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, 2022, filed with the Securities and Exchange Commission on March 15, 2023.

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

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

Company History and Recent Events

General Corporate Overview

The Company is an exploration stage gold company focused on building a long-term business that delivers stakeholder value through developing the Company’s Bullfrog and Reward gold projects and pursuing accretive merger and acquisition opportunities. 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, our properties are in the exploration stage and we 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 Reward Gold Project is located seven miles from the Bullfrog Gold Project. The Company owns, controls or has acquired mineral rights on federal patented and unpatented mining claims in the State of Nevada for the purpose of exploration and potential development of gold, silver, and other metals. The Company 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, exploring and developing mining assets and delivering shareholder value.

Recent Development of the Business

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 Second Payment and the Deferred Payment to Waterton in an aggregate amount of $22,121,398.

Results of Operations

Three Months Ended March 31, 2023 and 2022

	Three Months Ended	
	3/31/23	**3/31/22**
Operating expenses		
General and administrative	$ 1,315,572	$ 1,067,879
Lease expense	0	0
Exploration, evaluation and project expense	724,270	338,639
Accretion expense	27,907	7,099
Depreciation expense	11,014	11,014
Total operating expenses	2,078,763	1,424,631
Net operating loss	(2,078,763)	(1,424,631)
Revaluation of warrant liability	8,223,387	(206,193)
Interest expense	(626,715)	0
Foreign currency exchange gain (loss)	(71,951)	209,611
Net income (loss)	$ 5,445,958	($ 1,421,213)

For the three months ending March 31, 2023, the Company increased general and administrative expenses by approximately $248,000. The increase was due to the following year over year variances:

Three months ending	**3/31/2023**	**3/31/2022**	**Variance**
Accounting fees	$ 107,000	$ 89,000	$ 18,000
Legal and other professional fees	352,000	276,000	76,000
Marketing expense	8,000	14,000	(6,000)
Payroll	216,000	150,000	66,000
Corporate expenses & rent	77,000	19,000	58,000
Share based compensation	473,000	439,000	34,000
Insurance	38,000	42,000	(4,000)
Stock exchange fees	21,000	39,000	(18,000)
Other general expenses	24,000	0	24,000
Total	$ 1,316,000	$ 1,068,000	$ 248,000

- Accounting fees increase resulted from additional consulting fees needed for required regulatory filings and compliance in 2023.
- Legal fees and professional fees increased due to costs associated with the January 2023 financing.
- Marketing expenses were lower as 2022 had additional amounts that were used for company and shareholder awareness projects.
- The payroll and corporate expenses result from the Company having an agreement to share office space, equipment, personnel, consultants and various administrative services for the Company's head office located in Vancouver, BC, Canada. Management expects payroll costs to continue to be higher than prior periods due to increased 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. In September 2022 the options were repriced resulting in an increase in share based compensation.
- There were $88,000 of other general expenses presented in the March 31, 2022, 10Q that were reclassified to payroll for this presentation.

For the three months ending March 31, 2023, the Company increased exploration, evaluation and project expenses by approximately $248,000. The increase was due to the following year over year variances:

Three months ending	3/31/2023	3/31/2022	Variance
Drilling	$ 0	$ 1,000	$ (1,000)
Consultants/Contractors	234,000	120,000	114,000
Supplies and equipment	68,000	57,000	11,000
Overhead and payroll	373,000	14,000	359,000
Permits and fees	21,000	7,000	14,000
Other	28,000	140,000	(112,000)
Total	$ 724,000	$ 339,000	$ 385,000

In the first quarter of 2023, 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.

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
January 2023	January 2026	3,362,573	C$2.30

There are an additional 9,436,257 warrants outstanding which are not warrant liabilities and therefore have no effect on the revaluation of warrant liability.

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 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.

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.

Liquidity

As of March 31, 2023, the Company had total liquidity of $3,600,000 in cash and cash equivalents. The Company had negative working capital of $21,700,000 and an accumulated deficit of $34,400,000. For the three months ended March 31, 2023, the Company had negative operating cash flows before changes in working capital of $2,266,000 and a net income of $5,446,000.

As of March 31, 2022, the Company had total liquidity of $19,024,000 in cash and cash equivalents. The Company had working capital of $17,665,000 and an accumulated deficit of $21,595,000. For the three months ended March 31, 2022, the Company had negative operating cash flows before changes in working capital of $758,000 and a net loss of $1,412,000.

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 financing 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 March 31, 2023, the capital structure of the Company consists of 85,959,753 shares of common stock, par value $0.0001. The Company manages the capital structure and adjusts it in response to changes in economic conditions, its expected funding requirements, and risk characteristics of the underlying assets. The Company's funding requirements are based on cash forecasts. In order to maintain or adjust the capital structure, the Company may issue new debt, new shares and/or consider strategic alliances. Management reviews its capital management approach on a regular basis. The Company is not subject to any externally imposed capital requirements.

Contractual obligations and commitments

The Company's contractual obligations and commitments as of March 31, 2023, and their approximate timing of payment are as follows:

	<1 year	1 - 3 years	4 - 5 years	>5 years	Total
Leases	$ 116,557	$ 150,594	$ 50,000	$ 650,000	$ 967,151
Capital Expenditure	30,000	-	-	-	30,000
	$ 146,557	$ 150,594	$ 50,000	$ 650,000	$ 997,151

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.

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 March 31, 2023.

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 March 31, 2023, our management, including our chief executive officer and chief financial officer, has concluded that its disclosure controls and procedures were effective in ensuring that: (i) information required to be disclosed by us in reports that we file or submit to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and (ii) material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow for accurate and timely decisions regarding required disclosure.

Changes in Internal Controls

There have been no changes in the Company's internal control over financial reporting during the three months ended March 31, 2023, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.