TONOGOLD RESOURCES, INC.

FINANCIAL STATEMENTS
(Unaudited)

For the Twelve months ended December 31st 2022 and 2021

CONTENTS

Tonogold Resources Inc

Condensed Balance Sheet

Unaudited

As at	31-Dec-2022	31-Dec-2021
ASSETS		
Cash	$ 29,039	$ 82,842
Prepaid expenses	$ -	$ 180,329
Total Current Assets	**$ 29,039**	**$ 263,172**
Fixed Assets		
Property, plant and equipment, net	$ 31,251	$ 46,251
Other Assets		
Investment in Mil-ler Resources and Energy SA CV (Note 6a)	$ -	$ -
Investment in Persistence Mining (Note 5)	$ 5,000	$ 5,000
Investment in Comstock	$ 643,179	$ 35,541,322
Investment in Durango Project (Note 6b)	$ -	$ -
Total Assets	**$ 708,470**	**$ 35,855,745**
LIABILITIES AND STOCKHOLDERS' (DEFICIT) Current Liabilities		
Convertible Note (Comstock consideration) Note 6d(iv)	$ -	$ 6,650,000
Mil-Ler Settlement (Note 6a)	$ -	$ 188,750
Accounts payable	$ 600	$ 300
Share subscription account (Note 7i)	$ 4,621,612	$ 1,325,000
Accruals other	$ 2,466,191	$ 1,351,963
Accrued payroll - Directors	$ 905,000	$ 490,396
Accrued interest - Note 8f (ii)	$ 6,159,393	$ 3,231,455
Loans from Directors	$ -	$ -
Accrued payroll taxes	$ 112,201	$ 122,862
Convertible loans payable - Note 8f (i)	$ 11,514,168	$ 11,514,168
Total Current Liabilities	**$ 25,779,165**	**$ 24,874,893**
Stockholders' Deficit		
Redeemable Convertible Preference Share 1,000,000 authorized as at December 31st 2022 and December 31st 2021		
Series D preferred Shares 10,000 Authorised zero issued and outstanding at December 31st 2022 and December 31st 2021	$ -	$ -
Common stock, $0.001 par value: shares authorized 999,000,000 at December 31st 2022 and December 31st 2021), and 345,543,338 shares issued and outstanding at Dec 31st 2022 and December 31st 2021	$ 345,544	$ 345,544
Additional paid-in capital	$ 47,147,709	$ 47,147,709
Deficit accumulated	$ (72,563,947)	$ (36,512,400)
Total Stockholders' Deficit	**$ (25,070,695)**	**$ 10,980,852**
Total Liabilities and Stockholder's (Deficit)	**$ 708,470**	**$ 35,855,745**

The accompanying notes are an integral part of these unaudited financial statements

Tonogold Resources Inc

Statement of Operations

(Unaudited)

	3 months ending December 31st		12 months ending December 31st	
	2022	2021	2022	2021
Net Revenues	$ -	$ -	$ -	$ -
Cost of Revenue	$ -	$ -	$ -	$ -
Gross Profit/(Loss)	**$ -**	**$ -**	**$ -**	**$ -**
Operating Expenses				
Mineral Property Costs		$ -	$ -	$ -
General and Administration	$ 443,513	$ 926,872	$ 2,343,323	$ 3,139,016
Total Operating Expenses	**$ 443,513**	**$ 926,872**	**$ 2,343,323**	**$ 3,139,016**
Loss from Operations	**$ (443,513)**	**$ (926,872)**	**$ (2,343,323)**	**$ (3,139,016)**
Interest expense - *Note 8f (ii)*	$ 788,668	$ 448,174	$ 2,927,938	$ 1,684,516
Loss before Provision for income taxes	**$ (1,232,181)**	**$ (1,375,046)**	**$ (5,271,261)**	**$ (4,823,533)**
Partial write back of Mil-Ler Provision (2015) *Note 6a(v)*			$ (549,999)	
Write down of Comstock Assets Note 6d(vii)	$ 31,330,286	$ -	$ 31,330,286	$ -
Provision for Income Taxes		$ -	$ -	$ -
NET GAIN/(LOSS)	**$ (32,562,467)**	**$ (1,375,046)**	**$ (36,051,548)**	**$ (4,823,533)**
Net loss per share - on issue	$ (0.09)	$ (0.00)	$ (0.10)	$ (0.01)
Net loss per share - fully diluted	$ (0.08)	$ (0.00)	$ (0.09)	$ (0.01)
Weighted number of shares on issue	345,543,338	345,543,338	345,543,338	343,909,666
Weighted number of shares fully diluted	402,755,757	351,871,463	385,061,422	346,760,354

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Tonogold Resources Inc

Statement of Cash flows

(Unaudited)

	3 months ended		12 months ended	
	30-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Cash Flows from Operating Activities				
Net gain or (loss)	**$ (32,562,467)**	**$ (1,375,046)**	**$ (36,051,548)**	**$ (4,823,533)**
Adjust to reconcile net loss to net cash provided by ops:				
Depreciation	$ -	$ -	$ -	$ -
Asset write down	$ 31,330,286		$ 31,330,286	
Interest on Convertible Loan Notes (Note 8f(ii))	$ 788,668	$ 448,174	$ 2,927,938	$ 1,684,516
Notes issued for services	$ -	$ -	$ -	$ -
Shares Issued for services	$ -	$ -	$ -	$ -
Provisions Changes in operating working capital:			$ -	$ -
Increase (decrease) in accounts payable	$ 300	$ 300	$ 300	$ 300
Increase (decrease) in share subscription (Note 7i)	$ 328,250	$ 625,000	$ 3,296,612	$ 1,325,000
Increase (decrease) in accrued expenses	$ 187,048	$ 489,250	$ 1,114,229	$ 910,338
Increase (decrease) in loans from directors	$ -	$ -	$ -	$ -
Increase (decrease) payroll taxes	$ -	$ 24,429	$ (10,660)	$ (50,877)
Increase (decrease) accrued payroll liabilities	$ 125,506	$ 107,501	$ 414,604	$ (36,228)
Miller Settlement (Note 6a)	$ -	$ 188,750	$ (188,750)	$ 188,750
(Increase) decrease in pre-paid expenses	$ 91,500	$ (180,329)	$ 180,330	$ 753,786
Net change in operating working captital	**$ 732,605**	**$ 1,254,901**	**$ 4,806,664**	**$ 3,091,068**
Net Cash Provided/(Used) in Operations Cash Flows From Investing Activities	**$ 289,092**	**$ 328,029**	**$ 3,013,340**	**$ (47,949)**
Investment in Comstock venture	$ (286,752)	$ (275,627)	$ (3,082,143)	$ (3,155,941)
Investment in property, plant and equipment	$ 15,000	$ -	$ 15,000	$ (30,112)
Investment in Durango project	$ -	$ -	$ -	$ -
Net Cash Provided by (Used in) Investments Activities	**$ (271,752)**	**$ (275,627)**	**$ (3,067,143)**	**$ (3,186,052)**
Cash Flows from Financing Activities			$ -	$ -
Share Issue - *Note 7*	$ -	$ -	$ -	$ 86,085
Convertible loans - *Note 8f (i)*	$ -	$ 22,000	$ -	$ 22,000
Cost of issues	$ -	$ -	$ -	$ -
Common stock issued for shares			$ -	$ -
Subscribed shares			$ -	$ -
Redemption of preference shares	$ -	$ -	$ -	$ -
Net Cash Provided by Financing Activities	**$ -**	**$ 22,000**	**$ -**	**$ 108,085**
Net (Decrease) Increase in Cash	$ 17,340	$ 74,402	$ (53,803)	$ (3,125,916)
Cash - Beginning of Period	$ 11,700	$ 8,446	$ 82,842	$ 3,208,763
Cash - Ending of Period	**$ 29,039**	**$ 82,848**	**$ 29,039**	**$ 82,847**

The accompanying notes are an integral part of these unaudited financial statements

Tonogold Resources, Inc.

Condensed Statement of Stockholders' (Deficit)

(Unaudited)

	COMMON SHARES		ADDITIONAL	Preferred	INCOME /	ACCUMULATED	SUBSCRIBED
	Shares	Par Value ($0.001)	PAID-IN CAPITAL	Shares	(DEFICIT)	(DEFICIT) / SURPLUS	STOCK (Note 7i)
Balance January 1st 2020	**259,251,210**	**259,301**	**31,041,700**	**6,100,000**	**(27,325,368)**	**10,075,633**	**$ -**
Share Issue (exercise of warrants)	5,500,000	$ 5,500	$ 324,500			$ 330,000	
Cost of past raisings			$ (217,500)			$ (217,500)	
Net Loss for the quarter					$ (829,203)	$ (829,203)	
Balance March 31st 2020	**264,751,210**	**$ 264,801**	**$31,148,700**	**$ 6,100,000**	**$ (28,154,571)**	**$ 9,358,930**	**$ -**
Conversion of Preferred shares into Shares	6,111,111	$ 6,111	$ 1,093,889	$(1,100,000)		$ -	
Minor correction from past		$ (50)	$ 82,550			$ 82,500	
Net Loss for the quarter					$ (926,302)	$ (926,302)	
Balance June 30th 2020	**270,862,321**	**$ 270,862**	**$32,325,139**	**$ 5,000,000**	**$ (29,080,873)**	**$ 8,515,128**	**$ -**
Conversion of Preferred shares into Shares	15,666,667	$ 15,667	$ 2,804,333	$(2,820,000)		$ -	
Share Placement (30c) - August 2020	14,503,350	$ 14,503	$ 4,336,502			$ 4,351,005	
Shares issued for drilling	107,085	$ 107	$ 32,018			$ 32,126	
Share Placement (35c) - September 2020	743,571	$ 744	$ 259,506			$ 260,250	*$ 1,207,201*
Conversion of CLN4	2,854,798	$ 2,855	$ 511,009			$ 513,864	
Exercise of Warrants						$ -	*$ 481,589*
Cost of issues			$ (460,000)			$ (460,000)	
Loss for the period					**$ (1,144,439)**	$ (1,144,439)	
Balance September 30th 2020	**304,737,792**	**$ 304,738**	**$39,808,507**	**$ 2,180,000**	**$ (30,225,312)**	**$ 12,067,933**	***$ 1,688,790***
Share Placement	5,404,531	$ 5,405	$ 1,852,848			$ 1,858,253	*$ (1,207,201)*
Exercise of CLN3 Warrants	12,341,459	$ 12,341	$ 974,034			$ 986,375	*$ (481,589)*
Exercise of CLN4 Warrants	2,080,000	$ 2,080	$ 517,920			$ 520,000	
Conversion of CLN4	1,602,874	$ 1,603	$ 286,914			$ 288,517	
Conversion of CLN3	9,723,780	$ 9,724	$ 962,654			$ 972,378	*$ 479,148*
Shares for service	200,000	$ 200	$ 19,800			$ 20,000	
Shares for drilling	1,476,970	$ 1,478	$ 441,614			$ 443,092	
Redemption of Preference shares				$(2,180,000)		$ (2,180,000)	
Cost of issues			$ (124,770)			$ (124,770)	
Options for past salary due (see Note 9)			$ 1,019,792			$ 1,019,792	
Subscribed Stock tranferred to Liabilities						$ -	*$ (479,148)*
Loss for the period					$ (1,463,555)	$ (1,463,555)	
Balance December 31st 2020	**337,567,406**	**$ 337,568**	**$45,759,314**	**$ -**	**$ (31,688,867)**	**$ 14,408,015**	**$ -**
Conversion of CLN3	4,791,478	$ 4,791	$ 474,357	$ -	$ -	$ 479,148	$ -
Conversion of CLN3	190,570	$ 191	$ 18,866	$ -	$ -	$ 19,057	$ -
Shares for drilling	734,111	$ 734	$ 219,500	$ -	$ -	$ 220,234	$ -
Loss for the period	-	$ -	$ -	$ -	$ (1,133,783)	$ (1,133,783)	$ -
Balance March 31st 2021	**343,283,565**	**$ 343,285**	**$46,472,036**	**$ -**	**$ (32,822,650)**	**$ 13,992,671**	**$ -**
Shares for drilling	1,972,824	$ 1,973	$ 589,874	$ -	$ -	$ 591,847	$ -
Loss for the period	-	$ -	$ -	$ -	$ (1,151,044)	$ (1,151,044)	$ -
Balance June 30th 2021	**345,256,389**	**$ 345,257**	**$47,061,911**	**-**	**(33,973,694)**	**13,433,475**	**$ -**
Subscriptions received	-	**$ -**	**$ -**			$ -	*$ 700,000*
Shares for drilling	286,949	$ 287	$ 85,798	-	-	$ 86,085	$ -
Loss for the period	-	**$ -**	**$ -**	-	(1,163,660)	$ (1,163,660)	**$ -**
Balance September 30th 2021	**345,543,338**	**$ 345,544**	**$47,147,709**	**-**	**$ (35,137,353)**	**12,355,900**	***$ 700,000***
Subscriptions received						$ -	*$ 625,000*
Loss for the period					$ (1,375,046)	$ (1,375,046)	
Balance December 31st 2021	**345,543,338**	**$ 345,544**	**$47,147,709**	**$ -**	**$ (36,512,400)**	**$ 10,980,853**	***$ 1,325,000***
Loss for the period					$ (873,948)	$ (873,948)	*$ 1,006,750*
Balance March 31st 2022	**345,543,338**	**$ 345,544**	**$47,147,709**	**$ -**	**$ (37,386,348)**	**$ 10,106,905**	***$ 2,331,750***
Subscriptions received						$ -	*$ 695,000*
Loss for the period					$ (1,436,393)	$ (1,436,393)	
Balance June 30th 2022	**345,543,338**	**$ 345,544**	**$47,147,709**	**$ -**	**$ (38,822,740)**	**$ 8,670,513**	***$ 3,026,750***
Subscriptions received						$ -	*$ 1,266,612*
Loss for the period					$ (1,178,741)	$ (1,178,741)	
Balance September 30th 2022	**345,543,338**	**$ 345,544**	**$47,147,709**	**$ -**	**$ (40,001,481)**	**$ 7,491,772**	***$ 4,293,362***
Subscriptions received (note 7i)						$ -	*$ 328,250*
Loss for the period					$ (32,562,466)	$(32,562,466)	
Balance December 31st 2022	**345,543,338**	**$ 345,544**	**$47,147,709**	**$ -**	**$ (72,563,947)**	**$(25,070,694)**	***$ 4,621,612***

The accompanying notes are an integral part of these unaudited financial statements

Tonogold Resources, Inc.

Footnotes to Financial Statements

For the Twelve months ended December 2022 and 2021
(Unaudited)

Note 1. The Company

Tonogold Resources, Inc., a Delaware corporation, is a result of the Acquisition of Point Loma Partners, Inc. "PLP" by Gamesboro Com, Inc. "GB" (formerly Alliance Trophy Club, Inc.) as of May 1, 2002. The Company changed its name to Tonogold Resources, Inc. in 2004.

The Company maintains mining leases on properties in Nevada.

Note. 2. Significant Accounting Policies

Basis of Presentation

The accompanying financial statements of Tonogold Resources, Inc. (or the "Company") for the Twelve months ended December 31st 2022 and 2021 are unaudited and, in the opinion of management, contain all adjustments that are of a normal and recurring nature necessary to present fairly the financial position and results of operations for such periods. These financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC").

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of Three months or less as cash equivalents.

Financial Instruments

The carrying value of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and due to related parties, as reported in the accompanying balance sheets, approximates fair value due to the short-term nature of these financial instruments.

Property and Equipment

Property and equipment are stated at cost and depreciated on the straight-line method over the estimated life of the asset, which is 5 to 10 years.

Mining Property costs

The Company incurs costs on activities that relate to the securing and maintaining of mining leases. All costs related to mining properties are expensed.

Long-Lived Assets

In accordance with ASC 350, the Company regularly reviews the carrying value of intangible and other long-lived assets for the existence of facts or circumstances, both internally and externally, that may suggest impairment. If impairment testing indicates a lack of recoverability, an impairment loss is recognized by the Company if the carrying amount of a long-lived asset exceeds its fair value.

Income Taxes

The Company accounts for income taxes under FASB Codification Topic 740-10-25 ("ASC 740-10-25") Income Taxes. Under ASC 740-10-25, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under ASC 740-10-25, 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.

The Company pays certain state minimum taxes that it does not classify as income taxes.

Revenue Recognition

The Company recognizes revenue from the sale of leases at the time the lease is sold and income from consulting agreements as earned. Royalty income is recognized as received. For lease of mining properties acquired prior to the above policy the Company still expenses costs associated with continuing those leases.

Advertising Costs

The Company's policy regarding advertising is to expense advertising when incurred. The Company incurred advertising expense of $0 during the Twelve months ended December 31st, 2022 and 2021.

Stock-Based Compensation

In December 2004, the FASB issued FASB Accounting Standards Codification No. 718, *Compensation –*

Stock Compensation. Under FASB Accounting Standards Codification No. 718, companies are required to measure the compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share-based compensation arrangements include stock options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans. As such, compensation cost is measured on the date of grant at their fair value. Such compensation amounts, if any, are amortized over the respective vesting periods of the option grant. The Company applies this statement prospectively.

Equity instruments ("instruments") issued to other than employees are recorded on the basis of the fair value of the instruments, as required by FASB Accounting Standards Codification No. 718. FASB Accounting Standards Codification No. 505, *Equity Based Payments to Non-Employees* defines the measurement date and recognition period for such instruments. In general, the measurement date is when either a (a) performance commitment, as defined, is reached or (b) the earlier of (i) the non-employee performance is complete or (ii) the instruments are vested. The measured value related to the instruments is recognized over a period based on the facts and circumstances of each particular grant as defined in the FASB Accounting Standards Codification.

Basic and Diluted Net Loss per Common Share

Net Loss per Common Share is computed pursuant to FASB Accounting Standards Codification No. 260, *Earnings per Share*. Basic net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted net loss per share is computed in the same way as for Basic net loss.

Reclassifications

Certain amounts previously presented for prior year have been reclassified. The reclassifications had no effect on net loss, total assets, or stockholders' deficit.

Recent Accounting Pronouncements

The Company has reviewed all recently issued, but not yet effective, accounting pronouncements and does not believe the future adoption of any such pronouncements may be expected to cause a material impact on its financial condition or the results of its operations.

Note 3. Going Concern

The financial statements have been prepared assuming that the Company will continue as a going concern. The Company incurred a net loss of $36 million during the Twelve months ended December

31st, 2022. This raises substantial doubt about its ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company's ability to raise additional capital and to successfully implement its business plan and achieve profitability

Management believes that the actions presently being taken and the success of future operations will be sufficient to enable the Company to continue as a going concern.

However, there can be no assurance that the raising of equity will be successful or that the Company will be able to achieve profitability. Failure to achieve the needed equity funding or establish profitable operations would have a material adverse effect on the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Note 4. Income taxes

The components of the deferred tax asset are as follows:

As at	Dec 31st 2022	Dec 31st 2021
Net Operating Losses carry Forward	$ (19,990,873)	$ (9,890,836)
Valuation allowance	$ (19,990,873)	$ (9,890,836)
Deferred tax Asset	$ -	$ -

The Company had available approximately $53.7 million and $24.9 million at December 31st 2022 and December 31st 2021 respectively, of unused Federal and California net operating loss carry-forward that may be applied against future taxable income. These net operating loss carry-forwards expire through 2035 and 2025 for Federal and State purposes, respectively. There is no assurance that the Company will realize the benefit of the net operating loss carry-forwards.

SFAS No. 109 requires a valuation allowance to be recorded when it is more likely than not that some or all of the deferred tax assets will not be realized.

Reconciliation of the differences between the statutory tax rate and the effective income tax rate is as follows at December 31st 2022 and December 31st, 2021:

Statutory Rate	21%
Net operating loss carry forward	80%
State taxes, net of Federal Tax	6%

Effective tax rate	0%

Note 5. Project investments

During the year ended December 31, 2013 the Company sold Arizona project and Coors project for $20,000 and a 3% royalty capped at $50,000. The total invested on the date of sale was $33,638 in Arizona project and $23,940 in Coors project, a total of $57,578. Any royalties received will be recognized as income if/when received.

During the December 2018 quarter, the Company decided to withdraw from the Durango option in Mexico in order to focus resources on Comstock, Nevada. As a result, all costs previously capitalized were written off during the quarter, representing a one-off charge to earnings of $357,297.

Note 6. Mineral Properties

Currently the Company holds mineral properties in Virginia City, Nevada (Comstock) (see Notes 6c and 6d below)

a) ***Mexico – Mil-Ler***

   i. On September 26, 2014 the Company acquired 100% of Mil-Ler Resources and Energy SA ("Mil-Ler"), a Mexican registered entity in an all-share transaction where 54.1 million Tonogold shares were issued pursuant to this transaction, in October 2017.

   ii. Mil-Ler purportedly owned mineral rights over approximately 340 square kilometers, 40 kilometers north of Hermosillo (the capital of Sonora), Mexico. Exploration drilling over a small area of the total claims during 2011 confirmed the presence of iron ore mineralization. Mil-Ler commenced a small-scale operation in January 2013 and mines ore (both hematite and magnetite) which was beneficiated via a simple two stage crushing and dry magnetic separation process producing approximately 15,000 tonnes of iron ore product which is transported by road to main port at Guaymas (180 kilometers from site) where the product is shipped and sold to China under an off-take agreement. Operations ceased at the end of 2014 when the iron ore price fell. The project remains on care-and-maintenance. As a result of the fall in the price of iron ore and the subsequent cessation of operations, the Company decided to write down its investment in Mil-Ler to $1 at December 31st, 2015 due to the price of iron ore falling to below US$50/t (*62% Fe basis*).

   iii. On April 26th 2021 Tonogold made an announcement which amongst other matters advised that it had recently become aware that it does not hold title to the Mexican assets it believed it had acquired in the Mil-Ler transaction in 2014. The Board of Directors immediately began an investigation into why and how this occurred and will seek to cure the issue in the manner most favorable to the Company.

iv. During the December 2021 quarter the Board resolved to make a proposal to settle the Mil-Ler matter with Travis Miller (a director of the Company and the main shareholder of Mil-ler at the time of its acquisition) and the other previous owners of Mil-ler (the "Mil-ler Parties") with them being required to pay $550,000 to the Company in order to retain the 54.1 million Tonogold shares issued in consideration of the acquisition. As at December 31st 2021, the Mil-ler Parties had provided the Company with $188,750 toward the settlement amount (as previously noted in the Financial Statement relating to this period). During the March 2022 quarter, the Mil-ler Parties provided the remaining $361,250 and settlement occurred during the March 2022 quarter.

v. The $550,000 received (less the remaining carrying value of $1) was recorded as a partial write-back of the provision made in 2015 as earnings during the March 2022 quarter.

b) ***Mexico – Durango***

On January 16th, 2018, the Company announced that it has entered into a binding agreement with a private Mexican entity which provides Tonogold an exclusive right (but not obligation) to acquire 100% interest in the Claudia, Promontorio and Montoros gold/silver properties located in Durango, Mexico (the "**Projects**") for total consideration of $7.3 million in cash. Tonogold paid $100,000 on signing the agreement in January, which provided Tonogold with a 12-month option. Tonogold elected not to exercise the Option and therefore withdrew from this arrangement during the December 2018 quarter.

c) ***Nevada - Comstock Mining (joint venture)***

i. On October 5th, 2017, the Company announced that it had secured an Option Agreement with Comstock Mining Inc ("**CMI**"). which amongst other things, provided Tonogold an exclusive right to earn a 51% controlling interest in 1,162 acres of mining claims in the highly prospective Comstock Lode region in Virginia City, Nevada, which includes the Lucerne Deposit, located in the Storey County. This agreement was superseded in January 2019 when a new agreement was entered into by the parties.

ii. In October 2017, Tonogold paid CMI $200,000 for an initial 6-month option, which was permitted to be extended at Tonogold's election to enter Stage Two of the agreement by making a further payment of $2 million to CMI prior to the expiry of the initial 6-month period.

d) ***Nevada - Comstock New Agreement***

i. On January 28th 2019, Tonogold announced that it had entered into a comprehensive and binding agreement ("New Agreement") with CMI which, on Closing provided Tonogold with, amongst other matters, 100% of the Lucerne project (including the Lucerne gold/silver deposit) and 100% rights over CMI's rights over various exploration claims covering, amongst others, those over the historically significant Gold Hill and Virginia City area in Storey County, Nevada ("**Comstock Acquisition Assets**").

ii. Under the New Agreement (as amended), Tonogold paid CMI total consideration of $15 million, made up as follows:
    - $6.025 million in cash (the "**Cash Component**"),
    - The issue of a $5.475 million Convertible Loan Note ("**CMI Note**") and
    - $3.5 million in Convertible preference shares ("**Pref Shares**").

iii. The $6.025 million **Cash Component** was settled during 2019

iv. The $5.475 million **CMI Note** was issued in March 2020 which provided for:

    a. Monthly cash interest of 12% pa.

    b. $1 million repayment due in October 2020:

        - $0.5 million was repaid during the June 2020 quarter and by repaying early Tonogold was able to negotiate a $100,000 discount.

        - The remaining discounted $0.4 million was repaid during the December 2020 quarter).

    c. During the March 2021 quarter, an $812,500 advance payment in respect of the Northern Comstock Joint Venture was required to be made triggered by CMI's equity raising (. CMI agreed to add this to the CMI Note plus a $262,500 penalty in consideration for the Note's maturity totaling $5.55 million being extended from September 2021 to March 31st, 2022

    d. During the June 2021 quarter Tonogold and CMI entered into an Omnibus Agreement which established the short-term suspension of reimbursement payments required to be made to CMI under the company's Membership Purchase Agreement and Senior Secured Convertible Note. Under the negotiated terms, project reimbursements were suspended from June 1st through August 30th, 2021. The suspended reimbursement payments that were anticipated to aggregate approximately $1,000,000, were added to the principal amount of the convertible note in addition to a 10 percent fee. The addition of the $1,100,000 to the note brings the total principal to $6,650,000.

e. CMI had the option to convert all or part of the $6.65 million balance into Common Shares in Tonogold at the lower of 25 cents or 85% of the 20-day VWAP at any time prior to maturity.

v. However, during the March 2022 quarter, the Company entered into a formal agreement with CMI regarding the Company's debt held by CMI (senior secured convertible promissory note in the amount of $6,650,000 (the "Debt")). The Option Agreement provides that in exchange for extinguishing the Debt owed to CMI, the Company has re-conveyed to CMI the 100% Membership Interests the Company holds in Comstock Mining LLC ("**LLC**"), (the entity that owns the Lucerne Deposit) and CMI has granted an exclusive option to the Company to re-acquire LLC during the next 15 months (the "Option"). By paying $750,000 to CMI, Tonogold will secure the Option until December 31, 2022. Tonogold may further extend the Option period to July 1, 2023 by paying CMI $500,000 to CMI prior to December 31st 2022. The Option to re-acquire LLC can be exercised by Tonogold at any time prior to the expiry of the Option by paying CMI $7,750,000. Various provisions contained in the Option agreement provide value protection of the assets of LLC during the term of the option including but not limited to, requiring the assets to be substantially unchanged (e.g., no mining at Lucerne by CMI is allowed). Details of this transaction were reported to the market in an announcement dated April 4th 2022 *(Link: https://tonogold.com/tonogold-eliminates-debt-held-by-comstock-mining/)*

vi. During the December 2022 quarter, the Company declined to exercise the option to re-acquire Comstock Mining LLC. The exclusive option agreement has expired and 100% ownership of Comstock Mining LLC remains with CMI. Details were reported to the market in an announcement dated January 5th 2023 *(Link: https://tonogold.com/tonogold-resources-inc-declines-to-exercise-option-to-acquire-the-lucerne-properties-receives-termination-notice-for-processing-facility-option-and-mineral-exploration-lease/)*.

vii. As a consequence, the carrying costs relating to these Comstock assets ($31.3 million) were written off during the December quarter leaving a carrying value in the balance sheet of $643,179 relating to the Occidental and other properties secured by Tonogold outside of the Comstock Mining arrangement

viii. During the December 2022 quarter, the Company failed to make required payments of approximately $1.3 million to CMI under the New Agreement. As a result, CMI terminated the agreement providing access to and use of the Process Facility and exploration, development and mining rights to The Expanded Land Position.

ix. **Pref Shares**.

a) In addition to the $3.5 million of Pref Shares issued to CMI as part of the consideration, a further $2.6 million was issued in respect of other costs over the period to December 2020, bringing the total of Pref Shares issued to CMI of $6.1 million.

b) The principal terms of the Pref Shares were:

- Convertible at any time by CMI at $0.18 per share,
- Redeemable by Tonogold at any time by paying 120% of the face value being redeemed.

c) CMI elected to convert $1.1 million of the Pref Shares into 6.1 million Common Shares in May 2020.

d) CMI elected to convert a further $2.82 million of the Pref Shares into 15.667 million Common Shares in Tonogold in December 2020.

e) In October 2020, Tonogold elected to redeem the remaining $2.18 million of the Pref Shares and paid CMI $2.6 million funded mainly from the proceeds of a 35-cent share placement (Note 7c(v))

Note 7. Share Capital

a. During the March 2020 quarter 5,500,000 new shares were issued as a result of the exercise of warrants.

b. During the June 2020 quarter, CMI elected to convert $1.1 million of their $6.1 million Convertible Preference shares into Common Shares and received 6.1 million Common Shares in Tonogold.

c. During the September 2020 quarter:

i. CMI elected to convert a further $2.82 million of the Pref Shares and received 15.7 million Common Shares in Tonogold.

ii. Tonogold 30-cent share placement (August 2020).

a. Tonogold undertook a share placement at 30 cents per share with the granting of 1 warrant for every 2 shares subscribed.

b. The warrant can be exercised at 50 cents per share at any time prior to the earlier of (i) August 31st 2022 or (ii) in the event that the closing price of Tonogold Common Shares is above 70 US cents for 20 consecutive trading days (an “Accelerator Event”) the expiry date shall be brought forward to that date which is the earlier of (i) 60 days following the Company notifying the Warrant holder of the occurrence of the Accelerator Event or (ii) August 31st 2022.

c. Subscriptions totaling $4.551 million were received and accepted (15,170,071 new shares plus 7,585,009 warrants issued) of which all but $200,000 (666,667 shares) being received and shares issued prior to the end of the September 2020 quarter. These funds were received (and shares issued) during the December 2020 quarter.

iii. Funds received were to be directed mainly to the 26,000 meter “Proof of Concept” drill program announced by Tonogold on September 8th 2020 with an estimated total cost of $7 million of which $3.5 million is being funded by the drilling contractor via a 30-cent share for services agreement (with up to 11.7 million shares being reserved for this purpose).

iv. 107,085 Common Shares were issued to the drill contractor (DrillRite) pursuant to the shares for Services agreement representing 50% on the drill cost for partial month of September (i.e., the commencement of the drill program).

v. 35-cent placement (September 2020):

a. Tonogold undertook a 35-cent share placement to raise $2.7 million in order to fund the Redemption of the remaining Pref Shares held by CMI, (up to 9 million shares).

b. No warrants were offered.

c. The redemption of the Pref Share was completed during the December 2020 quarter (Note 6d(v) e).

d. At the end of the September quarter subscriptions and funds totaling $1.47 million (4.2 million shares) had been received with $0.3 million (743k shares) being processed and $1.2 million held in the Share Subscription account.

vi. Conversion of CLN4 ($500,000 plus accrued interest of $13,864) into common Shares at $0.18 per share with 2,854,798 Common Shares being issued.

d. During the December 2020 quarter:

   i. 5.4 million shares were issued from funds received in respect of the share placement announced in the September quarter which is now closed.
   ii. 14.3 million new shares were issued as a result of the exercise of warrants granted as part of CLN3 and CLN4 (see Note 8f(i))
   iii. Notices to convert CLNs into shares totaling $1.4 million of principle plus $0.3 million of interest were received during the December 2020 quarter representing a total of 16.1 million new shares, of which 11.3 were issued prior to the period end and 4.8 million ($479k). were issued in January 2021.

e. During the March 2021 quarter,

   i. The 4.8 million shares discussed in h(iii) above were issued.
   ii. A further 190,570 shares were issued as a result of the holder of a CLN3 Note electing to convert the principal and accrued interest into shares (at 10 cents per share)
   iii. 734,111 shares were issued to DrillRite as part of the drilling for shares arrangement

f. During the June 2021 quarter,

   1,972,824 shares were issued to DrillRite as part of the drilling for shares arrangement, bringing the total number issued under this arrangement to 4,290,990 shares representing $1.3 million of DrillRites direct costs

g. During the September 2021 quarter, 288,949 shares were issued to DrillRite as part of the drilling for shares arrangement, bringing the total number issued under this arrangement to 4,577,941 shares representing $1.4 million of DrillRite's direct drill costs.

h. There have been no new shares issued since the September 2021 quarter.

i. **Share subscription.**

   The Company launched a 20-cent share placement (no warrants) to raise up to $2 million. At June 30th 2021 subscriptions and funds for $700,000 had been received and banked although no shares have been issued to date whilst the company awaits further acceptances enabling the initial closing to occur. Funds received are reflected in the Share Subscription Account in the Balance Sheet.

   i. The placement was subsequently terminated due to the minimum amount to be raised not being reached. However, the subscribers of the $700,000 have agreed to subscribe for shares at $0.16 per share.

ii. An additional $3.6 million was raised through to September 30th 2022 and a further $0.3 million received during the December 2022 quarter, bringing the total amount received to $4.6 million.

iii. The average subscription price with regards to the $4.6 million raised to date is 7.7 cents per share, representing 60 million new shares.

iv. No shares were issued in respect of these placements during the December 2022 quarter.

v. Subsequent to the end of the December quarter, 55,884,563 new shares have been issued in respect of $4.3 million (leaving 3.9 million shares ($250,000) remaining to be issued).

Note 8. Convertible Loan Notes

There were no activities regarding the Convertible Loan Notes during the December 2022 quarter other than the charge for accrued interest.

a. **CLN1**

The Company issued a series of loan notes ("**CLN1**"), which were convertible into common shares with a principal balance of $950,000 at June 30, 2015. During 2017, the Company secured the agreement of the holders of CLN1 to convert the principle balance plus accrued interest to August 31st, 2017 ($262,000) into ordinary shares at a conversion price of 5 cents per share. As a result, 24,239,994 shares were issued during October 2017 (see Note 7 above). This agreement paved the way for a second series of loan notes (CLN2) to be issued to help fund the option payments in respect of Lucerne and Durango, the due diligence programs in respect of those projects and to fund general working capital requirements.

b. **CLN2**

During 2016, the Company launched a raising through the issue of a second series of Convertible Loan Notes ("**CLN2**"), convertible into Common shares at 5 cps. Since the launch through to March 2019, an aggregate of $2.2 million was raised from CLN2. During the December 2017 quarter, $20,000 of principle and $2,769 of accrued interest were converted into Common shares at 5 cents per share (455,387 shares). These notes accrued interest at 12% per annum (which was capitalized).

In addition, free attaching Warrants were granted to investors of CLN2 as follows:

- Subscribers to CLN2 who invested in 2016 were granted 40-warrants for each $1 invested in CLN exercisable at 5 cents per share expiring July 31st, 2018 (10.1 million warrants were issued).
- Subscribers to CLN2 who invested after 2016 were granted 15-warrants for each $1 invested in CLN exercisable at 9 cents per share expiring July 31st, 2018 (29.4 million warrants were

issued).

These funds raised through the issue of this Loan Note provided the financial resources required to complete the initial phase of the Comstock Joint Venture and toward the requirements for this year (see Mineral Properties Note 6 above).

During the December 2018 quarter, $288,122 ($233,000 (principle) plus $55,122 (accrued interest)) was converted by the holders into Shares at 5 cents per share with **5,762,441** new shares issued.

During the December 2018 quarter, the remaining $1,959,766 of principle plus accrued interest of $275,221 was converted into Shares at 5 cents per share with **44,700,060** new shares being issued during December 2018 leaving a zero balance at that date.

c. **CLN3**

Tonogold launched a new Convertible Loan Note (CLN3) during the December 2018 quarter. A summary of the key terms were as follows:

- Interest 12% pa compounded monthly and capitalized,
- Maturity – December 31st, 2021,
- Convertible into fully paid shares in Tonogold at the holder's option at any time prior to maturity at 10 cents per share,
- The granting of 10 free warrants for each $1 invested in the Note, exercisable at 20 cents per share prior to their expiry (December 31st, 2021).

CLN3 was closed during 2019. A total of $6.4 million was received from investors with $3.2 million being converted into Common Shares in the Company to date.

d. **CLN4**

During the June 2019 quarter, Tonogold launched Convertible Loan Note series 4 ("CLN4"). A summary of the key terms are as follows:

- Interest 12% pa compounded monthly and capitalized,
- Maturity – December 31st, 2021,
- Convertible into fully paid shares in Tonogold at the holder's option at any time prior to maturity at 18 cents per share,
- The granting of 5.56 free warrants for each $1 invested in the Note, exercisable at 25 cents per share prior to their expiry (December 31st, 2021).

To date $9.0 million had been received from investors in respect of CLN4 and $750,000 has been converted into Common Shares so far.

e. **Proposal to extend the maturity of CLN3 and CLN4**

During 2022, the Company has made proposals to holders of CLN3 and CLN4 to extend the maturity date to August 31st 2022 and change the terms of the Notes and associated warrants subject to Note holders entering into conditional agreements committing to convert their Notes as follows:

i. **CLN 3.**

- The interest rate is to be increased from 12% pa to 18% pa effective January 1st 2022
- The Company has further reduced the conversion price from $0.07 to $0.045 per share.
- Any warrants issued pursuant to the Note that have not been previously exercised shall have their expiry date extended by 12-months from the date the Note is converted.
- The strike price of the remaining warrants has been reduced from 20 to 16 cents per share.

ii. **CLN4**

- The interest rate is to be increased from 12% pa to 18% pa effective January 1st 2022
- The Company has further reduced the conversion price from $0.13 per share to $0.08 per share
- Any warrants issued pursuant to the Note that have not been previously exercised shall have their expiry date extended by 12-months from the date the Note is converted and the strike price reduced from $0.25 to $0.16 per share

f. **Summary**

i. Details of the principal amount of Convertible Loan Notes outstanding at December 31st 2022 for all Convertible Loan Notes of $11.5 million is provided in the table below.

Convertible Loan Notes - Principle	**CLN3**	**CLN4**	**TOTAL**
Balance December 31st 2018	***$ 1,571,250***	***$ -***	***$ 1,571,250***
Funds received March 2018 quarter	*$ 1,656,727*	*$ -*	*$ 1,656,727*
Balance March 31st 2019	***$ 3,227,977***	***$ -***	***$ 3,227,977***
Funds received June 2019 quarter	*$ 1,825,000*	*$ 190,000*	*$ 2,015,000*
Balance June 30th 2019	***$ 5,052,977***	***$ 190,000***	***$ 5,242,977***
Funds received Sept 2019 quarter	*$ 1,360,000*	*$ 560,000*	*$ 1,920,000*
Balance Sept 30th 2019	***$ 6,412,977***	***$ 750,000***	***$ 7,162,977***
Funds received Dec 2019 quarter	*$ 10,000*	*$ 807,000*	*$ 817,000*
Notes Converted	***$ (2,021,250)***	***$ -***	*$ (2,021,250)*
Balance Dec 31st 2019	***$ 4,401,727***	***$ 1,557,000***	***$ 5,958,727***
Funds received March 2020 quarter	*$ -*	*$ 2,635,300*	*$ 2,635,300*
Issued for services	*$ -*	*$ 122,500*	*$ 122,500*
Balance March 31st 2020	***$ 4,401,727***	***$ 4,314,800***	***$ 8,716,527***
Funds received June 2020 quarter	*$ -*	*$ 3,362,116*	*$ 3,362,116*
Balance June 30th 2020	***$ 4,401,727***	***$ 7,676,916***	***$ 12,078,643***
Notes Converted	*$ -*	*$ (500,000)*	*$ (500,000)*
Funds received Sept 2020 quarter	*$ -*	*$ 1,328,525*	*$ 1,328,525*
Balance Sept 30th 2020	***$ 4,401,727***	***$ 8,505,441***	***$ 12,907,168***
Notes Converted	*$ (1,150,000)*	*$ (250,000)*	*$ (1,400,000)*
Balance December 31st 2020	***$ 3,251,727***	***$ 8,255,441***	***$ 11,507,168***
Notes Converted	*$ (15,000)*	*$ -*	*$ (15,000)*
Balance September 30th 2021	***$ 3,236,727***	***$ 8,255,441***	***$ 11,492,168***
Adjustment (December 2021 quarter)	*$ -*	*$ 22,000*	*$ 22,000*
Balance December 31st 2022#	***$ 3,236,727***	***$ 8,277,441***	***$ 11,514,168***

#NOTE There have been no changes since the December 2021 quarter

ii. Details of the accrued interest balance as at December 31st 2022 of $6.2 million, which includes the charge for the quarter of $0.8 million, is provided in the table below

Convertible Loan Notes - Interest	CLN3	CLN4	TOTAL
Balance January 1st 2020	***$ 411,157***	***$ 49,725***	***$ 460,882***
Charge for the March 2020 quarter	*$ 134,443*	*$ 102,542*	*$ 236,985*
Balance March 31st 2020	***$ 545,600***	***$ 152,267***	***$ 697,867***
Charge for the June 2020 quarter	*$ 151,990*	*$ 183,374*	*$ 335,364*
Balance June 30th 2020	***$ 697,590***	***$ 335,641***	***$ 1,033,231***
Charge for the September 2020 quarter	*$ 171,389*	*$ 259,140*	*$ 430,529*
Notes Converted		*$ (13,864)*	*$ (13,864)*
Balance September 30th 2020	***$ 868,979***	***$ 580,917***	***$ 1,449,896***
Charge for the December 2020 quarter	*$ 163,293*	*$ 277,849*	*$ 441,142*
Notes Converted	*$ (301,526)*	*$ (38,517)*	*$ (340,043)*
Balance December 31st 2020	***$ 730,745***	***$ 820,249***	***$ 1,550,995***
Charge for the March 2021 quarter	*$ 120,583*	*$ 274,999*	*$ 395,582*
Notes Converted	*$ (4,057)*	*$ -*	*$ (4,057)*
Balance at March 31st 2021	***$ 847,272***	***$ 1,095,248***	***$ 1,942,520***
Charge for the June 2021 quarter	*$ 125,140*	*$ 286,516*	*$ 411,656*
Balance at June 30th 2021	***$ 972,412***	***$ 1,381,764***	***$ 2,354,176***
Charge for the September 2021 quarter	*$ 130,474*	*$ 298,630*	*$ 429,104*
Balance at September 30th 2021	***$ 1,102,886***	***$ 1,680,394***	***$ 2,783,280***
Charge for the December 2021 quarter	*$ 134,446*	*$ 313,727*	*$ 448,173*
Balance at December 31st 2021	***$ 1,237,332***	***$ 1,994,121***	***$ 3,231,453***
Charge for the March 2022 quarter	*$ 204,364*	*$ 469,175*	*$ 673,539*
Balance at March 31st 2022	***$ 1,441,696***	***$ 2,463,296***	***$ 3,904,992***
Charge for the June 2022 quarter	*$ 216,113*	*$ 496,145*	*$ 712,259*
Balance at June 30th 2022	***$ 1,657,810***	***$ 2,959,442***	***$ 4,617,251***
Charge for the Sept 2022 quarter	*$ 228,618*	*$ 524,856*	*$ 753,474*
Balance at September 30th 2022	***$ 1,886,428***	***$ 3,484,298***	***$ 5,370,725***
Charge for the Sept 2022 quarter	*$ 239,297*	*$ 549,371*	*$ 788,668*
Balance at December 31st 2022	***$ 2,125,725***	***$ 4,033,669***	***$ 6,159,393***

iii. Details of the potential future shares to be issued on conversion of Notes (including accrued interest through to December 31st 2022) of 273.0 million is provided in the table below

Convertible Loan Notes - Summary - to December 31st 2022	CLN3	CLN4	TOTAL
Principle	*$ 3,236,727*	*$ 8,277,441*	***$ 11,514,168***
Interest	*$ 2,125,725*	*$ 4,033,669*	***$ 6,159,393***
Total	***$ 5,362,452***	***$ 12,311,110***	***$ 17,673,561***
Convertible at (price per share)	*$ 0.045*	*$ 0.080*	
Potential future share issue	***119,165,590***	***153,888,870***	***273,054,460***

iv. During the December 2022 quarter, there were no changes to the warrants issued in respect of the Convertible Notes. At December 31st 2022, there were 57.4 million warrants issued and remaining outstanding in respect of the Convertible Notes, details of which are provided in the table below.

Convertible Loan Notes - Warrants	*CLN3*	*CLN4*	*TOTAL*
Warrants on issue at January 1st 2020	***35,962,500***	***8,378,920***	***44,341,421***
Exercised during the quarter	*(5,500,000)*	*-*	*(5,500,000)*
Expired	*(12,512,500)*	*-*	*(12,512,500)*
Issued during the quarter	*-*	*15,333,368*	*15,333,368*
Warrants on issue at March 31st 2020	***17,950,000***	***23,712,288***	***41,662,289***
Issued during the quarter	*-*	*18,693,365*	*18,693,365*
Warrants on issue at June 30th 2020	***17,950,000***	***42,405,653***	***60,355,654***
Issued during the quarter	*-*	*7,386,599*	*7,386,599*
Overstated expired March 20 quarter	*5,979,166*	*-*	*5,979,166*
Warrants on issue at Sept 30th 2020	***23,929,166***	***49,792,252***	***73,721,419***
Exercised during the December 2020 quarter	*(12,341,459)*	*(2,080,000)*	*(14,421,459)*
Expired during the December 2020 quarter	*(2,054,316)*	*-*	*(2,054,316)*
Adjustment previous periods	*-*	*122,320*	*122,320*
Total at December 31st 2022	***9,533,391***	***47,834,572***	***57,367,964***

NOTE; There were no changes since the December 2021 quarter

Note 9. Directors unpaid Remuneration

The balance owing in respect of salary and fees to current and past directors (and accrued) as at December 30th 2020 was $1.4 million. At the end of 2020, the directors were offered Share Options in lieu of some or all of their past entitlement. A total of $1.0 million owing to directors was converted into 9 million 5-year Options at an average strike price of US$0.61 per shares. The valuation of the options granted used the Black Scholes model.

Note 10. Warrants issued for services

a) As at December 31st 2022 the Company had issued and outstanding 51.1 million warrants at an average strike price of $0.57 per share. There were no options issued, exercised during the December 2022 quarter. 500,000 warrants expired during the December 31st 2022 quarter.

Name	Position	Number	Exercise Price	Expiry
Mark Ashley	Previous CEO and Director	2,500,000	$ 0.15	July 30th, 2023
Travis Miller	Previous COO and Director	2,000,000	$ 0.15	July 30th, 2023
Jordan Moelis	Previous Non-executive Director	1,000,000	$ 0.15	July 30th, 2023
Gustavo Mazon	Previous Non-executive Director	1,000,000	$ 0.15	July 30th, 2023
Fernando Berdegue	Previous Consultant	1,000,000	$ 0.15	July 30th, 2023
Brian Zumudio	Previous Non-executive Director	1,000,000	$ 0.15	July 30th, 2023
Travis Miller	Previous COO and Director	2,250,000	$ 0.65	Dec 31st 2023
Jordan Moelis	Previous Non-executive Director	2,500,000	$ 0.65	Dec 31st 2023
Robert Kopple	Non-executive Director	1,600,000	$ 0.65	Dec 31st 2023
Alan Edwards	Previous Non-executive Chairman	600,000	$ 0.65	Dec 31st 2023
Thomas Vehrs	Previous Non-executive Director	200,000	$ 0.55	Dec 31st 2023
Gustavo Mazon	Previous Non-executive Director	1,800,000	$ 0.45	Dec 31st 2023
Robert Kopple	Non-executive Director	1,000,000	$ 0.15	Jan 30th, 2024
Odeon Capital	Fee for Capital raising	400,000	$ 0.25	May 31st, 2024
Alan Edwards	Previous Non-executive Chairman	2,500,000	$ 0.30	May 31st 2025
Thomas Vehrs	Previous Non-executive director	1,500,000	$ 0.30	May 31st 2025
Brian Metzenheim	VP Exploration	1,500,000	$ 0.25	June 30th 2025
Mark Ashley	Previous CEO and Director	5,000,000	$ 0.45	Sept 30th 2025
Mark Ashley	Previous CEO and Director	5,000,000	$ 1.00	Sept 30th 2025
Mark Ashley	Previous CEO and Director	5,000,000	$ 1.85	Sept 30th 2025
Travis Miller	Previous COO and Director	5,000,000	$ 0.45	Sept 30th 2025
Odin Christensen	Technical Consultant	1,000,000	$ 0.35	Feb 23rd 2026
Fred Kofman	Previous Non-executive director	1,500,000	$ 0.20	July 30, 2026
Scott Jolcover	Consultant	750,000	$ 0.50	Oct 31, 2025
Odeon Capital	Fee for Capital raising	615,833	$ 0.18	Jan 1, 2023
Odeon Capital	Fee for Capital raising	390,000	$ 0.30	Oct 1st 2023
Robert Kopple	Corporate structure advice	2,500,000	$ 0.16	Dec 27, 2023
TOTAL/AVERAGE at December 31st 2022		**51,105,833**	**$ 0.57**	

b) A further 10.0 million Options are to be granted to 4 new directors announced by the Company on April 13th 2022 and May 20th 2022 (see Notes 11c, 11d and 11d below) are not yet included in this total.

Note 11. Employment agreement

a) In June 2013 the Company entered into an employment agreement with Mark Ashley as the Chief Executive Officer. The contract was conditional on raising capital of between $360,000 and $675,000, which was satisfied within the time frame established. Remuneration was set at $192,000 per year (reviewable annually) plus the issue of warrants. Mr. Ashley's role as CEO was terminated on April 22nd 2021.

b) Mr. Travis Miller was appointed to the board as an executive director on September 26, 2014 upon executing a Closing Agreement with Mil-Ler (see Note 13). Mr. Miller's contract of employment included terms which included that he would be based in Hermosillo, Mexico and shall receive an annual remuneration of $180,000 (reviewable annually) plus the issue of warrants. Mr. Miller resigned his executive role as COO on April 22nd 2021.

c) On April 13th 2022, the Company announced the appointment of two new directors; William Hunter (as Chairmans and Interim CEO) and Ryan Welker (as an independent director). As full compensation for the Services to be provided the Company shall (i) pay to each of these new Directors a retainer in the amount of $20,000 per calendar quarter (or pro-rate thereof) which shall be paid in shares of common stock of the Company (ii) grant to the Director share options to purchase shares of common stock of the Company. The Option will vest as to 50% of the shares covered thereby on the date of grant, and will vest as to the remaining 50% of the shares covered thereby on the first anniversary of the date of grant, subject to the Director's continued service as Chairman of the Board of Directors and Chief Executive Officer. The Option will have an exercise price equal to the higher of (i) the market value per share of the Company's common stock on the date of grant, and (ii) one hundred ten percent (110%) of the price per share at which the Company's common stock is sold in the Equity Raise. The company has agreed to grant 2.5 million options to Mr. Hunter and 2.0 million Options to Mr. Welker.

d) As Interim CEO, William Hunter will also receive

   i. an annual remuneration of $300,000 of which $200,000 is payable in cash and $100,000 in common shares of Tonogold, and
   ii. 1.5 million share options

e) On May 20th 2022, the Company further announced the appointment of two new directors; Gil Playford and Cody Whipperman (as independent directors). As full compensation for the Services to be provided the Company shall (i) pay to each of these new Directors a retainer in the amount of $20,000 per calendar quarter (or pro-rate thereof) which shall be paid in shares of common stock of the Company (ii) grant to each Director, 2.0 million share options to purchase shares of common stock of the Company. The Options will vest as to 50% of the shares covered thereby on the date of grant, and will vest as to the remaining 50% of the shares covered thereby on the first anniversary of the date of grant, subject to the Director's continued service as Directors. The Options will have an exercise price equal to the higher of (i) the market value per share of the Company's common stock on the date of grant, and (ii) one hundred ten percent (110%) of the price per share at which the Company's common stock is sold in the Equity Raise. It was also announced that in conjunction with these appointments, Travis Miller and Gustavo Mazon have stepped down as Directors. As at the date of this report, the Options to the 4 new Directors have yet to be granted.

Note 12. Investment in Persistence Data Mining Inc.

Persistence Data Mining, Inc. (PDMI) was formed as a Nevada corporation in February 2012 with Tonogold acquiring 750,000 shares (2.7%) of the company. PDMI is an AgTech development company.

Note 13. Agreement with Mil-Ler Resources

a) On October 18, 2013, Tonogold Resources, Inc. entered into an exclusive option agreement with Mil-Ler a private Mexican mining and Exploration Company to acquire up to 34% equity interest in Mil-Ler two tranches of $5 million each for a total investment of up to $10 million. On February 18, 2014, the option was extended until June 28, 2014 and Tonogold obtained the right to purchase shares from existing shareholders that would bring its ownership in Mil-Ler to 51% for a payment of $6 million plus a minimum of 59 million shares in Tonogold (subject to raising scale in the event that Tonogold's share price is above 10cps at that time). On May 8, 2014 Tonogold obtained the right to acquire 100% upon issuance 54,100,000 Tonogold shares.

b) Mil-Ler purportedly owned mineral rights over approximately 340 square kilometers, 40 kilometers north of Hermosillo (the capital of Sonora), Mexico. Exploration drilling over a small area of the total claims during 2011 confirmed the presence of iron ore mineralization. Mil-Ler commenced a small-scale operation in January 2013 and mines ore (both hematite and magnetite) which was beneficiated via a simple two stage crushing and dry magnetic separation process producing approximately 15,000 tonnes of iron ore product which is transported by road to main port at Guaymas (180 kilometers from site) where the product is shipped and sold to China under an off-take agreement. Operations ceased at the end of 2014 when the iron ore price fell.

c) The parties executed a Closing Agreement on September 26, 2014. The 54.1 million shares required to be issued pursuant to this transaction, were issued in October 2017.

d) As a result of the fall in the price of iron ore and the subsequent cessation of operations, the Company decided to write down its investment in Mil-Ler to $1 at December 31st, 2015.

e) On April 26th 2021 Tonogold made an announcement which amongst other matters advised that it had recently become aware that it does not hold title to the Mexican assets it believed it had acquired in the Mil-Ler Resources and Energy SA transaction in 2014. The Board of Directors immediately began an investigation into why and how this occurred and will seek to cure the issue in the manner most favorable to the Company.

f) During the December 2021 quarter the Board resolved to make a proposal to settle the Mil-Ler matter with Travis Miller (a director of the Company and the main shareholder of Mil-ler at the time of its acquisition) and the other previous owners of Mil-ler (the "Mil-ler Parties") with them being required to pay $550,000 to the Company in order to retain the 54.1 million Tonogold shares issued in consideration of the acquisition. The Mil-ler Parties provided the Company with the $550,000 settlement amount during the March 2022 quarter. Details were reported to the market in our announcement dated April 4th 2022 *(Link: https://tonogold.com/tonogold-eliminates-debt-held-by-comstock-mining/)*

Note 14. Options and Warrants outstanding

During August 2022, 7.6 million warrants with an exercise price of $0.50 per share expired. A breakdown of the 108.4 million Options and Warrants at an average strike price of $0.35 per share outstanding as at December 31st 2022 is provided in the table below:

Detail	Reference	Number	Ave Exercise Price	Expiry
Issued re CLN3#	See Note 8f (iv)	9,533,391	$ 0.16	30-Jun-23
Issued re CLN4#		47,834,572	$ 0.16	
Executives/Directors/Consultants	See Note 10	51,105,833	$ 0.57	Various see Note 10
TOTAL/average at December 31st 2022		**108,473,796**	**$ 0.35**	

 # Although technically expired, these warrants will be re-issued to those Noteholders who ultimately convert to shares

Note 15. Subsequent Events

The Company has evaluated subsequent events from December 31st 2022 through the date the financial statements were available to be issued and it has been determined that other than those matters covered in the Notes to these Financial Statements, there have been no subsequent events of materiality for which disclosure is required.

PART 2

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operations

The Company maintains leases on gold mining properties. The Company is currently focused on the recently acquired Comstock Lode, Nevada.

Revenues

The Company had no revenues for the Twelve months ended December 31st, 2022 and 2021

Mineral Property Costs

There were no Mineral property costs during the quarter.

General and Administrative Expenses

Total expenses for the December 2022 quarter totaled $0.4 million compared to $0.9 million for the corresponding period of 2021.

	3months ending Dec 31st		12 months ending Dec 31st	
	2022	2021	2022	2021
Wages and salaries Office	$ 152,000	$ 106,781	$ 643,980	$ 833,007
Insurance	$ 160,118	$ 75,922	$ 385,760	$ 305,572
Office costs	$ 1,058	$ (2,006)	$ 5,261	$ 7,186
Investor relations	$ 31,063	$ 113,807	$ 139,888	$ 215,663
OTC Markets, Inc. filings	$ 3,800	$ (1,375)	$ 12,592	$ 10,966
Travel	$ -	$ (200)	$ -	$ (5,528)
Telephone	$ -	$ -	$ -	$ 3,638
Legal fees	$ 18,776	$ 108,266	$ 178,097	$ 272,090
Accounting/Audit fees	$ 69,450	$ 129,415	$ 388,772	$ 570,452
Interest paid (CMI Note)	$ 418	$ 203,933	$ 542,567	$ 721,100
Other expense	$ 6,829	$ 192,329	$ 46,407	$ 204,870
TOTAL	**$ 443,513**	**$ 926,872**	**$ 2,343,323**	**$ 3,139,016**

Interest paid of 0.5 million during the Twelve months to December 31st 2022 ($0.7 million for the corresponding period 2021) relates to the Loan Note issued to CMI as part of the Comstock acquisition (Note 6d(iv). There was no interest incurred during the December 2022 quarter as the loan was eliminated during the March 2022 quarter as a result of the Option agreement entered into between Tonogold and CMI (as described in Note 6d(v).

Other expense in 2021 included $200,000 payment in respect to investment banking.

Interest Expense

Accrued Interest expense in respect of the Convertible Notes amounted to $2.9 million for the Twelve months ended December 2022 compared to $1.7 million for the corresponding period for 2021.

Provision for Income Tax

We incurred taxable losses; consequently, no liability to taxation was incurred during the Twelve months ended December 31st, 2022, and 2021.

Working Capital

As of December 31st, 2022 the Company had cash of $29,000. The Company had a **positive** working capital position of $6.3 million at December 31st, 2022 compared to $11.0 million at December 31st, 2021.

The Company incurred a net loss from continuing operations of $1.2 million for the three months to December 2022 (loss of $4.7 million for the Twelve-months) compared to $1.4 million for the three-month corresponding period of 2021 ($4.8 million for the Twelve-months).

At December 31st, 2022 the Company had a total principal balance of $11.5 million outstanding in respect of the convertible loan notes, reflecting a nil movement since December 31st, 2021 (see Note 8 (f)).

The Company may need to raise additional funds during the next Twelve months in order to sustain our business. Additional funds may not be available, and we cannot predict what revenues and cash flow from operations we can expect during the next Twelve months.

Cash flows

The following table summarizes selected items from our "Statement of Cash Flows" for the Three and Twelve months ended December 31st 2022 and 2021.

	Three months ending Dec 31st		Twelve months ending Dec 31st	
	2022	2021	2020	2021
Net Cash provided by/(used in):				
Operations	$ 122,340	$ 328,029	$ 2,846,588	$ (47,949)
Investing	$ (105,000)	$ (275,627)	$ (2,900,391)	$ (3,186,052)
Financing	$ -	$ 22,000	$ -	$ 108,085
Increase/(decrease) in cash	**$ 17,340**	**$ 74,402**	**$ (53,803)**	**$ (3,125,916)**