

MARCHING MOOSE CAPITAL CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)

FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2017 AND 2016

MARCHING MOOSE CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2017 AND MARCH 31, 2017
(Unaudited – Expressed in Canadian dollars)

As at	September 30, 2017	March 31, 2017
ASSETS		
Current		
Cash	\$ 86,796	\$ 150,324
Receivables	<u>3,958</u>	<u>4,038</u>
	<u>\$ 90,754</u>	<u>\$ 154,362</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	<u>\$ 4,784</u>	<u>\$ 15,902</u>
Shareholders' equity		
Share capital (Note 4)	314,246	314,246
Reserves (Note 4)	62,379	62,379
Deficit	<u>(290,655)</u>	<u>(238,165)</u>
	<u>85,970</u>	<u>138,460</u>
	<u>\$ 90,754</u>	<u>\$ 154,362</u>

Nature and continuance of operations (Note 1)
Proposed Qualifying Transaction (Note 8)

**On behalf of the Board on November 22,
2017:**

“Luc Pelchat” Director _____
“Larry K. Doan” Director

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

MARCHING MOOSE CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE PERIODS ENDED SEPTEMBER 30, 2017 AND 2016
(Unaudited – Expressed in Canadian dollars)

	Three Month Period Ended September 30, 2017	Three Month Period Ended September 30, 2016	Six Month Period Ended September 30, 2017	Six Month Period Ended September 30, 2016
EXPENSES				
Professional fees (Note 5)	\$ 23,684	\$ 2,175	\$ 35,188	\$ 8,962
Regulatory fees	4,633	(4,960)	15,858	(4,960)
Rent expense	-	297	99	594
Office costs	-	-	145	-
Shareholder communications	-	-	1,200	-
Gain on forgiveness of debt	-	(21,509)	-	(21,509)
Comprehensive income (loss) for the period	\$ (28,317)	\$ 23,997	\$ (52,490)	\$ 16,913
Basic and diluted income (loss) per common share	\$ (0.02)	\$ 0.01	\$ (0.03)	\$ 0.01
Weighted average number of common shares outstanding – basic and diluted	1,820,003	1,820,003	1,820,003	1,820,003

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

MARCHING MOOSE CAPITAL CORP.
CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS AT SEPTEMBER 30, 2017
(Unaudited – Expressed in Canadian dollars)

	Share Capital				Total Shareholders' Equity
	Shares	Amount	Reserves	Deficit	
Balance, March 31, 2016	1,820,002	\$ 314,246	\$ 62,379	\$ (168,426)	\$ 208,199
Fractional share adjustment	1	-	-	-	-
Loss for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(69,739)</u>	<u>(69,739)</u>
Balance, March 31, 2017	1,820,003	\$ 314,246	\$ 62,379	\$ (238,165)	\$ 138,460
Loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52,490)</u>	<u>(52,490)</u>
Balance, September 30, 2017	1,820,003	\$ 314,246	\$ 62,379	\$ (290,655)	\$ 85,970

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

MARCHING MOOSE CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED SEPTEMBER 30, 2017 AND 2016
(Unaudited – Expressed in Canadian dollars)

	Six Month Period Ended September 30, 2017	Six Month Period Ended September 30, 2016
OPERATING ACTIVITIES		
Income (Loss) for the period	\$ (52,490)	\$ 16,913
Item not involving cash		
Gain on forgiveness of debt	-	(21,509)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	(11,118)	(2,879)
Due to related party	-	(8,591)
Receivables	80	(391)
Cash used in operating activities	(63,528)	(16,457)
Change in cash during the period	(63,528)	(16,457)
Cash, beginning of period	150,324	231,864
Cash, end of period	\$ 86,796	\$ 215,407

There was no cash paid for interest or income taxes during the period, and there were no significant non-cash investing or financing activities during the period.

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

MARCHING MOOSE CAPITAL CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIODS ENDED SEPTEMBER 30, 2017 AND 2016
(Unaudited – Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Marching Moose Capital Corp. (the “Company”) was incorporated by Certificate of Incorporation issued pursuant to the provisions of the *British Columbia Business Corporations Act* on September 24, 2013. The Company completed an initial public offering (“IPO”) of its common shares on November 19, 2014 and, on November 28, 2014 the Company began trading its shares on the TSX Venture Exchange (“TSX-V”). The Company is classified as a Capital Pool Company (“CPC”) as defined in the TSX-V Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business with a view to completing a Qualifying Transaction subject to receipt of shareholder approval and acceptance by regulatory authorities.

The Company’s head office and registered and records office address is Suite 2300, 1066 W Hastings Street, Vancouver, British Columbia, Canada V6E 3X2.

These unaudited condensed interim financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The unaudited condensed interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. The Company’s continuing operations are dependent upon its ability to identify, evaluate and negotiate an agreement to acquire an interest in a material asset or business.

The TSX-V mandated as a condition of its agreement to extend the Company’s delist deadline, in order to give it additional time to close the proposed Qualifying Transaction with Avidian (Note 8), that the Company’s shareholders authorize a move to the NEX Board of the Exchange and a cancellation of 50% of the Company’s seed shares in the event that the proposed Qualifying Transaction with Avidian was cancelled. At the Company’s Annual General and Special Meeting held on June 27, 2017 special resolutions were approved by the shareholders authorizing the directors to initiate a move to the NEX and the cancellation of 410,002 seed shares should the proposed Qualifying Transaction be cancelled.

Subsequent to September 30, 2017, the Exchange determined that although the proposed Qualifying Transaction is still proceeding, the directors of the Company must initiate the cancellation of 410,002 seed shares to facilitate a move to the NEX. The Company’s shares became eligible to trade on the NEX under the symbol “MMC.H” on October 27, 2017.

On April 25, 2017, the Company completed a 2:1 share consolidation (Note 8).

All share and per share amounts have been shown on a post consolidated basis but do not take into account shares cancelled due to the move to the NEX.

Proposed Qualifying Transaction

The Company entered into an Amalgamation Agreement dated March 13, 2017, and amended April 13, June 23, August 24 and November 17, 2017 to complete its Qualifying Transaction by way of a three-cornered amalgamation with Avidian Gold Inc. (“Avidian”). Refer to Note 8 for further details.

2. BASIS OF PRESENTATION

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of unaudited condensed interim financial statements, including IAS 34, Interim Financial Reporting and using the same accounting policies and methods of computation as the Company’s most recent audited annual financial statements. These unaudited condensed financial statements do not include all the information required for full audited annual financial statements. These unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended March 31, 2017.

MARCHING MOOSE CAPITAL CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIODS ENDED SEPTEMBER 30, 2017 AND 2016
(Unaudited – Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (*cont'd...*)

These unaudited condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these unaudited condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies followed by the Company are as set out in the audited financial statements for the year ended March 31, 2017, and have been consistently followed in the preparation of these unaudited interim condensed financial statements.

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.
- IFRS 16, Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Information about significant areas of estimation uncertainty and judgments made by management in preparing the financial statements are described below:

In preparing these unaudited interim condensed financial statements, the significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended March 31, 2017.

4. SHARE CAPITAL AND RESERVES

Authorized: Unlimited common shares with no par value and unlimited preferred shares with no par value.

Transactions during the period:

- a) During the period ended September 30, 2017, no issuances of share capital occurred.
- b) The Company completed a share consolidation on a 2:1 basis on April 25, 2017. (Note 8)

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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4. SHARE CAPITAL AND RESERVES (*cont'd...*)

Escrowed shares

On November 19, 2014, 820,003 common shares were placed in escrow. The common shares are to be released from escrow when the Company completes its Qualifying Transaction. The shares will be released from escrow under the following terms: 10% to be released from the date the Qualifying Transaction bulletin evidencing completion is issued, and 15% to be released every six months thereafter.

As at September 30, 2017, 820,003 (March 31, 2017 – 820,003) common shares are held in escrow.

Stock options

The Company maintains a Stock Option Plan (the “Current Plan”) under which it is authorized to grant stock options to executive officers, directors, employees, and consultants. Under the Plan, the number of options that may be issued is limited to no more than 10% of the Company’s issued and outstanding shares immediately prior to the grant. While the Company is a CPC until completion of a Qualifying Transaction, the aggregate number of common shares that may be reserved for issuance under the Plan shall not exceed 10% of the common shares to be outstanding as at the closing of the Company’s IPO. The exercise price of each stock option shall equal the market price of the Company’s shares, less any applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

On November 25, 2015, the Company adopted a further amended incentive stock option plan which will convert its Current Plan into a 20% fixed option plan (the “New Plan”) upon completion of a Qualifying Transaction. Pursuant to the New Plan, the maximum number of shares reserved for issuance shall not exceed 20% of the issued shares of the Company immediately after its Qualifying Transaction. The exercise price of the options shall not be less than the market price of the Company’s shares on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

On June 27, 2017, the shareholders re-approved, the Company’s 10% Current Plan.

Stock option transactions and the number of options outstanding are summarized as follows:

	Expiry Date	Number of Options Outstanding	Number of Options	Weighted Average Exercise Price
Outstanding at March 31, 2017 and September 30, 2017	November 10, 2024	173,325	173,325	\$ 0.30

5. RELATED PARTY TRANSACTIONS

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company’s Board of Directors and corporate officers and/or companies controlled by those individuals.

During the three months ended September 30, 2017, the Company incurred \$18,171 in professional fees to a law firm controlled by the former director and officer of the Company.

As at September 30, 2017, \$2,670 was due in unbilled fees to the same law firm.

6. FINANCIAL INSTRUMENTS

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is carried at fair value using a level 1 fair value measurement. The recorded values of accounts payable and accrued liabilities, and receivables, approximate their carrying value which is the amount presented on the statements of financial position.

Financial risk management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company limits its exposure to credit risk by placing its cash with a major Canadian financial institution.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institution is subject to a floating rate of interest. The interest rate risk on cash is not considered significant.

Liquidity risk

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position.

Foreign currency risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates. As at September 30, 2017, the Company did not have any financial instruments denominated in foreign currencies and considers foreign currency risk insignificant.

Price risk

The Company has exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss, due to movements in individual equity prices or general movements in the level of the stock market.

7. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. As at September 30, 2017, the Company's shareholders' equity was \$85,910 and there was no long term debt outstanding. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital. The Company currently is not subject to externally imposed capital requirement. There were no changes to the Company's approach to capital management during the period ended September 30, 2017.

8. PROPOSED QUALIFYING TRANSACTION

On October 26, 2016, the Company announced that it entered into a Letter of Intent dated October 20, 2016, for the acquisition of Avidian (Note 1). Avidian is in the business of acquiring and exploring gold projects in the United States.

On April 18, 2017, the Company announced that it entered into a Amalgamation Agreement with Avidian dated March 13, 2017 (subsequently amended on April 13, June 23, August 24 and November 17, 2017) with respect to the Letter of Intent entered on October 20, 2016 for the acquisition of Avidian ("Transaction").

Pursuant to the Amalgamation Agreement, a wholly owned subsidiary of the Company will amalgamate with Avidian and all issued and outstanding Avidian common shares will be exchanged for the Company's common shares. One post-consolidated common share of the Company will be exchanged for every 2.17 Avidian share held. The amalgamated company will continue operations under the name Avidian Gold Inc. whilst the Company will change its name to Avidian Gold Corp.

Prior to the completion of the Transaction, the Company completed a share consolidation on a 2:1 basis on April 25, 2017. All share and per share amounts in these unaudited condensed interim financial statements have been shown on a post consolidated basis.

Avidian was also required to complete a private placement of subscription receipts. This was completed on August 15, 2017, for a total amount of \$2,779,950 for 13,897,500 units of Avidian, each unit being comprised of one common share of Avidian and one half share purchase warrant. Each Avidian Warrant is exercisable into one Avidian share at \$0.35 for a period of two years following the closing of the private placement. On completion of the Transaction, the warrants will be converted into warrants of the Company on such basis that will entitle the warrant holder upon the payment of the exercise price to receive a number of shares of the Company as the Warrant holder would have been entitled to as a result of the amalgamation in exchange for Avidian shares that would have been issuable to the warrant holder had the warrant been exercised immediately prior to the completion of the Transaction. The proceeds of the private placement will be used as working capital for the amalgamated company and the resulting issuer.

The Company received the Conditional Approval of the Exchange to complete the Transaction on November 17, 2017. The Company subsequently filed its filing statement on November 20, 2017 and expects to close the Transaction on or about November 29, 2017.

Completion of the Transaction is subject to the following closing conditions, including but not limited to:

- a) confirmation of representations and warranties of each company as set out in the Definitive agreement being true and correct at the closing of the Transaction;
- b) the absence of any material adverse change in respect of any of the parties;
- c) the parties receiving all requisite regulatory approval, including the approval of the Exchange, and any third party approvals and authorizations; and
- d) the parties obtaining requisite board approvals for the Transaction.