

**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, 2020 and 2019, and the related consolidated statements of operations, changes in stockholders’ equity (deficit), and cash flows for years ended December 31, 2020 and 2019, and the related notes and schedules (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years ended December 31, 2020 and 2019, in conformity with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these 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 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 entity’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement 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 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 financial statements. We believe that our audits provide a reasonable basis for our opinion.

***Critical Audit Matter***

The critical audit matter communicated below is 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 matter 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 it relates.



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#### Description of Critical Audit Matter

As described in Note 1 to the consolidated financial statements, the Company's asset retirement obligation ("ARO") totaled \$1,135,700. We considered the Company's ARO a critical audit matter due to high professional judgement 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 .

#### How we addressed Critical Audit Matter

We reviewed the Company's calculation of its ARO, and verified the correct valuation of the principal components of the provision in accordance with FASB ASC 410-20. To audit the ARO liability, our procedures included evaluating the methodology used, and testing the significant assumptions in the ARO calculations. We compared assumptions including the credit-adjusted risk-free rate, and inflation rate to current market data. In addition, to assess the estimates of disturbed acreage, timing of reclamation activities and reclamation costs, we verified consistency between timing of reclamation activities and projected mine life, considered the appropriateness of the estimated costs based on mine type, compared anticipated costs to recent reclamation expenditures, and recalculated management's estimate.

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

**/s/ DAVIDSON & COMPANY LLP**

Vancouver, Canada

Chartered Professional Accountants

March 16, 2021

**AUGUSTA GOLD CORP.**  
**(Formerly known as Bullfrog Gold Corp.)**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2020 AND DECEMBER 31, 2019**

	<u>12/31/20</u>	<u>12/31/19</u>
<b>Assets</b>		
Current assets		
Cash	\$14,341,727	\$44,595
Prepaid expenses	227,140	26,042
Deposits	331,989	116,783
Total current assets	14,900,856	187,420
Other assets		
Mineral properties	11,130,976	210,425
Equipment	25,625	-
Accumulated depreciation	(632)	-
Total other assets	11,155,969	210,425
Total assets	<u>\$26,056,825</u>	<u>\$397,845</u>
<b>Liabilities and Stockholders' Equity (Deficit)</b>		
Current liabilities		
Accounts payable	\$746,808	\$21,308
Related party payable	-	635,775
Total current liabilities	746,808	657,083
Long term liabilities		
Asset retirement obligation	1,135,700	-
Warrant liability	21,517,000	-
Total long term liabilities	22,652,700	-
Total liabilities	<u>23,399,508</u>	<u>657,083</u>
Stockholders' equity (deficit)*		
Preferred stock, 250,000,000 shares authorized, \$0.0001 par value Preferred stock series A, 5,000,000 shares designated and authorized, \$0.0001 par value; zero issued and outstanding as of 12/31/20 and 12/31/19		
Preferred stock series B, 45,000,000 shares designated and authorized, \$0.0001 par value; 3,093,750 issued and outstanding as of 12/31/20 and 4,253,472 issued and outstanding as of 12/31/19	309	425
Common stock, 750,000,000 shares authorized, \$0.0001 par value; 55,842,715 shares issued and outstanding 12/31/20 and 22,758,993 shares issued and outstanding as of 12/31/19	5,584	2,276
Additional paid in capital	26,276,997	11,404,350
Accumulated deficit	(23,625,573)	(11,666,289)
Total stockholders' equity (deficit)	2,657,317	(259,238)
Total liabilities and stockholders' equity (deficit)	<u>\$26,056,825</u>	<u>\$397,845</u>

\*On January 11, 2021 the Company effected a reverse stock split on the basis of one post-split shares for every six pre-split shares

*See accompanying notes to consolidated financial statements*

**AUGUSTA GOLD CORP.**  
**(Formerly known as Bullfrog Gold Corp.)**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2020 AND 2019**

	<b>Twelve Months Ended</b>	
	<b>12/31/20</b>	<b>12/31/19</b>
Operating expenses		
General and administrative	\$1,614,384	\$1,293,208
Lease expense	16,000	16,000
Exploration, evaluation and project expense	1,152,852	215,014
Accretion expense	5,069	-
Depreciation expense	632	-
Total operating expenses	<u>2,788,937</u>	<u>1,524,222</u>
Net operating loss	(2,788,937)	(1,524,222)
Gain on extinguishment of debt	20,833	-
Interest expense	(62,481)	(71,702)
Revaluation of warrant liability	(9,668,245)	-
Foreign currency exchange gain	539,546	-
Net loss	<u>\$(11,959,284)</u>	<u>\$(1,595,924)</u>
Weighted average common shares outstanding - basic and diluted	<u>31,263,305</u>	<u>20,593,964</u>
Loss per common share - basic and diluted	<u>\$(0.38)</u>	<u>\$(0.08)</u>

*See accompanying notes to consolidated financial statements*

**AUGUSTA GOLD CORP.**  
(Formerly known as Bullfrog Gold Corp.)  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2020 AND 2019**

	Preferred Stock Shares Issued	Preferred Stock	Common Stock Shares Issued	Common Stock	Additional Paid-In Capital	Deficit Accumulated During the Exploration Stage	Total Stockholders' Equity (Deficit)
December 31, 2018	5,031,250	\$503	17,351,183	\$1,735	\$9,600,228	\$(10,070,365)	\$(467,899)
Stock-based compensation	-	-	400,000	40	335,960	-	336,000
Private placement issued	-	-	3,758,000	376	1,127,024	-	1,127,400
Issuance of common stock for services	-	-	472,032	47	341,138	-	341,185
Conversion of preferred stock to common stock	(777,778)	(78)	777,778	78	-	-	-
Net loss	-	-	-	-	-	(1,595,924)	(1,595,924)
December 31, 2019	4,253,472	\$425	22,758,993	\$2,276	\$11,404,350	\$(11,666,289)	\$(259,238)
Private placement issued	-	-	20,897,436	2,090	18,077,498	-	18,079,588
Warrant liability	-	-	-	-	(11,880,166)	-	(11,880,166)
Conversion of preferred stock	(1,159,722)	(116)	1,159,722	116	-	-	-
Stock options issued	-	-	-	-	121,896	-	121,896
Stock-based compensation	-	-	333,333	33	364,967	-	365,000
Conversion of warrants	-	-	781,564	78	548,227	-	548,305
Conversion of options	-	-	811,667	81	399,169	-	399,250
Transaction fee	-	-	-	-	(1,100,914)	-	(1,100,914)
Bullfrog Mines acquisition	-	-	9,100,000	910	8,341,970	-	8,342,880
Net loss	-	-	-	-	-	(11,959,284)	(11,959,284)
December 31, 2020	3,093,750	\$309	55,842,715	\$5,584	\$26,276,997	\$(23,625,573)	\$2,657,317

*See accompanying notes to consolidated financial statements*

**AUGUSTA GOLD CORP.**  
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**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2020 AND 2019**

	<b>Twelve Months Ended</b>	
	<b>12/31/20</b>	<b>12/31/19</b>
<b>Cash flows from operating activities</b>		
Net loss	\$(11,959,284)	\$(1,595,924)
Adjustments to reconcile net loss to net cash used in operating activities		
Gain on extinguishment of debt	(20,833)	-
Accretion expense	5,069	-
Depreciation expense	632	-
Revaluation of warrant liability	9,668,245	-
Stock options issued for services	121,896	-
Stock issued for services	365,000	677,185
Change in operating assets and liabilities:		
Prepaid expenses	(201,098)	(137,383)
Deposits	(215,206)	-
Accounts payable	725,500	10,357
Related party payable	(635,775)	57,011
Net cash used in operating activities	(2,145,854)	(988,754)
<b>Cash flows from investing activity</b>		
Acquisition of mineral properties	(1,447,039)	(20,000)
Acquisition of equipment	(25,625)	-
Net cash used in investing activities	(1,472,664)	(20,000)
<b>Cash flows from financing activities</b>		
Proceeds from private placement of stock	16,978,673	432,400
Proceeds from paycheck protection program	20,833	-
Proceeds from conversion of options	399,250	-
Proceeds from conversion of warrants	516,894	-
Net cash provided by financing activities	17,915,650	432,400
Net increase (decrease) in cash	14,297,132	(576,354)
Cash, beginning of year	44,595	620,949
Cash, end of year	\$14,341,727	\$44,595
<b>Noncash investing and financing activities</b>		
Stock issued for acquisition of mineral properties	\$8,342,880	-
Incurrence of asset retirement obligation	\$1,130,632	-
Conversion of preferred stock	\$116	-
Exploration and evaluation cost in accounts payable	\$20,000	-
Conversion of warrant liability to share capital upon conversion of warrants	\$31,411	-
Warrant liability from units placement	\$11,880,166	-

*See accompanying notes to consolidated financial statements*

**AUGUSTA GOLD CORP.**  
**(Formerly known as Bullfrog Gold Corp.)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

**Nature of Business**

Augusta Gold Corp. (formerly known as Bullfrog 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 on a total of approximately 7,800 acres. 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 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.

**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”) and Rocky Mountain Minerals Corp. (“Rocky Mountain Minerals” or “RMM”). All significant inter-entity balances and transactions have been eliminated in consolidation.

**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, 2020, the Company’s cash balance was \$14,341,727. To reduce its risk associated with the failure of such financial institution, the Company will evaluate at least annually the rating of the financial institution in which it holds deposits.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates have been made for share based compensation, asset retirement obligation, warrant liability and whether acquisition of Bullfrog Mines constituted an asset acquisition or business combination.

**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.

The functional currency of the Company is the US dollar; therefore, the Company is exposed to currency risk from financial assets and liabilities denominated in Canadian dollars.

**Government Assistance**

On June 11, 2020, the Company was granted a loan (the “PPP Loan”) for \$20,833 pursuant to the Paycheck Protection Program established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) in the United States. The PPP Loan, which was in the form of a Note dated June 11, 2020 matures June 11, 2025 and bears interest at a rate of 1.00% per annum, payable monthly commencing on November 11, 2021. The PPP Loan may be prepaid at any time prior to maturity with no prepayment penalties. The PPP Loan and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The Company intends to use the entire PPP Loan amount for eligible purposes. The PPP loan was forgiven as of December 31, 2020.

### **Leases**

In 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, Leases (Topic 842), for reporting leases, which requires an entity that is a lessee to classify leases as either finance or operating and to recognize a lease liability and a right-of-use asset for all leases that have a term of greater than 12 months. Leases of 12 months or less will be accounted for similar to existing guidance for operating leases.

### **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 at the end of its useful life. 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 \$1,135,700.

Balance, October 26, 2020	\$	1,130,631
Accretion		5,069
Change in estimates		-
Balance, December 31, 2020	\$	1,135,700

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.

At December 31, 2020 the estimated future cash flows have been determined using real cash flows and discounted using a real rate of 2.54% and a total undiscounted amount for the estimated future cash flows is \$1,259,690.

### **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, receivables and accounts 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, 2020 and December 31, 2019. The periods ended December 31, 2020, 2019, 2018, 2017 and 2016 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.

### **Net Loss per Common Share**

The Company incurred net losses during the twelve months ended December 31, 2020 and 2019. As such, the Company excluded the following from computation as the effect would be anti-dilutive:

	<u>12/31/20</u>	<u>12/31/19</u>
Stock options	913,333	1,583,333
Warrants	31,665,279	3,579,000
Preferred stock	3,093,750	4,253,472

### **Risks and Uncertainties**

Since the formation of the Company, it has not generated any revenues. 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. In the event that the Company discovers commercially exploitable gold or other deposits, revenue from such discoveries will not be generated unless the gold or other minerals are actually 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 anticipate, 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 to not be insured against this risk because of high insurance costs or other reasons.

## **Recent Accounting Pronouncements**

### ASU 2018-13 - Fair Value Measurement (Topic 820-10)

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820-10): Disclosure Framework Changes to the Disclosure Requirements for Fair Value Measurement (“ASU 2018-13”), which changes the fair value measurement disclosure requirements of ASC Topic 820, Fair Value Measurements and Disclosures. Under this ASU, certain disclosure requirements for fair value measurements are eliminated, amended or added. These changes aim to improve the overall usefulness of disclosures to financial statement users and reduce unnecessary costs to companies when preparing the disclosures. The guidance is effective for the Company beginning on October 1, 2020 and prescribes different transition methods for the various provisions. The Company does not expect the adoption of ASU 2018-13 to have a material impact on its financial statements and disclosures.

### ASU 2019-12 - Income Taxes (Topic 740)

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes (“ASU 2019-12”), which simplifies the accounting for income taxes by removing certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The new ASU also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates. These changes aim to improve the overall usefulness of disclosures to financial statement users and reduce unnecessary costs to companies when preparing the disclosures. The guidance is effective for the Company beginning on October 1, 2021 and prescribes different transition methods for the various provisions. The Company does not expect the adoption of ASU 2019-12 to have a material impact on its financial statements and related disclosures.

### ASU 2016-13 - Financial Instruments-Credit Losses (Topic 326)

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost, including trade receivables. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss model that requires the use of forward-looking information to calculate credit loss estimates. This guidance is effective for annual reporting periods beginning after December 15, 2019, with early adoption permitted. Entities will apply the amendments using a modified retrospective approach. The Company does not expect the adoption of ASU 2016-13 to have a material impact on its financial statements and related disclosures.

### ASU 2020-06 - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging- Contracts in Entity’s Own Equity (Subtopic 815-40)

In August 2020, the FASB issued ASU No. 2020-06 (“ASU 2020-06”) “Debt-Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging-Contracts in Entity’s Own Equity (Subtopic 815- 40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity.” ASU 2020-06 will simplify the accounting for convertible instruments by reducing the number of accounting models for convertible debt instruments and convertible preferred stock. Limiting the accounting models will result in fewer embedded conversion features being separately recognized from the host contract as compared with current GAAP. Convertible instruments that continue to be subject to separation models are (1) those with embedded conversion features that are not clearly and closely related to the host contract, that meet the definition of a derivative, and that do not qualify for a scope exception from derivative accounting and (2) convertible debt instruments issued with substantial premiums for which the premiums are recorded as paid-in capital. ASU 2020-06 also amends the guidance for the derivatives scope exception for contracts in an entity’s own equity to reduce form-over-substance-based accounting conclusions. ASU 2020-06 will be effective January 1, 2024, for the Company. Early adoption is permitted, but no earlier than January 1, 2021, including interim periods within that year. Management is currently evaluating the effect of the adoption of ASU 2020-06 on the consolidated financial statements, but currently does not believe ASU 2020-06 will have a significant impact on the Company’s accounting.

## NOTE 2 - MINERAL PROPERTIES

	Mineral properties	Plant and equipment	Total
<b>Cost</b>			
As at December 31, 2019	\$ 210,425	\$ -	\$ 210,425
Additions	10,920,551	25,625	10,946,176
As at December 31, 2020	\$ 11,130,976	\$ 25,625	\$ 11,156,601
<b>Accumulated depreciation</b>			
As at December 31, 2019	\$ -	\$ -	\$ -
Depreciation expense	-	632	632
As at December 31, 2020	\$ -	\$ 632	\$ 632
Net book value at December 31, 2020	\$ 11,130,976	\$ 24,993	\$ 11,155,969

On October 26, 2020, the Company completed its acquisition of Bullfrog Mines pursuant to the MIPA with the Barrick Parties.

Pursuant to the MIPA, the Company purchased from the Barrick Parties all of the Equity Interests in Bullfrog Mines for aggregate consideration of (i) 9,100,000 units of the Company, each unit consisting of one share of common stock of the Company and one four-year warrant purchase one share of common stock of the Company at an exercise price of C\$1.80 (such number of units and exercise price are set out on a pre-Consolidation basis), (ii) 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"), (iii) the Company granting indemnification to the Barrick Parties pursuant to an indemnity deed, dated October 26, 2020 by and among the Company, the Barrick Parties and Bullfrog Mines, and (iv) certain investor rights, including anti-dilution rights, pursuant to the investor rights agreement dated October 26, 2020, among the Company, Augusta Investments Inc., and Barrick.

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%.

The following is the consideration paid in the acquisition, which was allocated entirely to mineral properties:

<b>Consideration:</b>	
Grant date fair value of 9,100,000 units issued	\$ 8,342,880
Transaction fees	97,571
Asset retirement obligation	1,130,632
Total	\$ 9,571,082

## NOTE 3 - STOCKHOLDER'S EQUITY

### Recent Sales of Unregistered Securities

On February 12, 2019 and March 27, 2019, the Company sold an aggregate of 2,783,333 Units and 974,667 Units, respectively, for gross proceeds to the Company of \$835,000 (\$695,000 of which was received in 2018 and included in liabilities on the consolidated balance sheet) and \$292,400, respectively to accredited investors pursuant to a subscription agreement. Each Unit was sold for a purchase price of \$0.30 per Unit and consisted of: (i) one share of the Company's common stock and (ii) a two-year warrant to purchase 50% of the number of shares of common stock purchased at an exercise price of \$0.60 per share. The warrants were evaluated for purposes of classification between liability and equity. The warrants do not contain features that would require a liability classification and are therefore considered equity.

The Black Scholes pricing model was used to estimate the fair value of \$415,019 of the warrants with the following inputs:

<b>Warrants</b>	<b>Exercise Price</b>	<b>Term</b>	<b>Volatility</b>	<b>Risk Free Interest Rate</b>	<b>Fair Value</b>
1,879,000	\$0.60	2 years	109.0%	2.5%	\$415,019

Using the fair value calculation, the relative fair value between the common stock and the warrants was calculated to determine the warrants' recorded equity amount of \$232,287 accounted for in additional paid in capital.

In March 2019, the Company issued 150,000 shares of common stock for consulting services performed valued at \$0.54 per share and an aggregate of \$81,000.

In April 2019, the Company issued 150,000 shares of common stock for consulting services performed valued at \$0.84 per share and an aggregate of \$126,000.

In August 2019, the Company issued 150,000 shares of common stock for consulting services performed valued at \$0.66 per share and an aggregate of \$99,000.

In October 2019, the Company issued 250,000 shares of common stock for executive and director services valued at \$1.02 per share, for an aggregate of \$255,000.

In October 2019, the Company issued 22,032 shares of common stock for consulting services performed valued at \$0.78 per share and an aggregate of \$17,185.

In November 2019, the Company issued 150,000 shares of common stock for consulting services performed valued at \$0.66 per share and an aggregate of \$99,000.

On January 16, 2020, the Company sold an aggregate of 2,564,103 Units for gross proceeds of CAD\$2,000,000 to accredited investors pursuant to a subscription agreement. Each Unit was sold for a purchase price of C\$0.78 per Unit and consisted of: (i) one share of the Company's common stock and (ii) a two-year warrant (the "January 2020 Warrants") to purchase 50% of the number of shares of common stock purchased at an exercise price of C\$1.20 per share. In addition, the Company paid a total of \$118,918 for finder's fees on subscriptions under the Offering and issued to the finder 152,458 share purchase warrants (the "Finder Warrants"). Each Finder Warrant entitles the holder to acquire one share of common stock at an exercise price of C\$1.20 per share for a period of 24 months from the date of issuance.

The Finder Warrants were evaluated for purposes of classification between liability and equity. The warrants do not contain features that would require a liability classification and are therefore considered equity. The Black Scholes pricing model was calculated in US dollars to estimate the fair value of \$44,858 of the warrants with the following inputs:

<b>Warrants</b>	<b>Exercise Price</b>	<b>Term</b>	<b>Volatility</b>	<b>Risk Free Interest Rate</b>	<b>Fair Value</b>
152,458	\$1.20	2 years	113.5%	1.6%	\$44,858

In July 2020, the Company issued 25,000 and 16,667 shares of common stock for conversion of warrant shares with an exercise price of \$0.60 and C\$1.20, respectively.

In August 2020, the Company issued 250,000 shares of common stock for executive and director services valued at \$1.08 per share, for an aggregate of \$270,000.

In August 2020, the Company issued 83,333 shares of common stock for consulting services performed valued at \$1.14 per share and an aggregate of \$95,000.

In September 2020, the Company issued 75,000 and 50,000 shares of common stock for conversion of warrant shares with an exercise price of \$0.90 and CAD\$1.20, respectively.

On October 26, 2020, the Company sold an aggregate of 18,333,333 Units for gross proceeds to the Company of CAD\$22,000,000 to accredited investors pursuant to a subscription agreement. Each Unit was sold for a purchase price of CAD\$1.20 per Unit and consisted of: (i) one share of the Company's common stock and (ii) a four-year warrant (the "October 2020 Warrants") to purchase one share of common stock purchased at an exercise price of CAD\$1.80 per share. Also, on the same date, the Company completed a land acquisition transaction for an aggregate consideration of 9,100,000 units of the Company, each unit consisting of one share of common stock and one four year warrant to purchase one share of common stock at an exercise price of CAD\$1.80 per share.

In addition to the October 26, 2020 shares, the Company issued the following common shares in October:

- 41,667 shares due to exercising of options with an exercise price of \$0.15
- 83,333 shares due to exercising of warrants with an exercise price of \$0.60

In December 2020, the Company issued the following common shares:

- 353,333 shares due to exercising of options with an exercise price of \$0.15
- 416,667 shares due to exercising of options with an exercise price of \$0.816
- 19,231 shares due to exercising of warrants with an exercise price of CAD\$1.20
- 512,333 shares due to exercising of warrants with an exercise price of \$0.60

The following preferred shares were converted to common shares

- October 2019, 666,667 shares
- November 2019, 111,111 shares
- January 2020, 166,667 shares
- February 2020, 715,278 shares
- July 2020, 166,667 shares
- December 2020, 111,111 shares

### **Convertible Preferred Stock**

In August 2011, the Board of Directors designated 833,333 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 833,333 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.

As of December 31, 2020, the Company had outstanding 3,093,750 shares of Series B Preferred Stock.

### **Common Stock Options**

The Company granted 58,334 and 83,334 options to purchase common stock in January and August 2020, respectively, the former CFO. These options are nonqualified stock options and were 100% vested on grant date. All expense related to these stock options has been recognized in 2020.

The Black Scholes option pricing model was used to estimate the aggregate fair value of the January 2020 options of \$36,699 with the following inputs:

Options	Exercise Price	Term	Volatility	Risk Free Interest Rate	Fair Value
58,334	\$0.66	6 years	160.4%	1.83%	\$36,699

The Black Scholes option pricing model was used to estimate the aggregate fair value of the August 2020 options of \$85,197 with the following inputs:

Options	Exercise Price	Term	Volatility	Risk Free Interest Rate	Fair Value
83,334	\$1.08	6 years	158.8%	(1.02)%	\$85,197

A summary of the stock options as of December 31, 2020 and changes during the periods are presented below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Balance at December 31, 2018	1,583,333	\$0.50	7.70	-
Balance at December 31, 2019	1,583,333	\$0.50	6.70	\$382,500
Exercised	811,667	0.49	-	-
Issued	141,667	0.91	-	-
Balance at December 31, 2020	913,333	\$0.57	6.26	\$1,286,650
Options exercisable at December 31, 2020	913,333	\$0.57	6.26	\$1,286,650

Total outstanding warrants of 31,665,278 as of December 31, 2020 were as follows:

Warrants Issued	Exercise Price	Expiration Date
1,625,000	\$0.90	May 2021
908,333	\$0.60	February 2021
350,000	\$0.60	March 2021
1,348,612	CAD\$1.20	January 2022
27,433,333	CAD\$1.80	October 2024

#### NOTE 4 - DERIVATIVE FINANCIAL INSTRUMENTS

The January 2020 Warrants and October 2020 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 January 2020 Warrants and October 2020 Warrants have a derivative liability value.

The value of the January 2020 Warrants of \$441,010 has been calculated on the date of issuance of January 16, 2020 using Black-Scholes valuation technique. For the year ending December 31, 2020, there was a change in the warrant liability of \$895,353, and the warrant liability was increased to \$1,336,363 with the following assumptions:

	1/16/20	12/31/20
Fair market value of common stock	\$0.66	\$1.92
Exercise price	\$0.90	\$0.90
Term	2 Years	1.04Years
Volatility range	113.5%	90.8%
Risk-free rate	1.58%	0.13%

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. For the year ending December 31, 2020, there was a change in the warrant liability of \$8,741,481, and the warrant liability was increased to \$20,180,637 with the following assumptions:

	<b>10/26/20</b>	<b>12/31/20</b>
Fair market value of common stock	\$1.26	\$1.92
Exercise price	\$1.38	\$1.41
Term	4 Years	3.8 Years
Volatility range	68.4%	69.3%
Risk-free rate	0.18%	0.13%

#### **NOTE 5 - RELATED PARTY**

As of December 31, 2020, and December 31, 2019, the Company had a related party payable with the former CEO and President, of \$0 and \$635,775, respectively. The total related party payable was paid on October 26, 2020.

On January 7, 2020, the Board of Directors approved issuance of 58,334 stock options to the former CFO, with an exercise price of \$0.66 per share determined by the closing price of the Company's common stock as of January 7, 2020. The options are 100% percent vested as of the grant date.

On August 4, 2020, the Board of Directors approved issuance of 83,334 stock options to the former CFO with an exercise price of \$1.08 per share determined by the closing price of the Company's common stock as of August 4, 2020. The options are 100% percent vested as of the grant date.

In August 2020, the Company issued 83,333 shares each of common stock to the former CEO and President and two directors for services valued at \$1.18 per share, for an aggregate of \$270,000.

The following payments were made to the former CEO and President during 2020:

	<b>2020</b>
Salaries	\$ 273,655
Severance	200,000
Share based compensation	90,000
Interest	293,139
Total	\$ 856,794

On October 26, 2020, the Company entered 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 from inception, October 26, 2020 through December 31, 2020:

	<b>2020</b>
Salaries and benefits	\$ 122,031
Office	12,948
Operating expenses	17,875
Total	\$ 152,854



The Company is committed to payments for office leases premises through 2022 in the total amount of approximately \$261,000 based on the Company's current share of rent paid. The Company is jointly liable for rent payments and uses the assets jointly. Payments by fiscal year are:

2021	\$	192,513
2022		68,786
Total	\$	261,299

#### NOTE 6 - COMMITMENTS

On July 1, 2017, RMM entered a 30-year Mineral Lease (the "Lunar Lease") with Lunar Landing, LLC ("Lunar") involving 24 patented mining claims situated in the Bullfrog Mining District, Nye County, Nevada. Lunar owns a 100% undivided interest in the mining claims.

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 \$74,000 as of December 31, 2020 and makes lease payments on the following schedule:

<u>Years Ending December 31</u>	<u>Annual Lease Payment (\$)</u>
2019-2022	16,000
2023-2027	21,000
2028-2032	25,000
2033-2037	30,000
2038-2042	40,000
2043-2047	45,000

On October 29, 2014, RMM entered into an Option Agreement (the "Mojave Option") with Mojave Gold Mining Corporation ("Mojave"). Mojave holds the purchase rights to 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 in October 2014, and RMM must pay to Mojave a total of \$190,000 over the next 10 years of which the Company has made all required payments and paid \$105,000 as of December 31, 2020. Future payments will be due as follows:

<u>Due Date</u>	<u>Amount</u>
October 2021	\$25,000
October 2022	\$30,000
October 2023	\$30,000

On March 23, 2015, Rocky Mountain Minerals Corp. a wholly owned subsidiary of the Company, entered into a Mineral Lease and Option to Purchase Agreement with Barrick Bullfrog Inc. involving patented mining claims, unpatented mining claims, and mill site claims located approximately four miles west of Beatty, Nevada. As discussed in note 2, this agreement was terminated and replaced with the aforementioned MIPA.

On December 9, 2020, Bullfrog Mines entered into an 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. Bullfrog Mines made an initial payment to Abitibi of C\$25,000 and can exercise the Abitibi Option by:

- Paying to Abitibi C\$50,000 in cash or shares of Company common stock by December 9, 2021;
- Paying to Abitibi C\$75,000 in cash or shares of Company common stock by December 9, 2022; and
- Granting to Abitibi a 2% net smelter royalty on the claims subject to the Abitibi Option by December 9, 2022, of which Bullfrog Mines would have the option to purchase 0.5% for C\$500,000 on or before December 9, 2030.

In order to exercise the Abitibi Option, Bullfrog Mines is also required to keep the underlying claims in good standing.

#### NOTE 7 - INCOME TAXES

The effective income tax rate for the years ended December 31, 2020 and 2019 consisted of the following:

	2020	2019
Federal statutory income tax rate on net loss	(21.0%)	(21.0%)
Change in valuation allowance	21.0%	21.0%
Tax rate change	0.0%	0.0%
Effective tax rate	-	-

The components of the deferred tax assets and liabilities as of December 31, 2020 and 2019 are as follows:

	2020	2019
Deferred tax assets:		
Federal and state net operating loss carryovers	\$4,272,223	\$1,837,994
Mineral property	90,575	37,109
Stock compensation	177,658	152,060
Total deferred tax asset	\$4,540,456	\$2,027,163
Less: valuation allowance	(4,540,456)	(2,027,163)
Deferred tax asset	\$-	\$-

The Company has approximately a \$20,300,000 and \$8,800,000 net operating loss carryover as of December 31, 2020 and December 31, 2019, respectively. The net operating loss may offset against taxable income with portion of the net operating loss carryover begins expiring in 2030 and 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, 2020 and 2019, 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 and Colorado. Income taxing authorities have conducted no formal examinations of our past Federal or state income tax returns and supporting records.

#### NOTE 8 - SUBSEQUENT EVENTS

On January 7, 2021, David Beling resigned as a director of the Company. Mr. Beling’s resignation was not the result of any disagreement with the Company or its management regarding any matter relating to the Company’s operations, policies, or practices.

On January 7, 2021, the Company’s board of directors (the “Board”) expanded the size of the Board to seven (7) directors and appointed Mr. Richard Warke, Ms. Poonam Puri and Mr. John Boehner as directors of the Company to fill vacancies on the Board.

On January 11, 2021, the Company filed a Certificate of Amendment to its Certificate of Incorporation to change the name of the Company to “Augusta Gold Corp.” and effect a reverse stock split of the Company’s shares of common stock on the basis of one (1) post-split share for every six (6) pre-split shares (the “Reverse Stock Split”).

On January 20, 2021, the Board appointed Mr. Len Boggio as a director of the Company.

On January 26, 2021, the Certificate of Amendment went effective. As a result of the Reverse Stock Split, every six (6) shares of the Company’s issued and outstanding common stock, par value \$0.0001 was converted into one (1) share of common stock, par value \$0.0001. There was no change in the par value of the common stock. The Reverse Stock Split did not change the authorized number of shares of common stock or preferred stock of the Company.

No fractional shares were issued in connection with the Reverse Stock Split. Stockholders who otherwise would be entitled to receive fractional shares because they hold a number of pre-Reverse Stock Split shares of the Company’s common stock not evenly divisible by six (6), had the number of post-Reverse Stock Split Shares of the Company’s common stock to which they were entitled rounded up to the next whole number of shares of the Company’s common stock. No stockholders received cash in lieu of fractional shares.

Pursuant to the terms of the Company’s Series B Convertible Preferred Stock (the “Series B Preferred Shares”), the conversion price/terms at which Series B Preferred Shares may be converted into shares of common stock were proportionately adjusted to reflect the Reverse Stock Split by dividing the number of pre-Reverse Stock Split shares acquirable upon conversion of Series B Preferred Shares by six (6). In addition, pursuant to their terms, a proportionate adjustment was made to the per share exercise price, multiplying the price by six (6), and number of shares issuable, dividing the number of shares issuable by six (6), under all of the Company’s outstanding stock options and warrants to purchase shares of common stock, and the number of shares reserved for issuance pursuant to the Company’s equity compensation plans was reduced proportionately.

The Company granted 5.8 million stock options to officers, directors and employees of the Company, pursuant to the terms of the Company’s Stock Option Plan. The Options have an exercise price of C\$3.00 per share and expire five (5) years from the date of grant. The Company has also changed its trading symbol on the OTCQB from BFGCD to AUGG.

On March 4, 2021, the Company closed a private placement (the “Private Placement”) of units of the Company (the “Units”) at a price of C\$2.25 per Unit (“Offering Price”), each Unit comprised of one share of common stock of the Company (a “Unit Share”) and one half of one common stock purchase warrant (each full warrant, a “Warrant”). Each Warrant entitles the holder to acquire one share of common stock (a “Warrant Share”) at an exercise price of C\$2.80 per Warrant Share for a period of three (3) years from the date of issuance for gross aggregate proceeds of C\$17 million. The proceeds from the Private Placement will be used to advance exploration efforts at its highly prospective wholly-owned Bullfrog Gold project located in Nevada, USA, and for general and working capital purposes. Finders’ fees of C\$450,000 were paid in connection with the Private Placement.

Pursuant to the closing of the Offering, the Company issued 7,555,556 Unit Shares and 3,777,784 Warrants to investors upon payment of the Offering Price in cash. The Unit Shares and Warrants were issued to investors inside the United States pursuant to the exemption from the registration requirements of the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) under Rule 506(b) of Regulation D under the U.S. Securities Act and outside the United States pursuant to the exclusion from the registration requirements under the U.S. Securities Act under Rule 903 of Regulation S under the U.S. Securities, in each case, in reliance upon the representations and warranties made to the Company by the investors.

The Company issued the following common shares subsequent to December 31, 2020:

	<b>Common Shares</b>
Common shares as of December 31, 2020	55,842,715
Exercise of options	688,333
Exercise of warrants	2,252,330
Preferred shares converted to common shares	2,416,667
Common shares issued for Private Placement	7,555,556
Common shares as of March 15, 2021	68,755,601