

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 June 30, 2025

☐ 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)

Nevada

41-2252162

(State or other jurisdiction of
incorporation or organization)

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

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

V6C 3E1

(Address of principal executive offices)

(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 ☐

Accelerated filer ☐

Non-accelerated filer ☒

Smaller reporting company ☒

Emerging growth company ☐

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: 85,929,753 shares of common stock, par value \$0.0001, were outstanding on August 12, 2025.

AUGUSTA GOLD CORP.

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PART I. FINANCIAL INFORMATION

ITEM 1 - CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AUGUSTA GOLD CORP. CONSOLIDATED BALANCE SHEETS JUNE 30, 2025 AND DECEMBER 31, 2024 (Expressed in US dollars)

	<u>6/30/25</u>	<u>12/31/24</u>
Assets		
Current assets		
Cash	\$ 1,019,745	\$ 315,001
Prepaid	109,124	38,946
Total current assets	<u>1,128,869</u>	<u>353,947</u>
Other assets		
Equipment and land improvements, net	978,623	1,000,335
Reclamation bonds	1,115,813	1,115,813
Mineral properties, net	58,161,659	58,468,673
Total other assets	<u>60,256,095</u>	<u>60,584,821</u>
Total assets	<u>\$ 61,384,964</u>	<u>\$ 60,938,768</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 972,317	\$ 623,808
Accrued liabilities - related party	1,388,069	1,130,683
Note payable and accrued interest - related party	34,980,678	31,418,516
Warrant liability	122,588	0
Asset retirement obligation	1,082,200	1,117,000
Total current liabilities	<u>38,545,852</u>	<u>34,290,007</u>
Long term liabilities		
Asset retirement obligation, net of current	1,477,037	1,604,138
Warrant liability	0	364,056
Total long term liabilities	<u>1,477,037</u>	<u>1,968,194</u>
Total liabilities	<u>40,022,889</u>	<u>36,258,201</u>
Stockholders' equity		
Preferred stock, 250,000,000 shares authorized, \$0.0001 par value; zero issued and outstanding as of 6/30/25 and 12/31/24	0	0
Preferred stock series A, 5,000,000 shares designated and authorized, \$0.0001 par value; zero issued and outstanding as of 6/30/25 and 12/31/24	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 6/30/25 and 12/31/24	0	0
Common stock, 750,000,000 shares authorized, \$0.0001 par value; 85,929,753 shares issued and outstanding as of 6/30/25 and 12/31/24	8,593	8,593
Additional paid in capital	64,698,172	64,495,341
Accumulated deficit	<u>(43,344,690)</u>	<u>(39,823,367)</u>
Total stockholders' equity	<u>21,362,075</u>	<u>24,680,567</u>
Total liabilities and stockholders' equity	<u>\$ 61,384,964</u>	<u>\$ 60,938,768</u>

Commitments and contingencies (Note 6)

Subsequent events (Note 8)

See accompanying notes to consolidated financial statements

AUGUSTA GOLD CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in US dollars)

	Three Months Ended		Six Months Ended	
	6/30/25	6/30/24	6/30/25	6/30/24
Operating expenses				
General and administrative	\$ 455,687	\$ 434,266	\$ 1,026,750	\$ 1,132,701
Lease expense	21,000	21,000	21,000	21,000
Exploration, evaluation and project expense	563,351	836,200	839,182	1,232,458
Accretion expense	67,180	71,286	145,408	101,180
Depreciation expense	10,856	11,015	21,712	22,029
Total operating expenses	<u>1,118,074</u>	<u>1,373,767</u>	<u>2,054,052</u>	<u>2,509,368</u>
Net operating loss	(1,118,074)	(1,373,767)	(2,054,052)	(2,509,368)
Revaluation of warrant liability	113,692	1,586,051	241,468	821,992
Interest expense	(875,186)	(751,222)	(1,712,162)	(1,424,697)
Foreign currency exchange loss (gain)	2,033	1	3,423	(4,107)
Net loss and comprehensive loss	<u>\$ (1,877,535)</u>	<u>\$ (538,937)</u>	<u>\$ (3,521,323)</u>	<u>\$ (3,116,180)</u>
Weighted average common shares outstanding – basic and diluted	<u>85,929,753</u>	<u>85,929,753</u>	<u>85,929,753</u>	<u>85,929,753</u>
Loss per common share – basic and diluted	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>	<u>\$ (0.04)</u>	<u>\$ (0.04)</u>

See accompanying notes to consolidated financial statements

AUGUSTA GOLD CORP.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in US dollars)

	Common Stock Shares Issued	Common Stock	Additional Paid In Capital	Accumulated Deficit	Total Stockholders' Equity
December 31, 2023	85,929,753	\$ 8,593	\$ 63,745,580	\$ (33,235,743)	\$ 30,518,430
Stock based compensation	0	0	275,037	0	275,037
Net loss	0	0	0	(2,577,243)	(2,577,243)
March 31, 2024	<u>85,929,753</u>	<u>\$ 8,593</u>	<u>\$ 64,020,617</u>	<u>\$ (35,812,986)</u>	<u>\$ 28,216,224</u>
Stock based compensation	0	0	141,445	0	141,445
Net loss	0	0	0	(538,937)	(538,937)
June 30, 2024	<u>85,929,753</u>	<u>\$ 8,593</u>	<u>\$ 64,162,062</u>	<u>\$ (36,351,923)</u>	<u>\$ 27,818,732</u>
December 31, 2024	85,929,753	8,593	64,495,341	(39,823,367)	24,680,567
Stock based compensation	0	0	111,659	0	111,659
Net loss	0	0	0	(1,643,788)	(1,643,788)
March 31, 2025	<u>\$ 85,929,753</u>	<u>\$ 8,593</u>	<u>\$ 64,607,000</u>	<u>\$ (41,467,155)</u>	<u>\$ 23,148,438</u>
Stock based compensation	0	0	91,172	0	91,172
Net loss	0	0	0	(1,877,535)	(1,877,535)
June 30, 2025	<u>85,929,753</u>	<u>\$ 8,593</u>	<u>\$ 64,698,172</u>	<u>\$ (43,344,690)</u>	<u>\$ 21,362,075</u>

See accompanying notes to consolidated financial statements

AUGUSTA GOLD CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in US dollars)

	Six Months Ended	
	6/30/25	6/30/24
Cash flows from operating activities		
Net loss	\$ (3,521,323)	\$ (3,116,180)
Adjustments to reconcile net loss to net cash used in operating activities		
Accretion expense	145,408	101,180
Depreciation expense	21,712	22,029
Revaluation of warrant liability	(241,468)	(821,992)
Share based compensation	202,831	416,482
Change in operating assets and liabilities:		
Prepaid expenses	(70,177)	(56,341)
Debt issuance costs	90,998	84,282
Deposits	0	7,028
Accounts payable	605,895	129,053
Accrued interest	1,621,163	1,340,416
Asset retirement obligation	(295)	(43,887)
Net cash used in operating activities	(1,145,256)	(1,937,930)
Cash flows from financing activities		
Proceeds from note payable - related party	1,850,000	2,250,000
Net cash provided by financing activities	1,850,000	2,250,000
Net increase in cash	704,744	312,070
Cash, beginning of period	315,001	300,734
Cash, end of period	\$ 1,019,745	\$ 612,804
Noncash investing and financing activities		
Interest and taxes paid	\$ 0	\$ 0
Change in ARO estimate	\$ 307,014	\$ 704,969

See accompanying notes to consolidated financial statements

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

Augusta Gold Corp. (the “Company”) is a junior exploration stage mining 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 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 unaudited condensed interim 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”). Accordingly, they do not include all of the information and notes required by U.S. GAAP. The Company believes that the disclosures made are adequate to make the information presented not misleading. These financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company’s Annual Report filed on Form 10-K for the year ended December 31, 2024. These unaudited condensed interim consolidated financial statements reflect all adjustments, which, in the opinion of management, are necessary for a fair presentation of the results for the interim periods presented. Interim results are not necessarily indicative of results for a full year.

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 June 30, 2025, the Company has a working capital deficiency of approximately \$37,000,000. 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. See Subsequent Events Note 8 for additional information regarding the Company’s merger with AngloGold.

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 June 30, 2025, the Company's cash balance was approximately \$1,000,000. 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 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. 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 \$1,721,680 at the Bullfrog Project and \$837,557 at the Reward Project. During the period ended June 30, 2025, 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	6/30/2025	12/31/2024
Balance, beginning of period	\$ 2,721,138	\$ 3,081,797
Accretion	145,408	240,688
Costs applied to ARO balance	(295)	(77,734)
Change in estimates	(307,014)	(523,613)
Balance, end of period (current)	\$ 1,082,200	\$ 1,117,000
Balance, end of period (long term)	\$ 1,477,037	\$ 1,604,138
Life of mine - Bullfrog Project	2031	2031
Life of mine - Reward Project	2029	2029
Discount rate	10.5%	11.5%
Inflation rate (average)	2.0%	2.1%

At June 30, 2025, the estimated future cash flows have been determined using real cash flows and discounted using a rate of 10.5% and a total undiscounted amount for the estimated future cash flows is \$1,969,382 at the Bullfrog Project and \$1,248,715 at the Reward Project. The Bullfrog and CR Reward projects have surety bonding in place with the Bureau of Land Management for \$2,289,209 and \$1,161,725 respectively.

At June 30, 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 \$2,153,984 at the Bullfrog Project and \$1,296,261 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 loss and comprehensive loss. No liability has been recorded for uncertain income tax positions, or related interest or penalties. 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 480 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		Six Months Ended	
	6/30/2025	6/30/2024	6/30/2025	6/30/2024
Basic and diluted loss per common share				
Loss	\$ (1,877,535)	\$ (538,937)	\$ (3,521,323)	\$ (3,116,180)
Basic weighted average shares outstanding	85,929,753	85,929,753	85,929,753	85,929,753
Assumed conversion of dilutive shares	0	0	0	0
Diluted weighted average common shares outstanding, assuming conversion of common stock equivalents	85,929,753	85,929,753	85,929,753	85,929,753
Basic loss per common share	\$ (0.02)	\$ (0.01)	\$ (0.04)	\$ (0.04)
Diluted loss per common share	\$ (0.02)	\$ (0.01)	\$ (0.04)	\$ (0.04)

In periods when the Company has a net loss, all common stock equivalents are excluded as they would be anti-dilutive. All options and warrants were excluded in the diluted weighted average shares calculation because of the net loss for the three and six months ended June 30, 2025 and 2024.

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 7 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, and interim periods within fiscal years beginning after December 15, 2025. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The Company evaluated the guidance and its impact is immaterial 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 AND EQUIPMENT

	Mineral properties	Equipment	Land improvements	Total
Cost				
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
Change in ARO estimate	(307,014)	0	0	(307,014)
Additions	0	0	0	0
As of June 30, 2025	\$ 58,161,659	\$ 161,326	\$ 1,015,869	\$ 59,338,854
Accumulated depreciation				
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
Depreciation expense	0	15,816	5,896	21,712
As of June 30, 2025	\$ 0	\$ 145,508	\$ 53,064	\$ 198,572
Net book value on June 30, 2025	\$ 58,161,659	\$ 15,818	\$ 962,805	\$ 59,140,282

Mineral properties consist of two main projects:

Bullfrog Gold Project, Nevada

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”).

Reward Gold Project, Nevada

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

The Company did not issue common shares for the six months ended June 30, 2025 and year 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 June 30, 2025 and 2024, there was no Preferred Stock 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.

The Company recognized share-based compensation expense related to stock options of \$202,831 and \$416,482 for the six months ended June 30, 2025 and 2024, 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 June 30, 2025, 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, 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	0
Exercised	0	0	0	0
Issued	0	0	0	0
Canceled	0	0	0	0
Balance at June 30, 2025	7,170,002	\$ 1.18	2.08	\$ 426,966
Options exercisable at June 30, 2025	5,503,335	\$ 1.29	1.55	\$ 199,683

Warrant Activity

Total outstanding warrants of 3,662,573 as of June 30, 2025, were as follows:

	Warrants Issued					Total
Warrants issued (includes expired warrants)	27,433,335	3,777,784	3,362,573	336,257	300,000	
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, 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
Exercised	0	0	0	0	0	0
Issued	0	0	0	0	0	0
Expired	0	0	0	0	0	0
Balance at June 30, 2025	0	0	3,362,573	0	300,000	3,662,573

NOTE 4 - DERIVATIVE FINANCIAL INSTRUMENTS

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 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 \$122,588 and \$364,056 as of June 30, 2025 and December 31, 2024, respectively with the following assumptions:

	1/20/23	12/31/24	6/30/25
Fair market value of common stock	\$ 1.13	\$ 0.81	\$ 0.95
Exercise price	\$ 1.71	\$ 1.60	\$ 1.69
Term	3 years	1.1 years	0.6 years
Volatility range	84.1%	79.2%	63.7%
Risk-free rate	3.8%	4.2%	4.3%

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 amended 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 to 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 the Amended and Restated Note. The Amended Schedule A evidenced Augusta Investments loaning the Company an additional \$250,000 on October 30, 2024.
- On December 27, 2024, the Company executed Amendment Number Three (“Amendment Number Three”) to the Amended and Restated Note. Amendment Number Three evidenced Augusta Investments loaning the Company an additional \$250,000 on December 19, 2024.
- On March 27, 2025, the Company executed an amended Schedule A to the Amended and Restated Note. The Amended Schedule A evidenced Augusta Investments loaning the Company an additional \$250,000 on March 20, 2025.
- On April 30, 2025, the Company executed Amendment Number Four (“Amendment Number Four”) to the Amended and Restated Note. Amendment Number Four evidenced Augusta Investments loaning the Company an additional \$500,000 on April 25, 2025 and extending the maturity date of the amended and restated secured promissory note to November 30, 2025.
- On June 25, 2025, Augusta Investments advanced \$1,000,000 to the Company. As at June 30, 2025, the Company and Augusta Investments had not executed definitive documentation providing for the terms of this advance. Refer to “Note 8 – Subsequent Events” below for additional information.

On February 26, 2024, the Company entered into an unsecured note purchase agreement (the “DT Purchase Agreement”) with Donald Taylor to offer and sell an unsecured promissory note (the “DT Note”) of the Company in exchange for Donald Taylor loaning the Company \$250,000 (along with an additional \$12,500 of debt issuance fees). The DT Note bears interest at a rate of 14% and originally matured on December 31, 2024. In connection with the DT Note, the Company issued 300,000 warrants (the “Warrants”) to the Lender. 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 amended the DT Note to extend the maturity date of the DT Note to June 30, 2025.

On March 27, 2025, the Company and Mr. Taylor amended the DT Purchase Agreement (the “DT Amendment”). The DT Amendment amended the DT Purchase Agreement to: (i) amend the terms of the DT Purchase Agreement such that all amounts loaned to the Company under the DT Purchase Agreement are set forth on Schedule A to the DT Note, as amended and restated, from time to time; (ii) amend the DT Purchase Agreement to provide for multiple closings to occur at mutually agreed upon dates as necessary; and (iii) amend the deliverable documents for each closing. In connection with the DT Amendment, Mr. Taylor loaned the Company an additional \$100,000, and the Company issued an amended and restated DT Note to Mr. Taylor dated March 27, 2025 (the “Amended and Restated DT Note”).

On June 30, 2025, the Company executed Amendment Number One (“DT Amendment Number One”) to its amended and restated unsecured promissory note issued to Donald Taylor dated March 27, 2025 (the “Amended and Restated DT Note”). DT Amendment Number One extends the outside maturity date of the Amended and Restated DT Note to October 31, 2025.

Related Party - Augusta Investments	Note Payable	Accrued Interest	Total
As of December 31, 2023	\$ 22,266,062	\$ 3,127,817	\$ 25,393,879
Additional debt issued	2,750,000	0	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	2,980,925	2,980,925
As of December 31, 2024	\$ 30,351,338	\$ 773,466	\$ 31,124,804
Additional debt issued	1,750,000	0	1,750,000
Additional debt issuance costs	50,000	(50,000)	0
Interest expense	0	1,689,987	1,689,987
As of June 30, 2025	<u>\$ 32,151,338</u>	<u>\$ 2,413,453</u>	<u>\$ 34,564,791</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	\$ 262,500	\$ 31,212	\$ 293,712
Additional debt issued	100,000	0	100,000
Interest expense	0	22,175	22,175
As of June 30, 2025	<u>\$ 362,500</u>	<u>\$ 53,387</u>	<u>\$ 415,887</u>

Related Party - Total	Note Payable	Accrued Interest	Total
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	3,024,637	3,024,637
As of December 31, 2024	\$ 30,613,838	\$ 804,678	\$ 31,418,516
Additional debt issued	1,850,000	0	1,850,000
Additional debt issuance costs	50,000	(50,000)	0
Interest expense	0	1,712,162	1,712,162
As of June 30, 2025	<u>\$ 32,513,838</u>	<u>\$ 2,466,840</u>	<u>\$ 34,980,678</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 was charged for the following with respect to this arrangement for the six months ended June 30, 2025 and 2024:

	Six Months Ended	
	6/30/2025	6/30/2024
Salaries and benefits	\$ 55,453	\$ 106,365
Office	27,948	44,193
Operating expenses	43,431	38,989
Total	\$ 126,832	\$ 189,547

As of June 30, 2025, 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 \$193,429 and \$403,247 for the six months ending June 30, 2025 and 2024, respectively.

The Company entered 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\$183,752 during the six months ended June 30, 2025 and 2024 for consulting services.

The Chief Executive Officer had an amount due from the Company of \$895,859 and \$770,825 related to accrued payroll costs as of June 30, 2025 and December 31, 2024, respectively. The Chief Financial Officer received \$43,500 and \$43,560 in fees for the six months ending June 30, 2025 and 2024, respectively.

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 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	\$ 25,400
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%

On July 1, 2017, RMM entered into 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 15 days of receiving the notice of default or fails to remedy or commence to remedy any other default within 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 \$174,000 as of June 30, 2025, 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.

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. 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 - 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 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 six months ended June 30, 2025 and 2024. The geographic location of all long lived assets is the United States.

Six months ending	6/30/2025	6/30/2024
Exploration, evaluation and project expense		
Consultants/Contractors	\$ 171,383	\$ 411,575
Supplies and equipment	155,829	141,217
Overhead and payroll	240,498	427,320
Permits and fees	261,782	230,845
Other	9,690	21,501
Sub-Total	<u>\$ 839,182</u>	<u>\$ 1,232,458</u>
General and administrative		
Accounting fees	\$ 179,353	\$ 170,161
Legal and other professional fees	214,014	105,893
Marketing expense	5,834	5,736
Payroll	180,451	231,363
Corporate expenses & rent	71,379	83,183
Share based compensation	202,831	416,482
Insurance	79,687	52,028
Stock exchange fees	40,707	56,704
Other general expenses	52,494	11,151
Sub-Total	<u>\$ 1,026,750</u>	<u>\$ 1,132,701</u>
Other	1,655,391	751,021
Net loss and comprehensive loss	<u><u>\$ 3,521,323</u></u>	<u><u>\$ 3,116,180</u></u>

NOTE 8 - SUBSEQUENT EVENTS

On July 15, 2025, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with AngloGold Ashanti (U.S.A.) Holdings Inc., a Delaware corporation ("Parent"); Exploration Inc., a Nevada corporation and a wholly-owned subsidiary of Parent ("Merger Sub"); and joined by AngloGold Ashanti Holdings plc, a public limited company existing under the laws of the Isle of Man ("HoldCo"), for the limited purposes specified in the Merger Agreement. The Parent and Merger Sub are indirect wholly-owned subsidiaries of AngloGold Ashanti plc ("AngloGold Ashanti") and HoldCo is a direct wholly-owned subsidiary of AngloGold Ashanti. Upon consummation of the Merger, Merger Sub will cease to exist as a separate entity, and the Company will become a wholly-owned subsidiary of Parent.

Pursuant to the terms of the Merger Agreement, at the effective time of the Merger (the "Effective Time"), each outstanding share of common stock of the Company (other than shares owned by the Parent, Merger Sub or any of their respective subsidiaries (which shares shall be cancelled) and shares with respect to which appraisal rights are properly exercised and not withdrawn under the Nevada Revised Statutes), will automatically be converted into the right to receive C\$1.70 in cash, without interest. Following the Effective Time, the Company's securities will be delisted from the Toronto Stock Exchange, will cease to be quoted on the OTCQB Venture Market, and will be deregistered under the Securities Exchange Act of 1934. This transaction was disclosed in a Current Report on Form 8-K filed with the SEC on July 17, 2025.

On July 31, 2025, the Company executed an amended Schedule A to the Amended and Restated Note (the "Amended Schedule A"). The Amended Schedule A evidenced Augusta Investments loaning the Company: (i) an additional \$1,050,000, comprised of \$1,000,000 in principal advanced from Augusta Investments to the Company plus an earned origination fee of \$50,000, effective as of June 25, 2025; and (ii) an additional \$3,150,000, comprised of \$3,000,000 in principal advanced from Augusta Investments to the Company plus an earned origination fee of \$150,000, effective as of July 31, 2025. Pursuant to the terms agreed to in the Amended Schedule A, in the event that the Merger is terminated and does not close, the origination fees for these advances will be credited toward interest due under the Amended and Restated Note.

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, 2024, filed with the Securities and Exchange Commission on March 18, 2025.

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 and Reward gold projects and pursuing accretive merger and acquisition opportunities. The Company is 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, the Company's Reward Gold Project has mineral reserves under SK 1300 and is a development stage property, however, the Company has not to date made a development decision on the project and has not started preparation of the mineral reserves for extraction meaning the Company remains an exploration stage issuer. The Company's Bullfrog Project is in the exploration stage. The Company does 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 Reward Gold Project is located seven miles from the Bullfrog Gold Project. The Company owns, controls or has acquired mineral rights on federal patented and unpatented mining claims in the State of Nevada for the purpose of exploration and potential development of gold, silver, and other metals. The Company regularly reviews 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, exploring and developing mining assets and delivering shareholder value.

Recent Development of the Business

On July 16, 2025, the Company announced that it has entered into a definitive merger agreement (the "Merger Agreement") with AngloGold Ashanti plc ("AngloGold Ashanti") and certain of its affiliates, pursuant to which AngloGold Ashanti will acquire all of the Company's issued and outstanding shares of common stock at a price of C\$1.70 per share of common stock (the "Price" or the "Merger Consideration") in cash (the "Transaction" or the "Merger"). The Price implies an enterprise value of approximately C\$197 million, comprised of a fully-diluted equity value for the Company of approximately C\$152 million and repayment of certain stockholder loans that amounted to approximately C\$45 million at March 31, 2025.

The Transaction is expected to close in the fourth quarter of 2025, subject to the satisfaction of customary closing conditions, including the approval of the holders of a majority of the outstanding shares of the Company's common stock, as well as a majority of the votes cast by holders of outstanding shares of the Company's common stock, excluding certain related parties required to be excluded in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (the "Related Parties"), at a stockholder meeting expected to be held in the fourth quarter of 2025. Pursuant to the Transaction, the Company will become an indirect wholly-owned subsidiary of AngloGold Ashanti and Augusta Gold's shares of common stock will no longer be publicly traded on any market.

The above information is being made in respect of the Transaction involving the Company and AngloGold Ashanti. In connection with the Transaction, the Company intends to file relevant materials with the U.S. Securities and Exchange Commission (the "SEC") and Canadian securities regulators, including a proxy statement/information circular on Schedule 14A. Promptly after filing its definitive proxy statement/information circular with the SEC and Canadian securities regulators, the Company will mail the definitive proxy statement/information circular, related materials and a proxy card to each stockholder of the Company entitled to vote at the stockholder meeting of the Company relating to the Transaction.

Full details of the Transaction and the Agreement will be included in the Company's proxy statement/information circular, which will be mailed to the Company's stockholders and made available on SEDAR+ and EDGAR under the issuer profile of the Company.

Additional Information About the Proposed Transaction and Where to Find it

This communication is not a substitute for the proxy statement/information circular or any other document that the Company may file with the SEC or Canadian securities regulators or send to the stockholders in connection with the Transaction. The materials to be filed by the Company will be made available to the Company's investors and stockholders at no expense to them and copies may be obtained free of charge on the Company's website at www.augustagold.com. In addition, all of those materials will be available at no charge on the SEC's website at www.sec.gov and on SEDAR+ at www.sedarplus.ca. INVESTORS AND STOCKHOLDERS ARE URGED TO READ CAREFULLY AND IN THEIR ENTIRETY THE PROXY STATEMENT/INFORMATION CIRCULAR AND OTHER MATERIALS FILED WITH THE SEC OR CANADIAN SECURITIES REGULATORS, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, WHEN THEY BECOME AVAILABLE BEFORE MAKING ANY VOTING OR INVESTMENT DECISION WITH RESPECT TO THE TRANSACTION, AS THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT AUGUSTA GOLD, THE TRANSACTION, AND RELATED MATTERS.

Participants in the Solicitation

The Company and its directors, executive officers, other members of its management and employees may be deemed to be participants in the solicitation of proxies of the Company's stockholders in connection with the Transaction under SEC rules. Investors and stockholders may obtain more detailed information regarding the names, affiliations and interests of the Company's executive officers and directors in the solicitation by reading the Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed on March 18, 2025, with the SEC and Canadian securities regulators, and the proxy statement/information circular and other relevant materials that will be filed with the SEC and Canadian securities regulators in connection with the Transaction when they become available. To the extent holdings of the Company's securities by their respective directors or executive officers have changed since the amounts set forth in such Form 10-K for the fiscal year ended December 31, 2024, such changes have been or will be reflected on Initial Statements of Beneficial Ownership on Form 3 or Statements of Change in Ownership on Form 4 filed with the SEC, including the Form 4 filed by Richard Warke on March 13, 2025. Information concerning the interests of the Company's participants in the solicitation, which may, in some cases, be different than those of the Company's stockholders generally, will be set forth in the proxy statement/information circular relating to the proposed Transaction when it becomes available.

Reward Gold Project Feasibility Study

On September 30, 2024, the Company released its feasibility study for its Reward Gold Project in Nye County, Nevada. The report titled “Feasibility Technical Report for the Reward Project Nye County, NV, USA” with an effective date of September 3, 2024 and a signing date of September 30, 2024 (the “Feasibility Study”), was prepared for the Company by Mark Gorman of Kappes, Cassiday & Associates; Thomas Dyer of RESPEC; Mike Dufresne of APEX Geoscience Ltd.; Timothy D. Scott of Kappes, Cassiday & Associates; Mathew Haley of NewFields; James Cremeens of Knight Piésold and Co; and Mark Willow of SRK Consulting (U.S.), Inc., each of whom is a qualified person under S-K 1300 and NI 43-101, and is attached as an exhibit to the Company’s Annual Report on Form 10-K for the year ended December 31, 2024.

Results of Operations

Three Months Ended June 30, 2025 and 2024

	Three Months Ended	
	6/30/25	6/30/24
Operating expenses		
General and administrative	\$ 455,687	\$ 434,266
Lease expense	21,000	21,000
Exploration, evaluation and project expense	563,351	836,200
Accretion expense	67,180	71,286
Depreciation expense	10,856	11,015
Total operating expenses	<u>1,118,074</u>	<u>1,373,767</u>
Net operating loss	(1,118,074)	(1,373,767)
Revaluation of warrant liability	113,692	1,586,051
Interest expense	(875,186)	(751,222)
Foreign currency exchange loss	2,033	1
Net loss and comprehensive loss	<u>\$ (1,877,535)</u>	<u>\$ (538,937)</u>

Six Months Ended June 30, 2025 and 2024

	Six Months Ended	
	6/30/25	6/30/24
Operating expenses		
General and administrative	\$ 1,026,750	\$ 1,132,701
Lease expense	21,000	21,000
Exploration, evaluation and project expense	839,182	1,232,458
Accretion expense	145,408	101,180
Depreciation expense	21,712	22,029
Total operating expenses	<u>2,054,052</u>	<u>2,509,368</u>
Net operating loss	(2,054,052)	(2,509,368)
Revaluation of warrant liability	241,468	821,992
Interest expense	(1,712,162)	(1,424,697)
Foreign currency exchange loss	3,423	(4,107)
Net loss and comprehensive loss	<u>\$ (3,521,323)</u>	<u>\$ (3,116,180)</u>

For the three months ended June 30, 2025, the Company increased general and administrative expenses by approximately \$22,000. The change was due to the following year over year variances:

Three months ended	6/30/2025	6/30/2024	Variance
Accounting fees	\$ 54,000	\$ 32,000	\$ 22,000
Legal and other professional fees	100,000	74,000	26,000
Marketing expense	4,000	3,000	1,000
Payroll	98,000	94,000	4,000
Corporate expenses & rent	37,000	33,000	4,000
Share based compensation	91,000	141,000	(50,000)
Insurance	36,000	30,000	6,000
Stock exchange fees	3,000	21,000	(18,000)
Other general expenses	33,000	6,000	27,000
Total	<u>\$ 456,000</u>	<u>\$ 434,000</u>	<u>\$ 22,000</u>

For the six months ended June 30, 2025, the Company decreased general and administrative expenses by approximately \$106,000. The change was due to the following year over year variances:

Six months ending	6/30/2025	6/30/2024	Variance
Accounting fees	\$ 179,000	\$ 170,000	\$ 9,000
Legal and other professional fees	214,000	106,000	108,000
Marketing expense	6,000	6,000	0
Payroll	180,000	231,000	(51,000)
Corporate expenses & rent	71,000	83,000	(12,000)
Share based compensation	203,000	416,000	(213,000)
Insurance	80,000	52,000	28,000
Stock exchange fees	41,000	57,000	(16,000)
Other general expenses	53,000	12,000	41,000
Total	<u>\$ 1,027,000</u>	<u>\$ 1,133,000</u>	<u>\$ (106,000)</u>

- Legal fees and professional fees increased due to additional corporate activities in 2025.
- The payroll and corporate expenses result from the Company having 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 fluctuate based on the personnel and consultants used during the period.
- Share-based compensation decreased to \$203,000 from \$416,000 primarily due to vesting of a large grant of stock options in April 2024.

For the three months ended June 30, 2025, the Company decreased exploration, evaluation and project expenses by approximately \$273,000. The change was due to the following year over year variances:

Three months ending	6/30/2025	6/30/2024	Variance
Consultants/Contractors	\$ 97,000	\$ 350,000	\$ (253,000)
Supplies and equipment	84,000	66,000	18,000
Overhead and payroll	139,000	192,000	(53,000)
Permits and fees	239,000	211,000	28,000
Other	4,000	17,000	(13,000)
Total	<u>\$ 563,000</u>	<u>\$ 836,000</u>	<u>\$ (273,000)</u>

For the six months ended June 30, 2025, the Company decreased exploration, evaluation and project expenses by approximately \$393,000. The change was due to the following year over year variances:

Six months ending	6/30/2025	6/30/2024	Variance
Consultants/Contractors	\$ 171,000	\$ 412,000	\$ (241,000)
Supplies and equipment	156,000	141,000	15,000
Overhead and payroll	240,000	427,000	(187,000)
Permits and fees	262,000	212,000	50,000
Other	10,000	40,000	(30,000)
Total	<u>\$ 839,000</u>	<u>\$ 1,232,000</u>	<u>\$ (393,000)</u>

For the six months ended June 30, 2025, the Company continued with development and compliance activities for the Reward and Bullfrog Projects.

The revaluation of the warrant liability is based on the 3,362,573 warrants issued in January 2023 with an exercise price of C\$2.30.

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 financing in the future, although it cannot predict the size or pricing of any such financing.

Liquidity

As of June 30, 2025, the Company had total liquidity of \$1,020,000 in cash and cash equivalents. The Company had negative working capital of \$37,000,000 and an accumulated deficit of \$43,300,000. For the six months ended June 30, 2025, the Company had negative operating cash flows before changes in working capital of \$3,400,000 and a net loss of \$3,500,000.

As of June 30, 2024, the Company had total liquidity of \$613,000 in cash and cash equivalents. The Company had negative working capital of \$30,000,000 and an accumulated deficit of \$36,000,000. For the six months ended June 30, 2024, the Company had negative operating cash flows before changes in working capital of \$3,400,000 and a net loss of \$3,100,000.

The Company does not expect that it will be required to raise additional funds through public or private equity financings prior to closing of the Merger.

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 June 30, 2025, the capital structure of the Company consists of 85,929,753 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 June 30, 2025, 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	\$ 88,000	\$ 205,000	\$ 50,000	\$ 600,000	\$ 943,000
Royalty	\$ 60,400	\$ 197,200	\$ 147,300	\$ 791,500	\$ 1,196,400

Off Balance Sheet Arrangements

The Company does 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 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.

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 June 30, 2025.

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 June 30, 2025, 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 June 30, 2025, our management, including our chief executive officer and chief financial officer, has concluded that its disclosure controls and procedures were effective in ensuring that: (i) information required to be disclosed by us in reports that we file or submit to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and (ii) material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow for accurate and timely decisions regarding required disclosure.

Changes in Internal Controls

There have been no changes in the Company’s internal control over financial reporting during the three months ended June 30, 2025, 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

The Company knows 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

Other than as set forth below, 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, 2024. The risks described in our Annual Report and as otherwise herein are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition, cash flows, and/or future results.

There is no assurance when or if the Merger will be completed.

The completion of the Merger is subject to the satisfaction or waiver of a number of conditions as set forth in the Merger Agreement, including, among others (i) approval of the Merger and the Merger Agreement by the stockholders of the Company as required under the Merger Agreement, (ii) obtaining certain regulatory and governmental approvals, and (iii) the absence of legal restraints prohibiting the completion of the Merger. There can be no assurance as to when these conditions will be satisfied or waived, if at all, or that other events will not intervene to delay or result in the failure to close the Merger. A substantial delay in obtaining satisfactory approvals or the imposition of unfavorable terms or conditions in any government or regulatory approvals could have an adverse effect on the business or financial condition of the Company. In addition, if for any reason the conditions to the Merger are not satisfied or waived or if the Merger is not completed for any reason, the Company's ongoing business and financial results may be adversely affected, the market price of the Company's shares of common stock may be adversely affected.

Failure to complete the Merger could negatively impact the market price of the Company's shares of common stock and the Company's future business and financial results.

If the Merger is not completed for any reason, the Company's ongoing business and financial results may be adversely affected. In addition, if the Merger is not completed, the Company will be subject to a number of additional risks, including the following:

- Under the terms of the Merger Agreement, in certain circumstances, if the Merger is not completed by reason of certain circumstances attributable to the Company, the Company will be required to pay a termination fee of US\$3.6 million to Parent;
- The price of the Company's shares of common stock may decline to the extent that the current market price of the Company's shares of common stock reflects a market assumption that the Merger will be completed and that the related benefits will be realized, or as a result of the market's perceptions that the Merger was not consummated due to an adverse change in the Company's business or financial condition;
- The Company will continue to be liable to repay the amount outstanding under the secured loan with Augusta Investments Inc. and unsecured loan with Donald Taylor. There can be no certainty that the Company will have the financial capacity to repay the amounts under such loans when due, or at all.
- Whether or not the Merger is completed, the pending Merger could adversely affect the Company's operations because matters relating to the Merger require substantial commitments of time and resources by the Company's management and employees which could otherwise have been devoted to other opportunities that may have been beneficial to the Company.

The Company cannot guarantee when, or whether, the Merger will be completed, that there will not be a delay in the completion of the Merger or that all or any of the anticipated benefits of the Merger will be obtained. If the Merger is not completed or is delayed, the Company may experience the risks discussed above which may adversely affect the Company's business, financial results and share price.

The application of interim operating covenants may restrict the Company's ability to pursue certain opportunities.

Pursuant to the Merger Agreement, the Company has agreed to certain interim operating covenants intended to ensure that the Company carries on business in the ordinary course consistent with past practice, except as required or expressly authorized by the Merger Agreement or any applicable law, or unless the prior written consent of AngloGold Ashanti is obtained. These operating covenants cover a broad range of activities and business practices. Consequently, it is possible that a business opportunity will arise that is out of the ordinary course or is not consistent with past practices, and that the Company will not be able to pursue or undertake the opportunity due to its covenants in the Merger Agreement unless the prior written consent of AngloGold Ashanti is obtained (such consent not to be unreasonably withheld, conditioned or delayed).

The voting agreement entered into by directors and officers of the Company with AngloGold Ashanti may prevent certain directors and officers of the Company from supporting a third-party transaction.

The directors and officers of the Company that own shares of the Company's common stock have agreed not to support any third-party transaction during the term of the voting agreement they have signed with AngloGold Ashanti. Because these stockholders own or control approximately 31.5% of the issued and outstanding shares of the Company's common stock, it may not be possible for a competing purchaser to acquire the Company until the voting agreement is terminated. Directors of the Company are permitted under the voting agreement to undertake any actions necessary to the fulfilment of their fiduciary duties in their capacity as directors of the Company, which would include making a change in their recommendation regarding the Merger, but this would not extend to their support of a third-party transaction in their capacity as a stockholder of the Company. The voting agreement does terminate upon termination of the Merger Agreement, so in the case where the Merger Agreement is terminated, for example, upon acceptance of a superior proposal to acquire the Company from a third-party, the voting agreement would terminate and these restrictions would no longer apply.

The fairness opinion obtained by the Company's board of directors from its independent financial advisor will not reflect subsequent changes.

In connection with the proposed Merger, National Bank Financial delivered to the Company's board of directors an opinion dated July 15, 2025 to the effect that as of that date, and based upon and subject to the various considerations set forth in the opinion, the Merger Consideration was fair, from a financial point of view, to the Company's stockholders, excluding Augusta Investments Inc., Mr. Warke and Mr. Taylor (the "Related Parties"). The opinion does not reflect changes that may occur or that have occurred after the date of the opinion, including changes to the operations and prospects of the Company, fluctuations in the price of gold and silver, changes in the market prices of the Company's shares of common stock, changes in general market or economic conditions or regulatory or other factors. Any such changes, or changes of other factors on which the opinion is based, may materially alter or affect the fairness of the Merger Consideration and the value of the Merger.

The Merger Agreement limits the Company's ability to pursue alternatives to the Merger, including if the Merger is not completed.

The Merger Agreement contains provisions that restrict Augusta Gold from selling its business to a party other than the AngloGold Ashanti and restrict it from pursuing other strategic alternatives. These provisions include a general prohibition on soliciting any acquisition proposal or offer for a competing transaction and the requirement that the Company pay a termination fee if the Merger Agreement is terminated in specified circumstances. The Company's board of directors is also limited in its ability to make an adverse change in their recommendation to stockholders of the Company to approve the Merger. While the Company believes these provisions are reasonable, these provisions may discourage a third party that may have an interest in acquiring the Company from considering or proposing such an acquisition, even if such third party were prepared to pay consideration with a higher per share cash or market value than the consideration proposed to be received or realized in the Merger, or might result in a potential acquirer proposing to pay a lower price than it would otherwise have proposed to pay because of the added expense of the termination fee that may become payable. In addition, these provisions may prevent or delay the Company from having adequate time to avoid liquidity problems and continue as a going concern, which will be necessary if the Merger is terminated.

Certain of the Company's directors and executive officers have interests in the Merger that are different from the interests of the Company's stockholders.

The Company's board of directors approved the Merger Agreement and the Merger, and determined that the Merger Consideration is fair to the Company's stockholders, excluding the Related Parties, and in the best interests of the Company's stockholders should be aware that the directors and executive officers of the Company may have financial interests in the Merger that are different from, or in addition to, the interests of stockholders. The directors and executive officers hold options in the Company that will accelerate and vest by reason of the Merger and certain out-of-the money options will be cancelled in return for the payment of the Black-Scholes value of the options. In addition, certain officers of the Company are entitled to certain change of control, success fees and other payments as a result of the Transactions contemplated by the Merger Agreement. Certain directors and executive officers will also have the debt they are owed by the Company repaid at the effective time pursuant to the Merger. These interests may cause certain of directors and executive officers to view the Merger more favorably than other stockholders. Stockholders should carefully review the information in the definitive proxy statement to be sent to stockholders of the Company regarding these interests of directors and officers of the Company prior to voting on the matters at the special meeting of stockholders to be held for approval of the Merger.

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

None.

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4 - MINE SAFETY DISCLOSURES

Pursuant to Section 1503(a) of the United States *Dodd-Frank Wall Street Reform and Consumer Protection Act of 2011* (the "Dodd-Frank Act"), issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities under the regulation of the Federal Mine Safety and Health Administration ("MSHA") under the *United States Federal Mine Safety and Health Act of 1977* (the "Mine Act"). During the three months ended June 30, 2025, we had no U.S. properties subject to regulation by the MSHA under the Mine Act and consequently no disclosure is required under Section 1503(a) of the Dodd-Frank Act.

ITEM 5 - OTHER INFORMATION

(a) None.

(b) None.

(c) During the quarter ended June 30, 2025, none of our directors or officers adopted, modified, or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6 – EXHIBITS

Exhibit Number	Description
2.1	<u>Agreement and Plan of Merger, dated July 15, 2025 by and among Augusta Gold Corp., AngloGold Ashanti (U.S.A.) Holdings Inc., Exploration Inc., and AngloGold Ashanti Holdings plc (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed with the SEC on July 16, 2025)**(***)</u>
3.1	<u>Articles of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on October 12, 2023)</u>
3.2	<u>Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, filed with the SEC on October 12, 2023)</u>
4.1	<u>Form of Warrant from October 2020 Private Placement (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on October 15, 2020)</u>
4.2	<u>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)</u>
4.3	<u>Form of Warrant Indenture dated January 20, 2023 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on January 20, 2023)</u>
4.4	<u>Form of Compensation Warrant Certificate (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K, filed with the SEC on January 20, 2023)</u>
4.5	<u>Form of Warrant dated February 26, 2024 (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, filed with the SEC on March 1, 2024)</u>
4.6	<u>Voting Agreement, dated July 15, 2025, by and among certain stockholders of Augusta Gold Corp., AngloGold Ashanti (U.S.A.) Holdings Inc. and Exploration Inc. (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed with the SEC on July 16, 2025)***</u>
10.1	<u>Amendment Number Four, dated April 30, 2025, to the Amended and Restated Note (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on May 1, 2025)</u>
10.2	<u>Amendment Number One dated June 30, 2025, to its Amended and Restated Note with Donald Taylor dated March 27, 2025 (incorporate by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on July 3, 2025)</u>
10.3	<u>Warrant Cancellation Agreement dated July 15, 2205 (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on July 16, 2025)***</u>
31.1	<u>Certification of Chief Executive Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*</u>
31.2	<u>Certification of Chief Financial Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*</u>
32.1	<u>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*</u>
32.2	<u>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*</u>
96.1	<u>Technical Report Summary – Feasibility Study with an effective date of September 3, 2024 (incorporated by reference to exhibit 99.1 to the Company Current Report on Form 8-K, filed with the SEC on September 30, 2024)</u>
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 herewith

** Certain schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K, but a copy will be furnished supplementally to the SEC upon request.

*** Certain personal information has been redacted pursuant to Item 601(a)(6) of Regulation S-K.

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: August 12, 2025

AUGUSTA GOLD CORP.

By: /s/ Donald R. Taylor

Name: Donald R. Taylor

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

Date: August 12, 2025

AUGUSTA GOLD CORP.

By: /s/ Tyler Minnick

Name: Tyler Minnick

Title: Interim Chief Financial Officer
(Interim 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: August 12, 2025

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

CERTIFICATION

I, Ty Minnick, 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: August 12, 2025

By: /s/ Ty Minnick

Ty Minnick
Interim 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 June 30, 2025, 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: August 12, 2025

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 June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Ty Minnick, Interim 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: August 12, 2025

By: /s/ Ty Minnick

Ty Minnick

Interim Chief Financial Officer (Principal Financial
and Accounting Officer)