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

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

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

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

Company History and Recent Events

General Corporate Overview

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

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

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

Recent Development of the Business

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

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

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

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

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

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

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

The CR Interests were acquired for the following consideration:

- $12,500,000 in cash (the "Closing Payment") paid at the Closing; plus

- the issuance of 7,800,000 shares of common stock of the Company ("Common Shares") at the Closing (collectively, the "Initial Payment Shares") at a deemed price per Common Share equal to $1.33, with the aggregate value of the Initial Payment Shares of $10,374,000 being the "Initial Share Value"; plus

- such combination of cash and Common Shares, determined as described below, as have an aggregate value of $15,000,000 less the Initial Share Value (the "Second Payment") to be paid by the date described below; plus

- $17,500,000 in cash (the "Deferred Payment") to be paid by the date that is 90 days following the Closing Date (the "Deferred Payment Deadline").

The Second Payment must be satisfied on or before the earlier of: (A) the business day on which the Company completes any debt or equity financing, and (B) the Deferred Payment Deadline.

If the price at which securities are sold by the Company under the Financing (in any case, the "**Financing Price**") is less than C$1.70, the Second Payment shall be satisfied by such combination of cash and Common Shares as may be determined by Waterton in its sole discretion; and (ii) if the Financing Price is C$1.70 or greater, the Second Payment shall be satisfied by such combination of cash and Purchaser Shares as may be determined by the Company in its sole discretion. Any Common Shares issued pursuant to the Second Payment shall be issued at a deemed price per Common Share equal to the United States dollar equivalent (based on the Currency Exchange Rate on the business day immediately preceding the closing date of the Financing) of the Financing Price. The aggregate value of the Initial Share Value and the Second Payment shall be $15,000,000.

The obligation of the Company to pay the Deferred Payment was secured by a Deed of Trust and related financing statement pursuant to which the Company granted to Waterton a first-priority, perfected security interest running with the mineral properties held by CR Reward.

Results of Operations

Three Months Ended June 30, 2022 and 2021

	Three Months Ended	
	6/30/22	**6/30/21**
Operating expenses		
General and administrative	$ 1,219,223	$ 1,300,318
Lease expense	21,000	16,000
Exploration, evaluation and project expense	1,481,789	3,909,175
Accretion expense	18,370	7,503
Depreciation expense	11,015	8,066
Total operating expenses	2,751,397	5,241,062
Net operating loss	(2,751,397)	(5,241,062)
Revaluation of warrant liability	(4,561,381)	16,897,823
Foreign currency exchange gain	(236,815)	461,181
Net loss	$ (7,549,593)	$ 12,117,942

Six Months Ended June 30, 2022 and 2021

	Six Months Ended	
	6/30/22	**6/30/21**
Operating expenses		
General and administrative	$ 2,287,102	$ 2,638,549
Lease expense	21,000	16,000
Exploration, evaluation and project expense	1,820,428	6,493,723
Accretion expense	25,469	12,443
Depreciation expense	22,029	16,133
Total operating expenses	4,176,028	9,176,848
Net operating loss	(4,176,028)	(9,176,848)
Revaluation of warrant liability	(4,767,574)	9,889,937
Foreign currency exchange gain	(27,204)	656,507
Net loss	($ 8,970,806)	$ 1,369,596

For the three months ending June 30, 2022, the Company decreased general and administrative expenses by approximately $81,000. The increase was due to the following year over year variances:

Three months ending	**6/30/22**	**6/31/21**	**Variance**
Accounting fees	$ 36,000	$ 62,000	$ (26,000)
Legal and other professional fees	359,000	85,000	274,000
Marketing expense	7,000	9,000	(2,000)
Payroll	214,000	362,000	(148,000)
Corporate expenses & rent	59,000	78,000	(19,000)
Share based compensation	472,000	487,000	(15,000)
Insurance	35,000	34,000	1,000
Stock exchange fees	29,000	177,000	(148,000)
Other general expenses	8,000	6,000	2,000
Total	$ 1,219,000	$ 1,300,000	$ (81,000)

For the six months ending June 30, 2022, the Company decreased general and administrative expenses by approximately $352,000. The increase was due to the following year over year variances:

Six months ending	**6/30/22**	**6/31/21**	**Variance**
Accounting fees	$ 125,000	$ 156,000	$ (31,000)
Legal and other professional fees	634,000	265,000	369,000
Marketing expense	21,000	73,000	(52,000)
Payroll	365,000	816,000	(451,000)
Corporate expenses & rent	78,000	220,000	(142,000)
Share based compensation	910,000	721,000	189,000
Insurance	77,000	61,000	16,000
Stock exchange fees	68,000	219,000	(151,000)
Other general expenses	9,000	108,000	(99,000)
Total	$ 2,287,000	$ 2,639,000	$ (352,000)

- Accounting fees decrease resulted from fewer costs for additional consulting fees needed for required regulatory filings and tax compliance in 2021.

- Legal fees and professional fees increased due to a legal agreement that was finalized in June 2022 along with professional consulting fees and an increase in franchise tax fees and other expenses.

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

- The payroll and corporate expenses result from the Company entering into an agreement to share office space, equipment, personnel, consultants and various administrative services for the Company's head office located in Vancouver, BC, Canada. Management expects payroll costs to continue to be lower than prior periods due to decreased personnel and consultants used in the quarter.

- The Company granted options to officers, directors and employees of the Company pursuant to the terms of the Company's Stock Option Plan; 4,075,000 in the first quarter 2021 (adjusted for 1,750,000 canceled options); 500,000 in the third quarter 2021; and 350,000 in the second quarter 2022.

- Stock exchange fee variance is a result of the initial listing fee paid to the TSX in April 2021. Annual exchange fees will continue; however the Company does not expect initial listing fees to be incurred for the remainder of the year.

For the three months ending June 30, 2022, the Company decreased exploration, evaluation and project expenses by approximately $2,427,000. The decrease was due to the following year over year variances:

Three months ending	**6/30/22**	**6/31/21**	**Variance**
Drilling	$ 354,000	$ 2,131,000	$ (1,777,000)
Consultants/Contractors	726,000	694,000	32,000
Supplies and equipment	62,000	481,000	(419,000)
Assay	10,000	254,000	(244,000)
Water haulage	0	171,000	(171,000)
Overhead	70,000	107,000	(37,000)
Permits and fees	259,000	68,000	191,000
Other	1,000	3,000	(2,000)
Total	$ 1,482,000	$ 3,909,000	$ (2,427,000)

For the six months ending June 30, 2022, the Company decreased exploration, evaluation and project expenses by approximately $4,674,000. The decrease was due to the following year over year variances:

Six months ending	**6/30/22**	**6/31/21**	**Variance**
Drilling	$ 355,000	$ 3,567,000	$ (3,212,000)
Consultants/Contractors	962,000	1,251,000	(289,000)
Supplies and equipment	143,000	659,000	(516,000)
Assay	10,000	389,000	(379,000)
Water haulage	0	307,000	(307,000)
Overhead	84,000	208,000	(124,000)
Permits and fees	266,000	84,000	182,000
Other	0	29,000	(29,000)
Total	$ 1,820,000	$ 6,494,000	$ (4,674,000)

In the second quarter of 2022, the Company continued test work on the metallurgical drill samples collected in 2021. Hydrogeologic modelling and geochemical characterization of the Bullfrog deposit was initiated and remains in-progress. Preparation of technical reports for the Reward and Bullfrog projects were initiated. In addition, core drilling was initiated, focused on completing necessary geotechnical and hydro holes in support of permitting efforts.

Additionally, the Company and the BLM held a Baseline Kickoff Meeting, which included various federal, state, and local agencies, and the BLM assigned a Project Manager and Interdisciplinary Team to provide guidance, approve work plans, review, and approve baseline studies necessary to progress the permitting effort.

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

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

Liquidity and Capital Resources

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

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

Liquidity

As of June 30, 2022, the Company had total liquidity of $5,044,000 in cash and cash equivalents. The Company had negative working capital of $19,200,000 and an accumulated deficit of $29,144,000. For the six months ended June 30, 2022, the Company had negative operating cash flows before changes in working capital of $3,245,000 and a net loss of $8,971,000.

As of June 30, 2021, the Company had total liquidity of $23,590,000 in cash and cash equivalents. The Company had working capital of $22,610,000 and an accumulated deficit of $22,256,000. For the six months ended June 30, 2021, the Company had negative operating cash flows before changes in working capital of $7,770,000 and a net income of $1,370,000.

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

Capital Management

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

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

Contractual obligations and commitments

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

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

Off Balance Sheet Arrangements

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

Critical Accounting Policies and Use of Estimates

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

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