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

- Issuance of 7,800,000 shares of common stock of the Company ("Common Shares") on the closing date ("Initial Payment Shares") with an estimated fair value of $11,516,583 based on the Company's closing share price of C$1.85 and a foreign exchange rate of C$0.7981 to the US dollar on June 13, 2022 plus

- Cash of $4,621,398, being $15,000,000 less the deemed price per Common Share equal to the United States dollar equivalent (based on the Bank of Canada daily exchange rate for the conversion of Canadian dollars to United States dollars (the "Currency Exchange Rate") on the business day immediately preceding the closing date) of $1.33 for the 7,800,000 Initial Payment Shares. Such cash was paid September 2022; plus

- $17,500,000 in cash (the "Deferred Payment") was paid September 2022.

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

Results of Operations

Three Months Ended September 30, 2022 and 2021

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

Nine Months Ended September 30, 2022 and 2021

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

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

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

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

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

- 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; 4,041,667 in the first quarter 2021 (adjusted for 1,783,333 canceled options); 500,000 in the third quarter 2021; 350,000 in the second quarter 2022; 100,000 in the third quarter 2022.

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

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

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

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

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

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

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

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

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

Liquidity and Capital Resources

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

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

Liquidity

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

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

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

Capital Management

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

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

Contractual obligations and commitments

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

	<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").

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES AND MARKET RISK

Not Applicable.

ITEM 4 - CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

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

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

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

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