

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Augusta believes that the Consolidation should be treated as a tax-deferred reverse stock split (share consolidation). Provided the Consolidation qualifies as a tax-deferred reverse stock split, the U.S. federal income tax consequences of the Consolidation to Augusta shareholders should be determined under Code Sections 305(a), 307(a), 358(b)(1), 1036 and 368(a)(1)(E).

In addition, if Augusta was classified as a PFIC under Code Section 1297, then Code Sections 1291-98 would be applicable. Shareholders should consult their own tax advisors regarding the application of the PFIC rules.

18 Can any resulting loss be recognized? ▶ Provided the Consolidation constitutes a non-taxable transaction, shareholders who received solely one (1) new common share in exchange for six (6) existing common shares of Augusta should not recognize any loss.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ In general, any gain or loss should be reported by shareholders for the tax year which includes January 26, 2021 (e.g., a calendar year shareholder would report the transaction on his or her federal income tax return for the 2021 calendar year).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ /s/ Tom Ladner Date ▶ 03/11/2021

Print your name ▶ Tom Ladner Title ▶ Vice President, Legal

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|-------------------------------|--|--------------------------------|-------------------|---|------------------|
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| | <u>John Hollinrake</u> | <u>/s/ John Hollinrake</u> | <u>03/10/2021</u> | | <u>P01568530</u> |
| | Firm's name ▶ <u>Dorsey & Whitney LLP</u> | Firm's EIN ▶ <u>41-0223337</u> | | Phone no. <u>(206) 903-8812</u> | |
| | Firm's address ▶ <u>Columbia Center, 701 Fifth Avenue, Suite 6100, Seattle, WA 98104</u> | | | | |

SCHEDULE A
AUGUSTA GOLD CORP. IRS FORM 8937
PERTAINING TO SECTION 15

The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that might apply to particular categories of shareholders.

Augusta believes that the exchange by the Augusta shareholders of the existing common shares for new common shares will properly be treated for U.S. federal income tax purposes as a tax-deferred exchange either under Section 1036 or Section 368(a)(1)(E) of the Code. As a result of the Consolidation, shareholders will be required to allocate the aggregate tax basis to each block of their common shares held immediately prior to the Consolidation among the common shares held immediately after the Consolidation, as adjusted for any whole common share received in lieu of a fractional common share, such that the per-share tax basis in each common share is equal to 600% of the tax basis in a pre-Consolidation common share, as adjusted for any whole common share received in lieu of a fractional common share.

Even if the Consolidation qualifies as a tax-deferred reverse stock split under Code Section 368(a)(1)(E), certain special rules would apply if Augusta was a passive foreign investment Company (“PFIC”), as defined under Code Section 1297, for any tax year during which a shareholder held Augusta common shares.

Shareholders should review the Release and consult their own tax advisors regarding the U.S. federal income tax consequences of the Consolidation.