AUGUSTA GOLD CORP.
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of
Augusta Gold Corp.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Augusta Gold Corp. (the "Company"), as of December 31, 2023 and 2022, and the related consolidated statements of operations and comprehensive income (loss), changes in stockholders' equity (deficit), and cash flows for the years ended December 31, 2023 and 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Augusta Gold Corp. as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years ended December 31, 2023 and 2022, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has a working capital deficiency of approximately $27.2 million, which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

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

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

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

Critical Audit Matters

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

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

Assessment of Impairment Indicators of Mineral Properties

As described in Note 2 to the financial statements, the carrying amount of the Company’s Mineral Properties was $58,992,286 as of December 31, 2023. As more fully described in Note 1 to the financial statements, management assesses Mineral Properties for indicators of impairment at each reporting period.

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

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

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

Asset Retirement Obligation (“ARO”)

As described in Note 1 to the consolidated financial statements, the Company’s ARO totaled $3.1 million at December 31, 2023.

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

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

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

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

/s/ DAVIDSON & COMPANY LLP

Vancouver, Canada

Chartered Professional Accountants

March 28, 2024

AUGUSTA GOLD CORP.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND DECEMBER 31, 2022
(Expressed in US dollars)

Assets	**12/31/23**	**12/31/22**
Current assets		
Cash	$ 300,734	$ 332,813
Prepaid	55,999	156,959
Deferred stock issuance costs	0	121,424
Deposits	7,028	7,028
Total current assets	363,761	618,224
Other assets		
Equipment, net	1,044,392	1,088,449
Reclamation bonds	1,115,813	0
Mineral properties, net	58,992,286	58,962,286
Total other assets	61,152,491	60,050,735
Total assets	$ 61,516,252	$ 60,668,959
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 1,411,439	$ 2,906,285
Note payable and accrued interest - related party	25,393,879	22,843,322
Asset retirement obligation	110,700	1,009,496
Warrant liability	692,949	0
Total current liabilities	27,608,967	26,759,103
Long term liabilities		
Asset retirement obligation	2,971,097	1,804,939
Warrant liability	417,758	15,615,406
Total long term liabilities	3,388,855	17,420,345
Total liabilities	30,997,822	44,179,448
Stockholders' equity		
Preferred stock, 250,000,000 shares authorized, $0.0001 par value	0	0
Preferred stock series A, 5,000,000 shares designated and authorized, $.0001 par value; zero issued and outstanding as of 12/31/23 and 12/31/22	0	0
Preferred stock series B, 45,000,000 shares designated and authorized, $.0001 par value; issued and outstanding preferred stock series B shares convertible into zero shares of common stock as of 12/31/23 and 12/31/22	0	0
Common stock, 750,000,000 shares authorized, $ .0001 par value; 85,929,753 shares issued and outstanding as of 12/31/23 and 79,204,606 shares issued and outstanding as of 12/31/22	8,593	7,920
Additional paid in capital	63,745,580	56,375,344
Accumulated deficit	(33,235,743)	(39,893,753)
Total stockholders' equity	30,518,430	16,489,511
Total liabilities and stockholders' equity	$ 61,516,252	$ 60,668,959

Commitments and contingencies (Note 6)

See accompanying notes to consolidated financial statements

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

	Twelve Months Ended	
	12/31/23	**12/31/22**
Operating expenses		
General and administrative	$ 4,143,352	$ 5,087,128
Lease expense	21,000	21,000
Exploration, evaluation and project expense	2,686,656	5,739,534
Accretion expense	111,548	77,941
Depreciation expense	44,057	44,057
Total operating expenses	7,006,613	10,969,660
Net operating loss	(7,006,613)	(10,969,660)
Revaluation of warrant liability	16,267,187	(7,852,349)
Interest expense	(2,550,557)	(721,924)
Foreign currency exchange loss	(52,007)	(176,279)
Net income (loss) and Comprehensive income (loss)	$ 6,658,010	$ (19,720,212)
Weighted average common shares outstanding – basic	85,561,252	75,373,892
Weighted average common shares outstanding – diluted	85,682,086	75,373,892
Earnings (loss) per common share – basic	$ 0.08	$ (0.26)
Earnings (loss) per common share – diluted	$ 0.08	$ (0.26)

See accompanying notes to consolidated financial statements

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

	Preferred Stock Shares Issued	Preferred Stock	Common Stock Shares Issued	Common Stock	Additional Paid In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
December 31, 2021	677,084	$ 67	70,519,188	$ 7,052	$ 42,406,169	$ (20,173,541)	$ 22,239,747
Conversion of warrants	0	0	208,334	21	289,317	0	289,338
Stock based compensation	0	0	0	0	2,164,055	0	2,164,055
Conversion of preferred stock	(677,084)	(67)	677,084	67	0	0	0
Purchase of CR Reward	0	0	7,800,000	780	11,515,803	0	11,516,583
Net loss	0	0	0	0	0	(19,720,212)	(19,720,212)
December 31, 2022	0	$ 0	79,204,606	$ 7,920	$ 56,375,344	$ (39,893,753)	$ 16,489,511
Stock based compensation	0	0	0	0	1,265,971	0	1,265,971
Placement – January, net of issuance costs	0	0	6,725,147	673	7,866,753	0	7,867,426
Warrant liability	0	0	0	0	(1,762,488)	0	(1,762,488)
Net income	0	0	0	0	0	6,658,010	6,658,010
December 31, 2023	0	$ 0	85,929,753	$ 8,593	$ 63,745,580	$ (33,235,743)	$ 30,518,430

See accompanying notes to consolidated financial statements

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

	Twelve Months Ended	
	12/31/23	**12/31/22**
Cash flows from operating activities		
Net income (loss)	$ 6,658,010	$ (19,720,212)
Adjustments to reconcile net income (loss) to net cash used in operating activities		
Accretion expense	111,548	77,941
Depreciation expense	44,057	44,057
Revaluation of warrant liability	(16,267,187)	7,852,349
Share based compensation	1,265,971	2,164,055
Change in operating assets and liabilities:		
Prepaid expenses	100,960	36,096
Deferred stock issuance costs	121,424	(121,424)
Debt issuance costs	53,152	(46,317)
Accounts payable	(1,285,927)	2,434,042
Accrued interest	2,497,404	657,079
Asset retirement obligation	155,814	(132,629)
Net cash used in operating activities	(6,544,773)	(6,754,963)
Cash flows from investing activity		
Acquisition of mineral properties	(238,919)	(34,176,839)
Acquisition of property and equipment	0	(838,991)
Net cash used in investing activities	(238,919)	(35,015,830)
Cash flows from financing activities		
Proceeds from private placement of stock	8,568,651	0
Proceeds from note payable - related party	0	22,232,561
Share issuance costs	(701,225)	0
Increase in surety bond collateral	(1,115,813)	0
Proceeds from conversion of warrants	0	289,338
Net cash provided by financing activities	6,751,613	22,521,899
Net decrease in cash	(32,079)	(19,248,894)
Cash, beginning of year	332,813	19,581,707
Cash, end of year	$ 300,734	$ 332,813
Noncash investing and financing activities		
Interest and taxes paid	$ 15,446	$ 0
Revaluation of asset retirement obligation	$ 0	$ 99,576
Incurrence of asset retirement obligation	$ 0	$ 1,100,434
Stock issued for purchase of CR Reward	$ 0	$ 11,516,583
Exploration and evaluation cost in accounts payable	$ 0	$ 208,919
Warrant liability from units placement	$ 1,762,488	$ 0

See accompanying notes to consolidated financial statements

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

Nature of Business

Augusta Gold Corp. (the "Company") is a junior exploration company engaged in the acquisition and exploration of properties that may contain gold, silver, and other metals in the United States. The Company's target properties are those that have been the subject of historical exploration. The Company owns, controls or has acquired mineral rights on 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 plans to review opportunities and acquire additional mineral properties with current or historic precious and base metal mineralization with meaningful exploration potential.

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

Basis of Presentation and Statement of Compliance

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

Basis of Measurement

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

Principles of Consolidation

The consolidated financial statements include the accounts of Augusta Gold Corp. and its wholly owned subsidiaries, Standard Gold Corp. ("Standard Gold"), Bullfrog Mines LLC ("Bullfrog Mines"), CR Reward, LLC ("CR Reward" or "Reward") and Rocky Mountain Minerals Corp. ("Rocky Mountain Minerals" or "RMM"). All significant inter-entity balances and transactions have been eliminated in consolidation. Subsidiaries are entities the Company controls when it is exposed, or has rights, to variable returns from its involvement in the entity and can affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are included in the consolidated financial results of the Company from the date of acquisition up to the date of disposition or loss of control.

Going Concern and Management's Plans

As at December 31, 2023, the Company has a working capital deficiency of approximately $27,245,000. The ability of the Company to meet its obligations and continue operations is dependent on its ability to obtain additional debt or equity financing. These circumstances raise substantial doubt about the Company's ability to continue as a going concern.

Cash, Cash Equivalents and Concentration

The Company considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. The Company places its cash with high credit quality financial institutions in the United States and Canada. On December 31, 2023, the Company's cash balance was approximately $300,000. To reduce its risk associated with the failure of such financial institution, the Company will evaluate, as needed, the rating of the financial institution in which it holds deposits.

Critical Judgements and Estimation Uncertainties

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

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

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

Determination of useful life of assets for depreciation purposes – Significant judgment is involved in the determination of the useful life and residual value of long-lived assets that drive the calculation of depreciation charges. Changes in the estimate of useful lives and residual values may impact the depreciation calculations.

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. Leases of 12 months or less will be accounted for similar to existing guidance for operating leases. For leases with a lease term greater than one year, the Company recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding lease obligation.

Mineral Property Acquisition and Exploration Costs

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

The Company is required to reclaim the property at the Bullfrog Project and Reward Project at the end of their useful lives. In accordance with FASB ASC 410-20, Asset Retirement and Environmental Obligations, the Company recognized the fair value of a liability for an ARO in the amount of $2,010,197 at the Bullfrog Project and $1,071,600 at the Reward Project. During the period ended December 31, 2023, we incurred certain costs related to the ARO estimate that has 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.

	2023	2022
Balance, January 1	$ 2,814,435	$ 1,868,265
Accretion	111,548	77,941
Costs applied to ARO balance	(59,285)	(132,629)
Acquisition of CR Reward ARO	0	1,100,434
Change in estimates	215,099	(99,576)
Balance, December 31 (current)	$ 110,700	$ 1,009,496
Balance, December 31 (long term)	$ 2,971,097	$ 1,804,939
Life of mine - Bullfrog Project	2031	2028
Life of mine - Reward Project	2029	2029
Discount rate	3.9%	4.0%
Inflation rate (average)	2.2%	2.2%

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

At December 31, 2022, the estimated future cash flows have been determined using real cash flows and discounted using a rate of 4.0% and a total undiscounted amount for the estimated future cash flows is $1,868,708 at the Bullfrog Project and $1,313,204 at the Reward Project. The Bullfrog and CR Reward projects had surety bonding in place with the Bureau of Land Management for $1,765,661 and $1,161,725 respectively.

Fair Value of Financial Instruments

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

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

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

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

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

Income Taxes

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

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

Long Lived Assets

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

Preferred Stock

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

Stock-Based Compensation

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

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

Derivative Financial Instruments

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

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

Earnings (Loss) per Common Share

The following table shows basic and diluted earnings per share:

	Year Ended	
	12/31/2023	**12/31/2022**
Basic and Diluted Earnings (Loss) per Common Share		
Earnings (loss)	$ 6,658,010	$ (19,720,212)
Basic weighted average shares outstanding	85,561,252	75,373,892
Assumed conversion of dilutive shares	120,835	0
Diluted weighted average common shares outstanding, assuming conversion of common stock equivalents	85,682,086	75,373,892
Basic Earnings (Loss) Per Common Share	$ 0.08	$ (0.26)
Diluted Earnings (Loss) Per Common Share	$ 0.08	$ (0.26)

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

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

All option and warrants were excluded in the diluted weighted average shares calculation because they were "out-of-the money" for the year ended December 31, 2022.

Risks and Uncertainties

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

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

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

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

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

Recent Accounting Pronouncements

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

NOTE 2 - MINERAL PROPERTIES

	Mineral properties	Property and equipment	Total
Cost			
As of December 31, 2021	$ 12,077,511	$ 338,204	$ 12,415,715
Additions	46,884,775	838,991	47,723,766
As of December 31, 2022	58,962,286	1,177,195	60,139,481
Additions	30,000	0	30,000
As of December 31, 2023	$ 58,992,286	$ 1,177,195	$ 60,169,481
Accumulated depreciation			
As of December 31, 2021	$ 0	$ 44,689	$ 44,689
Depreciation expense	0	44,057	44,057
As of December 31, 2022	0	88,746	88,746
Depreciation expense	0	44,057	44,057
As of December 31, 2023	$ 0	$ 132,803	$ 132,803
Net book value on December 31, 2023	$ 58,992,286	$ 1,044,392	$ 60,036,678
Net book value on December 31, 2022	$ 58,992,286	$ 1,088,449	$ 60,050,735

Mineral properties consist of two main projects:

Bullfrog Gold Project

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

The project is subject to a 2% net smelter returns royalty (the "Barrick Royalty") granted on all minerals produced from all of the patented and unpatented claims (subject to the adjustments set out below), pursuant to a royalty deed, dated October 26, 2020 by and among Bullfrog Mines and the Barrick Parties (the "Royalty Deed").

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

Reward Gold Project

On June 13, 2022, the Company completed the acquisition of the outstanding membership interests (collectively, the "CR Interests") of CR Reward LLC, a wholly owned subsidiary of Waterton ("CR Reward"), pursuant to a membership interest purchase agreement with Waterton Nevada Splitter, LLC ("Waterton"). CR Reward holds the Reward Project located seven miles from the Company's Bullfrog Project in Nevada. The CR Interests were acquired for the following consideration: (a) $12,500,000 in cash paid at the closing; plus (b) the issuance of 7,800,000 shares of Augusta Gold common stock at closing; plus (c) $22,126,000 in cash paid on September 14, 2022 (comprising collectively the "Second Payment" and the "Deferred Payment").

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

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

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

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

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

NOTE 3 - STOCKHOLDER'S EQUITY

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

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

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

Recent Sales of Unregistered Securities

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

In addition to the above, the Company issued the following common shares for the years ending December 31, 2023, and 2022:

Warrants converted to common shares

Date	Shares	Price
June-22	208,334	C$ 1.80

Preferred shares converted to common shares

Date	Shares
May-22	677,084

Convertible Preferred Stock

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

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

On May 4, 2022, 677,084 shares of Series B Preferred Stock were converted into shares of common stock. As of December 31, 2023 and 2022, there were no Preferred Stock shares outstanding.

Common Stock Options

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

No options were granted during the year ended December 31, 2023. The details with respect to option grants during the year ended December 31, 2022 are as follows:

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

Options	Exercise Price	Expected Life	Volatility	Risk Free Interest Rate
350,000	C$2.05	3.5 years	83.7%	2.94%

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

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

Stock Option Repricing

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

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

The Company recognized share-based compensation expense related to the stock options of $1,265,971 and $2,164,055 for the years ended December 31, 2023 and 2022, respectively. The options are vested based on years of service, with certain options vested after two years and other options vested after three years.

Stock Option Activity

A summary of the stock options as of December 31, 2023 and 2022, and changes during the years ended are presented below:

	Number of Options	Weighted Average Exercise Price		Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value	
Balance at December 31, 2021	4,800,002	$	1.55	4.36	$	29,817
Exercised	0		0.00	0		0
Issued	450,000	C$	2.03	5.00		0
Canceled	(50,000)	C$	2.00	0		0
Balance at December 31, 2022	5,200,002	$	1.56	3.45		57,468
Exercised	0		0.00	0		0
Issued	0		0.00	0		0
Canceled	(190,000)	C$	2.02	0		0
Balance at December 31, 2023	5,010,002	$	1.48	2.43	$	0
Options exercisable at December 31, 2023	3,898,336	$	1.48	2.42	$	0

Warrant Activity

Total outstanding warrants of 34,701,615 as of December 31, 2023, were as follows:

	Warrants Issued					Total
Warrants issued (includes expired warrants)	1,434,522	27,433,335	3,777,784	3,362,573	336,257	36,344,471
Issued date	1/16/2020	10/26/2020	3/4/2021	1/20/2023	1/20/2023	
Expiration date	1/15/2022	10/26/2024	3/4/2024	1/20/2026	1/20/2024	
Exercise price (Canadian $)	$ 1.20	$ 1.80	$ 2.80	$ 2.30	$ 1.71	
Balance at December 31, 2021	216,076	27,433,335	3,777,784	0	0	31,427,195
Exercised	0	(208,334)	0	0	0	(208,334)
Issued	0	0	0	0	0	0
Expired	(216,076)	0	0	0	0	(216,076)
Balance at December 31, 2022	0	27,225,001	3,777,784	0	0	31,002,785
Exercised	0	0	0	0	0	0
Issued	0	0	0	3,362,573	336,257	3,698,830
Expired	0	0	0	0	0	0
Balance at December 31, 2023	0	27,225,001	3,777,784	3,362,573	336,257	34,701,615

NOTE 4 - DERIVATIVE FINANCIAL INSTRUMENTS

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

The value of the October 2020 Warrants of $11,439,156 has been calculated on the date of issuance of October 26, 2020, using Black-Scholes valuation technique. The warrant liability was valued at $691,782 and $13,604,506 for the year ending December 31, 2023 and 2022, respectively with the following assumptions:

	10/26/20	12/31/22	12/31/23
Fair market value of common stock	$ 1.26	$ 1.40	$ 0.63
Exercise price	$ 1.38	$ 1.33	$ 1.36
Term	4 years	1.8 years	0.8 years
Volatility range	68.4%	101.5%	72.7%
Risk-free rate	0.18%	4.41%	4.79%

The value of the March 2021 Warrants of $3,306,758 has been calculated on the date of issuance of March 4, 2021, using Black-Scholes valuation technique. The warrant liability was valued at $1,167 and $2,010,900 for the year ending December 31, 2023 and 2022, respectively with the following assumptions:

	3/4/21	12/31/22	12/31/23
Fair market value of common stock	$ 1.97	$ 1.40	$ 0.63
Exercise price	$ 2.21	$ 2.07	$ 2.12
Term	3 years	1.2 years	0.2 years
Volatility range	72.7%	116.0%	101.2%
Risk-free rate	0.32%	4.73%	5.40%

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. For the year ending December 31, 2023, the warrant liability was valued at $417,758 with the following assumptions:

	1/20/23	12/31/23
Fair market value of common stock	$ 1.13	$ 0.63
Exercise price	$ 1.71	$ 1.74
Term	3.0 years	2.0 years
Volatility range	84.05%	80.14%
Risk-free rate	3.83%	4.23%

NOTE 5 - RELATED PARTY

On September 13, 2022, the Company entered into a secured note purchase agreement (the "Purchase Agreement") with Augusta Investments Inc. ("Augusta Investments"), of which share 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% and is for a maximum term of 12 months. The Note is secured by a first-priority, perfected security interest in all the assets of the Company pursuant to a guarantee and security agreement (the "Security Agreement") and certain deeds of trust (the "Deeds of Trust", collectively with the Purchase Agreement, the Note and the Security Agreement, the "Loan Documents").

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

On September 13, 2023, the Company and Augusta Investments entered into Amendment Number One (the "Amendment") to the Note. The Amendment amends 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 (the "Amendment 2") to the Note. Amendment 2 amends Section 1 of the Note to change the maturity date of the Note from December 13, 2023, to March 31, 2024. In consideration for the Lender granting an extension to the maturity date, the Company has agreed to pay to the Lender an extension fee of $33,501, which is accrued and due on the maturity date.

	Note Payable	Accrued Interest	Total
As of December 31, 2022	22,232,561	610,761	22,843,322
Additional debt issuance costs	33,501	(33,501)	0
Interest expense	0	2,550,557	2,550,557
As of December 31, 2023	22,266,062	3,127,817	25,393,879

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 years ended December 31, 2023, and 2022:

	Twelve Months Ended	
	12/31/2023	12/31/2022
Salaries and benefits	$ 391,643	$ 323,047
Office	119,447	90,587
Operating expenses	102,505	85,832
Total	$ 613,595	$ 499,466

The Company is committed to payments for office leases premises through 2024 in the total amount of approximately $88,000 based on the Company's current share of rent paid. The Company is jointly liable for rent payments.

During 2022, there were 450,000 stock options issued to officers and employees of the Company. Of those options, 350,000 have a C$2.05 exercise price and 100,000 have a C$1.96 exercise price and all expire five years from date of grant. As of December 31, 2023, there were 4,785,000 options issued and outstanding to officers, directors and employees of the Company. There was share-based compensation expense of $1,217,713 and $2,164,055 for the years ending December 31, 2023 and 2022, respectively.

The Company entered into a consulting arrangement with Augusta Capital Corporation ("ACC"), a private company 100% beneficially held by the Company's Executive Chairman. ACC invoiced the Company C$380,000 and $350,000 during the years ended December 31, 2023 and 2022 for consulting services, respectively.

As of December 31, 2023 the Chief Executive Officer had an amount due from the Company of $520,825 related to accrued payroll costs.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

The Company has four mineral leases underlying the Reward property which require annual advance royalty payments according to the following schedules. These leases are out of the scope of ASC 842 *Leases*, and any advance royalty paid is expensed off as exploration expenses. Once in production, each agreement attracts payment of net smelter royalties as per the following table.

	Total
2024	$ 30,400
2025	10,400
2026	10,400
2027	10,900
2028	10,900
2029	10,900
2030	11,400
2031	9,000
2032	9,000
2033	9,500
2034	9,500
2035	9,500
2036	10,000
2037	10,000
2038	10,000
Applicable NSRs	3%

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

On July 1, 2017, RMM entered a 30-year Mineral Lease (the “Lunar Lease”) with Lunar Landing, LLC (“Lunar”) involving 24 patented mining claims underlying part of the Bullfrog property. Lunar owns a 100% undivided interest in the mining claims. This lease is out of the scope of ASC 842 *Leases*, and any payment is expensed off as lease expense.

Under the Lunar Lease, RMM shall expend as minimum work commitments of $50,000 per year starting in 2017 until a cumulative of $500,000 of expense has been incurred. If RMM fails to perform its obligations under the Lunar Lease, and in particular fails to make any payment due to Lunar thereunder, Lunar may declare RMM in default by giving RMM written notice of default which specifies the obligation(s) which RMM has failed to perform. If RMM fails to remedy a default in payment within fifteen (15) days of receiving the notice of default or fails to remedy or commence to remedy any other default within thirty (30) days of receiving notice, Lunar may terminate the Lunar Lease and RMM shall peaceably surrender possession of the properties to Lunar. Notice of default or of termination shall be in writing and served in accordance with the Lunar Lease. RMM has made all required payments and has paid Lunar $132,000 as of December 31, 2023, and makes lease payments on the following schedule:

Payment due July	**Annual Payment**
2024-2026	$ 21,000
2027-2031	$ 25,000
2032-2036	$ 30,000
2037-2041	$ 40,000
2042-2046	$ 45,000

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

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

In order to maintain in force, the working right and option granted to RMM, and to exercise the Mojave Option, the Company issued Mojave 750,000 shares of Company common stock and paid $16,000 to Mojave in October 2014. Subsequently, RMM paid to Mojave a total of $190,000 over the next 10 years, with the last payment made to Mojave in October 2023. As of the date hereof, the Mojave Option has been exercised in full. This lease is out of the scope of ASC 842 *Leases*, and any payment is capitalized to mineral property.

On December 9, 2020, Bullfrog Mines entered into a mining option agreement with Abitibi Royalties (USA) Inc. (“Abitibi”) granting Bullfrog Mines the option (the “Abitibi Option”) to acquire forty-three unpatented lode mining claims to the south of the Bullfrog deposit. The Abitibi Option was amended on December 9, 2022, to extend the exercise deadline and to increase the last payment amount required to exercise the option. This lease is out of the scope of ASC 842 *Leases*, and any payment is capitalized to mineral property. Bullfrog Mines made an initial payment to Abitibi of C$25,000 and exercised the Abitibi Option in full on January 30, 2023, by:

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

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

NOTE 7 - INCOME TAXES

The effective income tax rate for the years ended December 31, 2023, and 2022 consisted of the following:

	2023	2022
Federal statutory income tax rate on net loss	21.0%	21.0%
Change in valuation allowance	-24.9%	-24.9%
Tax rate change	-3.9%	-3.9%
Effective tax rate	0.0%	0.0%

	Years Ended December 31,	
	2023	2022
Earnings (loss) for the year	6,658,010	(19,720,213)
Expected income tax (recovery)	1,655,847	(4,904,417)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	266,733	0
Change in unrecognized deductible temporary differences	(1,922,580)	4,904,417
Total income tax expense (recovery)	0	0

The components of the deferred tax assets and liabilities as of December 31, 2023, and 2022 are as follows:

	Years Ended December 31,	
Deferred tax assets:	2023	2022
Net operating carryover	$ 9,026,354	$ 7,101,189
Other	(45,597)	(51,856)
Mineral property	723,714	846,917
Stock compensation	1,496,296	1,181,448
Warrant revaluation	349,724	4,395,374
Total deferred tax asset	11,550,491	13,473,072
Less: valuation allowance	(11,550,491)	(13,473,072)
Deferred tax assets	$ 0	$ 0

The Company has approximately a $36,294,000 and $28,553,000 net operating loss carryover as of December 31, 2023, and December 31, 2022, respectively. The net operating loss may offset against taxable income, with $6,598,000 of the net operating loss carryover begins expiring in 2030 and $29,705,000 with no expiry date may be subject to U.S. Internal Revenue Code Section 382 limitations.

The Company has provided a valuation allowance that eliminates the deferred tax asset as of December 31, 2023, and 2022, as the likelihood of the realization of the tax benefits cannot be determined.

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

NOTE 8 - SEGMENTED INFORMATION

Segmented information has been compiled based on the material mineral properties in which the Company performs exploration activities.

Expenses and mineral property carrying values by material project for the year ended December 31, 2023:

	Exploration, evaluation and project expense	Reclamation bonds	Mineral properties
Bullfrog Gold Project	$ 1,677,838	$ 709,209	$ 12,464,306
Reward Project	1,008,818	406,604	46,527,980
	$ 2,686,656	$ 1,115,813	$ 58,992,286

Expenses and mineral property carrying values by material project for the year ended December 31, 2022:

	Exploration, evaluation and project expense	Reclamation bonds	Mineral properties
Bullfrog Gold Project	$ 4,805,552	$ 0	$ 12,434,306
Reward Project	933,982	0	46,527,980
	$ 5,739,534	$ 0	$ 58,962,286

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

NOTE 9 - SUBSEQUENT EVENTS

On February 26, 2024, the Company entered into an unsecured note purchase agreement with Donald Taylor (the "Lender") to offer and sell an unsecured promissory note of the Company in exchange for the Lender loaning the Company US$262,500. In connection with the loan, 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 warrants disclosed in Note 3 with expiration dates of January 2024 and March 2024 were not exercised and have expired.

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.

The Purchase Agreement Amendment amends the Purchase Agreement to: (i) amend the terms of the Purchase Agreement such that all amounts loaned to the Company under the Purchase Agreement are set forth on Schedule A to the Note, as amended and restated, from time to time; (ii) provide that the Note will be secured by an amended and restated guarantee and security agreement dated March 27, 2024 (the "Amended and Restated Security Agreement"); (iii) amend the Purchase Agreement to provide for multiple closings to occur at mutually agreed upon dates as necessary; (iv) amend the deliverable documents for each closing; and (v) amend the governing law from Delaware to Nevada.

The Purchase Agreement Amendment also provides that in consideration of Augusta Investments granting an extension to the maturity date of the Note from March 31, 2024 to June 30, 2024, the Company has agreed to pay to the lender an extension fee of $27,791, which amount will be accrued in the Note and due on the maturity date of the Note.

Other than the amendments set forth above, the Purchase Agreement Amendment does not otherwise amend, alter, supplement or change the provisions of the Purchase Agreement.

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 amends 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 is for a principal amount of $22,793,853, which includes (i) the original issue amount of the Note on September 13, 2022 of $22,232,561, (ii) an extension fee of $33,501 on December 13, 2023, (iii) the $525,000 loan 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 has an outside maturity date of June 30, 2024.

The Amended and Restated Note is secured by a first-priority, perfected security interest in all the assets of the Company and its subsidiaries pursuant to the Amended and Restated Security Agreement and a certain deed of trust, assignment of leases, rents and contracts, security agreement and fixture filing (the "Deed of Trust") to be filed by the Company pursuant to the requirements of the Amended and Restated Security Agreement. The payment of the obligations of the Company under the Amended and Restated Note is also guaranteed by each of the subsidiaries of the Company pursuant to the Amended and Restated Security Agreement.

The foregoing summary of the material terms of the Purchase Agreement Amendment, the Amended and Restated Note, the Amended and Restated Security Agreement and the Deed of Trust do not purport to be complete and are qualified in their entirety by reference to the Purchase Agreement Amendment, the Amended and Restated Note, the Amended and Restated Security Agreement and the form of the Deed of Trust, which are filed as Exhibits 10.1, 10.2, 10.3 and 10.4 to the Company's Current Report on Form 8-K as filed on March 28, 2024, and which are incorporated by reference herein.