<u>\$ 30,351,338</u>	<u>\$ 773,465</u>	<u>\$ 31,124,803</u>

Related Party - Don Taylor	Note Payable	Accrued Interest	Total
As of December 31, 2023	\$ 0	\$ 0	\$ 0
Additional debt issued	250,000	0	250,000
Additional debt issuance costs	12,500	(12,500)	0
Interest expense	0	43,712	43,712
As of December 31, 2024	<u>\$ 262,500</u>	<u>\$ 31,212</u>	<u>\$ 293,712</u>

Related Party - Total	Note Payable	Accrued Interest	Total
As of December 31, 2022	\$ 22,232,561	\$ 610,761	\$ 22,843,322
Additional debt issuance costs	33,501	(33,501)	0
Interest expense	0	2,550,557	2,550,557
As of December 31, 2023	22,266,062	3,127,817	25,393,879
Additional debt issued	3,000,000	0	3,000,000
Additional debt issuance costs	167,437	(167,437)	0
Accrued interest converted to debt	5,180,339	(5,180,339)	0
Interest expense	0	3,024,636	3,024,636
As of December 31, 2024	<u>\$ 30,613,838</u>	<u>\$ 804,677</u>	<u>\$ 31,418,515</u>

On October 26, 2020, the Company entered into 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 is committed to payments for office leases premises through November 2027 in the total amount of approximately \$200,000 based on the Company's current share of rent paid. The Company is jointly liable for rent payments. The Company does not have the ability to control the asset. The lease agreement falls outside of lease accounting. As a result, the Company does not recognize a Right-of-Use (ROU) asset or lease liability for this office space.

The Company was charged for the following with respect to this arrangement for the years ended December 31, 2024, and 2023:

	Twelve Months Ended	
	12/31/2024	12/31/2023
Salaries and benefits	\$ 200,634	\$ 391,643
Office	91,287	119,447
Operating expenses	96,713	102,505
Total	<u>\$ 388,634</u>	<u>\$ 613,595</u>

As of December 31, 2024, there were 7,170,002 options issued and outstanding to officers, directors and employees of the Company of which 6,975,002 were to related parties. There was related party share-based compensation expense of \$727,124 and \$1,217,713 for the years ending December 31 2024 and 2023, respectively.

The Company entered into a consulting arrangement with Augusta Capital Corporation ("ACC"), a private company 100% beneficially held by the Company's Executive Chairman. ACC invoiced the Company C\$367,500 and C\$380,000 during the years ended December 31, 2024 and 2023 for consulting services, respectively.

The Chief Executive Officer had an amount due from the Company of \$770,825 and \$520,825 related to accrued payroll costs as of December 31, 2024 and 2023, respectively. The Chief Financial Officer received \$57,625 in fees and 200,000 options valued at \$52,200 as of December 31, 2024.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

The Company has four mineral leases underlying the Reward property 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. In the twelve months ended December 31, 2024, two of the four mineral leases were renewed resulting in an updated table of payments. Once in production, each agreement attracts payment of net smelter royalties as per the following table.

	Total
2025	\$ 60,400
2026	63,400
2027	65,900
2028	67,900
2029	70,900
2030	76,400
2031	74,000
2032	74,000
2033	79,500
2034	49,500
2035	54,500
2036	55,000
2037	55,000
2038	55,000
2039	45,000
2040	50,000
2041	50,000
2042	50,000
2043	50,000
2044	50,000
Applicable NSRs	3%

- (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 underlying part of the Bullfrog property. Lunar owns a 100% undivided interest in the mining claims. This lease is out of the scope of ASC 842 *Leases*, and any payment is expensed off as lease expense.

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 \$153,000 as of December 31, 2024, and makes lease payments on the following schedule:

Payment due July	Annual Payment
2025-2026	\$ 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”) granting RMM the right to purchase 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 to Mojave in October 2014. Subsequently, RMM paid to Mojave a total of \$190,000 over the next 10 years, with the last payment made to Mojave in October 2023. As of the date hereof, the Mojave Option has been exercised in full. This lease is out of the scope of ASC 842 *Leases*, and any payment is capitalized to mineral property.

On December 9, 2020, Bullfrog Mines entered into a mining 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. The Abitibi Option was amended on December 9, 2022, to extend the exercise deadline and to increase the last payment amount required to exercise the option. This lease is out of the scope of ASC 842 *Leases*, and any payment is capitalized to mineral property. Bullfrog Mines made an initial payment to Abitibi of C\$25,000 and exercised the Abitibi Option in full on January 30, 2023, by:

- Paying to Abitibi C\$50,000 in cash before December 9, 2021;
- Paying to Abitibi C\$78,750 in cash before January 30, 2023; and
- Granting to Abitibi a 2% net smelter royalty on the claims subject to the Abitibi Option on January 30, 2023, of which Bullfrog Mines has the option to purchase 0.5% for C\$500,000 on or before December 9, 2030.

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 - INCOME TAXES

The effective income tax rate for the years ended December 31, 2024, and 2023 consisted of the following:

	2024	2023
Federal statutory income tax rate on net income/loss	21.0%	21.0%
State statutory income tax rate on net income/loss	3.9%	3.9%
Change in valuation allowance	-24.9%	-24.9%
Tax rate change	-3.9%	-3.9%
Effective tax rate	0.0%	0.0%

	2024	2023
Earnings (loss) for the year	\$ (6,587,624)	\$ 6,658,010
Expected income tax (recovery)	(1,638,342)	1,655,847
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	(278,409)	266,733
Change in unrecognized deductible temporary differences	1,916,751	(1,922,580)
Total income tax expense (recovery)	0	0

The components of the deferred tax assets and liabilities as of December 31, 2024, and 2023 are as follows:

	2024	2023
Deferred tax assets:		
Federal and state net operating loss carryovers	\$ 9,109,698	\$ 9,026,354
Accrued liabilities and other	1,803,260	(45,597)
Mineral property	707,491	723,714
Warrant revaluation	1,682,761	1,496,296
Stock compensation	164,032	349,724
Total deferred tax asset	\$ 13,467,242	\$ 11,550,491
Less: valuation allowance	\$ (13,467,242)	\$ (11,550,491)
Deferred tax asset	\$ 0	\$ 0

The Company has approximately a \$36,629,000 and \$33,000,000 net operating loss carryover as of December 31, 2024, and December 31, 2023, respectively. The net operating loss may offset against taxable income, with \$6,589,000 of the net operating loss carryover begins expiring in 2030 and \$30,040,000 with no expiry date may be subject to U.S. Internal Revenue Code Section 382 limitations.

The Company has provided a valuation allowance that eliminates the deferred tax asset as of December 31, 2024, and 2023, as the likelihood of the realization of the tax benefits cannot be determined.

The Company and our subsidiaries file annual US Federal income tax returns and annual income tax returns for the state of Colorado. Income taxing authorities have conducted no formal examinations of our past Federal or state income tax returns and supporting records.

NOTE 8 - SEGMENTED INFORMATION

The Company is managed as one reportable segment: United States. The United States segment conducts exploration and evaluation activities at the Company's principal assets, the Bullfrog Mines and CR Reward projects. This segment does not presently report any revenues from operations. Through this segment, the Company seeks to position its projects as development opportunities within the gold, silver, and other metals sectors.

The Company's Chief Operating Decision Maker is the Chief Executive Officer ("CODM"). The CODM uses the consolidated statement of operations and comprehensive income (loss) as the measure of segment profit and loss to assess performance and allocate resources. The measure of segment assets is reported on the consolidated balance sheets as "Total assets" and the measure of segment capital expenditures is reported on the consolidated statements of cash flows as "Acquisition of mineral properties."

The Company reported no revenues during the years ended December 31, 2024, or 2023. The geographic location of all long lived assets is the United States.

Twelve months ending	12/31/2024	12/31/2023
Exploration, evaluation and project expense:		
Consultants/Contractors	583,035	952,000
Supplies and equipment	284,654	301,000
Overhead and payroll	722,000	1,179,000
Permits and fees	251,000	221,000
Other	30,125	33,656
Sub-Total	<u>\$ 1,870,814</u>	<u>\$ 2,686,656</u>
General and administrative:		
Accounting fees	\$ 244,675	\$ 592,667
Legal and other professional fees	319,622	1,100,668
Marketing expense	9,921	27,989
Payroll	450,630	641,639
Corporate expenses & rent	188,001	209,852
Share based compensation	749,761	1,265,971
Insurance	111,451	138,896
Stock exchange fees	66,870	87,860
Other general expenses	(9,888)	77,810
Sub-Total	<u>\$ 2,131,043</u>	<u>\$ 4,143,351</u>
Other:		
Lease expense	\$ 21,000	\$ 21,000
Accretion expense	240,688	111,548
Depreciation expense	44,057	44,057
Revaluation of warrant liability	(746,651)	(16,267,187)
Interest expense	3,024,636	2,550,557
Foreign currency exchange loss	2,037	52,007
Sub-Total	<u>\$ 2,585,767</u>	<u>(\$ 13,488,018)</u>
Net income (loss) and comprehensive income (loss)	<u>6,587,624</u>	<u>(6,658,011)</u>

NOTE 9 - SUBSEQUENT EVENTS

In February 2025 the Company received \$100,000 from the CEO. The Company has not yet agreed to terms of the loan.