

MARCHING MOOSE CAPITAL CORP.

Filing Statement

with respect to a Qualifying Transaction

with

AVIDIAN GOLD INC.

November 17, 2017

Neither the TSX Venture Exchange Inc. (the "Exchange") nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this Filing Statement.

TABLE OF CONTENTS

GLOSSARY OF TERMS	4
SUMMARY OF FILING STATEMENT	12
NOTICE CONCERNING FORWARD-LOOKING STATEMENTS	16
CAUTION	17
RISK FACTORS	17
PART I - THE CORPORATION	18
CORPORATE STRUCTURE AND DESCRIPTION OF BUSINESS	18
SELECTED FINANCIAL INFORMATION AND MANAGEMENT’S DISCUSSION AND ANALYSIS	21
DESCRIPTION OF SECURITIES.....	21
STOCK OPTION PLAN.....	22
PRIOR SALES	22
STOCK EXCHANGE PRICE	23
ARM’S LENGTH TRANSACTION	23
LEGAL PROCEEDINGS	23
AUDITOR, TRANSFER AGENTS AND REGISTRARS	23
MATERIAL CONTRACTS	23
PART II - THE TARGET COMPANY	25
CORPORATE STRUCTURE AND GENERAL DESCRIPTION OF THE BUSINESS	25
NARRATIVE DESCRIPTION OF THE BUSINESS	28
SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT’S DISCUSSION AND ANALYSIS	35
PLEASE REFER TO MANAGEMENT’S DISCUSSION AND ANALYSIS FOR QUATERLY INFORMATION	35
DESCRIPTION OF SECURITIES.....	35
PRINCIPAL SECURITYHOLDERS.....	36
CONSOLIDATED CAPITALIZATION	36
PRIOR SALES	37
EXECUTIVE COMPENSATION	41
NON-ARM’S LENGTH PARTY TRANSACTIONS	43
LEGAL PROCEEDINGS	43
RISK FACTORS.....	43
MATERIAL CONTRACTS.....	49
PART III - THE RESULTING ISSUER	49
CORPORATE STRUCTURE.....	49
BUSINESS OF THE RESULTING ISSUER.....	50
SECURITIES OF THE RESULTING ISSUER.....	50
PRO FORMA CONSOLIDATED CAPITALIZATION	50
AVAILABLE FUNDS AND PRINCIPAL PURPOSES	53
PRINCIPAL SECURITYHOLDERS.....	54
PROPOSED DIRECTORS, OFFICERS AND PROMOTERS	55
ANTICIPATED EXECUTIVE COMPENSATION	61
INVESTOR RELATIONS ARRANGEMENTS.....	64
OPTIONS TO PURCHASE SECURITIES	64
ESCROWED SECURITIES	66
AUDITOR, TRANSFER AGENT AND REGISTRAR.....	68
SPONSORSHIP AND AGENT RELATIONSHIP	68
EXPERTS.....	69
OTHER MATERIAL FACTS.....	70
BOARD APPROVAL	70

SCHEDULE A-1 – MANAGEMENT’S DISCUSSION & ANALYSIS OF MARCHING MOOSE CAPITAL CORPORATION FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2017 AND THE YEARS ENDED MARCH 31, 2015, 2016, AND 2017

SCHEDULE A-2 – UNAUDITED FINANCIAL STATEMENTS OF MARCHING MOOSE CAPITAL CORPORATION FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2017 AND AUDITED FINANCIAL STATEMENTS OF MARCHING MOOSE CAPITAL CORPORATION FOR THE YEARS ENDED MARCH 31, 2015, 2016, AND 2017

SCHEDULE B-1 – MANAGEMENT’S DISCUSSION & ANALYSIS OF AVIDIAN GOLD INC. FOR THE YEARS ENDED JUNE 30, 2015, 2016 AND 2017

SCHEDULE B-2 – AUDITED FINANCIAL STATEMENTS OF AVIDIAN GOLD INC. FOR THE YEARS ENDED JUNE 30, 2015, 2016 AND 2017

SCHEDULE C – PRO FORMA CONSOLIDATED FINANCIAL STATEMENT OF THE RESULTING ISSUER AS AT JUNE 30, 2017

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Filing Statement including the summary hereof. Terms and abbreviations used in the financial statements of MMCC and Avidian and the pro forma consolidated financial statement of MMCC and in the schedules to this Filing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated.

Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

All dollar amounts herein are in US dollars, unless otherwise stated.

All defined terms not otherwise defined herein are as defined in the policies of the Exchange.

“**Affiliate**” means a Company that is affiliated with another Company as described below.

A Company is an “Affiliate” of another Company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A Company is a “subsidiary” of another Company if it is controlled by the other Company.

A Company is “controlled” by a Person if:

- (a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

- (a) a Company controlled by that Person, or
- (b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person.

“**Agency Agreement**” means the agency agreement dated September 11, 2014 between the Agent and MMCC relating to the brokered private placement under MMCC’s IPO.

“**Agent**” means Canaccord Genuity Corp, an agent to MMCC in connection with MMCC’s IPO and performing its services under the Agency Agreement.

“**Alix**” means Alix Resources Corp.

“**Amalco**” means the amalgamated corporation formed after Closing due to the amalgamation of MMCC Amalco and Avidian that will be a wholly owned subsidiary of Resulting Issuer.

“**Amalgamation**” means the three cornered amalgamation whereby Avidian will amalgamate with MMCC Amalco Ltd. and become a wholly-owned subsidiary of MMCC. The holders of all issued and outstanding Avidian Shares will receive one MMCC Share for every 2.17 Avidian Shares held.

“**Amalgamation Agreement**” means the amalgamation agreement dated as of March 13, 2017 as amended April 13, 2017, June 23, 2017 and August 24, 2017 made among the Corporation, Avidian, and MMCC Amalco, pursuant to

which the Corporation and Avidian have agreed to complete the Amalgamation on the terms and conditions set forth therein.

“**Amanita Property**” has the meaning ascribed thereto in Part I – the Corporation – Corporate Structure and Description of Business – Background.

“**Associate**” when used to indicate a relationship with a Person, means:

- (a) an Issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to all outstanding voting securities of the Issuer;
- (b) any partner of the Person;
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which the Person serves as trustee or in a similar capacity; and
- (d) in the case of a Person who is an individual:
 - (i) that Person’s spouse or child; or
 - (ii) any relative of the Person or of his spouse who has the same residence as that Person;

but

- (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be Associates with respect to a Member (as defined by the policies of the Exchange) firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D.1.00 of the Exchange’s policies with respect to that Member firm, Member corporation or holding company.

“**Avidian**” means Avidian Gold Inc., a private Ontario corporation.

“**Avidian Shares**” means common shares of Avidian.

“**Avidian Warrant**” means an Avidian Share purchase warrant underlying units offered to subscribers under the Private Placement. Each Avidian Warrant is exercisable into one Avidian Share at CAD\$0.35 for a period of twenty four months following the closing of the Private Placement. On completion of the Qualifying Transaction, by operation of the Amalgamation Agreement Avidian Warrants will be converted into Resulting Issuer Warrants on such basis that will entitle the warrant holder upon the payment of the exercise price equal to the Avidian Warrant exercise price to receive such number of Common Shares of the Resulting Issuer 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 Avidian Warrant been exercised immediately prior to the completion of the Amalgamation.

“**CEO**” means the chief executive officer of a company.

“**CFO**” means the chief financial officer of a company.

“**Chulitna**” means Chulitna Mining Company LLC.

“**Closing**” means the completion of the Transactions.

“**Closing Date**” means the date the Closing of the Transactions will occur, which will be such date as the Corporation and Avidian may agree.

“**Common Shares**” means the common shares of the Corporation or Resulting Issuer, as the context requires.

“**Company**” unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

“**Completion of the Qualifying Transaction**” means the date the Final Exchange Bulletin in respect of the Transactions is issued by the Exchange.

“**Computershare**” means Computershare Investor Services Inc.

“**Control Person**” means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an Issuer so as to affect materially the control of that Issuer, or that holds more than 20% of the outstanding voting shares of an Issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the Issuer.

“**Corporation**” or “**MMCC**” means Marching Moose Capital Corp. prior to the completion of the Amalgamation.

“**CPC**” means a corporation:

- (a) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and
- (b) in regard to which the Final Exchange Bulletin has not yet occurred.

“**CPC Policy**” means the Policy 2.4 - *Capital Pool Companies* of the corporate finance manual of the Exchange.

“**CPC Escrow Agreement**” means the escrow agreement dated June 16, 2014 among the Corporation, founding shareholders of the Corporation and Computershare, as escrow agent.

“**Dome Hill Property**” has the meaning ascribed thereto in Part I – the Corporation – Corporate Structure and Description of Business – Background.

“**Exchange**” means TSX Venture Exchange Inc.

“**Filing Statement**” means this filing statement including the schedules attached hereto.

“**Final Exchange Bulletin**” means the Exchange Bulletin issued following closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction.

“**Golden Zone Property**” has the meaning ascribed thereto in *Part I – the Corporation – Corporate Structure and Description of Business – Background*.

“**Golden Zone Report**” means the technical report on the Golden Zone property prepared for the Corporation and Avidian in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects by Leon McGarry, B.Sc P. Geol., FGAC, OGQ, and Ian D. Trinder, M.Sc P. Geol, of Howe entitled “Technical Report on the Golden Zone Property, Valdez Creek Mining District, Central Alaska Range, South-Central Alaska” dated November 23, 2016 and amended effective August 17, 2017.

“**Haywood**” means Haywood Securities Inc., a corporation with the registered address at a corporation with the address at 200 Burrard St., Suite 700, Vancouver, BC V6C 3L6.

“**Hidefield**” means Hidefield Gold (Alaska) Inc. a subsidiary of Hidefield Gold Limited.

“**Howe**” means A.C.A. Howe International Limited.

“**Insider**” if used in relation to an Issuer, means:

- (a) a director or senior officer of the Issuer;
- (b) a director or senior officer of a Company that is an Insider or subsidiary of the Issuer;
- (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Issuer; or
- (d) the Issuer itself if it holds any of its own securities.

“**IPO**” means the initial public offering of Common Shares of the Corporation on November 19, 2014.

“**Issuer**” means a Company and its subsidiaries which have any of its securities listed for trading on the Exchange and, as the context requires, any applicant Company seeking a listing of its securities on the Exchange.

“**Jungo Property**” has the meaning ascribed thereto in Part I – the Corporation – Corporate Structure and Description of Business – Background.

“**Letter of Intent**” means the letter of intent from MMCC to Avidian dated October 20, 2016, and accepted by Avidian on October 20, 2016, relating to the proposed Amalgamation, which has been superseded and replaced by the Amalgamation Agreement.

“**Mines Trust**” means Mines Trust Company Inc.

“**MMCC Amalco**” means MMCC Amalco Ltd., a wholly owned subsidiary of MMCC incorporated under the *Corporations Act (Ontario)* on November 18, 2016, prior to the completion of the Amalgamation.

“**Name Change**” means the change of the Corporation’s name to “Avidian Gold Corp.” or such other name as the board of directors of MMCC deems appropriate and is acceptable to the applicable regulatory authorities upon Closing, subject to Exchange and other regulatory acceptance.

“**NEX**” means the NEX board of the TSX Venture Exchange.

“**NI 43-101**” means national Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

“**NPM**” means North Peak Mining Inc.

“**NSR**” means net smelter return royalty.

“**Non Arm’s Length Qualifying Transaction**” means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and the Significant Assets which are to be the subject of the proposed Qualifying Transaction.

“**Person**” means a Company or individual.

“**Principal**” means:

- (a) a Person who acted as a promoter of the issuer within two years before the IPO prospectus or Exchange bulletin confirming final acceptance of a transaction;
- (b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO prospectus or final Exchange bulletin;
- (c) a 20% holder – a Person that holds securities carrying more than 20% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the Issuer’s IPO or immediately after the final Exchange bulletin for non IPO transactions;

- (d) a 10% holder – a Person that:
 - (i) holds securities carrying more than 10% of the voting rights attached to the Issuer’s outstanding securities immediately before and immediately after the Issuer’s IPO or immediately after the final Exchange bulletin for non IPO transactions; and
 - (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Issuer or any of its material operating subsidiaries.

In calculating these percentages, include securities that may be issued to the holder under outstanding convertible securities in both the holder’s securities and the total securities outstanding.

A Company, more than 50% held by one or more Principals, will be treated as a Principal. (In calculating this percentage, include securities of the entity that may be issued to the Principals under outstanding convertible securities in both the Principals’ securities of the entity and the total securities of the entity outstanding). Any securities of the Issuer that this entity holds will be subject to escrow requirements.

A Principal’s spouse and relatives of the Principal or spouse who live at the same address as the Principal will also be treated as Principals and any securities of the Issuer they hold will be subject to escrow requirements.

“**Private Placement**” means a private placement of 14,897,500 units of Avidian at the price of CAD\$0.20 per unit for gross proceeds of CAD\$2,979,500. Each unit of Avidian is comprised of one (1) Avidian Share and one-half (1/2) of an Avidian Warrant.

“**QP**” means a Qualified Person for the reporting of Mineral Resources as defined by NI 43-101.

“**QT Escrow Agreement**” means the escrow agreement in the form of Exchange Form 5D - *Escrow Agreement* to be entered into on or before the Closing Date among the Corporation, certain shareholders of Avidian, and Computershare, as escrow agent.

“**Qualifying Transaction**” means a transaction where a CPC acquires Significant Assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another Company or by other means.

“**Resulting Issuer**” means the corporation that was formerly MMCC that will exist upon issuance of the Final Exchange Bulletin.

“**Resulting Issuer Warrant**” means the common share purchase warrant of Resulting Issuer entitling the holder thereof to acquire one Common Share of the Resulting Issuer at an exercise price of CAD\$0.76 per Common Share, until 24 months following the issuance of the Avidian Warrants that are converted into Resulting Issuer Warrants upon completion of the Transactions pursuant to the terms of the Amalgamation Agreement. The expiry date of the Resulting Issuer Warrants may be accelerated by the Resulting Issuer at any time following the 4-month anniversary of the date on which the Common Shares of Resulting Issuer are listed for trading on the Exchange and prior to the expiry date if the volume-weighted average price of the Resulting Issuer’s common shares is greater than \$1.00 for a period of 20 consecutive trading days, at which time the Resulting Issuer may accelerate the expiry date by issuing a press release announcing the reduced warrant term whereupon the Resulting Issuer Warrants will expire on the 20th calendar day after the date of such press release.

“**Share Consolidation**” means the completed consolidation of MMCC shares on a 2:1 basis;

“**Sponsor**” has the meaning specified in Exchange Policy 2.2 – Sponsorship and Sponsorship Requirements.

“**Sponsor’s Option**” mean an option granted to Haywood acting as a Sponsor for the Qualifying Transaction. Each Sponsor’s Option entitles the holder to purchase one Common Share of the Resulting Issuer at the price of CAD\$0.7596 for the period of 24 months following completion of the Transactions.

“Stock Option Plan” means the stock option plan dated April 15, 2014 of the Corporation, as amended from time to time. The Stock Option Plan will be the stock option plan of the Resulting Issuer, assuming completion of the Qualifying Transaction.

“Strickland Property” has the meaning ascribed thereto in Part I – the Corporation – Corporate Structure and Description of Business – Background.

“Transactions” means the Amalgamation and the Private Placement.

GLOSSARY OF MINING TERMS

The following is a glossary of certain terms used in this Filing Statement including the summary hereof.

“Ag” means the chemical symbol for silver;

“anomaly” means a geological feature, especially in the subsurface, distinguished by geological, geophysical or geochemical means, which is different from the general surroundings and is often of potential economic value having a geochemical or geophysical character which deviates from regularity;

“Au” means the chemical symbol for gold;

“deposit” means a mineralized body which has been physically delineated by sufficient drilling, trenching and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures. Such a deposit does not qualify as a commercially mineable ore body or as containing reserves of ore, until final legal, technical and economic factors have been resolved;

“diamond drill” means a rotary type of rock drill that cuts a core of rock that is recovered in long cylindrical sections, two cm or more in diameter;

“EM” means a geophysical survey method which measures the electromagnetic properties of rocks;

“felsic” means an igneous rock having abundant light-coloured minerals;

“geochemistry” means the study of the chemical properties of rocks;

“g/t” means grams per metric tonne;

“geophysical survey” means a scientific method of prospecting that measures the physical properties of rock formations. Common properties investigated include magnetism, specific gravity, electrical conductivity and radioactivity;

“granitoids” means a generalized grouping of rocks with similar characteristics to a granite; a common and widely occurring type of intrusive, felsic, igneous rock;

“hectare” or “ha” means a square of 100 m on each side;

“host” means a rock or mineral that is older than rocks or minerals introduced into it;

“intrusion” means the process of emplacement of magma in pre-existing rock;

“mineralization” means the process or processes by which a mineral or minerals are introduced into a rock resulting in concentration of metals and their chemical compounds within a body of rock;

“pyrite” means a mineral composed of iron and sulphur (FeS₂);

“QAQC” means Quality Assurance and Quality Control;

“quartz” means a mineral composed of silicon dioxide, crystalline silica, commonly in white masses, next to feldspar, the commonest mineral;

“sample” means a small portion of rock, soil or a mineral deposit taken so that the metal content can be determined by assaying;

“sampling” means selecting a fractional but representative part of a rock, soil, or a mineral deposit for analysis;

“sediment” means solid material that has settled down from a state of suspension in a liquid. More generally, solid fragmental material transported and deposited by wind, water or ice, chemically precipitated from solution, or secreted by organisms, and that forms in layers in loose unconsolidated form;

“strike” means direction or trend of a geologic structure;

“vein” means a precipitation or deposit from a hydrothermal fluid of, commonly, quartz, carbonate minerals and metallic minerals into a fissure or crack or other geological structure; and

“VLF-EM” means a geophysical survey that measures very low frequency electromagnetic.

MMCC CAPITAL CORPORATION

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to the Corporation, Avidian and the Resulting Issuer, (assuming completion of the Transactions), and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement. The information provided in this Filing Statement is as at November 17, 2017, except as otherwise stated.

The Corporation

The Corporation was incorporated under the *Business Corporations Act* (British Columbia) on September 24, 2013, and completed its IPO as a Capital Pool Company on November 19, 2014. The Common Shares became eligible to commence trading on the Exchange on November 19, 2014. The Common Shares subsequently became eligible to trade on the NEX on October 27, 2017. The Corporation's business has been restricted to the identification and evaluation of potential acquisitions or interests that could lead to the completion of its Qualifying Transaction under the CPC Policy.

Avidian

Avidian was incorporated under the *Corporations Act* (Ontario) on June 22, 2011. Avidian is in the business of the evaluation, acquisition and exploration of precious metal mineral properties in North America. Avidian currently holds interests in five prospecting properties in Alaska, Nevada and Newfoundland. Avidian's principal property is the Golden Zone property. Avidian, either directly or through its subsidiaries, has agreement to purchase 100% of the rights to the Golden Zone Property, has agreement to purchase 100% rights in the Amanita property under a lease to buy option, has 100% rights in the Jungo property, has 100% right under lease with a buy option on the Dome Hill property and has 100% rights under lease on the Strickland property. Avidian is a private company, whose outstanding shares are held by 131 shareholders prior to Completion of Private Placement.

The Qualifying Transaction

Management of the Corporation has identified the amalgamation of its wholly owned subsidiary, MMCC Amalco, with Avidian as an appropriate transaction to constitute its Qualifying Transaction. It is proposed that the amalgamated company will become a wholly owned subsidiary of the Corporation and thereby the business of Avidian would become the business of the Corporation.

A formal Amalgamation Agreement (the "**Amalgamation Agreement**") has been entered into by the Corporation, Avidian and MMCC Amalco on March 13, 2017 and amended on April 13, 2017, June 23, 2017 and August 24, 2017. Pursuant to the Amalgamation Agreement, Avidian will amalgamate with MMCC Amalco. As compensation, each holder of Avidian Shares will receive one common share of the Corporation for every 2.17 Avidian Share held at the date of the completion of the transaction. This will result in the issuance of 47,948,057 Common Shares to the shareholders of Avidian. Upon Closing, the Corporation will be the sole shareholder of Amalco, Amalco to carry on the business of Avidian. The number of Common Shares to be issued in connection with the Amalgamation was determined pursuant to arm's length negotiations between the management of each of the Corporation and Avidian.

Upon the Amalgamation, all Avidian Warrants issued in connection with the Private Placement will be exchanged, when surrendered for exchange by the holders thereof, for Resulting Issuer Warrants on such basis that will entitle the warrant holder upon the payment of the exercise price equal to the Avidian Warrant exercise price to receive such number of Common Shares of the Resulting Issuer 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 Avidian Warrant been exercised immediately prior to the completion of the Amalgamation.

Private Placement

On August 21, 2017 Avidian completed the final tranche of the Private Placement which was a non-brokered private placement of 14,897,500 units of Avidian at CAD\$0.20 per unit of Avidian for the gross proceeds of

CAD\$2,979,500. Each unit of Avidian consists of one Avidian Share and one half of an Avidian Warrant. The Private Placement was completed in seven tranches. Details of issuances pursuant to each tranche of the private placement are provided in section “Prior Sales”

Upon the Amalgamation, all Avidian Warrants issued in connection with the Private Placement will be exchanged, when surrendered for exchange by the holders thereof, for Resulting Issuer Warrants on such basis that will entitle the warrant holder upon the payment of the exercise price equal to the Avidian Warrant exercise price to receive such number of Common Shares of the Resulting Issuer 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 Avidian Warrant been exercised immediately prior to the completion of the Amalgamation.

The expiry date of the Resulting Issuer Warrants may be accelerated by the Resulting Issuer at any time following the 4-month anniversary of the date on which the common shares of Resulting Issuer are listed for trading on the Exchange and prior to the expiry date if the volume-weighted average price of the Resulting Issuer’s common shares is greater than \$1.00 for a period of 20 consecutive trading days, at which time the Resulting Issuer may accelerate the expiry date by issuing a press release announcing the reduced warrant term whereupon the Resulting Issuer Warrants will expire on the 20th calendar day after the date of such press release.

In connection with the Private Placement Avidian paid to various parties instrumental in assisting with the Private Placement the total finders’ fee consisting of CAD\$53,825 in cash.

For more information on the Private Placement, see “Part I - The Corporation – Corporate Structure and Description of Business – Private Placement”.

Name Change, Share Consolidation and Cancellation of Seed Shares

Pursuant to a resolution passed at a meeting of the shareholders of the Corporation dated November 25, 2015, the Corporation obtained shareholder approval to change the name of the Corporation to a name chosen by the directors of the Corporation. The directors of the Corporation plan to change the name of the Corporation to “Avidian Gold Corp.”, or such other name as the board of directors of the Corporation deems appropriate and is acceptable to the applicable regulatory authorities upon Closing, subject to Exchange and other regulatory acceptance. Amalco plans to change its name to “Avidian Gold Inc.”

Pursuant to a resolution passed at a meeting of the shareholders of the Corporation dated November 25, 2015, the Corporation obtained shareholder approval to consolidate the issued and outstanding shares of the Corporation on a 2:1 basis. Such Share Consolidation was completed on April 25, 2017.

Pursuant to a resolution passed a meeting of the shareholders of the Corporation dated June 27, 2017 and initiated by the directors of the Corporation at the request of the Exchange, the Corporation cancelled 410,002 seed shares to facilitate its move the NEX. Following the Share Consolidation and cancellation of seed shares there remain 1,410,001 issued and outstanding common shares of the Corporation and 173,325 stock options.

The Resulting Issuer

Upon Closing, Avidian and MMCC Amalco will become Amalco which will become a direct wholly-owned subsidiary of the Corporation and the Corporation will carry on the business of evaluating, acquiring and exploring mineral properties in Alaska, and elsewhere. It is anticipated that the Resulting Issuer will change its name to “Avidian Gold Corp.”, and will trade on the Exchange under new trading symbol “AVG”. Upon Completion of the Qualifying Transaction and subject to the approval of the Exchange, the Resulting Issuer will become a Tier 2 Mining Issuer on the Exchange.

Risk Factors

There are inherent risks in the business of the Corporation and in the business of Avidian. The Amalgamation must be considered speculative due to the nature of the business of the Corporation and Avidian, and each company’s relatively formative stage of development. An investment in the Resulting Issuer will be subject to certain material

risks and investors should not invest in securities of the Resulting Issuer unless they can afford to lose their entire investment. In addition to the factors disclosed elsewhere in this Filing Statement, investors should consider the following risk factors in assessing the investment merits of such securities:

1. Avidian does not have a history of mineral exploration operations on which to base an evaluation of its business and prospects and accordingly its business is essentially dependent on its success or failure in exploring for and developing mineral resources. Avidian is engaged in the business of mineral exploration and development, in particular with respect to gold, and has never generated earnings or revenues.
2. The Resulting Issuer will be subject to all of the risks inherent in the mineral exploration and mining industries, and there is no assurance that it will ever succeed, become profitable or that investors will receive a return of any part of their investment.
3. There can be no assurance that mining equipment will be available to Avidian on a timely basis or at a reasonable cost.
4. The Resulting Issuer will need to continually raise additional capital in order to be able to continue to expand its exploration and development efforts, which capital may not be readily available on terms acceptable to it, if at all.
5. Avidian does not yet own title to certain of its Properties. Title to some of the licenses are in the names of the respective vendors and transfer of title to Avidian or its subsidiaries is conditional on Avidian fulfilling its obligations under a number of agreements with current title holders. While Avidian is in good standing in respect of all of its obligations under these agreements, there is no guarantee that: Avidian's title to such properties will not be challenged or impugned or that the appropriate permits and approvals will be obtainable on reasonable terms or on a timely basis; the licenses will be renewed upon their expiry; and that Avidian will be able to explore its properties as permitted or to enforce its rights with respect to its properties.
6. Insurance against environmental and many other risks to which the Resulting Issuer may be exposed may not be available to the Resulting Issuer on economically feasible premiums, if at all.
7. All phases of Avidian's operations are subject to environmental regulations. Environmental hazards may exist on Avidian's properties which are unknown to the Company at present and which have been caused by previous owners or operators of such properties. Reclamation costs are uncertain and planned expenditures may differ from the actual expenditures required.
8. Fluctuations in the value of the United States dollar relative to the Canadian dollar could have a material impact on the Resulting Issuer's consolidated financial statements by creating gains or losses.
9. To the extent that some of the directors and officers of the Corporation, Avidian and the Resulting Issuer reside outside of Canada. It may not be possible for investors to collect from such directors or officers or enforce judgments obtained in courts in Canada predicated on the civil liability provisions of Canadian securities legislation against such directors and officers of the Corporation, Avidian and the Resulting Issuer.
10. Significant competition exists for gold acquisition opportunities in Alaska and throughout the world, much of which competition is with large, established mining companies with greater financial and technical resources than those of the Resulting Issuer.
11. Mineral exploration and development operations are significantly volatile and uncertain, as are the global markets for these minerals, and there is no assurance that the market for gold or other minerals explored for will be sustained.

12. A number of directors of the Resulting Issuer also serve as directors and/or officers of other companies involved in the exploration and development of natural resource properties. As a result, conflicts may arise between the obligations of these individuals to the Resulting Issuer and to such other companies.

The factors identified above are not intended to represent a complete list of the factors that could affect the Corporation, the Resulting Issuer or Avidian. Additional factors are noted in this Filing Statement under “Part II - The Target Company – Risk Factors”.

Conditions Precedent

The completion of the Amalgamation contemplated by the Amalgamation Agreement is subject to certain conditions, including (i) obtaining all necessary regulatory approvals, including, without limitation, the Exchange’s approval and the Exchange being satisfied that after the completion of the Transactions the Resulting Issuer will satisfy the Exchange’s minimum listing requirements for a Tier 2 Mining Issuer as prescribed by the Exchange Policy 2.1 Minimum Listing Requirements, and (ii) other conditions under the Amalgamation Agreement which are typical for a three cornered amalgamation transaction.

Interests of Insiders, Promoters or Control Persons of the Corporation

No Insider, promoter or Control Person of the Corporation or its Associates and Affiliates (before giving effect to the Amalgamation) have any interest in Avidian.

Arm’s Length Qualifying Transaction

The Qualifying Transaction was negotiated by the Corporation and Avidian dealing at arm’s length with each other and therefore, in accordance with the policies of the Exchange, is not a Non Arm’s Length Qualifying Transaction. As result, approval of the Qualifying Transaction by shareholders of the Corporation is not required under the Exchange policies as a condition to the completion of the Qualifying Transaction.

Estimated Funds Available to the Resulting Issuer

Upon Completion of the Qualifying Transaction, the Resulting Issuer will have at the minimum approximately CAD\$1,110,556 in estimated funds available to it.

Net proceeds from the Private Placement will be used to pay for the costs associated with completing the Amalgamation, carrying out the proposed work program on the Golden Zone property, exploration programs to keep all of the properties in good standing, and for general working capital purposes of the Resulting Issuer. However, management may reallocate available funds for sound business reasons. See “Part III - The Resulting Issuer – Available Funds and Principal Purposes”.

Selected Pro Forma Financial Information

The following table sets out selected pro forma consolidated statement of financial position data for the Resulting Issuer as at June 30, 2017 (unaudited), after giving effect to the Qualifying Transaction:

	As at June 30, 2017 (unaudited)
Current Assets	\$2,311,446
Total Assets	\$2,899,719
Current Liabilities	\$1,147,544
Share Capital	\$7,453,095
Deficit	\$6,411,026

Market for Securities

The Common Shares of the Corporation are listed on the NEX under the trading symbol “MMC.H”. The Common Shares became eligible to commence trading on the Exchange on November 19, 2014. The Common Shares were listed and became eligible to trade on the NEX on October 27, 2017. The Corporation’s common shares were halted from trading on the Exchange on November 18, 2015 as the Corporation announced a proposed qualifying transaction that did not ultimately proceed. Following expiration of the proposed qualifying transaction the Corporation’s Common Shares did not resume trading and will remain halted until completion of the Qualifying Transaction herein contemplated. There were no trades while the Common Shares were listed on the Exchange. The Corporation’s shares remain halted as of the date of this Filing Statement. It is anticipated that the Common Shares will resume trading on the Exchange after completion of the Qualifying Transaction, under the symbol “AVG”.

Sponsorship

A general policy of the Exchange requires that a sponsor be retained to prepare a sponsor report in compliance with Exchange Policy 2.2, unless an exemption from sponsorship is available to the Corporation. The Corporation has engaged Haywood, as a Sponsor for the Qualifying Transaction. Pursuant to a sponsorship Agreement between the Corporation and Haywood, Haywood will provide Exchange with a Sponsor Report and if required a Sponsorship Acknowledgement Form and as such terms is defined in Exchange Policy 2.2.

As compensation for its services as a sponsor in connection with the Qualifying Transaction, Haywood will receive a sponsorship fee of CAD\$25,000 and 300,000 Sponsor’s Options. Haywood has no other material interest in either the Corporation or Avidian.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation of businesses and corporations, with a view to potential Amalgamation of interests, on their own behalf and on behalf of other corporations, and situations may arise where the directors and officers will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act* (British Columbia).

Interests of Experts

No person or company who is named as having prepared or certified a part of the Filing Statement or prepared or certified a report or valuation described or included in the Filing Statement has, or will have upon completion of the Transactions, any direct or indirect interest in the Corporation.

Conditional Approval

The Corporation has made an application to the Exchange to accept the Amalgamation as the Qualifying Transaction for the Corporation, subject to the Corporation fulfilling all of the requirements of the Exchange.

NOTICE CONCERNING FORWARD-LOOKING STATEMENTS

This Filing Statement contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation or Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include: (A) the intention to complete the Amalgamation, Private Placement and the Qualifying Transaction; (B) the description of the Resulting Issuer that assumes completion of the Transactions; and (C) the

intention to grow the business and operations of the Resulting Issuer and Avidian. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Filing Statement. Such forward-looking statements are based on certain assumptions and analyses made by management of each of the Corporation and Avidian in light of their experience and their perceptions of historical trends, current conditions and expected future developments as well as other factors they believe are appropriate in the circumstances. Their assumptions may prove to be incorrect, including, but not limited to the ability of the Corporation to: obtain necessary financing; satisfy conditions under the Amalgamation Agreement; satisfy the requirements of the Exchange with respect to the Amalgamation and the Qualifying Transaction; the economy generally; risks relating to the Resulting Issuer's substantial capital requirements; risks relating to the prices of gold and other minerals/metals; risks regarding mineral reserve and resource estimates; environmental risks; limited operating history of the Resulting Issuer and Avidian; and anticipated and unanticipated costs. While the Corporation anticipates that subsequent events and developments may cause its views to change, the Corporation specifically disclaims any obligation to update these forward-looking statements. These forward-looking statements should not be relied upon as representing the Corporation's views as of any date subsequent to the date of this Filing Statement. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Corporation, the Resulting Issuer or Avidian. Additional factors are noted under "Risk Factors" in this Filing Statement.

CAUTION

All information contained in this Filing Statement with respect to Avidian was provided by Avidian for inclusion herein and with respect to that information, the Corporation and its directors, officers and advisers have relied solely on the information provided by Avidian.

No person is authorized to give any information or to make any representation not contained in this Filing Statement and, if given or made, such information or representation should not be relied upon as having been authorized. This Filing Statement does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of any offer or proxy solicitation. Neither delivery of this Filing Statement nor any distribution of the securities referred to in this Filing Statement shall, under any circumstances, create an implication that there has been no change in the information set forth herein since the date hereof.

RISK FACTORS

For a description of the risk factors facing the Corporation as a CPC, please see the Corporation's Amended Final Prospectus, dated October 31, 2014, available on request to the Corporation or at www.sedar.com.

MMCC does not have an operating history.

MMCC has no business or assets, other than that which remains of the proceeds of the IPO. MMCC has no history of earnings; it has not paid any dividends and it is unlikely to pay any dividends in the immediate or foreseeable future.

For information on the risk factors relating to Avidian and the Resulting Issuer, please see the risk factors listed under the heading "Part II - The Target Company – Risk Factors".

PART I - THE CORPORATION

Information in this Part I is given as of the date of this Filing Statement, prior to the completion of the Transactions.

CORPORATE STRUCTURE AND DESCRIPTION OF BUSINESS

Name and Incorporation of the Corporation

The Corporation was incorporated under the *Business Corporations Act* (British Columbia) on September 24, 2013, and completed its IPO as a CPC and its Common Shares became eligible to commence trading on the Exchange on November 19, 2014, under the trading symbol “MMC.P”. Pursuant to a resolution passed at a meeting of the shareholders of the Corporation dated June 27, 2017 and initiated by the directors of the Corporation at the request of the Exchange, the Corporation cancelled 410,002 seed shares to facilitate a move to the NEX which was completed on October 27, 2017. The Corporation's shares are now eligible to trade under the symbol “MMC.H”.

At the Corporation's request and in connection with the announcement of a previously proposed qualifying transaction with Empower Environmental Solutions Ltd. (“Empower”) that expired, the Corporation's common shares were halted from trading on the Exchange on November 18, 2015. Following expiration of the proposed qualifying transaction with Empower the Corporation's Common Shares did not resume trading and will remain halted until completion of the Qualifying Transaction herein contemplated. Following completion of the Qualifying Transaction, the common shares of the Corporation will be reinstated for trading on the Exchange as the common shares of the Resulting Issuer, under trading symbol “AVG”.

The registered and records office and the head office of the Corporation is located at Suite 2300 – 1066 West Hastings Street, Vancouver, British Columbia V6E 3X2.

General Development of Business

The Corporation is a CPC pursuant to the Exchange's CPC Policy and to date has not carried on any operations. The principal business of the Corporation has been the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction, subject to acceptance for filing by the Exchange. The Corporation does not have business operations or assets other than cash, and currently has no written or oral agreements in place for the acquisition of an asset or business other than the Amalgamation Agreement.

On October 28, 2015 the Corporation entered into an Agreement in Principle with Empower Environmental Solutions Ltd. (“Empower”) to acquire all the shares of Empower. The Agreement in Principle expired in March 2016 and could not be renegotiated despite repeated best efforts by both parties. The parties found difficulty in engaging a brokerage firm that would agree to provide a private placement financing on terms that Empower would accept.

On October 20, 2016 the Corporation entered into the Letter of Intent with Avidian, whereby the Corporation, Avidian and MMCC Amalco would enter into a three cornered amalgamation. Under the terms of the Letter of Intent, Avidian will amalgamate with MMCC Amalco and will become a wholly owned subsidiary of the Corporation. As compensation each holder of Avidian Shares will receive one common share of the Corporation for every 2.17 Avidian Shares held at the date of the Closing. The Corporation intends that the Amalgamation will constitute the Corporation's Qualifying Transaction.

On October 27, 2017 the Corporation cancelled 410,002 seed shares to facilitate a move to the NEX as required by the Exchange.

Avidian is an arm's length party to the Corporation with respect to the Amalgamation, and there are no parties or their respective Associates or Affiliates which are Control Persons in both the Corporation and Avidian. As a result, the Amalgamation is not a Non Arm's Length Qualifying Transaction and the Corporation is not required to seek shareholder approval for the Amalgamation. There can be no assurance that the Exchange will accept the Amalgamation.

Upon Completion of the Qualifying Transaction, the Corporation will continue operating Avidian's business of evaluating, acquiring and exploring mineral properties in Alaska, Nevada and Newfoundland. Upon Completion of the Qualifying Transaction, the Corporation will cease being a CPC and become a Tier 2 Mining Issuer on the Exchange.

The Corporation's only income, since incorporation, has been interest income, and its only expenses have been the costs of its IPO, identifying and funding assets and businesses to acquire, funding the Transactions, and administration.

In conjunction with the Amalgamation, the Corporation has not undertaken any financing.

Background

The Corporation is a capital pool company or "CPC", as such term is defined in the policies of the Exchange. Pursuant to the Amalgamation Agreement between the Corporation and Avidian, the Corporation agreed, among other things, to amalgamate a wholly owned subsidiary of the Corporation with Avidian and to issue 1 common share of the Corporation for every 2.17 issued and outstanding Avidian Shares held by the current shareholders of Avidian. The Amalgamation, if completed and approved by the Exchange, will be the Corporation's Qualifying Transaction pursuant to the policies of the Exchange, as a result of which the Corporation will cease being a CPC and will be listed on the Exchange as a Tier 2 Mining Issuer.

Avidian is incorporated under the *Corporations Act* (Ontario), and currently holds interests in five properties in Alaska, Nevada and Newfoundland.

Avidian's principal property is the Golden Zone gold, silver, lead, zinc and copper property (the "**Golden Zone Property**"), located in Alaska to which Avidian has agreements to purchase a 100% interest.

The other 4 properties are the Amanita gold and silver property (the "**Amanita Property**") located in the State of Alaska, the Jungo (formerly Shawnee Creek) gold, silver and copper property (the "**Jungo Property**"), and the Dome Hill gold property (the "**Dome Hill Property**") both located in the State of Nevada, and the Strickland gold and silver property (the "**Strickland Property**") located in the Province of Newfoundland.

Name Change

Pursuant to a resolution passed at a meeting of the shareholders of the Corporation dated November 25, 2015, the Corporation obtained shareholder approval to change the name of the Corporation to a name chosen by the directors of the Corporation. The directors of the Corporation plans to change its name to "Avidian Gold Corp.", or such other name as the board of directors of the Corporation deems appropriate and is acceptable to the applicable regulatory authorities.

The Name Change will be effective upon Closing, subject to Exchange and other regulatory acceptance. The directors will not proceed with the Name Change unless they are satisfied, acting reasonably, that the Qualifying Transaction will be completed.

It is anticipated that a letter of transmittal containing instructions with respect to the surrender of share certificates for the Corporation's Common Shares without par value will be furnished to the shareholders of the Corporation for use in exchanging their share certificates. Following the return of a properly completed and executed letter of transmittal, together with the share certificate for the Common Shares, the certificates in the new name and for the appropriate number of Common Shares without par value will be issued.

Share Consolidation

Pursuant to a resolution passed at a meeting of the shareholders of the Corporation dated November 25, 2015, the Corporation obtained shareholder approval to consolidate the issued and outstanding shares of the Corporation on a 2:1 basis. The directors of the Corporation approved the initiation of the Share Consolidation on March 16, 2017

and it was completed on April 25, 2017. There are currently 1,410,001 MMCC common shares issued and outstanding and 173,325 stock options of MMCC outstanding.

The Qualifying Transaction

The Corporation, Avidian and MMCC Amalco have entered into the Amalgamation Agreement. Pursuant to the Amalgamation Agreement Avidian will amalgamate with MMCC Amalco. As compensation each holder of the Avidian Shares will receive one common share of the Corporation for every 2.17 Avidian Shares held at the date of the completion of the transaction. Upon Closing, Avidian will become a wholly-owned, subsidiary of the Corporation and the Corporation will carry on the business of evaluating, acquiring and exploring mineral properties in Alaska, Nevada and Newfoundland. The number of Common Shares to be issued in connection with the Amalgamation was determined pursuant to arm's length negotiations between the management of each of the Corporation and Avidian.

Private Placement

On August 21, 2017 Avidian completed the final tranche of the Private Placement which was a non-brokered private placement of 14,897,500 units of Avidian at CAD\$0.20 per unit of Avidian for the gross proceeds of CAD\$2,979,500. Each unit of Avidian consists of one Avidian Share and one half of Avidian Warrant. The Private Placement was completed in seven tranches. Details of issuances pursuant to each tranche of the private placement are provided in section "Prior Sales".

Upon the Amalgamation, all Avidian Warrants issued in connection with the Private Placement will be exchanged, when surrendered for exchange by the holders thereof, for Resulting Issuer Warrants on such basis that will entitle the warrant holder upon the payment of the exercise price equal to the Avidian Warrant exercise price to receive such number of Common Shares of the Resulting Issuer 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 Avidian Warrant been exercised immediately prior to the completion of the Amalgamation.

The expiry date of the Resulting Issuer Warrants may be accelerated by the Resulting Issuer at any time following the 4-month anniversary of the date on which the common shares of Resulting Issuer are listed for trading on the Exchange and prior to the expiry date if the volume-weighted average price of the Resulting Issuer's common shares is greater than \$1.00 for a period of 20 consecutive trading days, at which time the Resulting Issuer may accelerate the expiry date by issuing a press release announcing the reduced warrant term whereupon the Resulting Issuer Warrants will expire on the 20th calendar day after the date of such press release.

In connection with the Private Placement Avidian paid to various parties instrumental in assisting with the Private Placement the total finders' fee consisting of CAD\$53,825 in cash. The proceeds of the Private Placement will be used to fund the costs associated with completing the Amalgamation, repayment of accounts payable and accrued liabilities, the proposed work program on the Golden Zone property, exploration programs to keep all of the properties in good standing, and for general working capital purposes of the Resulting Issuer.

**SELECTED FINANCIAL INFORMATION
AND MANAGEMENT'S DISCUSSION AND ANALYSIS**

Information from Inception

	Three Month Period ended June 30, 2017	Year ended March 31, 2017 (audited)	Year ended March 31, 2016 (audited)	Year ended March 31, 2015 (audited)
Total Income	\$nil	\$nil	\$nil	\$nil
Total Expenses	\$24,173	CAD\$69,739	CAD\$59,879	CAD\$88,547
Amounts Deferred in connection with the Qualifying Transaction	\$nil	\$nil	\$nil	\$nil

Management's Discussion and Analysis

The Corporation's management's discussion and analysis for the three month period ended June 30, 2017 and the years ended March 31, 2015, 2016 and 2017 are incorporated by reference and attached to this Filing Statement as Schedule A-1, and should be read in conjunction with the Corporation's audited and unaudited financial statements and notes thereto also incorporated by reference and attached to this Filing Statement as Schedule A-2. The audited financial statements of the Corporation included in this Filing Statement are for the years ended March 31, 2015, 2016 and 2017.

Pro forma financial statements for the Resulting Issuer, after giving effect to the Amalgamation and Private Placement, are attached to this Filing Statement as Schedule C.

DESCRIPTION OF SECURITIES

Corporation's Share Capital

The Corporation is authorized to issue an unlimited number of Common Shares. As at the date of this Filing Statement, 1,410,001 Common Shares are issued and outstanding as fully paid and non-assessable, of which 410,001 shares are subject to escrow restrictions pursuant to the CPC Escrow Agreement. In addition, 173,325 Common Shares are reserved for issuance pursuant to stock options granted to officers and directors of the Corporation.

Holder of Common Shares are entitled to one vote per share on all matters subject to shareholders vote. The Common Shares have no pre-emptive or other subscription rights. All of the presently outstanding Common Shares are fully paid and non-assessable. If the Corporation is liquidated or dissolved, holders of Common Shares will be entitled to share ratably in the assets of the Corporation remaining after satisfaction of liabilities.

The holders of Common Shares are entitled to receive dividends when and as declared by the board of directors, out of funds legally available therefor for the foreseeable future. The Corporation does not anticipate paying any cash dividends with respect to its Common Shares. No Common Share which is fully paid is liable to calls or assessment by the Corporation.

Pursuant to the Amalgamation Agreement, the Corporation has agreed to issue to the shareholders of Avidian an aggregate of 50,436,536 Common Shares in consideration for all outstanding Avidian Shares. Following Closing of the Transactions, the Corporation's capital structure will become the capital structure of the Resulting Issuer. See "Part III - The Resulting Issuer – Pro Forma Consolidated Capitalization".

STOCK OPTION PLAN

The Corporation has adopted an incentive Stock Option Plan which provides that the Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and technical consultants to the Corporation, non-transferable options to purchase Common Shares exercisable for a period of up to 10 years from the date of grant, provided that the number of Common Shares reserved for issuance pursuant to the Stock Option Plan will not exceed 10% of the issued and outstanding Common Shares at the time of the Corporation's IPO while the Corporation remains a CPC, and will not exceed 10% of the Corporation's issued and outstanding Common Shares at the time such options are granted after the Corporation ceases to be a CPC. The number of Common Shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding Common Shares. Options granted prior to the Completion of the Qualifying Transaction may be exercised the greater of 12 months after the Completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any Common Shares acquired pursuant to the exercise of options prior to the Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See "Part III - The Resulting Issuer – Escrowed Securities".

As of the date of this Filing Statement, the following stock options, granted on November 19, 2014 pursuant to the Stock Option Plan, are outstanding:

Name of Optionee	Number of Common Shares Under Option	Exercise Price per Optioned Share	Expiry Date ⁽¹⁾
Anurag Arun	39,392	CAD\$0.30	Nov. 19, 2024
Larry K. Doan	39,392	CAD\$0.30	Nov. 19, 2024
Luc Pelchat	39,392	CAD\$0.30	Nov. 19, 2024
David. W. Smalley	55,149	CAD\$0.30	Nov. 19, 2024
Total	173,325		

- (1) The options held by Optionees who do not continue as a director, officer, employee or consultant of the Resulting Issuer, have a maximum term of the later of 12 months after the Completion of the Qualifying Transaction and 90 days after the optionee ceases to be a director, officer, employee or consultant of the Resulting Issuer.

Upon the Completion of the Qualifying Transaction, the Resulting Issuer will cease to be a CPC. As a result, the number of Common Shares available for issuance pursuant to the exercise of stock options under the Stock Option Plan will automatically increase from the current amount to an amount equal to 10% of the issued and outstanding Common Shares from time to time. Upon completion of the Qualifying Transaction, the Resulting Issuer will have an aggregate of 49,358,058 Common Shares issued and outstanding, which will enable the Resulting Issuer to grant stock options to purchase up to an aggregate of 4,935,806 Common Shares.

Following the Completion of the Qualifying Transaction, the Stock Options will be included in the number of issued and outstanding shares under the Resulting Issuer's Stock Option Plan. The Stock Option Plan will be the stock option plan of the Resulting Issuer after Completion of the Qualifying Transaction.

PRIOR SALES

Since the Corporation's date of incorporation and as at the date of this Filing Statement, 3,640,004 Common Shares have been issued as follows:

Date of Issuance	Number of Common Shares	Issue Price per Share	Aggregate Issue Price	Nature of Consideration
Between September 24, 2013 and June 28, 2014	1,640,004 ⁽¹⁾	CAD\$0.075	CAD\$123,000	cash
November 19, 2014	2,000,000 ⁽²⁾	CAD\$0.15	CAD\$300,000	cash
Total	3,640,004		CAD\$423,000	

(1) Held in escrow pursuant to the CPC Escrow Agreement among the Corporation, founding shareholders of the Corporation and Computershare, as escrow agent, dated June 16, 2014. For more information see “Part III - The Resulting Issuer – Escrowed Securities”.

(2) Issued pursuant to the Corporation’s IPO.

Following the Share Consolidation and the cancellation of seed shares pursuant to the move to the NEX there are 1,410,001 shares issued and outstanding.

STOCK EXCHANGE PRICE

The Common Shares of the Corporation are listed on the Exchange under the trading symbol “MMC.P”. The Common Shares became eligible to commence trading on the Exchange on November 19, 2014. The Common Shares of the Corporation were then relisted on the NEX on October 27, 2017 under the symbol “MMC.H”.

The trading of shares in the Corporation was halted voluntarily on November 18, 2015 in connection with the announcement of a previously proposed qualifying transaction with Empower that expired. Following expiration of the proposed qualifying transaction with Empower, the Common Shares did not resume trading and will remain halted until completion of the Qualifying Transaction. The Corporation’s shares remain halted as of the date of this Filing Statement. It is anticipated that the Common Shares will resume trading on the Exchange after completion of the Qualifying Transaction, under the symbol “AVG”.

ARM’S LENGTH TRANSACTION

The Amalgamation does not constitute a Non Arm’s Length Qualifying Transaction within the meaning of the CPC Policy.

LEGAL PROCEEDINGS

There are no legal proceedings to which the Corporation is a party or of which any of its property is the subject matter, and there are no such proceedings known to the Corporation to be contemplated.

AUDITOR, TRANSFER AGENTS AND REGISTRARS

The auditor of the Corporation is Davidson and Company LLP, Chartered Accountants, of 1200-609 Granville Street, Vancouver, BC, V7Y 1G6.

The transfer agent and registrar of the Corporation is Computershare Investor Services Inc., at its Vancouver office located at 2nd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9.

MATERIAL CONTRACTS

The Corporation has not entered into any contracts material to investors in the Common Shares of the Corporation since incorporation, other than:

1. Stock Option Plan dated April 15, 2014. For more information see “Part I - The Corporation – Stock Option Plan”.
2. CPC Escrow Agreement dated June 16, 2014, between the Corporation, Computershare, as escrow agent, and certain founding shareholders of the Corporation, in connection with seed shares issued by the Corporation before its IPO. For more information see “Part III - The Resulting Issuer – Escrowed Securities – CPC Escrow Agreement.”
3. Transfer Agent, Registrar and Dividend Disbursing Agent Agreement dated June 19, 2014 between the Corporation and Computershare whereby the parties agreed that Computershare would act as the Corporation’s transfer agent and registrar to keep the register of holders and transfers of the Corporation’s shares.
4. Agency Agreement dated September 8, 2014, between the Corporation and Canaccord Genuity Corp., whereby the parties agreed that Canaccord Genuity Corp would act as agent for the Corporation’s IPO and thereby offer shares of the Corporation under the IPO prospectus and offering price. In return Canaccord received a cash commission of 10% of the offering price per share sold, a number agent warrants equal to 10% of the shares issued under the offering exercisable for 24 months following completion of the IPO and an administration fee of \$10,000. Canaccord was also granted a right of first refusal by the Corporation in respect of any further financing undertaken by the Corporation up to and including the date of closing of the corporation’s qualifying transaction. Canaccord waived such right of first refusal by letter dated 17th January 2017.
5. Letter of Intent from MMCC to Avidian dated October 20, 2016, and accepted by Avidian on October 20, 2016. See “Part I - The Corporation – General Description of the Business”.
6. Amalgamation Agreement dated as of March 13, 2017 as amended April 13, 2017, June 23, 2017 and August 24, 2017 made among the Corporation, Avidian, and MMCC Amalco, pursuant to which the Corporation and Avidian have agreed to complete the Amalgamation on the terms and conditions set forth therein. See “Part I - The Corporation – General Description of the Business”.

Copies of these agreements are available for inspection at the registered office of the Corporation at Suite 2300 - 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X2, during ordinary business hours until the Closing Date and for a period of 30 days thereafter.

PART II - THE TARGET COMPANY

Information in this Part II is given as of the date of this Filing Statement, prior to the completion of the Transactions, unless disclosed otherwise.

CORPORATE STRUCTURE AND GENERAL DESCRIPTION OF THE BUSINESS

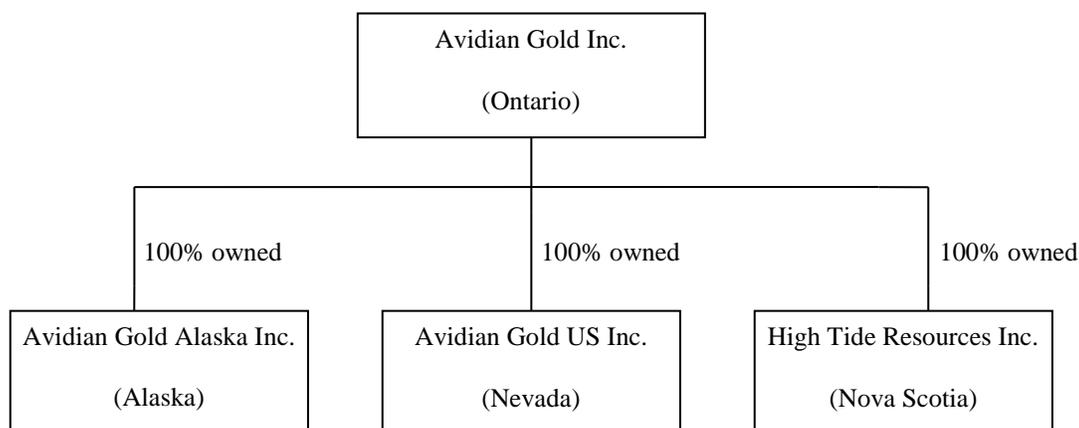
Name and Incorporation of Avidian

Avidian Gold Inc. (“Avidian”) was incorporated pursuant to the provisions of the *Corporations Act* (Ontario) on June 22, 2011.

The executive offices of Avidian are located at 390 Bay Street, Suite 806, Toronto, Ontario, M4H 2Y2. The registered office of Avidian is located at 390 Bay Street, Suite 806, Toronto, Ontario, M4H 2Y2.

Intercorporate Relationships

Avidian has three subsidiaries: (1) Avidian Gold Alaska Inc.; (2) Avidian Gold US Inc.; and (3) High Tide Resources Inc., all of which Avidian owns 100% of the shares;



Properties

Avidian is a privately held mineral exploration and development company. Avidian, directly or indirectly through its subsidiary companies, owns interests in 5 properties. The five properties are: (1) Golden Zone, (2) Amanita, (3) Jungo, (4) Dome Hill (5) Strickland. The principal property of Avidian is the Golden Zone Property.

Mineral Properties ownership:

<u>Avidian Gold Alaska Inc.</u>	<u>Avidian Gold US Inc.</u>	<u>Avidian Gold Inc.</u>
100% interest interests in Amanita Property	100% interest in Dome Hill Property	100% interest in Strickland Property,
100% interest to the Golden Zone Property	100% interest in Jungo Property	

GENERAL DEVELOPMENT OF THE BUSINESS

Avidian is a privately held mineral exploration and development company focused primarily on the exploration and acquisition of gold projects. The Corporation has acquired the rights to explore four gold properties in the United States of America and the right to explore a volcanogenic massive sulfide property in Newfoundland, Canada.

History

Avidian Gold Inc. was incorporated by articles of incorporation dated June 22, 2011 under the *Business Corporations Act* (Ontario). On June 23, 2011, Avidian Gold US Inc., a Nevada corporation wholly owned by Avidian was incorporated.

Effective June 1, 2011, Avidian entered into a lease agreement with Nevoro Nevada Inc. ("NNI") for claims located in Mono County, California and Mineral County, Nevada (the "Nevoro Claims"). The term of the lease was for three years from the date of the agreement. Effective April 12, 2013, Avidian and NNI entered into the First Amendment of Mining Lease and Option to Purchase Agreement Dome Hill Project in accordance with which Avidian agreed to purchase all of the rights, titles and interests of NNI in the Nevoro Claims. The Nevoro Lease has been terminated and Avidian owns the Nevoro Claims outright and free and clear of any claims, encumbrances or liens.

On September 1, 2011, Avidian entered into a mining lease and option to purchase agreement Sunshine Project with Deborah A. Ostas for the Sunshine Group of unpatented mining claims located in Mono County, California. The term of this lease was for twenty years. This lease was terminated effective April 15, 2015.

On August 12, 2011, Avidian entered into a lease agreement ("PPM Lease") with Paradise Peak Mining, LLC ("PPM") for claims located in the Mineral and Nye Counties of the State of Nevada. PPM Lease has subsequently been terminated by the parties.

On January 11, 2012, Avidian entered into a mining lease and purchase agreement ("Desatoya Lease") effective January 31, 2012 with Desatoya Goldstrike, LLC ("Desatoya") for claims located in the Mineral and Nye Counties of the State of Nevada.

The term of each of the PPM Lease and Desatoya Lease is for ten years with five extension terms of ten years each and so long after expiration of the final ten year extension as long as Avidian pays the minimum payments unless otherwise extended or terminated.

On August 29, 2011, Avidian entered into a lease agreement with Dutch Gold Resources, Inc. ("DGRI"), a Nevada corporation, for claims located in Humboldt County of the State of Nevada, (the "Red Dog Claims"). The term of the lease was for ten years with five extension terms of ten years each and so long after expiration of the final ten year extension as long as Avidian pays the minimum payments unless otherwise extended or terminated.

Subsequently, on January 8, 2013, DGRI, DGRI Jungo Development Corporation and Avidian into an agreement pursuant to which DGRI and DGRI Jungo Development Corporation agreed to transfer to Avidian all of the rights, titles and interests in and to the Red Dog Claims, in exchange for a 2% NSR and the obligation of Avidian to pay annual advance minimum royalty payments to DGRI Jungo Development Corporation in the amount of \$20,000 beginning on August 25, 2015. The agreement dated January 8, 2013, expressly supersedes the mining lease agreement dated August 29, 2011. On January 4, 2013 William R. Hansen, the owner of the Royalty Red Dog Claims, executed and delivered to Avidian a Quitclaim Deed With Reservation of Royalty. On June 26, 2014, Avidian purchased a 100% interest in the Red Dog Claims and as a result, Royalty interests of 2% NSR on the Red Dog Claims have been cancelled. Red Dog Claims are part of the Jungo Property.

On August 31, 2011, Avidian entered into a lease agreement with Kircher Mine Development LLC for claims located in Mineral County of the State of Nevada. The term of the lease was for twenty years. This lease was terminated effective April 15, 2015.

On November 1, 2011, Avidian entered into a mining lease and option to purchase agreement with Doyle Kenneth Brook, Jr., an officer and former director of Avidian, and his spouse, Maria Brook, (collectively "Brook"), for the Hermene patented mining claim located in Mono County, California. This lease was terminated effective April 15, 2015.

On January 29, 2013, Avidian entered into a mining lease and option to purchase agreement for the Rad Claims Property group of unpatented mining claims located in Mineral and Nye Counties, Nevada (the "Altan Lease") with Altan Rio (US) Inc., a Nevada corporation ("Altan"). Avidian terminated the Altan Lease effective December 23, 2015.

On June 14, 2013, Avidian entered into a share exchange agreement whereby Avidian issued 11,228,137 Shares valued at \$1,103,277 in exchange for all the issued and outstanding shares and warrants of High Tide Resources Inc. which holds a 100% interest in the Strickland Property.

On June 1, 2014, Avidian entered into a lease agreement with McIntosh Exploration LLC, a private Nevada company, for claims located in Lyon County of the State of Nevada. The term of the lease was for ten years unless terminated or extended. On December 27, 2014, the board of directors of Avidian decided not to pursue any further exploration work on the property and Avidian terminated the lease agreement.

On June 1, 2014, Avidian entered into a lease agreement with T.J. and A.L. Percival, for claims located in Nye County of the State of Nevada. The term of the lease was for 20 years unless terminated or extended. Avidian terminated this lease effective May 1, 2015.

On July 18, 2015, Avidian signed a lease to purchase option for a period of 15 years pursuant to which Avidian can acquire a 100% interest in the Amanita claim block subject to a 3% NSR for cash consideration of \$3 million.

On April 28, 2016, Avidian entered a firm agreement with Chulitna Mining Company LLC ("**Chulitna**"), Mines Trust Company Inc. ("**Mines Trust**"), and Alix Resources Corp ("**Alix**") to purchase an aggregate interest of 70.6% interest in the Golden Zone Property, Alaska. On November 21, 2016 Avidian entered into a definitive agreement with Chulitna and Mines Trust to purchase an aggregate interest of 70.6% interest in the Golden Zone Property under the same terms as, and superseding, the April 28, 2016, firm agreement.

On May 25, 2016, Avidian entered into an option to enter a joint venture agreement with NPM on its mining claims located in the Mineral and Nye Counties of the State of Nevada. The North Peak Agreement was terminated on September 29, 2016.

On July 19, 2016, Avidian Gold Alaska Inc. was incorporated.

On October 22, 2016, Avidian entered into a purchase agreement with Hidefield Gold (Alaska) Inc. ("**Hidefield**") a subsidiary of Hidefield Gold Limited for acquisition of all of Hidefield's interest in the Golden Zone Property, being the remaining 29.4% interest in the Golden Zone Property.

SIGNIFICANT ACQUISITIONS AND DISTRIBUTIONS

The following is a brief description of significant acquisitions and dispositions that were made by Avidian during the financial year ended June 30, 2016 and in the period between July 1, 2016 and the date of this Filing Statement.

Acquisitions.

On July 18, 2015, Avidian signed a lease to purchase option for a period of 15 years pursuant to which Avidian can acquire a 100% interest in the Amanita claim block subject to a 3% NSR for cash consideration of \$3 million. Avidian paid \$5,000 at the time of signing of a letter of intent and a further \$20,000 on signing of the definitive property agreement. Under the agreement, Avidian is required to make minimum payments (which shall be credited towards purchase price) as follows: \$15,000 on the first anniversary of the Agreement; \$25,000 on the second anniversary of the Agreement; \$30,000 on the third anniversary of the Agreement, with payments due on subsequent

anniversaries to increase by \$10,000 on each anniversary. Avidian can acquire the 3% NSR for an additional \$3 million.

On April 28, 2016, Avidian entered into a firm agreement with Chulitna, Mines Trust, and Alix to purchase an aggregate interest of 70.6% interest in the Golden Zone Property. As consideration for acquiring the 70.6% interest in the Golden Zone Property, Avidian undertook to pay an aggregate of \$875,000 and issue the aggregate of 11,250,000 Avidian Shares to Mines Trust and Chulitna and to pay \$10,000 and issue 1,000,000 Avidian Shares to Alix. The Shares issuable to Chulitna and Mines Trust are issuable at the deemed price of CAD\$0.10 while Avidian Shares are not traded on a public market, and at the 20-day volume weighted average price (VWAP) immediately prior to the date a payment is due when the Avidian Shares, or the shares of its successor company are listed upon a stock exchange. Avidian Shares issued to Alix are issued at the deemed price of \$0.10 per Avidian Share. As of the date of this Filing Statement, all required payments and issuances of Avidian Shares to Alix have been made. The payment and issuance of Avidian Shares, to Chulitna and Mines Trust are to occur in yearly instalments and are scheduled to end on January 15, 2023 (with the \$225,000 paid and 4,236,250 Avidian Shares issued as of the date of this Filing Statement), or earlier upon reaching a rate of annual production of 10,000 or more ounces of gold from the property. Production from the interests in Golden Zone acquired by Avidian from Chulitna's and Mines Trust is subject to a combined 3% NSR in favor of Mines Trust and Chulitna. These royalty payments can be bought back by Avidian at the rate of one percentage point for \$1,000,000 for Chulitna's NSR and 4/10ths of one percentage point for \$400,000 for Mines Trust's NSR.

The April 28, 2016 firm agreement is superseded by the definitive Purchase Agreement between Avidian, Chulitna and Mines Trust dated November 23, 2016. The terms of the acquisition of the 70.6% interest in the Golden Zone Property under the definitive agreement are the same as under the April 28, 2016 firm agreement.

On October 22, 2016, Avidian entered into a purchase agreement with Hidefield for acquisition of all of Hidefield's interest in the Golden Zone Property, being the 29.4% interest in the Golden Zone Property in exchange for 3,500,000 Avidian Shares at a deemed price of CAD\$0.10. Production from the interests in Golden Zone acquired by Avidian from Hidefield is subject to 1% NSR in favor of Hidefield.

Dispositions

Effective December 23, 2015, Avidian terminated the Altan Lease, a mining lease and option to purchase agreement for the Rad Claims Property into which Avidian originally entered on January 29, 2013 with Altan Rio (US) Inc.

On May 25, 2016, Avidian entered into an option to enter joint venture agreement with NPM on its mining claims located in the Mineral and Nye Counties of the State of Nevada.

The North Peak Agreement was terminated by NPM on September 29, 2016. Avidian's interests in the mining claims previously subject to the North Peak Agreement, which comprised the County Line property were returned to previous owners thereof.

NARRATIVE DESCRIPTION OF THE BUSINESS

Avidian is a junior mineral exploration company focused primarily on the exploration and acquisition of gold projects. Avidian, has acquired and, through its American wholly owned subsidiaries, holds the rights to explore four gold properties in the United States of America and has acquired all the issued and outstanding shares of High Tide Resources Inc. which holds the right to explore a volcanogenic massive sulfide property in Newfoundland, Canada. The Golden Zone Property is Avidian's primary mineral property.

Properties

GOLDEN ZONE

The following information regarding the Golden Zone Property (also referred herein as the “**Property**”) has been summarized from a NI 43-101 technical report (the “**Golden Zone Report**”) on the Golden Zone Property dated November 23, 2016 prepared by Leon McGarry, B.Sc., P.Geo. and Ian D. Trinder, M.Sc., P.Geo. of Howe. The Golden Zone Report was requested in connection with the proposed Amalgamation.

Property Description and Location

The Golden Zone Property is located entirely on State of Alaska owned lands and falls within Alaska’s Valdez Creek Mining District and the Talkeetna Recording District approximately 230 kilometers north of Anchorage and 210 kilometers south of Fairbanks.

The property comprises mining claims and leases with a total area of 4,032 hectares, or 40.32 square kilometers (“sq km”). A previously abandoned mining claim, Gold King 48 - ADL 563034, is currently in process of reactivation (“curing”) and upon reactivation, application will be made to incorporate it into the upland mining lease. The mining lease will then total 1,184 ha and the total Property area will be 4,048 ha or 40.48 sq km.

Prior to Avidian’s acquisition of the Property, the State of Alaska Uplands Mineral Lease ADL 580985 and State of Alaska Millsite Lease ADL 547111, which are part of the Property, were owned as follows: 51% by Chulitna, 29.4% by Hidefield, and 19.6% by Mines Trust Co. Avidian has acquired 100% of Chulitna’s, Mines Trust’s and Hidefield’s interests in the Golden Zone Property (specifically the 1,168 ha State of Alaska Uplands Mineral Lease ADL 580985 and 16 ha State of Alaska Millsite Lease ADL 547111) subject to certain payment and royalty terms. As at the date hereof, Mines Trust’s title to the two leases and transactions and agreements between Mines Trust and other entities that may be in place have been transferred to Avidian. The contiguous 64 State of Alaska MTRS claims within the Golden Zone Property are held 100% by Avidian through its wholly owned Alaskan subsidiary, Avidian Gold Alaska, subject to certain royalty payments to Chulitna and Mines Trust.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The climate in the Property area is mountain continental but has a maritime influence in the summer because of its proximity to the coast and the warm Japanese current emanating from the Gulf of Alaska. The effective season for field exploration operations in the Project area runs from June through late September or early October. Mine operations in the region with supporting infrastructure, can operate year-round. In the opinion of the authors of the Golden Zone Report, sufficient surface rights exist on Property that may be necessary for any potential future mining operations including tailings storage areas, waste disposal areas and a processing plant.

The property is located about 16 air km from the main transportation corridor between Anchorage and Fairbanks which contains the George Parks Highway (Alaska Route 3), the Alaska Railroad and the 345Kv Alaska Intertie. A 610 m gravel airstrip is located at Colorado Station and a 365 m airstrip is located within the upland lease on the access road approximately 1 km northeast of the Golden Zone camp. No electrical power lines, gas lines, or permanent settlements exist on the Property.

Anchorage and Fairbanks are the nearest sources of mining related commercial services and have an abundant pool of managerial and skilled labour. Anchorage is serviced by modern telecommunications, commercial airlines and ocean port, rail, and truck transportation.

History

The Golden Zone Property has a long exploration and development history. Four periods are recognized:

- 1) 1907 - 1915 — Discovery and early prospecting;
- 2) 1929 - 1942 — Exploration and development related to W.E. Dunkle;
- 3) 1971 - 1983 — Start of modern exploration; and
- 4) 1985 - present — Exploration dominated by junior exploration companies.

Approximately 26,815 m of drilling, both core and reverse circulation, has been conducted on the Golden Zone property, predominantly in the immediate area of the Golden Zone Breccia Pipe. Most of the drill core is preserved

on site in two dedicated storage buildings. In addition to drilling, considerable geologic mapping, ground geophysics, geochemistry and a heli-borne EM and magnetic survey have been completed on the property, both at the Golden Zone Breccia Pipe and at several other prospects on the Property.

Geology Setting

The Property lies within the Chulitna and West Fork terranes, a poorly understood, fault-bounded package of rocks that are exotic to the North American craton. The Chulitna and West Fork terranes are comprised of several northeast-trending upper Paleozoic to Cretaceous-age belts of volcanic and sedimentary rocks, bounded to both the northwest and southeast by Jurassic to Cretaceous flysch of the Kahiltna assemblage. The Chulitna terrane consists of Devonian volcanic and sedimentary rocks overlain by Upper Triassic volcanoclastic red beds, basalt, and limestone, and Upper Triassic to Lower Jurassic volcanoclastic sandstone and basalt. The West Fork terrane is faulted against the Chulitna terrane and consists of Jurassic crystal tuff, volcanoclastic sandstone, argillite, and chert.

Mineralization

The Property lies in the Upper Chulitna district, which forms the northern third of the 160 km long highly mineralized area termed the Yentna-Chulitna Mineral Belt. Most of the known mineralization in the Upper Chulitna district occurs in Chulitna terrane rock units. The only recorded metal production from the Chulitna district is from the Golden Zone deposit. Between 1941 and 1942 it produced 1,581 oz Au, 8,617 oz Ag, 21 tons Cu, and 1.5 tons Pb. A small amount of placer gold was mined from Bryn Mawr Creek, immediately downstream from the Golden Zone, and from McCallie Creek approximately 15 km southwest of the Property. Placer gold accumulations are not significant, as the area has been eroded by multiple glaciation events in the recent past.

Except for the minor placer gold and serpentinite hosted chromite deposits, most known mineral prospects in the Chulitna district are spatially and temporally associated with Cretaceous and Tertiary age intermediate to felsic intrusions. Although the various prospects and deposits possess similarities, those associated with Late Cretaceous intrusions are fundamentally different from those with early Tertiary intrusions. The former contain significant Au mineralization and the latter significant Ag-Sn mineralization.

The Property is underlain primarily by Devonian to Triassic aged volcanics with lesser sediments and ultramafic rocks, sandwiched between younger Jurassic aged sediments exposed in a narrow graben feature to the east, and Jurassic-Cretaceous Kahiltna assemblage flysch sediments to the west. Sediments of the Permo-Triassic suite are typically shallow water sandstones, conglomerates and limestones, while the volcanic components are comprised of basalts and basalt-derived tuffs, of intra-cratonic affinity, and coarse sediments. Many of the lithologies are reddish in colour, due to oxidation of primary Fe-Ti oxides to hematite, which suggests that the volcanics at least, were in part sub-aerial. The Devonian rocks consist of green weathering basaltic to dacitic tuffs and flows of island arc affinity, with lesser bedded chert, near the base of the unit, which in turn, overlie a bedded limestone of late Silurian to early Devonian age. This assemblage is also spatially associated with serpentinite, which commonly occurs as isolated lenses aligned within fault zones, and in fold hinges. It is similar in trace element composition to the gabbroic and basaltic phases of Devonian volcanism, and may represent feeder dikes to the volcanic units.

Gold mineralization on the Property is widespread and occurs within a breccia pipe, shear zones, skarns, porphyry and granitic intrusives, and vein-type geological settings, all of which relate to the late Cretaceous intrusive event. As with many Alaskan intrusive-associated gold occurrences and deposits, the Golden Zone property mineralization is rich in arsenic, and exhibits strong elements of structural control.

The Golden Zone property is divided into three main mineral corridors which correspond to the previously described geological blocks bounded by northeast striking high-angle faults:

1. The Golden Zone Corridor is the northwestern-most block and is bounded on the east by the Bryn Mawr fault. Gold-bearing mineralized zones within the Golden Zone corridor include quartz-arsenopyrite-sulphide veins at the Riverside prospect; similar veins and skarn mineralization at the Banner prospect, veins and shears at the Lupin, Bunkhouse, Mayflower and BLT prospects, the highly mineralized breccia and mineralized porphyry at the Golden Zone Breccia Pipe deposit, and veins and

- shears at the GAS prospect. The mineralization in the western block area is characterized by a metal suite containing Ag-As-Au-Bi-Sb±Te±Cu±Pb±Zn.
2. The central Long Creek Corridor is separated from the Golden Zone Corridor by the Bryn Mawr fault. Mineral prospects in the central or Long Creek block have less arsenic than the Golden Zone Corridor prospects and are characterized by a metal suite containing Ag-Au-Bi-Cu. Gold-bearing mineralized zones in the Long Creek corridor include skarn, carbonate replacement, and porphyry mineralization associated with quartz-eye porphyry granite. Favourable host-rocks are carbonate-rich volcanoclastic red beds. From north to south, mineralized prospects include Copper King, Long Creek, South Long Creek and Geoff's Anomaly (which lies to the south of the current claim block).
 3. The Silver Dikes corridor is contained within the graben filled with Jurassic clastic rocks. This corridor is poorly known and is not completely defined. Mineralized zones in the Silver Dikes corridor are mainly veins and shear zones associated with granitic dikes. The mineralized zones rarely contain detectable gold and are characterized by a metal suite containing Ag-Bi-Pb-Zn and possibly Sn.

Exploration, Drilling, Sampling and Analysis and security of the Samples

Avidian completed a data review and compilation as well as a check sampling program in July and August 2016 comprising 166 samples collected from nine historic diamond drill holes, and also collected 256 grab samples on the Property. The objective of the fieldwork was to confirm the property-wide distribution of mineralization as documented in historical reports, and to develop preliminary ideas on the controls of the mineralization from its additional prospecting and sampling program. Avidian has spent in excess of the minimum required work commitment of \$200,000 as per the work commitment obligation in the purchase agreement relating to this property.

Avidian grab sampling confirmed significant gold grades (>5 g/t) occurs in most prospects, from the Wells Vein in the northern tip of the Property to the South Long Creek prospect in the southern part of the Property, a distance of more than 7 km. Gold values are highest in the Golden Zone Corridor, but significant gold also occurs locally within the Long Creek Corridor. Significant silver values (>25 g/t) occur in almost all prospects; the best silver values occurred in arsenopyrite-rich veins of the South Long Creek prospect. High grade silver is also a feature of veins proximal to the Breccia Pipe. All prospects on the Property contain very high arsenic with values that typically increase more or less proportionally with increasing gold content. Significant copper grades (>0.25%) are not as widespread, but do occur in many prospects over the length of the Property. The Copper King prospect has the most consistently high copper values. Noteworthy lead and zinc values (>0.25%) are more restricted than copper or precious metals. Highest lead values occur in veins near the Breccia Pipe and at South Long Creek. Significant zinc also occurs at these localities, and at Copper King.

For these programs, Avidian maintained security of samples prior to dispatch to the analytical laboratory by limiting access of un-authorized persons. Samples were transported from the field and stored in a secure storage area at the base camp on the Property. Samples remained under the supervision of Avidian's consultants until the end of the field program when they were delivered to ALS Minerals ("ALS") Fairbanks preparation laboratory. Samples are prepared at ALS Global's Fairbanks facility and sample pulps are forwarded to the ALS's Mineral Laboratory in North Vancouver, British Columbia for analysis. In the opinion of the authors of the Golden Zone Report, security and integrity of Avidian samples submitted for analysis has not been compromised, sample preparation follows industry best practices and procedures, and the analytical methods used are routine and provide robust data associated with a high degree of analytical precision.

The authors of the Golden Zone Report further opine that Avidian's current sampling programs are conducted to industry standards and that the QA/QC programs undertaken by Avidian are sufficient to provide confidence in the analyses undertaken at ALS Global Vancouver in 2016. The historical post-1994 sampling programs were carried out to industry standards applicable at the time the work was conducted. Based on its verification review and sampling, the 2016 repeat core sampling program, and a review of available historical QA-QC, Howe concluded in the Golden Zone Report that the database for the Golden Zone Property is of sufficient quality to provide the basis for the conclusions and recommendations reached in the Golden Zone Report.

Mineral Resources and Mineral Reserves

During the period July 2016 to August 2016, Howe carried out a mineral resource estimate (“MRE”) update for the Golden Zone deposit. The MRE was prepared by L. McGarry, Howe Senior Project Geologist and a Qualified Person (“QP”) for the reporting of Mineral Resources as defined by NI 43-101. Mineral resource modeling and estimation was carried out using the commercially available Micromine (Version 2014) software program. The resource estimate was prepared in accordance with Canadian Institute of Mining, Metallurgy and Petroleum (the “CIM”) guideline “Estimation of Mineral Resource and Mineral Reserves Best Practice Guidelines” (CIM Council, 2003), CIM “Definition Standards for Mineral Resources and Mineral Reserves” and reported in accordance to NI 43-101.

As indicated in the Golden Zone Report, Non-diluted Indicated Mineral Resources considered amenable to open pit mining total 4.187 million tonnes with an average gold grade of 1.99 g/t for 267,400 oz Au and an average silver grade of 10.42 g/t for 1,397,800 oz Ag.

Non-diluted Inferred Mineral Resources considered amenable to open pit mining total 1.353 million tonnes with an average gold grade of 0.82 g/t for 35,900 oz Au and an average silver grade of 2.56 g/t for 111,400 oz Ag.

A summary of the 2016 mineral resource estimate update on the Golden Zone Property is provided in the table below:

Category	Domain	Density	Tonnes	Au (g/t)	Ounces Au	Ag (g/t)	Ounces Ag
Indicated	Porphyry	2.73	1,811,000	0.89	52,000	3.20	186,300
	Sulphide Breccia	3.22	2,007,000	3.17	204,300	17.19	1,109,000
	Silica Breccia	2.80	369,000	0.93	11,100	8.64	102,500
	Total		4,187,000	1.99	267,400	10.38	1,397,800
Inferred	Porphyry	2.73	142,000	0.75	3,400	1.84	8,400
	Shear Zone	2.69	1,216,000	0.83	32,600	2.65	103,400
	Total		1,353,000	0.83	35,900	2.56	111,400

Exploration and Development

Howe concludes that the Golden Zone Property is prospective for the potential discovery of a large tonnage reduced intrusion-related gold systems (RIRGS) deposit, such as those present within the Tintina Gold Province and is a property that warrants significant additional expenditures. Avidian has indicated that it intends to focus its preliminary exploration efforts on the assessing the Property for its potential to host a large tonnage RIRGS deposit. Howe concurs with this decision.

In August 2017, based on Howe’s recommendations, Avidian has proposed a preliminary exploration program which focusses on the assessment of the potential for the Property to host a significant large tonnage RIRGS deposit. Howe concurs with Avidian’s proposed 2017 program as outlined below:

- Data compilation and planning
- Property-wide mapping, prospecting/sampling and infill soil sampling of historic and potentially newly discovered prospect areas. Approximately 1,000 rock and soil samples are proposed.
- Shallow diamond drill testing of significant prospects totaling approximately 2,300 m at Riverside, Bunkhouse and the surrounding Breccia Pipe area. Approximately 1,500 core samples would be collected.
- Induced Polarization Survey over the main prospect area; Riverside, Breccia Pipe area, Copper King, Long Creek and South Long Creek.
- Preliminary assessment of previous Base Line studies.
- Camp improvements and equipment purchases.
- Compilation and reporting of 2017 exploration results.

As of the August 17, 2017, being the Amended Effective Date of the Golden Zone Report, Howe considers the following proposed reasonable and recommends that the Resulting Issuer proceed with the work programs as outlined below.

ITEM			Cost \$US
Pre-program compilation and planning (60 days @ \$600/day)			\$36,000
Property wide mapping/sampling/prospecting/soil surveys (in-fill)			
2 months (4 @ \$600/day)			\$144,000
Analyses	1,000 samples @ \$30/sample		\$30,000
IP Survey (approx. 43 line km)			\$165,000
Preliminary Environmental Assessment Report			\$30,000
DDH Core Drilling			
Prospects outside of the Golden Zone Deposit – preliminary DDH testing			
2,300 m @ approx. 230/m			\$460,000
Analyses	1,500 samples @ \$30/sample		\$45,000
Support costs			
Camp	Pre-program Preparation		\$30,000
	Ongoing Camp Costs \$600/day (3 months)		\$54,000
Personnel	5 @ \$500/day (3 months)		\$225,000
Interpretation and reporting (25 days @ \$600/day)			\$15,000
Contingency	Approx. 14%	Includes capital purchases, rentals, etc.	\$164,560
Total			\$1,398,560

Since May 30, 2017 to August 17, 2017 Avidian has conducted exploratory work on the Golden Zone property in accordance with the recommended work program. The work completed to August 17, 2017 has been reflected in the Technical Report that has been amended effective August 17, 2017. As of August 17, 2017, Avidian had spent US\$ 1,121,000 on the above work program. The work remaining to be completed is an additional 250 m of core drilling, receipt of approximately 1,450 outstanding analytical results, the geophysical report with interpretations and recommendations, the environmental preliminary assessment report and the final overall compilation and interpretation of all of the program results and final report. It is expected that all of this information should be completed by mid to end of November 2017.

The table below shows what has been completed as of August 17, 2017 and what work remains to be completed and the balance of the budget that will be required to complete the project, totalling \$277,560.

ITEM			Recommended Cost \$US	% Completed	Budget to Completion \$US
Pre-program compilation and planning (60 days @ \$600/day)			\$36,000	100%	\$0
Property wide mapping/sampling/prospecting/soil surveys (in-fill)					
2 months (4 @ \$600/day)			\$144,000	100%	\$0
Analyses	1,000 samples @ \$30/sample		\$30,000	\$35% (350 samples)	\$19,500
IP Survey (approx. 43 line km)			\$165,000	90%	\$16,500
Preliminary Environmental Assessment Report			\$30,000	0%	\$30,000
DDH Core Drilling					
Prospects outside of the Golden Zone Deposit – preliminary DDH testing					
	2,300 m @ approx. 230/m		\$460,000	90% (2,100 m)	\$50,000
Analyses	1,500 samples @ \$30/sample		\$45,000	36% (400 samples)	\$33,000
Support costs					
Camp	Pre-program Preparation		\$30,000	100%	\$0
	Ongoing Camp Costs \$600/day (3 months)		\$54,000	83%	\$16,000
Personnel	5 @ \$500/day (3 months)		\$225,000	83%	\$37,500
Interpretation and reporting (25 days @ \$600/day)			\$15,000	0%	\$15,000
Contingency	Approx. 14%	Includes capital purchases, rentals, etc.	\$164,560	74%	\$60,060
Total			\$1,398,560		\$277,560

OTHER PROPERTIES

Amanita Property

Amanita Property is located near Fairbanks Alaska, with Avidian controlling 88 claims covering an area of approximately 14.6 sq km. The project is located within the Fairbanks Mining District approximately 25 kilometers Northeast of Fairbanks city limits. Amanita is underlain by micaceous quartzite and quartz biotite muscovite schist of the Fairbanks Schist unit. The property borders the Mid-Cretaceous Gilmore Dome pluton which is seen in the northwest corner of the claim block and apparently extends to depth under the metamorphic rocks. The geology of Amanita is cut by a series of high angle, left-lateral, northeast faults. Regional geology consists of Proterozoic schists and amphibolite intruded by Cretaceous granitoid. The interests in the property are subject to a 3% NSR that can be bought for the aggregate of \$3,000,000.

Dome Hill Project

Dome Hill project straddles the California – Nevada state line, and Avidian owns 30 unpatented lode claims in Nevada, 43 unpatented lode claims in California. The project contains six major high sulphidation vein systems (6,000 m of strike length), three of which have supported minor gold production. The Veins hosted by propylitized Miocene volcanics and Jurassic granite; mineralization overlain by Miocene/Pliocene volcanic rocks.

Jungo Property

Jungo Property, formerly known as the Shawnee Creek Property is 19.6 sq km in area, comprise 235 unpatented claims 100% owned by Avidian; 35 of the claims are subject to a 2% NSR. Property occurs in the Jackson Mountains Terrane, a lithotectonic package comprising Jurassic island arc volcanic, sedimentary and intrusive rocks. The property has received over \$800,000 in exploration work since the 1990's including regional geologic mapping and rock chip sampling, IP, magnetic and gravity geophysical surveys, trenching, core and RC drilling. Geology of the property is Jurassic to Cretaceous stocks and dikes ranging from granodiorite to diorite intruding Triassic/Jurassic volcanic and sedimentary rocks.

Strickland Property

Strickland Property is comprises 43 mineral claims (10.75 sq km) mining licenses located in southwest Newfoundland. The property is subject to a 2% NSR in favor of Quinlan Prospecting Limited; Avidian has the right to buy back the total of 1.5% of the Quinlan NSR for the total consideration of CDN\$2,000,000.

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

	Year ended June 30, 2017	Year ended June 30, 2016	Year ended June 30, 2015
Net sales or total revenues.	nil	nil	nil
Income from continuing operations.	nil	nil	nil
Net loss, in total.	\$2,949,140	\$774,808	\$689,791
Total assets.	\$1,669,757	\$1,083,193	\$951,736
Total long term financial liabilities as defined in the Handbook.	\$616,514	\$635,643	\$28,600
Cash dividends declared.	nil	nil	nil

PLEASE REFER TO MANAGEMENT'S DISCUSSION AND ANALYSIS FOR QUARTERLY INFORMATION

DESCRIPTION OF SECURITIES

Description of Share Capital

The authorized capital of Avidian consists of an unlimited number of common shares (“**Avidian Shares**”). As at the date of this Filing Statement, Avidian has 104,047,286 common shares issued and outstanding of which 14,897,500 Avidian Shares were issued in connection with Private Placement, which are described in more detail under the heading “Part II - The Target Company - *Prior Sales*” hereof.

Additionally, in connection with the Private Placement Avidian issued 7,448,750 Avidian Warrants to subscribers under the Private Placement. The Avidian Warrants are exercisable into Avidian Shares at the price of CAD\$ 0.35 per Avidian Shares for the period of 24 month. The expiry time of Avidian Warrants may be accelerated by the Avidian or its successor at any time following the 4-month anniversary of the date on which the common shares of the Company or its successor are listed for trading on a Canadian securities exchange and prior to the expiry time if

the volume-weighted average price of the Avidian Shares is greater than CAD\$0.46 (or such other price that is equivalent to CAD\$0.46 multiplied by a conversion ratio applicable to the Avidian Shares in connection with a transaction pursuant to which the Avidian Shares or common shares of its successor become listed on a Canadian securities exchange) for a period of 20 consecutive trading days, at which time the Company or its successor may accelerate the expiry time of the warrants by issuing a press release announcing the reduced warrant term whereupon the Avidian Warrants or the warrants of the successor of Avidian for which Avidian Warrants are exchanged will expire on the 20th calendar day after the date of such press release.

At the date of this Filing Statement, there are no options outstanding and there are no outstanding convertible securities, except for the abovementioned CAD \$250,000 convertible debenture notes and the 7,448,750 Avidian Warrants.

All Avidian Shares rank equally as to dividends, voting powers and participation in assets. All holders of Avidian Shares are entitled to receive notice of any meetings of shareholders of Avidian, and to attend and to cast one vote per Avidian Share at all such meetings. Holders of Avidian Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Avidian Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Avidian Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Avidian's board of directors at its discretion from funds legally available therefor, and upon the liquidation, dissolution or winding up of Avidian are entitled to receive on a pro rata basis the net assets of Avidian after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Avidian Shares with respect to dividends or liquidation. The Avidian Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

PRINCIPAL SECURITYHOLDERS

As of the date of this Filing Statement, Avidian had a total of 104,047,286 common shares issued and outstanding. As at the date of this Filing Statement, to the knowledge of the directors and officers of Avidian, no persons beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the votes attached to all of Avidian Shares, other than as set out below:

Shareholder Name	Number of common shares	Percentage of issued common shares of Avidian
David C. Anderson	10,886,352 ⁽²⁾	10.46%
1) David C. Anderson's beneficial holdings include holdings in his individual name (4,200,000 Avidian Shares) and through his beneficial interests in Legato Investments Inc. (3,000,000 Avidian Shares), David C. Anderson Family Trust (1,600,352 Avidian Shares), Christine Anderson (250,000 Avidian Shares) and Sunday Dragon Capital Inc. (1,836,000 Avidian Shares).		

CONSOLIDATED CAPITALIZATION

The following table sets out the capitalization of Avidian as at June 30, 2017 and August 21, 2017. The table should be read in conjunction with the audited consolidated financial statements of Avidian for the fiscal year ended June 30, 2017 including the notes thereto and the auditor's report thereon, attached as Schedule B to this Filing Statement and the management's discussion and analysis of results of operations and financial condition. See "Part II - The Target Company – Management's Discussion and Analysis".

Designation of Security	Amount Authorized	Amount Outstanding as of June 30, 2017	Amount Outstanding as of August 21, 2017
common shares	unlimited	96,684,786	104,047,286 ⁽¹⁾
Common share purchase warrants	n/a	3,767,500	7,448,750 ⁽²⁾

- 1) The number of issued and outstanding common shares as at August 21, 2017 includes 14,897,500 Avidian Shares underlying the units issued pursuant to the Private Placement.
- 2) 7,448,750 Avidian Warrants underlying the units issued pursuant to the Private Placement. The issued and outstanding warrants are exercisable into 7,448,750 Avidian Shares at the price of CAD\$0.35 per Avidian Share. For more detailed description of Avidian Warrants please see Section “Description of Securities” above.

As of June 30, 2017, Avidian had a deficit of US\$5,940,424.

PRIOR SALES

Date	Number of Shares	Price	Description	Non-Arm-Length Transaction
Shares Issued				
June 22, 2011	500,000	US \$0.002	Issuance on incorporation to director and officer	YES
June 22, 2011	5,000,000	US \$0.02	Issued pursuant to private placement for total proceeds of US\$100,000	IN PART: 3,500,000 issued to directors and officers.
August 31, 2011	150,000	US\$0.02	In partial satisfaction of purchase price under a mining lease agreement with Dutch Gold Resources Inc.	NO
September 9, 2011,	250,000	US\$0.02	Issued in consideration for services	YES
November 30, 2011	6,050,000 units	CAD\$0.05 And US\$0.05 per unit	Issued pursuant to private placement of 6,050,000 units at a price of CAD\$0.05 and US\$0.05 per unit for cash consideration of CAD\$275,000 (US\$269,693) and US\$27,500 Each unit was comprised of one Avidian Share and one-half of one Avidian Share purchase warrant. Each whole Avidian Share purchase warrant entitled the holder to acquire one Avidian Share for CAD\$0.10 until November 30, 2013	IN PART: 1,450,000 units were issued to directors and officers.
April 2, 2012,	500,000	US\$0.05	Issued in consideration for services	YES
April 18, 2012	500,000	CAD\$0.05	Issued to officer of Avidian pursuant to private placement	YES
May 23 2012	5,150,000	CAD\$0.10	Pursuant to private Placement for total gross proceeds of CND\$ 515,000 412,000 broker warrants were also issued in relation to this private placement. The broker warrants entitled the holder to purchase one share at a price of CAD\$0.10 until May 23, 2014	NO
June 14, 2013	11,228,137	CAD\$0.10	Issued to High Tide Resources Inc. pursuant to the share exchange agreement in exchange for all the issued and outstanding shares and warrants of High Tide Resources Inc.	NO
During the year ended	1,200,000	CAD\$0.10	Issued upon exercise of warrants by an officer, a former officer and consultant	YES

June 30, 2013				
During the year ended June 30, 2014	58,700	CAD\$0.10 (US\$0.098)	Issued in consideration for financial and corporate secretarial consulting	YES
During the year ended June 30, 2014	388,951	CAD\$0.10 (US\$0.095)	Issued in consideration for financial, corporate secretarial consulting, and geological fees	IN PART: total of 273,888 shares were issued to a former director and officer of the Corporation as settlement of debt for services rendered
August 19, 2014	19,653,431	CAD\$0.05 (US\$0.047)	Issued pursuant to private Placement for total gross proceeds of CAD\$982,672 (US\$905,895)	IN PART: Of this private placement, a total of CAD\$395,000 (US\$363,401) was subscribed for by the directors and officers of the Corporation.
During the year ended June 30, 2015	21,562	CAD\$0.10 (US\$0.089)	issued in consideration for geological consulting services	NO
June 27, 2016	100,000	CAD\$0.05 (US\$0.0376)	pursuant to an agreement for an exclusivity period in which to conduct due diligence on certain properties in Nevada	NO
During financial year ended June 30, 2016	156,105	CAD\$0.10 (US\$0.075)	issued in consideration for geological consulting services	NO
August 31, 2016	300,000	CAD\$0.05	Issued in consideration for services	IN PART: 250,000 shares were

				issued to officers.
September 14, 2016	2,000,000	CAD\$0.05	Issued pursuant to private placement for CAD\$100,000	YES
September 26, 2016	10,507,500	CAD\$0.025	Option Exercise	YES
September 26, 2016	318,750	CAD\$0.025	Option Exercise	YES
September 26, 2016	1,000,000	CAD\$0.10/ US\$0.075	Issued to Alix (Alaska) Inc. in connection with Avidian acquiring all of Alix (Alaska) Inc.'s interests in Golden Zone Property	NO
September 26, 2016	3,500,000	CAD\$0.10	Issued to Hidefield Gold (Alaska) Inc. pursuant to the agreement for acquisition by Avidian of 100% of Hidefield's interest in certain properties comprising the Golden Zone Property.	NO
September 26, 2016	3,250,000	CAD\$0.10	Issued to Chulitna Mining Company LLC, and Mines Trust Company Inc. in connection with the agreement to purchase an aggregate 70.6% interest in the Golden Zone Property.	NO
October 4, 2016	11,750,400	CND\$0.05 (US\$0.038)	Issued upon conversion of CAD\$544,000 convertible notes out of total of CAD\$ 794,000 (US\$ 605,275) debenture notes issued on June 1, 2016 at \$1,000 per security with an interest rate of 8% per annum payable at maturity.	IN PART: Shares issued on conversion of CAD\$152,000 out of CAD\$544,000 noted converted were issued to directors and officers.
January 16, 2017	986,250	CAD\$ 0.10	Issued to Chulitna Mining Company LLC, and Mines Trust Company Inc. as annual payment under the agreement to purchase interest in Golden Zone Property.	NO
Between November 28, 2016 and January 28, 2017	4,480,000	CAD\$0.15	Issued pursuant to private placement for CAD \$672,000	NO
January 22, 2017	150,000	CAD\$ 0.15	Issued in consideration of finder's fee in connection the proposed Qualifying Transaction	NO
June 6, 2017	2,275,000	CAD\$ 0.20 per unit, each unit consisting of one Common Share and one half of a Common Share	Issued pursuant to first tranche of the Private Placement for CAD\$455,000	NO

		purchase warrant exercisable at CAD\$0.35.		
June 30, 2017	5,260,000	CAD\$ 0.20 per unit, each unit consisting of one Common Share and one half of a Common Share purchase warrant exercisable at CAD\$0.35.	Issued pursuant to second tranche of the Private Placement for CAD\$1,052,000	NO
July 4, 2017	1,000,000	CAD\$ 0.20 per unit, each unit consisting of one Common Share and one half of a Common Share purchase warrant exercisable at CAD\$0.35.	Issued pursuant to third tranche of the Private Placement for CAD\$200,000	NO
July 20, 2017	300,000	CAD\$ 0.20 per unit, each unit consisting of one Common Share and one half of a Common Share purchase warrant exercisable at CAD\$0.35.	Issued pursuant to fourth tranche of the Private Placement for CAD\$60,000	NO
August 2, 2017	4,587,500	CAD\$ 0.20 per unit, each unit consisting of one Common	Issued pursuant to fifth tranche of the Private Placement for CAD\$917,500	NO

		Share and one half of a Common Share purchase warrant exercisable at CAD\$0.35.		
August 15, 2017	475,000	CAD\$ 0.20 per unit, each unit consisting of one Common Share and one half of a Common Share purchase warrant exercisable at CAD\$0.35.	Issued pursuant to sixth tranche of the Private Placement for CAD\$95,000	IN PART: 375,000 shares were issued to officers and related parties.
August 21, 2017	1,000,000	CAD\$ 0.20 per unit, each unit consisting of one Common Share and one half of a Common Share purchase warrant exercisable at CAD\$0.35.	Issued pursuant to seventh tranche of the Private Placement for CAD\$200,000	NO
Total Shares Issued	104,047,286			

EXECUTIVE COMPENSATION

As at June 30, 2017, the end of the most recently completed fiscal year of Avidian, Avidian had 3 Named Executive Officers (the “NEOs”) as that term is defined for purposes Form 51-102F6 – *Statement of Executive Compensation*. In addition, Avidian paid compensation to another executive officer during the same period of time.

Summary of Compensation

The following table provides a summary of compensation earned by Avidian's executive officers for the financial years ended June 30, 2017, 2016, and 2015:

Name and Principal Position	Year	Salary (\$)	Share-based awards (CAD\$)	Option-based awards CAD\$)	All other compensation (CAD\$)	Total compensation (CAD\$)
Giulio T. Bonifacio, Chairman	2017	0	0	0	0	0
	2016	0	0	44,034	0	44,034
	2015	0	0	0	0	0
Dino Titano, CEO	2017	0	0	0	0	0
	2016	0	0	54,335	25,000	79,335
	2015	0	0	0	0	0
Jeff Mosher, CFO	2017	0	0	0	5,000	5,000
	2016	0	0	35,021	3,000	38,021
	2015	0	0	0	5,500	5,500
Matt Hughes, Former CEO	2017	0	8,275	0	0	8,275
	2016	0	0	0	112,500	112,500
	2015	0	0	20,500	25,000	45,500
Tom Setterfield	2017	0	0	0	69,062	32,256
	2016	0	0	39,142	16,413	55,555
	2015	0	0	0	19,581	19,581
Ken Brook, President, Avidian Gold US Inc. and Avidian Gold Alaska Inc.	2017	0	12,413	0	4,994	17,407
	2016	0	0	41,202	11,452	52,654
	2015	0	0	0	46,009	46,009

Compensation Discussion and Analysis

Avidian's board of directors performs the duties of a compensation committee, as it does not have a defined compensation committee. The board of directors reviewed and approved the compensation of executive officers. From 2013 to 2015 Avidian had 3 directors and in 2017 Avidian has 4 directors.

The purpose of this Compensation Discussion and Analysis ("CD&A") is to provide information about the Avidian executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to Avidian's senior officers, being the three identified NEOs during Avidian's most recently completed financial year, ended June 30, 2017 (the "**Last Financial Year**"). The NEOs who are the focus of the CD&A and who appear in the compensation tables of this Filing Statement are: Giulio T. Bonifacio; Jeff Mosher; Dino Titano; Dr. Tom Setterfield, Matt Hughes (who served as executive officer of Avidian in 2015-2016) and Ken Brook (who serves as an executive officer of Avidian Gold US and Avidian Gold Alaska.).

Avidian is an exploratory stage mining corporation and does not expect to be generating revenues from operations in the foreseeable future. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the board of directors of Avidian to be appropriate in the evaluation of corporate or NEO performance. The compensation of senior officers is also based, in part, on trends in the mineral exploration industry as well as achievement of Avidian's business plans. The board of directors of Avidian did not establish any quantifiable criteria during the Last Financial Year with respect to base compensation payable or the amount of equity compensation granted to NEOs and did not benchmark against a peer group of companies.

Avidian has adopted an incentive stock option plan dated November 16, 2015 (the “Plan”), and the Plan is Avidian’s only equity compensation plan. The Plan is a rolling stock option plan, under which 10% of the outstanding Avidian Shares at any given time are available for issuance thereunder. The purpose of the Plan is to promote the profitability and growth of Avidian by facilitating the efforts of Avidian and its subsidiaries to attract and retain directors, senior officers, employees, management company employees and consultants. The Plan provides an incentive for and encourages ownership of the Avidian Shares by such persons to induce them to make a maximum contribution to Avidian’s success and to benefit from increases in the value of the Avidian Shares.

The grant of options pursuant to the incentive Plan is an integral component of the compensation arrangements of the senior officers of Avidian. Options are awarded from time to time to directors, officers, employees and consultants by the board of directors of Avidian. Decisions with respect to options granted are based upon the individual’s level of responsibility and their contribution towards the Avidian’s goals and objectives, and additionally may be awarded in recognition of the achievement of a particular goal or extraordinary service.

Except as indicated in the table “Summary of Compensation” above, no share-based awards and option-based awards have been given to any of the directors or officers of Avidian during the fiscal year ended June 30, 2017, or at any time from June 30, 2017 to the date of this Filing Statement. At the date of this Filing Statement, there are no outstanding options.

No interests under any option-based; share-based or non-equity incentive plan have vested in relation to any of Avidian’s officers or directors during the fiscal year ended June 30, 2017, or at any time from June 30, 2017 to the date of this Filing Statement;

Avidian does not maintain any defined benefit, contribution, or pension plans and no officer or director of Avidian was eligible for any payments or other benefits in connection with retirement under any defined benefit, contribution, or pension plan during the fiscal year ended June 30, 2017, or at any time from June 30, 2017 to the date of this Filing Statement.

Avidian is not a party to any contract, and does not maintain any plan, in accordance with which any of its directors or officers is eligible for any compensation or other benefit in the event of change of control of Avidian or in the event of change of responsibility of such director or officer.

At no time during the fiscal year ended June 30, 2017 or at any time from June 30, 2017 to the date of this Filing Statement has any director of Avidian receive any compensation, except as indicated in the table above.

During the fiscal year ended June 30, 2017, or at any time from June 30, 2017 to the date of this Filing Statement, no person was engaged under a management contract to provide management services to Avidian.

NON-ARM’S LENGTH PARTY TRANSACTIONS

Avidian has not been a party to any transactions in connection with which it either acquired any assets from or disposed any assets or services to a non-arm’s length party, except for a number of shares for services and shares issuance to officers and directors as disclosed in the section entitled “Part II – The Target Company- Prior Sales”.

LEGAL PROCEEDINGS

There are no legal proceedings to which Avidian is a party to or to which any of its property is subject and no such proceedings are known to be contemplated, except for the proceedings disclosed elsewhere in this Filing Statement.

RISK FACTORS

Where used in this “Risk Factors” section, “Avidian” refers to either Avidian Gold Inc. or the Resulting Issuer as the context may require, and its subsidiaries. The following risk factors should be carefully considered in evaluating the Corporation, Avidian and the Resulting Issuer. The risks presented below should not be considered to be exhaustive and may not be all of the risks that the Resulting Issuer and Avidian may face. It is believed that these are the

factors that could cause actual results to be different from expected and historical results. Other sections of this Filing Statement include additional factors that could have an effect on the business and financial performance of the business following the completion of the Transactions. The markets in which Avidian currently competes are very competitive and change rapidly. New risks may emerge from time to time and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. You should not rely upon forward-looking statements as a prediction of future results.

The operations of Avidian are speculative due to the high-risk nature of its business, which is the identification, acquisition and exploration of mineral properties. The risks below are not the only ones facing Avidian. Additional risks not currently known to Avidian, or that Avidian currently deems immaterial may also impair Avidian's operations. The order in which the following risk factors appear does not necessarily reflect management's opinion of their order or priority.

Limited Operating History

Avidian has only recently commenced operations and has no history of earnings. There are no known commercial quantities of mineral reserves on Avidian's properties. The likelihood of success of Avidian must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. Avidian has limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There can be no assurance that Avidian can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Exploration and Development Risks

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by Avidian may be affected by numerous factors that are beyond the control of Avidian and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection, the combination of which factors may result in Avidian not receiving an adequate return of investment capital. All of the claims to which Avidian has a right to acquire an interest or the claims which Avidian has an interest in are in the exploration stage only and are without a known body of commercial ore. Development of the subject mineral properties would follow only if favorable exploration results are obtained.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that Avidian's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of Avidian's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Lack of Availability of Resources

Mining exploration requires ready access to mining equipment such as drills, and crews to operate that equipment. There can be no assurance that such resources will be available to Avidian on a timely basis or at a reasonable cost. Failure to obtain these resources when needed may result in delays in the Avidian's exploration programs.

Potential Lack of Adequate Infrastructure

Mineral exploration and development activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important requirements, which affect capital and operating costs. Avidian's properties are presently accessible by network of roads and footpaths. Unusual or infrequent weather phenomena, sabotage, or other interference in the maintenance or provision of such infrastructure could adversely affect Avidian's operations, financial condition and results of operations. The present infrastructure may not be adequate for Avidian's planned exploration and development activities. If Avidian is required to improve or develop the current infrastructure, its planned operations may be delayed and its capital and operating costs will be affected.

Requirement for Additional Financing

The further development and exploration of Avidian's projects depends upon Avidian's ability to obtain financing through equity financing, joint ventures, debt financing, or other means. There is no assurance that Avidian will be successful in obtaining required financing as and when needed. Volatile markets for precious and base metals may make it difficult or impossible for Avidian to obtain equity financing or debt financing on favorable terms or at all. Failure to obtain additional financing on a timely basis may cause Avidian to postpone its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its operations.

Title Risks

There is no guarantee that Avidian's title to such properties will not be challenged or impugned or that the appropriate permits and approvals will be obtainable on reasonable terms or on a timely basis; the licenses will be renewed upon their expiry; and that Avidian will be able to explore its properties as permitted or to enforce its rights with respect to its properties

Avidian does not yet own title to certain of its properties. Titles to some of the licenses are in the names of the respective vendors and transfer of title to Avidian or its subsidiaries is conditional upon Avidian's fulfilling its obligations under a number of agreements with current title holders. Until titles to the licenses are transferred to Avidian, there is no guarantee that Avidian's interest in the licenses will not be challenged by the present title holders.

Although Avidian holds the surface rights to those concessions, it requires work permits and local community approvals to realize further exploration work such as surveying, geophysical, geochemical, geological and sample surveys and drilling. There can be no assurance that the appropriate permits and approvals will be obtainable on reasonable terms or on a timely basis.

Although Avidian has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Avidian's mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. Until competing interests in the mineral lands have been determined, Avidian can give no assurance as to the validity of title of Avidian to those lands or the size of such mineral lands. Accordingly, Avidian's mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects.

In addition, Avidian may be unable to explore its properties as permitted or to enforce its rights with respect to its properties.

Mineral Exploration and Mining Carry Inherent Risks

Mining operations are subject to hazards normally encountered in exploration, development and production. These include unexpected geological formations, rock falls, flooding, dam wall failure and other incidents or conditions which could result in damage to plant or equipment or the environment and which could impact production throughput. Although it is intended to take adequate precautions to minimize risk, there is a possibility of a material adverse impact on Avidian's operations and its financial results.

Political Risks

Any property is exposed various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to, currency exchange rates; high rates of inflation; labour unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange; changing political conditions; currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political actions cannot be predicted and may adversely affect Avidian. Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect Avidian's business, results of operations and financial position. Future operations may be affected in varying degrees by governmental regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to the mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on Avidian's consolidated business, results of operations and financial condition.

Uninsurable Risks

Avidian's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Avidian's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although Avidian may maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance may not cover all the potential risks associated with a mining company's operations. Avidian may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Avidian or to other companies in the mining industry on acceptable terms. Avidian might also become subject to liability for pollution or other hazards which may not be insured against or which Avidian may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Avidian to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Regulations, Permits and Licenses

Avidian's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. Avidian intends to comply fully with all environmental regulations. The current or future operations of Avidian, including development activities and commencement of production on its properties, require permits from appropriate governmental authorities, and such operations are and will be governed by laws and regulations

governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require Avidian to obtain permits from various governmental agencies. There can be no assurance, however, that all permits that Avidian may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which Avidian might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Avidian and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

To the best of Avidian's knowledge, it is operating in compliance with all applicable rules and regulations.

Currency Risk

Avidian uses the United States dollar as its functional currency. Fluctuations in the value of the United States dollar relative to the Canadian dollar could have a material impact on the Resulting Issuer's consolidated financial statements by creating gains or losses. No currency hedge policies are in place or are presently contemplated.

Difficulty for Investors to Enforce Judgements

Some of the directors and officers of the Corporation, Avidian and the Resulting Issuer reside outside of Canada. Some or all of the assets of those persons may be located outside of Canada. It may not be possible for investors to collect from such directors or officers or enforce judgments obtained in courts in Canada predicated on the civil liability provisions of Canadian securities legislation against such directors and officers. Moreover, it may not be possible for investors to effect service of process within Canada upon such directors and officers.

Subsidiaries

Avidian conducts certain of its business activities through its subsidiaries, and holds certain of its assets through its subsidiaries. Accordingly, any limitation on the transfer of cash or other assets between Avidian and its subsidiaries could restrict Avidian's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on Avidian's valuation and stock price.

Competition

The mining industry is intensely competitive in all its phases, and Avidian competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect Avidian's ability to acquire additional suitable properties or prospects in the future.

Metal Prices are Volatile

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist for the sale of the same. There can be no assurance that metal prices will be such that Avidian's properties can be mined at a profit. Factors beyond the control of

Avidian may affect the marketability of any minerals discovered. Metal prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of, and demand for, Avidian's principal products and exploration targets, gold, copper and silver, is affected by various factors, including political events, economic conditions and production costs.

Conflict of Interests

Certain of the directors and officers of Avidian are directors or officers of, or have significant shareholdings in, other mineral resource companies and, to the extent that such other companies may participate in ventures in which Avidian may participate or may wish to participate, the directors of Avidian may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such other companies may also compete with Avidian for the acquisition of mineral property rights. In the event that any such conflict of interest arises, a director or officer who has such a conflict will disclose the conflict to a meeting of the directors of Avidian and, if the conflict involves a director, the director will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, Avidian will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the provisions of the *Business Corporations Act* (British Columbia) and *Corporations Act* (Ontario) the directors and officers of Avidian are required to act honestly and in good faith, with a view to the best interests of Avidian. In determining whether or not Avidian will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to Avidian, the degree of risk to which Avidian may be exposed and its financial position at that time.

Management

The success of Avidian is currently largely dependent on the performance of its board and senior management. The loss of the services of these persons will have a materially adverse effect on Avidian's business and prospects. There is no assurance Avidian can maintain the services of its board and management or other qualified personnel required to operate its business. Failure to do so could have material adverse effect on Avidian and its prospects.

Key Personnel

Recruiting and retaining qualified personnel is central to Avidian's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As Avidian's business activity grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff on the operations side. Although Avidian believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

Operations Dependent on Revenues and Financings

The continued operation of Avidian will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If Avidian is unable to generate such revenues or obtain such additional financing, any investment in Avidian may be lost. In such event, the probability of resale of the shares purchased would be diminished.

Dividend Record and Policy

Avidian has not paid any dividends since incorporation and does not anticipate declaring any dividends on its common shares in the foreseeable future. The directors of Avidian will determine if and when dividends should be declared and paid in the future based on Avidian's financial position at the relevant time.

MATERIAL CONTRACTS

The following summarizes the material contracts, other than contracts entered into in the ordinary course of business that were entered into within the two years before the date of this Filing Statement by Avidian:

- Avidian is a successor in rights of High Tide Resources Inc., under an agreement between High Tide Resources Inc. and Quinlan Prospecting dated on July 15, 2011, pursuant to which the production from the Strickland property is subject to 2 “NSR” in favor of Quinlan Prospecting Limited; Avidian has the right to buy back 1.5% of the Quinlan NSR for total consideration of CAD\$2,000,000.
- Avidian is party to a definitive Purchase Agreement with Chulitna Mining Company LLC, Mines Trust Company Inc., and Alix Resources Corp. to purchase an aggregate 70.6% interest in the Golden Zone Property. As consideration for acquiring the 70.6% interest in the Golden Zone Property, Avidian undertook to pay the aggregate of US \$875,000 and issue the aggregate of 11,250,000 Avidian Shares to Mines Trust and Chulitna and to pay CAD \$10,000 and issue 1,000,000 Avidian Shares to Alix. The Shares issuable to Chulitna and Mines Trust are issuable at the deemed price of CAD\$0.10 while Avidian Shares are not traded on a public market, and at the 20-day volume weighted average price (VWAP) immediately prior to the date a payment is due when the Avidian Shares, or the shares of its successor company are listed upon a stock exchange. Avidian Shares issued to Alix are issued at the deemed price of \$0.10 per Avidian Share. As of the date of this Filing Statement, all payments and issuances of Avidian Shares to Alix have been made. The payment and issuance of Avidian Shares, to Chulitna and Mines Trust are to occur in yearly instalments and are schedule to end on January 15, 2023 (with the US\$225,000 paid and 4,236,250 Avidian Shares issued as of the date of this Filing Statement), or earlier upon reaching a rate of annual production of 10,000 or more ounces of gold from the property. Production from the interests in Golden Zone acquired by Avidian from Chulitna’s and Mines Trust is subject to a combined 3% NSR in favor of Mines Trust and Chulitna. The royalty payments can be bought back by Avidian.
- Avidian is party to a purchase agreement for Hidefield’s Golden Zone Interest dated October 22, 2016. Pursuant to the agreement, Avidian acquired 100% of Hidefield’s interest in certain claims comprising 29.4% interest in the Golden Zone Property. As consideration for acquisition of Hidefield’s interests, Avidian issued 3,500,000 Avidian shares at a deemed price of CAD\$ 0.10 per share and the production from the property so acquired shall be subject to 1% NSR. Hidefield assigned its rights under the agreement to Minera IRL Limited, a Jersey corporation. Accordingly, Avidian Shares issuable under the agreement have been issued to Minera IRL Limited.
- Avidian pays office rent in Reno, Nevada and Anchorage, Alaska on a month-to-month basis.

Copies of the agreements described herein (with exception to month-to-month leasing arrangements) may be inspected without charge in the offices of Avidian at 390 Bay Street, Suite 806, Toronto, Ontario, M4H 2Y2 until the date of closing of the transaction and for a period of 30 days thereafter.

PART III - THE RESULTING ISSUER

CORPORATE STRUCTURE

Name and Incorporation of the Resulting Issuer

Following the Completion of the Qualifying Transaction and the Amalgamation, the Resulting Issuer in this section referred to as the Corporation, will beneficially own 100% of the issued and outstanding shares of Amalco. The Corporation, as the Resulting Issuer, will continue to be a corporation governed by the *Business Corporations Act* (British Columbia). The Resulting Issuer’s head office will be 1238-200 Granville Street, Vancouver BC, V6C 1S4. The registered and records office of the Resulting Issuer will be located 2300 – 1066 West Hastings Street, Vancouver, B.C., V6E 3X2.

It is anticipated that the Resulting Issuer will change its name to “Avidian Gold Corp.”, and will trade on the Exchange under new trading symbol “AVG”. Upon Completion of the Qualifying Transaction and subject to the approval of the Exchange, the Resulting Issuer will become a Tier 2 Mining Issuer on the Exchange.

Intercorporate Relationships

As at the date of this Filing Statement, the Corporation has one wholly owned subsidiary being MMCC Amalco incorporated pursuant to the proposed transaction. Following the Completion of the Qualifying Transaction and Amalgamation, Amalco will be the wholly owned subsidiary of the Resulting Issuer and thereby the subsidiaries of Avidian will become subsidiaries of Amalco and thus the Resulting Issuer. For a description of subsidiaries owned by Avidian see “Part II - The Target Company – Corporate Structure and General Description of the Business”.

BUSINESS OF THE RESULTING ISSUER

The business of Avidian will become the business of the Resulting Issuer. See “Part II - The Target Company – Narrative Description of Business”.

The Resulting Issuer will carry on the business of identifying, acquiring and exploring mineral properties in North America.

SECURITIES OF THE RESULTING ISSUER

The capital structure of the Resulting Issuer will be unchanged from that of the Corporation. The Resulting Issuer will be authorized to issue an unlimited number of Common Shares.

Holders of Common Shares are entitled to one vote per share on all matters subject to stockholder vote. The Common Shares have no pre-emptive or other subscription rights. All of the presently outstanding Common Shares are fully paid and non-assessable. If the Resulting Issuer is liquidated or dissolved, holders of Common Shares will be entitled to share ratably in assets remaining after satisfaction of liabilities.

The holders of Common Shares are entitled to receive dividends when and as declared by the board of directors, out of funds legally available therefore for the foreseeable future. The Resulting Issuer does not anticipate paying any cash dividends with respect to its common shares. No Common Share which is fully paid is liable to calls or assessment by the Resulting Issuer.

However the securities of the Resulting Issuer will be affected by the issuance of securities pursuant to the Amalgamation. See “Pro Forma Fully Diluted Share Capital” below on additional securities that may be issued by the Resulting Issuer.

PRO FORMA CONSOLIDATED CAPITALIZATION

Pro Forma Consolidated Capitalization

The following table sets out the pro forma share and loan capital of the Resulting Issuer, on a consolidated basis, following the Qualifying Transaction.

Designation of Security	Number authorized	Number outstanding prior to giving effect to the Transactions	Number outstanding immediately after giving effect to the Qualifying Transaction ⁽¹⁾⁽²⁾
Common Shares	Unlimited	1,410,001	49,358,058

- (1) Excludes shares to be issued pursuant to stock options, to be granted or issued pursuant to the Transactions, and excludes the shares issuable upon exercise of Resulting Issuer Warrants. See “Pro Forma Fully Diluted Share Capital” below for more information on the fully diluted share capital of the Resulting Issuer.
- (2) Prior to giving effect to the Transactions, the Corporation is estimated to have a deficit of US\$202,157. Immediately after giving effect to the Qualifying Transaction, the Resulting Issuer is estimated to have a deficit of US\$6,411,026.

Pro Forma Fully Diluted Share Capital

The following table shows the expected fully diluted share capital of the Resulting Issuer after giving effect to the Amalgamation, assuming the exercise or conversion of all options and convertible securities into Common Shares of the Resulting Issuer:

Securities	Brokered Private Placement		
	Number	Fully Diluted Following Completion of Qualifying Transaction	
		Approx. % per Class	Approx. % of All Classes of Securities
Securities – Common Shares			
Outstanding prior to the Qualifying Transaction	1,410,001	2.86%	2.65%
Issuable to shareholders of Avidian in exchange for shares of Avidian	47,948,057	97.14%	90.02%
Total Common Shares	49,358,058	100%	92.67%
Securities – Resulting Issuer Warrants			
Resulting Issuer Warrants issued upon Amalgamation to holders of Avidian Warrants (acquired pursuant to the Non-Brokered Private Placement)	3,432,604	100%	6.44%
Total Resulting Issuer Warrants	3,432,604	100%	6.44%
Securities – Sponsors’ Options			
Common Shares issuable upon exercise of Sponsor’s Options	300,000	100%	0.56%
Total Securities underlying Sponsor’s Options	300,000	100%	0.56%
Securities – Stock Options			
Issuable on exercise of stock options issued to directors and officers of the Corporation prior to the date of this Filing Statement	173,325	100%	0.33%
Issuable on exercise of new stock options to be granted to directors and officers, employees and Consultants of Resulting Issuer	0	0%	0%
Total stock options	173,325	100%	0.33%
Aggregate Total	53,263,987		100%

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

Available Funds

The following table sets forth the estimated total funds available to the Resulting Issuer upon Closing of the Qualifying Transaction:

	<u>Private Placement</u>
Working capital of the Corporation as at August 31, 2017 (excluding related party amounts)	CAD\$96,631
Working capital of Avidian as at August 14, 2017 (excluding related party amounts) (unaudited)	CAD \$1,140,721 ⁽¹⁾
Net additional proceeds from Private Placement between August 14 and August 18, 2017	CAD\$250,000
Estimated additional costs to complete the Transaction, not including commissions and fees of agents and finders to complete Private Placement	CAD\$135,000
Estimated available funds	<u>CAD\$1,352,352</u>

- (1) Working Capital of Avidian as at July 31, 2017 was CAD\$274,482, with CAD\$956,000 in gross proceeds from Private Placement received between August 1, 2017 and August 14, 2017 less expenses incurred of CAD\$89,761.

Dividends

The Resulting Issuer is not expected to pay dividends for the foreseeable future. There are no restrictions on the ability of the Resulting Issuer to pay dividends, other than laws of general application relating to insolvency.

Principal Purposes of Available Funds

Upon Closing, the estimated available funds will be sufficient to meet the administrative costs and expenditures of the Resulting Issuer for at least 12 months. The Resulting Issuer intends to spend the net funds available to it as set out below. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

Use of Funds		Amount	
Exploration programs on Golden Zone property pursuant to recommended exploration program		CAD\$ 350,954	
Exploration program on other properties (Amanita)		0.00	
Payment of amounts owing to related parties		0.00	
Property Costs			
	Golden Zone	US\$ 50,000	
	Amanita	US\$ 30,000	
	Jungo	US\$ 0	
	Dome Hill	US\$ 0	
	Strickland	US\$ 0	
	Total Property Costs	US\$ 80,000	CAD\$ 100,800
Property Maintenance			
	Golden Zone	US\$ 12,000	
	Amanita	US\$ 10,000	
	Jungo	US\$ 0	
	Dome Hill	US\$ 0	
	Strickland	CAD\$ 2,000	
	Total Property Maintenance		CAD\$ 29,720
G&A			
	Canada	CAD\$ 275,000	
	Anchorage	CAD\$ 22,000	
	Total G&A		CAD\$ 297,000
Total:			CAD\$ \$778,474
Total: Working Capital			CAD\$ \$1,352,352
Unallocated Capital			CAD\$573,878

PRINCIPAL SECURITYHOLDERS

As of the date of this Filing Statement, the Resulting Issuer is expected to have 49,358,058 common shares issued and outstanding. As at the date of this Filing Statement, to the knowledge of the directors and officers of the Corporation and Avidian, no persons will beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the votes attached to all of Resulting Issuer Shares, other than as set out below:

Shareholder Name	Number of common shares	Percentage of issued common shares of Avidian
David C. Anderson	5,016,752 ⁽²⁾	10.16%

- David C. Anderson's beneficial holdings include holdings in his individual name (4,200,000 Avidian Shares) and through his beneficial interests in Legato Investments Inc. (3,000,000 Avidian Shares), David C. Anderson Family Trust (1,600,352 Avidian Shares), Christine Anderson (250,000 Avidian Shares) and Sunday Dragon Capital Inc. (1,836,000 Avidian Shares). His shares in the Resulting Issuer will be held by these entities in the same proportions.

PROPOSED DIRECTORS, OFFICERS AND PROMOTERS

Directors and Officers of Resulting Issuer

The names, municipalities of residence, the number of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction, following the successful Completion of the Qualifying Transaction, and the offices to be held by each in the Resulting Issuer and the principal occupation of the proposed directors and senior officers of the Resulting Issuer during the past five years are as follows:

Name and Municipality of Residence	Proposed Position with Resulting Issuer	Principal Occupation During the Past Five Years	Period during which each proposed director and officer has served as a director of Avidian	Percentage and Number of Common Shares Beneficially Owned or Controlled following the Qualifying Transaction and Private Placement ⁽¹⁾	Proposed Member of Audit Committee of Resulting Issuer	Proposed Member of Compensation Committee of Resulting Issuer
Giulio T. Bonifacio Vancouver, BC	Chairman & Director	Founder, Director, President, and CEO of Nevada Copper Corp., a public mining company.	December 1, 2014 - Present	1,644,585 3.33%	Yes	No
Dino Titaro Oakville, Ontario	President, CEO & Director	Director of Yamana Gold Inc., a publicly listed TSX mining company since 2005; President and CEO of Carpathian Gold Inc. from 2003 to early 2014 and a director to late 2014	June 20, 2016 – Present	807,257 1.64%	No	No
David C. Anderson Canmore, Alberta	Director	Entrepreneur and Investor. Founder of David C. Anderson Charitable Foundation	June 21, 2013 – Present	5,016,752 10.16%	Yes	Yes
Victor H. Bradley Principality of Monaco	Director	Chairman and director of Sunvest Minerals Corp. Director of Osisko Gold Royalties Ltd. from 2014. Chairman of Osisko Mining Corporation from November 2006 up to its sale for CAD\$3.9 billion to Agnico Eagle Mines Limited and Yamana Gold Inc. in June, 2014; Chairman and a director of Nevada Copper Corp. from February 2012 to February 2017.	June 22, 2011 - Present	4,186,175 8.48%	Yes	Yes

Name and Municipality of Residence	Proposed Position with Resulting Issuer	Principal Occupation During the Past Five Years	Period during which each proposed director and officer has served as a director of Avidian	Percentage and Number of Common Shares Beneficially Owned or Controlled following the Qualifying Transaction and Private Placement ⁽¹⁾	Proposed Member of Audit Committee of Resulting Issuer	Proposed Member of Compensation Committee of Resulting Issuer
Jeff Mosher Toronto, Ontario	CFO	CFO of Avidian since January 2014; CEO of Castle Royale Capital Inc. since January 2012.	nil	558,986 1.13%		
Dr. Tom Setterfield Nepean, ON	Vice President, Exploration	Co-founder and principal of geological consulting firm GeoVector Management Inc. since 2012 Vice President Exploration of TerraX Minerals Inc. from August 2007 to October 2016	nil	692,524 1.40%		
Catherine Tanaka Vancouver, BC	Corporate Secretary	Corporate Secretary of Nevada Copper Corp. since August 2006	nil	nil nil		
Ken Brook Reno, Nevada	President, Avidian Gold US Inc. President Avidian Gold Alaska Inc.	Principal of operated Desert Ventures Inc. since 1981	nil	1,307,604 2.65%		
Directors and Officers as a group (8 persons)				14,213,883 28.79%		

* Denotes chair of committee.

Notes:

- (1) Based on 49,358,058 issued and outstanding shares of the Resulting Issuer following completion of the Transactions, and excludes the exercise of any stock options, Resulting Issuer Warrants and Sponsor's Option.
- (2) David C. Anderson's beneficial holdings includes holdings in his own name (1,945,486 Common Shares), and through Legato Investments Inc. (1,382,488 Common Shares), David C. Anderson Family Trust (727,489 Common Shares), Sunday Dragon Capital Inc. (846,082 Common Shares) and in the name of his spouse Christine Anderson (115,207 Common Shares).
- (3) Victor H. Bradley's beneficial holdings include holdings in his own name (1,244,240 Common Shares) and in the name of his spouse Wendy Bradley (2,941,935 Common Shares).
- (4) Jeff Mosher's beneficial holdings includes holdings in his own name (94,470 Common Shares), and through Castle Royale Capital (464,516 Common Shares).
- (5) Ken Brook's beneficial holdings includes holdings in his own name (86,406 Common Shares), and through The Brook Family Trust (1,221,198 Common Shares).

The term of each proposed director of the Resulting Issuer will expire on the date of the next annual meeting of shareholders of the Resulting Issuer.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoters of the Resulting Issuer that are, or have been within the last five years, directors, officers and promoters of any other reporting issuer:

Name	Name of Reporting Issuer	Market	Position	From	To
Giulio T. Bonifacio	Nevada Copper Corp.	TSX	Director & CEO	2006	Present
	Goldrock Mines Corp.	TSXV	Director	June 2014	July 2016
Dino Titaro	Carpathian Gold Inc.	TSX	Director, President & CEO	January, 2003	January, 2014
	Yamana Gold Inc.,	TSX	Director	August, 2005	Present
	Royal Coal Corp.	TSXV	Director	August 2010	May 2012
Victor H. Bradley	Osisko Gold Royalties Ltd.	TSX	Director	June, 2014	Present
	Nevada Copper Corp,	TSX	Chairman and Director	February, 2012	February, 2017
	Sunvest Minerals Corp.	TSXV	Chairman and Director	September, 2016	Present
	Osisko Mining Corporation	TSX	Chairman and Director	November, 2006	June, 2014
Dr. Tom Setterfield	TerraX Minerals Inc.	TSXV	Co-Founder & Vice President, Exploration	August 2007	October, 2016
Catherine Tanaka	Nevada Copper Corp.	TSX	Corporate Secretary	August, 2006	Present
	American Bonanza Gold Corp.	TSX	Corporate Secretary	May, 2003	June 2013

Management

The following is a brief description of the proposed key management of the Resulting Issuer. As at the date of this Filing Statement, neither, Avidian or any person on behalf of the Resulting Issuer has entered into any employment or consulting agreement pursuant to which any persons including persons identified as proposed management has been offered any compensation for performing any services to the Resulting Issuer. The Resulting Issuer expects to enter into employment or consulting agreements with Giulio Bonifacio, Dino Titaro, Tom Setterfield, Jeff Mosher and Catherine Tanaka and intends to offer them compensation comprised of base salary and equity compensation customary for junior mining exploration companies of similar of a similar size.

Giulio T. Bonifacio, (age 56), Chairman & Director

Mr. Bonifacio has over 30 years in senior executive positions in the mining industry including as the founder, President & CEO of Nevada Copper Corp. which advanced the Pumpkin Hollow Copper Project located in Nevada from exploration and now ranks as the largest fully permitted, shovel-ready copper project in the Americas. Among his many accomplishments Mr. Bonifacio has been instrumental in arranging over US\$400 million in equity and project debt related financings.

Mr. Bonifacio is a Chartered Professional Accountant with extensive experience and knowledge in areas of capital markets, project finance, securities matters and mergers & acquisitions. Mr. Bonifacio has held senior executive roles primarily in the precious metal sector with Getty Resources Limited, TOTAL S.A., and Vengold Inc.

Mr. Bonifacio has been a Chairman, senior or lead director of several publicly traded companies in the mining industry and most recently was lead director with Goldrock Mines Corp. which was acquired in July 2016 by Fortuna Silver Mines Inc.

Mr. Bonifacio expects to devote substantial amount of time and attention to the affairs of the Resulting Issuer or on an “as needed” basis. Mr. Bonifacio will be providing his services as a Chairman to the Resulting Issuer.

Dino Titaro M.Sc, P. Geo (age 64), President, CEO & Director

A geologist with an MSc degree in economic geology from the University of Western Ontario, Mr. Titaro has over 30 years of experience in the mining and exploration sector, and is a qualified person as defined by National Instrument 43-101 and is registered as a P.Geos in Ontario.

He was the founder of Carpathian Gold Inc. and was the President and CEO from 2003 to early 2014 and a director to late 2014. From 1986 to 2003, Mr. Titaro was President and CEO of A.C.A. Howe International Limited, a geological and mining consulting firm that worked on precious, base and industrial mineral projects throughout the world. From 1980 to 1986 Mr. Titaro was with Getty Mines Ltd. in various supervisory positions as a geologist working on base metal and uranium projects, principally in the resource definition stages.

Mr. Titaro currently sits on the board of directors of Yamana Gold Inc., a publicly listed TSX mining company. He is also currently a director of Mincor Inc., a private resource company, operating in Mexico and a founder and director of Tethyan Resources Inc., a private resources company in the acquisition stage of mineral resource properties within the Tethyan Metal Belt of Europe. Mr. Titaro has previously been a director and officer of several publicly traded companies in the mining, industrial and health care technology fields.

Mr. Titaro expects to devote substantial amount of time and attention to the affairs of the Resulting Issuer or on an “as needed” basis. Mr. Titaro will be providing his services as a consultant to the Resulting Issuer.

Jeff Mosher, CPA, CA (age 32), Chief Financial Officer

Mr. Mosher is a Certified Professional Accountant with international public accounting experience focused in the audit and advisory practice serving both public and private entities.

He has held financial positions with several private companies providing financial statement preparation services and equity/debt financing guidance. Mr. Mosher holds a B.Comm (Honours) from the University of Ottawa.

Mr. Mosher expects to devote substantial amount of time and attention to the affairs of the Resulting Issuer or on an “as needed” basis. Mr. Mosher will be providing his services as an independent contractor to the Resulting Issuer.

Dr. Tom Setterfield, PhD, P. Geo, (age 59), Vice President, Exploration

Dr. Setterfield has thirty-five years of international exploration experience and is considered an expert in IOCG, epithermal Au and VMS deposit types. He holds a PhD from Cambridge University (England) and has lived and

worked in Australia, Fiji and Canada and on assignments in many other countries. As a consultant for QGX Ltd., he was that company's first representative to visit the Golden Hills (Bayan Airag) area in western Mongolia, and was integral to the decision to acquire this property, upon which a gold-rich VMS deposit was discovered and is presently being developed.

Dr. Setterfield is a co-founder and principal of the geological consulting firm GeoVector Management Inc. He also co-founded Monster Copper Corporation and served as VP Exploration from its incorporation in 2002 to its takeover by Mega Uranium Ltd in 2007. Dr. Setterfield co-founded TerraX Minerals Inc. and was its VP Exploration until October 2016.

Dr. Setterfield expects to devote substantial amount of time and attention to the affairs of the Resulting Issuer or on an "as needed" basis. Dr. Setterfield will be providing his services as a Vice President, Exploration to the Resulting Issuer.

Ken Brook, B.Sc., M.Sc. (age 72), President, Avidian Gold US Inc. Consultant Avidian Gold Alaska Inc.

Mr. Brook is a Registered Consulting Geologist, a Certified Professional Geologist and a Qualified Person with 43 years of mineral exploration experience. Early work with Cominco focused on porphyry copper and VMS deposits in Arizona, while later work for Utah International (BHP) involved setting up their Nevada gold exploration program. Ken started and has successfully operated Desert Ventures Inc. since 1981, and the company has provided complete mineral exploration consulting services to major mining companies, junior mining companies and investment groups.

Ken has researched mineral deposit models in Mexico and Australia, but the majority of his work has been in the western US with a focus on volcanic- and sediment-hosted gold deposits in Nevada. Business development and the identification of acquisition opportunities have been another facet of his work with successes including Franco Nevada's purchase of the Goldstrike royalty, Canyon Resources' operational joint-venture with an eastern coal company, a private company's acquisition of a major patented claim land package, and Orsa Ventures recent discovery in the Oreana Trend of central Nevada. Ken was a co-founder and VP Exploration of Nevoro Nevada, a TSX-listed company, and has been responsible for initially organizing Avidian and acquiring Avidian's Nevada property package.

Catherine Tanaka (age 47), Corporate Secretary

Ms. Tanaka has over 18 years of experience in the management and administration of public companies in the resource sector, including extensive experience in public company governance and regulation. Ms. Tanaka has served as Corporate Secretary to Nevada Copper Corp. since 2006. Prior to her role as a Corporate Secretary, Ms. Tanaka was a paralegal for a US law firm specializing in corporate and securities law. Ms. Tanaka holds a Bachelor Degree from the University of British Columbia.

Ms. Tanaka expects to devote substantial amount of time and attention to the affairs of the Resulting Issuer or on an "as needed" basis. Ms. Tanaka will be providing her services as a Corporate Secretary to the Resulting Issuer.

Advisory Committee

Messrs. Douglas J. Kirwin and Alexander Davidson have agreed to be on the Advisory Committee of the Resulting Issuer. Messrs. Kirwin and Davidson will be providing their services on an "as needed" basis as independent contractors to the Resulting Issuer.

Douglas J. Kirwin, B.Sc., M.Sc., FSEG., Member of Advisory Committee

Mr. Kirwin is an independent geologist with 45 years of international exploration experience. He has held senior positions with Anglo American and Amax during the 1970's and was managing director of a successful international geological consulting firm during the 1980's and early 1990's. In 1995 he accepted a role as Vice President, Exploration for Indochina Goldfields and subsequently became the Executive Vice President for Ivanhoe Mines

Limited until 2012, after which Ivanhoe was acquired by Rio Tinto. Mr. Kirwin was also a director of South Gobi Energy, Jinshan Gold and a founding non-executive director of Ivanhoe Australia Ltd.

As a member of the joint discovery team for the Hugo Dummett deposit at Oyu Tolgoi in Mongolia, Mr. Kirwin was a co-recipient of the PDAC inaugural Thayer Lindsley medal awarded for the most significant international mineral discovery in 2004. Other mineral discoveries made by his exploration team include the Jelai-Mewet and Seryung epithermal deposits in northeast Kalimantan, the Eunsan-Moisan gold mines in South Korea, the Moditaung gold deposits in Myanmar and the Merlin Re-Mo deposit in Australia. In 2006 Mr. Kirwin was the International Exchange lecturer for the Society of Economic Geologists and served as the Society Vice President during 2007 to 2010. He has previously been an industry advisor for the Society of Applied Geologists and China Mining and a board member of the Economic Geology Research Unit at James Cook University. Mr. Kirwin holds a Master of Science degree in mineral exploration from James Cook University, Australia.

Alexander Davidson, M.Sc.

Alexander Davidson was Barrick Gold Corporation's Executive Vice President, Exploration and Corporate Development with responsibility for international exploration programs and corporate development activities. Mr. Davidson joined Barrick in October 1993 as Vice President, Exploration with responsibility for the company's expanding exploration program. He initiated Barrick's expansion out of North America and into Latin America and beyond. Prior to joining Barrick, Mr. Davidson was Vice President, Exploration for Metall Mining Corporation.

Mr. Davidson has over 25 years of experience in designing, implementing and managing gold and base metal exploration and acquisition programs throughout the world. In April 2005, Mr. Davidson was presented the 2005 A.O. Dufresne Award by the Canadian Institute of Mining, Metallurgy and Petroleum to recognize exceptional achievement and distinguished contributions to mining exploration in Canada. In 2003, Mr. Davidson was named the Prospector of the Year by the Prospectors and Developers Association of Canada in recognition for his team's discovery of the Lagunas Norte Project in the Alto Chicama District, Peru. He received his B.Sc. and his M.Sc. in Economic Geology from McGill University.

Promoter Consideration

The Resulting Issuer will have no promoters other than the persons who serve as its directors and officers.

Corporate Cease Trade Orders or Bankruptcies

To the best of knowledge of the management of the Corporation, except as described below, no proposed director of the Resulting Issuer is, or within the 10 years before the date of this Filing Statement has been, a director, officer or promoter of any company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied that company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

None of the proposed directors, officers or promoters of the Resulting Issuer or a shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, or a self-regulatory body, that would likely be considered important to a reasonable security holder in making a decision about the Transactions.

Mr. Titaro resigned as director of Royal Coal Corp. on May 9, 2012. On May 17, 2012, Royal Coal Corp. announced it received notice that the TSX Venture Exchange had suspended trading its securities because the Ontario Securities Commission had imposed a cease trade order for failure to file financial statements. The cease trade order was still in effect on the date of this Listing Statement.

On April 16, 2014, the Ontario Securities Commission issued a management cease trade order against the Interim Chief Executive Officer and the Chief Financial Officer of Carpathian Gold Inc. (“Carpathian”) in connection with Carpathian’s failure to file its audited annual financial statements (and related management’s discussion and analysis and certifications) for the period ended December 31, 2013. The management cease trade order was lifted on June 19, 2014 following the filing by Carpathian of the required continuous disclosure documents. Mr. Titaro was a former director of Carpathian (did not stand for re-election and was no longer a director as at August 12, 2014) but was a director of Carpathian during the period of the management cease trade order.

Personal Bankruptcies

None of the proposed directors, officers or promoters of the Resulting Issuer, nor a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, nor a personal holding company of any such persons has, within the past 10 years before the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of the Resulting Issuer will be subject in connection with the operations of the Resulting Issuer. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation of businesses and corporations, with a view to potential acquisitions of interests, on their own behalf and on behalf of other corporations, and situations may arise where the directors and officers will be in direct competition with the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act* (British Columbia).

Indebtedness of Directors and Officers

No director or officer, or any individual who as a director or officer during the most recently completed financial year, or any Associate of such director or officer, of Avidian, or any individual who is proposed to be a director or officer of the Resulting Issuer, is, or has been, at any time during the most recently completed financial year of Avidian indebted to Avidian or its subsidiaries.

No director or officer, or any Associate of such director or officer, of the Corporation, or any individual who is proposed to be a director or officer of the Resulting Issuer, is, or has been, at any time during the most recently completed financial year of the Corporation indebted to the Corporation.

ANTICIPATED EXECUTIVE COMPENSATION

Compensation Committee

Upon Completion of the Qualifying Transaction, it is anticipated that the Resulting Issuer will establish a compensation committee (the “Compensation Committee”) to assist the Board in fulfilling its responsibilities relating to the compensation practices of the executive officers of the Resulting Issuer.

Compensation of Executive Officers

Following Completion of the Qualifying Transaction, the Resulting Issuer will have six Executive Officers as listed below. As if the date of this Filing Statement, there exist no agreement pursuant to which compensation shall or is expected to be paid to the Executive Officers of the Resulting Issuer. It is expected that compensation that will be paid by the Resulting Issuer to the Executive Officers in the twelve months following the Qualifying Transaction will be based on, and consistent with, recommendations of the Compensation Committee.

Proposed Executive Officers of the Resulting issuer

Name	Expected Principal Position
Giulio T. Bonifacio	Chairman
Dino Titaro	President & CEO
Jeff Mosher	CFO
Tom Setterfield	Vice President, Exploration
Catherine Tanaka	Corporate Secretary
Ken Brook	President of Avidian Gold US Inc. and Avidian Gold Alaska Inc.

Compensation Discussion and Analysis

Compensation Discussion and Analysis

Upon Completion of the Qualifying Transaction, the Resulting Issuer expects to appoint a compensation committee to administer the Resulting Issuer's executive compensation program. The compensation committee will have, as part of its mandate, the responsibility for reviewing recommendations from management for subsequent approval by the board of directors with respect to the appointment and remuneration of executive officers of the Resulting Issuer. The committee will also monitor the performance of the Resulting Issuer's executive officers and reviews the design and competitiveness of the Resulting Company's executive compensation plans.

Composition of Compensation Committee

The compensation committee is expected to comprise of Victor H. Bradley and David C. Anderson. Victor H. Bradley and David C. Anderson will both be independent directors of the board. The Resulting Issuer will be relying on the exemption provided in section 6.1 of NI 52-110, which provides that the Resulting Issuer, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) of NI 52-110.

Executive Compensation Program

The board of directors of the Resulting Issuer has not adopted a written program concerning the compensation of executive officers, however it expects to develop a consistent approach relating to executive compensation. The objective in the determination of executive compensation is the need to provide total compensation packages that will:

- ensure external competitiveness by developing and maintaining compensation levels that reflect current market rates of pay;
- promote pay-for-performance levels that rewards consistently high performance levels;
- provide the Corporation with the resources to recruit and retain a highly capable work force; and
- establish incentives to develop and achieve performance targets that maximize the success and value of the Resulting Issuer to the benefit of the shareholders and other stakeholders.

The Resulting Issuer's executive compensation program will be based on a pay for performance philosophy. It is designed to retain, encourage, compensate and reward employees on the basis of individual and corporate performance, both in the short and the long term. The compensation committee will review and recommend to the board of directors base salaries based on a number of factors enabling the Resulting Issuer to compete for and retain executives central to the Resulting Issuer's long term success. Incentive compensation in the form of cash bonuses is directly tied to corporate and individual performance. Share ownership opportunities through stock options are provided to align the interests of executive officers with the longer term interests of shareholders. Independent consultants may be retained on an as needed basis by the Resulting Issuer to assess the executive compensation program.

Compensation for the executive officers will consist of employment or consulting fees, along with annual incentive compensation in the form of a discretionary annual bonus, and a longer term incentive in the form of stock options. The compensation committee will attempt to pay competitively in the aggregate as well as deliver an appropriate balance between annual compensation (base salary and cash bonuses) and long-term compensation (stock options). The relative portions of annual compensation and long-term incentives for the Chairman CEO and CFO are intended to provide a significant portion of the executive's compensation through long-term incentives.

In determining specific compensation amounts for the executive officers, the Compensation Committee will consider factors such as experience, individual performance, length of service, role in achieving corporate objectives, positive production, exploration and development results, stock price, and compensation compared to other employment opportunities for executives. As an executive officer's level of responsibility increases, a greater percentage of total compensation is based on performance (as opposed to base salary and standard employee benefits) and the mix of total compensation shifts towards annual bonuses and in particular stock options, thereby increasing the mutuality of interest between executive officers and shareholders. The Resulting Issuer does not have precise criteria or formulas to determine global remuneration of executive officers and uses its senior officers and board of director's experience and knowledge of the market to do so. The Resulting Issuer's compensation program is expected to be designed to reward the success of the Resulting Issuer in achieving its technical and financial objectives. The Resulting Issuer operates in a volatile market and the following elements of the compensation package are required to provide the motivation to executive officers and other employees and achieve retention of the Resulting Issuer's skilled people in such market.

Base Salary / Consulting Fees

The Compensation Committee expects to review available market data for other mining companies of a similar size and makes recommendations on compensations of executive officers and directors, for approval by the board of directors. The Resulting Issuer expects to offer compensation to directors of Resulting Issuer in accordance with the recommendations of the Compensation Committee.

Annual Bonus

The Board of Directors determines on a discretionary basis, incentive awards or bonuses to be paid by the Resulting Issuer to the executive officers, other eligible employees and consultants of the Resulting Issuer, in respect of a fiscal year, following advice from the Compensation Committee. Corporate performance is assessed by reference to a number of factors including the Resulting Issuer's progress towards budgeted milestones, corporate efficiency and success in enhancing shareholder value relative to peer companies. Individual performance is measured by

reviewing personal performance and other significant factors, such as level of responsibility and importance of the position to the Resulting Issuer. The individual performance factor allows the Resulting Issuer to recognize and reward those individuals whose efforts have particularly assisted the Resulting Issuer to attain its corporate performance objectives.

Stock Options

The Corporation's Stock Option Plan will become the Resulting Issuer's Stock Option Plan. The Stock Option Plan will be a "rolling" stock option plan whereby a maximum of 10% of the issued shares of the Resulting Issuer, from time to time, may be reserved for issuance pursuant to the exercise of options, see "Part III - The Resulting Issuer – Stock Option Plan". The Compensation Committee recommends the number of options to be granted to executive officers, subject to approval by the board of directors.

As of the date of this Filing Statement, no agreement exists and no arrangement has been made in regards to the stock options that will or are expected to be granted by the Resulting Issuer to its Executive Officers. It is expected that upon the Completion of Qualifying Transaction, the Resulting Issuer will grant stock options to the Executive Officers based on, and consistent with, recommendations of the Compensation Committee.

Compensation of Directors

Upon Completion of the Qualifying Transaction, the Compensation Committee will recommend the compensation, if any, to be paid to directors for services rendered in that capacity. Directors will be entitled to participate in the stock option plan of the Resulting Issuer.

INVESTOR RELATIONS ARRANGEMENTS

There are no agreements pursuant to which any person undertook to provide investor relations services to the Resulting Issuer.

OPTIONS TO PURCHASE SECURITIES

Stock Options

With the exception of options held by the current and former directors of the Corporation as described in Part 1 above, no other person as at the date of this Filing Statement, holds any options of the Corporation and as at the date of this Filing Statement, no agreement exists to grant any options under the Resulting Issuer's stock option plan to any person, except that upon the Completion of Qualifying Transaction, the Resulting Issuer may, upon the recommendations of the Compensation Committee, grant stock options to its directors, executive officers and consultants.

Those options currently outstanding have the exercise price of CAD\$0.30 and original expiry date of November 19, 2024. Save and except for those options held by David W. Smalley, a former director of the Corporation, the terms of which will remain as previously granted, the terms of options of the other current holders will be amended so as they have an expiry date of 28 months following the completion of the Qualifying Transaction.

Stock Option Plan

Upon the Completion of the Qualifying Transaction, the Resulting Issuer will cease to be a CPC. As a result, the number of Common Shares available for the issuance under the Stock Option Plan will automatically increase to the amount equal to 10% of the issued and outstanding Common Shares from time to time which, upon the Completion of the Amalgamation, is expected to be 49,358,058 Common Shares, allowing for the reservation of 4,935,806 common shares for issuance under the Stock Option Plan.

The Corporation's Stock Option Plan provides that the Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and technical consultants to the Corporation, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares on the day the options are granted.

The following information is intended as a brief description of the Plan and is qualified in its entirety by the full text of the Plan which will be available for review by Shareholders at the Corporation's records office:

1. The exercise price of stock options granted under the Plan will be set by the Board of Directors in its sole discretion, at the time of grant and will not be less than the closing price of the Corporation's shares traded through the facilities of the TSX Venture Exchange on the date prior to the date of grant, less allowable discounts, in accordance with the policies of the TSX Venture Exchange or, if the shares are no longer listed for trading on the TSX Venture Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.
2. Upon expiry of an option, or in the event an option is otherwise terminated for any reason, without having been exercised in full, the number of shares in respect of the expired or terminated option shall again be available for the purpose of the Plan.
3. All options granted under the Plan may not have an expiry date exceeding ten years from the date on which the option is granted.
4. Options to acquire no more than 5% of the issued shares of the Corporation may be granted to any one individual in any 12 month period, except as described in items 5 and 6 below.
5. Options to acquire no more than 2% of the issued shares of the Corporation may be granted to any one consultant in any 12 month period.
6. Options to acquire no more than an aggregate of 2% of the issued shares of the Corporation may be granted to all employees or consultants, in aggregate, conducting investor relations activities in any 12 month period.
7. If the option holder ceases to be a director, officer, employee or other service providers of the Corporation (other than by reason of death), as the case may be, then the option granted must expire within 90 days following the date that the option holder ceases to be a director, officer, employee or service provider of the Corporation, subject to the terms and conditions set out in the Plan, save and except for options granted by the Corporation while it was a CPC and the Optionees do not continue as a director, officer, employee or consultant of the Resulting Issuer, in which case the options have an early expiry date that is the later of: (a) 12 months after the Completion of the Qualifying Transaction; and (b) 90 days after the optionee ceases to be a director, officer, employee or consultant of the Resulting Issuer.
8. Options held by an option holder who is engaged in investor relations activities must expire within 30 days after the option holder ceases to be employed by the Corporation to provide investor relations activities subject to the terms and conditions set out in the Plan.
9. Notwithstanding items 7 and 8, an optionee's heirs or administrators shall have until the earlier of:
 - (a) one year from the death of the optionee; and
 - (b) the expiry date of the options,in which to exercise any portion of options outstanding at the time of death of the optionee.

10. Stock options granted to directors, senior officers, employees or consultants will vest when granted unless determined by the Board of Directors on a case by case basis, other than options granted to consultants performing investor relations activities, which will vest in stages over 12 months with no more than one quarter of the options vesting in any three month period.
11. The Plan will be administered by the Board of Directors of the Corporation who will have the full authority and sole discretion to grant options under the Plan to any eligible party, including themselves.
12. The options shall not be assignable or transferable by an optionee.
13. The Board of Directors may from time to time, subject to regulatory approval, amend or revise the terms of the Plan.

The Plan provides that other terms and conditions may be attached to a particular stock option at the discretion of the Board of Directors.

The Plan is subject to receipt of annual shareholder and Exchange acceptance.

ESCROWED SECURITIES

Pursuant to the CPC Policy, all Common Shares acquired on exercise of stock options prior to the Completion of the Qualifying Transaction must also be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued in respect of the Qualifying Transaction.

In addition, all Common Shares of the Corporation acquired by a Control Person in the secondary market prior to Completion of the Qualifying Transaction are required to be deposited in escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Resulting Issuer held by Principals of the Resulting Issuer will be subject to escrow.

In addition, the Exchange's policies require that shares issued at a price of less than CAD\$0.05 per share by Avidian to shareholders who are not Principals of the Resulting Issuer are required to escrowed under a value escrow agreement. Shares issued by the Corporation prior to the IPO are subject to the CPC Escrow Agreement. Shares to be issued by the Resulting Issuer upon Closing will be deposited into escrow pursuant to the QT Escrow Agreement.

To the knowledge of the Corporation and Avidian, the following table is a summary of Common Shares which are expected to be subject to the CPC Escrow Agreement and QT Escrow Agreement following Closing:

Name and Municipality of Residence of Shareholder	Number of Common Shares held in Escrow as at the time of the Filing Statement	Percentage of Common Shares of the Corporation prior to completion of Transactions	Number of Common Shares of Resulting Issuer to be held in escrow Immediately following completion of the Transactions	Percentage of Common Shares following the completion of the Transactions ⁽¹⁾
David W. Smalley Mission, BC, Canada	40,000 ⁽²⁾	2.84%	40,000 ⁽²⁾	0.08%
Anurag Arun Stouffville, ON, Canada	83,333	5.91%	83,333	0.17%
Larry K. Doan Vancouver, BC Canada	83,334	5.91%	83,334	0.17%
Deirdre P. Kenney North Vancouver, BC, Canada	76,667	5.44%	76,667	0.16%

Name and Municipality of Residence of Shareholder	Number of Common Shares held in Escrow as at the time of the Filing Statement	Percentage of Common Shares of the Corporation prior to completion of Transactions	Number of Common Shares of Resulting Issuer to be held in escrow Immediately following completion of the Transactions	Percentage of Common Shares following the completion of the Transactions ⁽¹⁾
Ning Hui Chen Vancouver, BC	43,334	3.07%	43,334	0.09%
Luc Pelchat San Pedro Garza Garcia, Mexico	83,333	5.91%	83,333	0.17%
Total CPC Escrow	410,001	29.08%	410,001	0.83%
Giulio T. Bonifacio Vancouver, BC, Canada	–	–	1,644,585	3.33%
Dino Titaro Oakville, Ontario	–	–	807,257	1.64%
David C. Anderson Canmore, Alberta	–	–	5,016,752 ⁽³⁾	10.16%
Victor H. Bradley Monte Carlo, Monaco	–	–	4,186,175 ⁽⁴⁾	8.48%
Jeff Mosher Toronto, Ontario	–	–	558,986 ⁽⁵⁾	1.13%
Dr. Tom Setterfield Nepean, Ontario	–	–	692,524 ⁽⁶⁾	1.4%
Ken Brook Reno, Nevada	–	–	1,307,604 ⁽⁷⁾	2.65%
Total Principals	–	–	14,213,883	28.80%
TOTAL ESCROW	410,001	29.08%	14,623,884	29.63 %

(1) Based on 49,358,058 issued and outstanding shares of the Resulting Issuer following completion of the Transactions; and excludes the exercise of any stock options, Resulting Issuer Warrants and Sponsor's Option.

(2) David Smalley's shareholdings include 40,000 shares held by Abundantia Ventures Ltd., a British Columbia corporation wholly owned by Mr. Smalley.

(3) David C. Anderson's beneficial holdings include holdings in his individual name (1,945,486 Common Shares), and through his beneficial interest in Legato Investments Inc. (1,382,488 Common Shares), David C. Anderson Family Trust (727,489 Common Shares), Sunday Dragon Capital Inc. (846,082 Common Shares) and in the name of his spouse Christine Anderson (115,207 Common Shares).

(4) Victor H. Bradley's beneficial holdings include holdings in his own name (944,700 Common Shares) and in the name of his spouse Wendy Bradley (3,241,475 Common Shares).

(5) Jeff Mosher's holdings include 464,516 shares held by Castle Royale Capital Inc., an Ontario Corporation owned 100% by Mr. Mosher.

(6) Tom Setterfield's shareholdings include 479,217 shares held by GeoVector Management Inc., an Ontario Corporation owned 25% by Dr. Setterfield.

(7) Ken Brook's shareholdings include 1,152,074 shares held by The Brook Family Trust.

The 410,001 Common Shares set out in the table above and currently held in escrow by Computershare pursuant to CPC Escrow Agreement entered into in connection with the Corporation's IPO will be held in escrow by Computershare pursuant to the CPC Escrow Agreement. These securities will be deemed to be value securities.

The 14,213,883 Common Shares set out in the table above which will on completion of the Qualifying Transaction be held by principals of the Resulting issuer will be held in escrow by Computershare pursuant to the QT Escrow Agreement and will be deemed to be value securities.

Upon Completion of the Qualifying Transaction, the escrowed securities will be released over a 36 month period in accordance with the following timeline, provided that the Resulting Issuer becomes a Tier 2 issuer:

<u>Release Dates</u>	<u>Common Shares Released from Escrow where deemed as Value Securities</u>
Date of Final Exchange Bulletin	10%
6 months from Final Exchange Bulletin	15%
12 months from Final Exchange Bulletin	15%
18 months from Final Exchange Bulletin	15%
24 months from Final Exchange Bulletin	15%
30 months from Final Exchange Bulletin	15%
36 months from Final Exchange Bulletin	15%

The release of securities held pursuant to the CPC Escrow Agreement and the QT Escrow Agreement may be accelerated in certain circumstances, including if the Resulting Issuer becomes a Tier 1 issuer or is listed on the Toronto Stock Exchange.

While in escrow, none of the escrowed shares can be transferred, either directly or indirectly through a change in control of a holding company without the consent of the Exchange. If a Final Exchange Bulletin is not issued, the 410,001 escrowed Common Shares held in escrow as of the date of this Filing Statement will not be released. If the Corporation fails to complete a Qualifying Transaction or is delisted by the Exchange for any other reason, all of the escrow shares remaining in escrow will be cancelled.

While in escrow, none of the escrowed shares can be transferred, either directly or indirectly through a change in control of a holding company, without the consent of the Exchange.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditors of Avidian, UHY McGovern Hurley LLP, will be the auditors of the Resulting Issuer.

The registrar and transfer agent for the Common Shares of the Resulting Issuer will be Computershare.

SPONSORSHIP AND AGENT RELATIONSHIP

Sponsor

A general policy of the Exchange requires that a sponsor be retained to prepare a sponsor report in compliance with Exchange Policy 2.2, unless an exemption from sponsorship is available to the Corporation. The Corporation has engaged Haywood, as a Sponsor for the Qualifying Transaction. Pursuant to a sponsorship Agreement between the Corporation and Haywood, Haywood will provide Exchange with a Sponsor Report and if required a Sponsorship Acknowledgement Form and as such terms is defined in Exchange Policy 2.2.

As compensation for its services as a sponsor in connection with the Qualifying Transaction, Haywood will receive a sponsorship fee of CAD\$25,000 and 300,000 Sponsor's Options. Haywood has no other material interest in either the Corporation or Avidian.

Relationships

Pursuant to the Agency Agreement dated September 11, 2014, between the Corporation and the Agent, as agent for the Corporation's IPO, the Corporation granted the Agent a right of first refusal on all brokered financings, change of business transactions and reverse take-over transactions involving the Corporation for a period of 24 months from the date the Common Shares are listed for trading on the Exchange and terminating on the date of closing of the Corporation's Qualifying Transaction. The Agent waived the above mentioned right of first refusal by letter dated January 17, 2017.

EXPERTS

Opinions

There are no persons or companies whose professional business gives authority to a statement made by the person or company who is named as having prepared or certified a part of this Filing Statement or prepared or certified a report or valuation described in this Filing Statement, except for Leon McGarry, B.Sc P. Geol., FGAC, OGQ, and Ian D. Trinder, M.Sc P. Geol, who are the authors of the Golden Zone Report.

Interest of Experts

As at the date hereof, principals and employees of A.C.A. Howe International Limited do not own directly or indirectly any securities of either the Corporation or Avidian.

As at the date hereof, partners and associates of UHY McGovern Hurley LLP, the auditor of Avidian, that are directly involved in services provided to Avidian do not own directly or indirectly any securities of either the Corporation or Avidian. No partner or associate of UHY McGovern Hurley LLP is or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of any associate or affiliate of the Resulting Issuer.

As at the date hereof, partners and associates of Davidson & Co LLP, the auditor of the Corporation, that are directly involved in services provided to the Corporation do not own directly or indirectly any securities of either the Corporation or Avidian. No partner or associate of Davidson & Co LLP is or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of any associate or affiliate of the Resulting Issuer.

At the date hereof, David W. Smalley, counsel to the Corporation, owns directly or indirectly, in the aggregate, 40,000 Common Shares of the Corporation, as well as 55,149 stock options.. This represents less than 1% of the outstanding shares of the Resulting Issuer. David W. Smalley is not expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of any associate or affiliate of the Resulting Issuer.

At the date hereof, Dennis Peterson of Peterson McVicar LLP, counsel to Avidian, owns directly or indirectly, in the aggregate, 173,888 Avidian Shares. Upon Closing, the Resulting Issuer will issue 80,133 Common Shares of Resulting Issuer in exchange for the 173,888 Mr. Peterson's Avidian Shares. This represents less than 1% of the outstanding shares of the Resulting Issuer. Dennis Peterson is not expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer but will remain as counsel to the Resulting Issuer.

At the date hereof, Tom Erwin, US counsel to Avidian, owns directly or indirectly, in the aggregate 2,340,000 Avidian Shares. Upon Closing, the Resulting Issuer will issue 1,078,341 Common Shares of Resulting Issuer in exchange for the 2,340,000 Mr. Erwin's Avidian Shares. This represents approximately 2.18% of the outstanding shares of the Resulting Issuer. Mr. Erwin is not expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer but will remain as US counsel to the Resulting Issuer

OTHER MATERIAL FACTS

There are no other material facts about the Corporation, Avidian, the Resulting Issuer or the proposed Qualifying Transaction that are not elsewhere disclosed herein and which are necessary in order for this Filing Statement to contain full, true and plain disclosure of all material facts relating to the Corporation, Avidian and the Resulting Issuer, assuming Completion of the Qualifying Transaction.

BOARD APPROVAL

The board of directors of the Corporation has approved this Filing Statement.

CERTIFICATE OF MMCC CAPITAL CORPORATION

Dated: November 17, 2017

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of Marching Moose Capital Corporation assuming Completion of the Qualifying Transaction.

“Larry K. Doan”

Larry K Doan,
President, Chief Executive Officer
& Chief Financial Officer

ON BEHALF OF THE BOARD

“Luc Pelchat”

Luc Pelchat,
Director

“Larry K. Doan”

Larry K. Doan,
Director

CERTIFICATE OF AVIDIAN GOLD INC.

Dated: November 17, 2017

The foregoing as it relates to Avidian Gold Inc. constitutes full, true and plain disclosure of all material facts relating to the securities of Avidian Gold Inc.

“Jeff Mosher”
Jeff Mosher, Chief Financial Officer

“Dino Titaro”
Dino Titaro, Chief Executive Officer

ON BEHALF OF THE BOARD

“Giulio T. Bonifacio”
Giulio T. Bonifacio, Director

“Dino Titaro”
Dino Titaro, Director

SCHEDULE A-1
MANAGEMENT DISCUSSION AND ANALYSIS OF MARCHING MOOSE CAPITAL CORPORATION
FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2017 AND
FOR THE YEARS ENDED
MARCH 31, 2015, 2016, 2017

MARCHING MOOSE CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2017

The following Management's Discussion and Analysis ("MD&A") is dated August 29, 2017 and should be read in conjunction with the condensed interim financial statements of Marching Moose Capital Corp. ("Marching Moose" or the "Company") for the three month period ended June 30, 2017. Marching Moose prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Marching Moose common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Description of Business

The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *British Columbia Business Corporations Act* on September 24, 2013. It is classified as a Capital Pool Company ("CPC") in accordance with Policy 2.4 of the TSX Venture Exchange ("TSX-V"). The Company's common shares commenced trading on the TSX Venture on November 28, 2014, under the symbol "MMC.P."

The Company's head office and registered records office address is Suite 2300, 1066 West Hastings Street, Vancouver, British Columbia, Canada.

The Company has not commenced commercial operations and has no assets other than cash and receivables. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a transaction where the Company acquires significant assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means (a "Qualifying Transaction"). Any proposed Qualifying Transaction must be accepted by the TSX-V.

See "Proposed Transactions" for details of a proposed Qualifying Transaction.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. The financial statements do not include any adjustments to assets or liabilities should the Company be unable to continue in existence.

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company, unless otherwise noted.

OVERALL PERFORMANCE

Performance Highlights

	Three Months ended June 30 2017	Three Months ended June 30 2016
Revenue	\$-	\$-
Net loss	(24,173)	(6,886)
Net loss per share – basic and diluted	(0.01)	(0.00)
Cash used in operations	(32,227)	(8,911)
Total assets	\$123,610	\$238,300

There was a net loss for the period ended June 30, 2017, of \$24,173 compared to a net loss of \$6,886 for the period ended June 30, 2016. The increased loss in the current period is directly attributable to the legal and regulatory fees associated with the advanced stage of the Company's proposed Qualifying Transaction with Avidian Gold Inc. ("Avidian"). During the period ended June 30, 2016 the Company was fairly inactive and was incurring minimal expenditure associated with day to day running costs. For information on the current proposed Qualifying Transaction with Avidian please see "Proposed Transactions" below.

The Company continues to incur monthly rental fees associated with office space and to Computershare who acts as its escrow and transfer agent.

Cash used in operations for the period ended June 30, 2017, increased to \$32,227 compared to \$8,911 for the period ended June 30, 2016. The increase in cash used in operations is principally due to legal fees in relation to the proposed Qualifying Transaction with Avidian as disclosed above.

At June 30, 2017, the Company had total assets of \$123,610 compared to \$238,300 at June 30, 2016. The decrease is directly attributable to both every day operational costs of the Company and the work carried out on the proposed Qualifying Transaction with Avidian.

RESULTS OF OPERATIONS

	Three months ended June 30, 2017	Three months ended June 30, 2016
Professional fees	\$ 11,504	\$ 6,787
Regulatory fees	11,225	-

Professional fees for the period ended June 30, 2017, were \$11,504 compared to \$6,787 for the period ended June 30, 2016. The increase in the current year can again be explained by an increased level of work carried out on the advanced Qualifying Transaction with Avidian.

With respect to regulatory fees, the Company paid amounts to the TSX-V with respect to both the balance of the Qualifying Transaction filing fee and fees due for the Company's share consolidation which explains the increased regulatory fees in the current period.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The Company utilizes existing cash and the issuance of equity instruments to provide liquidity to the Company. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

As at June 30, 2017, the Company had working capital of \$114,287 (June 30, 2016 - \$201,313). Management believes that this is sufficient to meet anticipated expenses in relation to the closing of the proposed Qualifying Transaction with Avidian and if the Qualifying Transaction does not close, for the next fiscal year.

Contractual Obligations

There are no significant contractual obligations other than the proposed transaction noted below.

Proposed Transactions

The Company entered into an agreement in principle dated November 2, 2015, (the "LOI") for the acquisition of Empower, a private company (the "Proposed Qualifying Transaction") which expired during the year ended March 31, 2017, and could not be renegotiated despite repeated best efforts by both parties. The parties found difficulty in engaging a brokerage firm that would agree to provide a private placement financing on terms that Empower would accept.

On October 26, 2016, the Company announced that it entered into a Letter of Intent dated October 20, 2016, for the acquisition of Avidian. Avidian is in the business of acquiring and exploring gold projects in the United States and Canada. The Company further announced on April 18, 2017, that it entered into a Definitive Agreement with Avidian dated March 13, 2017 for the acquisition of Avidian by way of three cornered amalgamation ("Transaction").

Pursuant to the Definitive Agreement, 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. Further information regarding the Transaction can be found in the Company's financial statements for the period ended June 30, 2017.

SELECTED QUARTERLY FINANCIAL INFORMATION

Financial Quarter Ended (Unaudited)

	2017		2016	
	Jun 30	Mar 31	Dec 31	Sept 30
Revenue		-		-
Net income (loss)	\$ (24,173)	\$ (31,725)	\$ (54,927)	\$ 23,997
Basic and diluted income (loss) per share	\$ (0.01)	\$ (0.02)	\$ (0.01)	\$ 0.01
Total assets	\$ 123,610	\$ 154,362	\$ 183,450	\$ 231,998
	2016		2015	
	Jun 30	Mar 31	Dec 31	Sept 30
Revenue	-	-	-	-
Net loss	\$ (6,886)	\$ (16,906)	\$ (35,367)	\$ (4,364)
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Total assets	\$ 238,300	\$ 248,054	\$ 256,492	\$ 274,647

For the quarter ended June 30, 2017, the Company incurred a loss of \$24,173. Other than day to day operating costs the loss is directly attributable to legal fees and regulatory in relation to the proposed Qualifying Transaction with Avidian. There is a decrease in legal fees incurred in this period as compared to previous periods as work on the qualifying transaction decreased whilst Avidian conducted its private placement.

For the quarter ended March 31, 2017, the Company incurred a loss of \$31,725 as work continued on the qualifying transaction with Avidian.

For the quarter ended December 31, 2016, the Company incurred a loss of \$54,927. The loss in this quarter was slightly higher due to the increased legal fees associated with the initial work carried out on the proposed qualifying transaction with Avidian.

For the quarter ended September 30, 2016, the Company earned net income of \$23,997. This is due to a forgiveness of accrued professional fees by the Company's legal counsel, and a refund of regulatory fees previously paid to the TSX-V in respect of the Company's expired proposed Qualifying Transaction with Empower.

For the quarter ended June 30, 2016 the Company incurred costs associated with rent and professional fees (legal and accounting) commensurate with the day to day running costs of the Company

For the quarter ended March 31, 2016 the Company incurred costs associated with rent, professional fees (legal and audit) and regulatory fees in respect of its continuing listing on the TSX-V.

For the quarter ended December 31, 2015, the Company entered into an LOI with Empower. These circumstances resulted in an increase to the Company's net loss for the quarter ended December 31, 2015.

During the quarter ended September 30, 2015 the Company remained minimally active as the expired proposed Qualifying Transaction with Empower remained pending.

OFF-BALANCE SHEET ARRANGEMENTS

Disclosure is required of all off-balance sheet arrangements that are reasonably likely to have a current or future effect on the results of operations or financial condition of the Company. Marching Moose does not have such off-balance sheet arrangements.

Risk Factors

Investing in the common shares of the Company involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline and prospective investors may lose part or all of their investment.

No Operating History

The Company was incorporated on September 24, 2013, has not commenced commercial operations, and has no assets other than cash. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future. Until completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions.

The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction.

Possible Trading Suspension or Delisting

The TSX-V may suspend from trading or delist the securities of the Company where the Company has failed to complete a Qualifying Transaction within the 24 months of the date of listing or if the Company fails to meet initial listing requirements of the TSX-V upon Completion of the Qualifying Transaction. Suspension from trading of the common shares may, and delisting of the common shares will, result in the regulatory securities authorities issuing an interim cease trade order against the Company. In addition, delisting of the common shares will result in the cancellation of all of the currently issued and outstanding common shares of the Company held by Insiders. Trading in the common shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the TSX-V in the time periods required.

The Company was unable to complete a Qualifying Transaction within the 24 month period required by the TSX-V Policy 2.4. As a result the Company was put on a notice to delist by the TSX-V on December 7, 2016 whereby the Company must close a Qualifying Transaction by March 7, 2017 to avoid being delisted from the TSX-V. The Company is currently in discussions with the TSX-V regarding an extension to the 24 month period whilst it continues to work on closing the proposed Qualifying Transaction with Avidian.

Halt of Trading

Upon public announcement of a potential Qualifying Transaction, trading in the common shares of the Company will be halted and will remain halted until Completion of the Qualifying Transaction, or sooner pursuant to Policy 2.4. Neither the TSX-V nor any securities regulatory authority passes upon the merits of the potential Qualifying Transaction.

TSX-V May Not Approve a Qualifying Transaction

Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the TSX-V and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval as such terms are defined in Policy 2.4.

Notwithstanding that a transaction may meet the definition of a Qualifying Transaction; the TSX-V may not approve a Qualifying Transaction:

- (a) if the Company fails to meet the initial listing requirements prescribed by Policy 2.1 – Initial Listing Requirements of the TSX-V upon Completion of the Qualifying Transaction;
- (b) if, following Completion of the Qualifying Transaction, the Company will be a finance company or a mutual fund as defined under applicable securities laws;
- (c) the consideration proposed to be paid by the Company in connection with the Qualifying Transaction is not acceptable to the TSX-V; or
- (d) for any other reason at the sole discretion of the TSX-V.

Approval by the Majority of the Minority

Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the common shares.

Dilution

If the Company issues treasury shares to finance acquisition or participation opportunities, control of the Company may change and subscribers may suffer dilution of their investment.

Directors and Officers

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company but will be devoting such time as required to effectively manage the Company. Some of the directors and officers of the Company are engaged and will continue to be engaged in the search for assets or businesses on their own behalf or on behalf of others such that conflicts may arise from time to time. As a consequence of such conflicts, the Company may be exposed to liability and its ability to achieve its business objectives may be impaired.

Reliance on Management

The Company is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its directors and officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Company.

Foreign Acquisition

In the event the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

Critical Accounting Estimates

The preparation of financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements.

Significant estimates, judgments and assumptions relate to, but are not limited to, the recognition to deferred income taxes which includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected. Actual results could differ from these estimates.

NEW ACCOUNTING STANDARDS

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, effective for annual periods beginning on or after January 1, 2018.

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.

FINANCIAL INSTRUMENTS

For information about the Company's financial instruments and financial risk management refer to Note 6 within the condensed interim financial statements for the period ended June 30, 2017.

CONTROLS AND PROCEDURES

Disclosure controls and procedures ('DC&P') are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ('ICFR') are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

TSX-V listed companies are not required to provide representations in filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument MI- 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's financial reporting framework. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding absence of misrepresentations and fair disclosures of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the

quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RELATED PARTY TRANSACTIONS

During the period ended June 30, 2017, the Company paid \$11,504 in fees to a law firm controlled by the former director and officer of the Company, David Smalley Law Corp (“DSLCL”).

As at June 30, 2017, the Company had accrued liabilities of \$5,490 to DSLCL.

OUTSTANDING SHARE DATA

Common shares

The following table sets forth the Company’s outstanding share data:

Total common shares at June 30, 2017	1,820,003
Total outstanding stock options	173,325
Fully diluted common shares at June 30, 2017	1,993,328

The Company previously had 100,000 warrants outstanding. These warrants expired on November 28, 2016 and therefore as of June 30, 2017 there are currently no warrants outstanding.

As at June 30, 2017, the Company had stock options outstanding and exercisable as follows:

Number of Options	Number Exercisable	Exercise Price	Expiry Date
173,325	173,325	\$ 0.30	November 19, 2024

As part of the agreement regarding the proposed Transaction the holders of stock options in the Company have agreed to cancel their stock options save and except 55,200 options held by David W. Smalley.

Proposed Share Consolidation

On November 25, 2015 the shareholders approved by special resolution that the authorized share structure of the Company be altered by consolidating all of the issued and outstanding common shares of the Company on the basis of two existing common shares for one new common share, or such lower ratio as the Board of Directors may determine. On April 25, 2017, the Company completed its share consolidation. All share and per share amounts in the Financial Statements and figures above have been shown on a post consolidated basis.

Qualifying Transaction Extension

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 within 24 months of listing on the TSX-V, which was November 28, 2016. The TSX-V has agreed to extend the Company’s delist deadline to such time as the Qualifying Transaction closes or is cancelled. 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, 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.

MARCHING MOOSE CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2017

The following Management's Discussion and Analysis ("MD&A") is dated July 13, 2017 and should be read in conjunction with the financial statements of Marching Moose Capital Corp. ("Marching Moose" or the "Company") for the year ended March 31, 2017. Marching Moose prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Marching Moose common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Description of Business

The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *British Columbia Business Corporations Act* on September 24, 2013. It is classified as a Capital Pool Company ("CPC") in accordance with Policy 2.4 of the TSX Venture Exchange ("TSX-V"). The Company's common shares commenced trading on the TSX Venture on November 28, 2014, under the symbol "MMC.P."

The Company's head office and registered records office address is Suite 2300, 1066 West Hastings Street, Vancouver, British Columbia, Canada.

The Company has not commenced commercial operations and has no assets other than cash and receivables. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a transaction where the Company acquires significant assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means (a "Qualifying Transaction"). Any proposed Qualifying Transaction must be accepted by the TSX-V.

See "Proposed Transactions" for details of a proposed Qualifying Transaction.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. The financial statements do not include any adjustments to assets or liabilities should the Company be unable to continue in existence.

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company, unless otherwise noted.

OVERALL PERFORMANCE

Performance Highlights

	Year ended March 31 2017	Year ended March 31 2016	Year ended March 31 2015
Revenue	\$ -	\$ -	\$ -
Net loss	(69,739)	(59,879)	(88,547)
Net loss per share – basic and diluted	(0.04)	(0.02)	(0.04)
Cash used in operations	(96,540)	(37,083)	(46,053)
Total assets	\$ 154,362	\$ 248,054	\$ 283,947

There was a net loss for the year ended March 31, 2017, of \$69,739 compared to a net loss of \$59,879 for the year ended March 31, 2016. Although both amounts are roughly comparable the increased loss in the current year is directly attributable to the legal fees associated with the advanced stage of the Company's proposed Qualifying Transaction with Avidian Gold Inc. ("Avidian"). It should be noted that much of the loss for the year ended March 31, 2016 was attributable to legal fees relating to the expired and less advanced Qualifying Transaction with Empower Environmental Solutions Ltd., ("Empower"). Those fees were subsequently forgiven by the Company's legal counsel on September 29, 2016, resulting in a reduction to professional fees of \$21,509 in the current year, thus reducing the overall loss for the current year. For information on the expired Qualifying Transaction with Empower and the current proposed Qualifying Transaction with Avidian Gold Inc. ("Avidian") please see "Proposed Transactions" below.

The Company continues to incur monthly rental fees associated with office space and to Computershare who acts as its escrow and transfer agent.

Cash used in operations for the year ended March 31, 2017, increased to \$96,540 compared to \$37,083 for the year ended March 31, 2016. The increase in cash used in operations is principally due to legal fees in relation to the proposed Qualifying Transaction with Avidian which as disclosed above, at a much more advanced stage than the expired Qualifying Transaction with Empower.

At March 31, 2017, the Company had total assets of \$154,362 compared to \$248,054 at March 31, 2016. The decrease is directly attributable to both every day operational costs of the Company and the work carried out on the proposed Qualifying Transaction with Avidian.

RESULTS OF OPERATIONS

	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Professional fees	\$ 57,062	\$ 40,738	\$ 13,915
Share-based payments	\$ -	\$ -	\$ 46,625
Regulatory fees	\$ 4,163	\$ 18,079	\$ 26,037

Professional fees for the year ended March 31, 2017, were \$57,062 compared to \$40,738 for the year ended March 31, 2016. The increase in the current year can again be explained by an increased level of work carried out on the advanced Qualifying Transaction with Avidian.

With respect to regulatory fees, the Company received a partial refund of \$5,460, from the TSX-V in September 2016, relating to a portion of the filing fee, paid during the year ended March 31, 2016, for the expired proposed Qualifying Transaction with Empower. The Company paid a smaller pre-filing fee to the TSX-V in November 2016, in respect of the current proposed Qualifying Transaction with Avidian. The recovery of fees paid and the fact that the Company's annual listing fee became due after March 31, 2017 explains the reduction in regulatory fees for the current year.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The Company utilizes existing cash and the issuance of equity instruments to provide liquidity to the Company. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

As at March 31, 2017, the Company had working capital of \$138,460 (March 31, 2016 - \$208,199). Management believes that this is sufficient to meet anticipated expenses in relation to the closing of the proposed Qualifying Transaction with Avidian and if the Qualifying Transaction does not close, for the next fiscal year.

Contractual Obligations

There are no significant contractual obligations other than the proposed transaction noted below.

Proposed Transactions

The Company entered into an agreement in principle dated November 2, 2015, (the "LOI") for the acquisition of Empower, a private company (the "Proposed Qualifying Transaction") which expired during the year ended March 31, 2017, and could not be renegotiated despite repeated best efforts by both parties. The parties found difficulty in engaging a brokerage firm that would agree to provide a private placement financing on terms that Empower would accept.

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

In connection with the Letter of Intent, a wholly-owned subsidiary of the Company will be formed for the purpose of completing a three-cornered amalgamation with Avidian, by which the Avidian shareholders will receive one post-consolidated common share of the Company for every 2.17 Avidian shares held (the "Transaction"). Prior to completion of the Transaction, the Company agreed to and has completed a share consolidation on a 2 to 1 basis.

SELECTED QUARTERLY FINANCIAL INFORMATION

Financial Quarter Ended (Unaudited)

	2017		2016	
	Mar 31	Dec 31	Sept 30	June 30
Revenue	-	-	-	-
Net income (loss)	\$ (31,725)	\$ (54,927)	\$ 23,997	\$ (7,084)
Basic and diluted income (loss) per share	\$ (0.02)	\$ (0.01)	\$ 0.01	\$ (0.01)
Total assets	\$ 154,362	\$ 183,450	\$ 231,998	\$ 238,300
	2016		2015	
	Mar 31	Dec 31	Sept 30	June 30
Revenue	\$ -	\$ -	\$ -	\$ -
Net loss	\$ (16,906)	\$ (35,367)	\$ (4,364)	\$ (3,242)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Total assets	\$ 248,054	\$ 256,492	\$ 274,647	\$ 276,031

For the quarter ended March 31, 2017, the Company incurred a loss of \$31,725. Other than day to day operating costs the loss is directly attributable to legal fees in relation to the proposed Qualifying Transaction with Avidian.

For the quarter ended December 31, 2016, the Company incurred a loss of \$54,927. Other than day to day operating costs the increase in loss is directly attributable to legal fees in relation to the proposed Qualifying Transaction with Avidian.

For the quarter ended September 30, 2016, the Company earned net income of \$23,997. This is due to a forgiveness of accrued professional fees by the Company's legal counsel, and a refund of regulatory fees previously paid to the TSX-V in respect of the Company's expired proposed Qualifying Transaction with Empower.

For the quarter ended June 30, 2016 the Company incurred costs associated with rent and professional fees (legal and accounting) commensurate with the day to day running costs of the Company

For the quarter ended March 31, 2016 the Company incurred costs associated with rent, professional fees (legal and audit) and regulatory fees in respect of its continuing listing on the TSX-V.

For the quarter ended December 31, 2015, the Company entered into an LOI with Empower. These circumstances resulted in an increase to the Company's net loss for the quarter ended December 31, 2015.

During the quarters ended September 30, 2015, June 30, 2015 the Company remained minimally active as the expired proposed Qualifying Transaction with Empower remained pending.

OFF-BALANCE SHEET ARRANGEMENTS

Disclosure is required of all off-balance sheet arrangements that are reasonably likely to have a current or future effect on the results of operations or financial condition of the Company. Marching Moose does not have such off-balance sheet arrangements.

Risk Factors

Investing in the common shares of the Company involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline and prospective investors may lose part or all of their investment.

No Operating History

The Company was incorporated on September 24, 2013, has not commenced commercial operations, and has no assets other than cash. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future. Until completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions.

The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction.

Possible Trading Suspension or Delisting

The TSX-V may suspend from trading or delist the securities of the Company where the Company has failed to complete a Qualifying Transaction within the 24 months of the date of listing or if the Company fails to meet initial listing requirements of the TSX-V upon Completion of the Qualifying Transaction. Suspension from trading of the common shares may, and delisting of the common shares will, result in the regulatory securities authorities issuing an interim cease trade order against the Company. In addition, delisting of the common shares will result in the cancellation of all of the currently issued and outstanding common shares of the Company held by Insiders. Trading in the common shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the TSX-V in the time periods required.

The Company was unable to complete a Qualifying Transaction within the 24 month period required by the TSX-V Policy 2.4. As a result the Company was put on a notice to delist by the TSX-V on December 7, 2016 whereby the Company must close a Qualifying Transaction by March 7, 2017 to avoid being delisted from the TSX-V. The Company is currently in discussions with the TSX-V regarding an extension to the 24 month period whilst it continues to work on closing the proposed Qualifying Transaction with Avidian.

Halt of Trading

Upon public announcement of a potential Qualifying Transaction, trading in the common shares of the Company will be halted and will remain halted until Completion of the Qualifying Transaction, or

sooner pursuant to Policy 2.4. Neither the TSX-V nor any securities regulatory authority passes upon the merits of the potential Qualifying Transaction.

TSX-V May Not Approve a Qualifying Transaction

Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the TSX-V and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval as such terms are defined in Policy 2.4.

Notwithstanding that a transaction may meet the definition of a Qualifying Transaction; the TSX-V may not approve a Qualifying Transaction:

- (a) if the Company fails to meet the initial listing requirements prescribed by Policy 2.1 – Initial Listing Requirements of the TSX-V upon Completion of the Qualifying Transaction;
- (b) if, following Completion of the Qualifying Transaction, the Company will be a finance company or a mutual fund as defined under applicable securities laws;
- (c) the consideration proposed to be paid by the Company in connection with the Qualifying Transaction is not acceptable to the TSX-V; or
- (d) for any other reason at the sole discretion of the TSX-V.

Approval by the Majority of the Minority

Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the common shares.

Dilution

If the Company issues treasury shares to finance acquisition or participation opportunities, control of the Company may change and subscribers may suffer dilution of their investment.

Directors and Officers

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company but will be devoting such time as required to effectively manage the Company. Some of the directors and officers of the Company are engaged and will continue to be engaged in the search for assets or businesses on their own behalf or on behalf of others such that conflicts may arise from time to time. As a consequence of such conflicts, the Company may be exposed to liability and its ability to achieve its business objectives may be impaired.

Reliance on Management

The Company is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its directors and officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Company.

Foreign Acquisition

In the event the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or

impossible to enforce against such persons, judgments obtained in Canadian courts.

Critical Accounting Estimates

The preparation of financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements.

Significant estimates, judgments and assumptions relate to, but are not limited to, the recognition to deferred income taxes which includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected. Actual results could differ from these estimates.

NEW ACCOUNTING STANDARDS

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, effective for annual periods beginning on or after January 1, 2018.

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.

FINANCIAL INSTRUMENTS

For information about the Company's financial instruments and financial risk management refer to Note 8 within the audited financial statements for the year ended March 31, 2016.

CONTROLS AND PROCEDURES

Disclosure controls and procedures ('DC&P') are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ('ICFR') are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

TSX-V listed companies are not required to provide representations in filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument MI- 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's financial reporting framework. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding

absence of misrepresentations and fair disclosures of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RELATED PARTY TRANSACTIONS

During the year ended March 31, 2017, the Company paid \$41,907 in fees to a law firm controlled by the former director and officer of the Company, David Smalley Law Corp (“DSLCL”). During the current year, DSLCL forgave unbilled fees which the Company had accrued for, in the amount of \$21,509. This was recorded as a reduction to professional fees. As at March 31, 2017, the Company had accrued liabilities of \$13,170 to DSLCL.

OUTSTANDING SHARE DATA

Common shares

The following table sets forth the Company’s outstanding share data:

Total common shares at March 31, 2017	1,820,003
Total outstanding stock options	173,325
Fully diluted common shares at March 31, 2017	1,993,328

The Company previously had 100,000 warrants outstanding. These warrants expired on November 28, 2016 and therefore as of March 31, 2017 there are currently no warrants outstanding.

As at March 31, 2017, the Company had stock options outstanding and exercisable as follows:

Number of Options	Number Exercisable	Exercise Price	Expiry Date
173,325	173,325	\$ 0.30	November 19, 2024

As part of the agreement regarding the proposed Transaction the holders of stock options in the Company have agreed to cancel their stock options save and except 55,200 options held by David W. Smalley.

Proposed Share Consolidation

On November 25, 2015 the shareholders approved by special resolution that the authorized share structure of the Company be altered by consolidating all of the issued and outstanding common shares of the Company on the basis of two existing common shares for one new common share, or such lower ratio as the Board of Directors may determine. On April 25, 2017, the Company completed its share consolidation. All share and per share amounts in the Financial Statements and figures above have been shown on a post consolidated basis.

MARCHING MOOSE CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

Introduction

The following Management's Discussion and Analysis ("MD&A") is dated June 3, 2016 and should be read in conjunction with the financial statements of Marching Moose Capital Corp. ("Marching Moose" or the "Company") for the year ended March 31, 2016. Marching Moose prepares its financial statements in accordance with International Accounting Standards ("IAS"), under International Financial Reporting Standards ("IFRS").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Marching Moose common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Description of Business

The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *British Columbia Business Corporations Act* on September 24, 2013. It is classified as a Capital Pool Company ("CPC") in accordance with Policy 2.4 of the TSX Venture Exchange. The Company's common shares commenced trading on the TSX Venture under the symbol "MMC.P."

The Company has not commenced commercial operations and has no assets other than cash and receivables. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a transaction where the Company acquires significant assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means (a "Qualifying Transaction"). Any proposed Qualifying Transaction must be accepted by the Exchange.

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

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company, unless otherwise noted.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. The financial statements do not include any adjustments to assets or liabilities should the Company be unable to continue in existence.

OVERALL PERFORMANCE

Performance Highlights

	Year ended March 31 2016	Year ended March 31 2015	For the period from September 24, 2013 to March 31, 2014
Revenue	\$ -	\$ -	\$ -
Net loss	(59,879)	(88,547)	(20,000)
Net loss per share – basic and diluted	(0.02)	(0.04)	(0.02)
Cash used in operations	(37,083)	(46,053)	-
Total assets	\$ 248,054	\$ 283,947	\$ 50,000

The net loss for the year ended March 31, 2016 was \$59,879 compared to \$88,547 for the year ended March 31, 2015. The decrease in the net loss is attributed to the reduced cost of regulatory fees in this year and also the absence of share-based payment expenses linked to the Company's IPO which were prevalent in the year ended March 31, 2015.

Cash used in operations for the year ended March 31, 2016 decreased to \$37,083 from \$46,053 for the year ended March 31, 2015. The decrease in cash used in operations is the result of the timing of payments for general and administrative expenses, legal expenses, audit fees and regulatory fees.

At March 31, 2016, the Company had total assets of \$248,054 compared to \$283,947 at March 31, 2015. The decrease is primarily attributable to the fact that the Company is not revenue producing but incurs rental, administrative and legal expenses in seeking to complete a Qualifying Transaction.

RESULTS OF OPERATIONS

	Year ended March 31, 2016	Year ended March 31, 2015	For the period from September 24, 2013 to March 31, 2014
Professional fees	\$ 40,738	\$ 13,915	\$ 20,000
Share-based payments	\$ -	\$ 46,625	\$ -
Regulatory fees	\$ 18,079	\$ 26,037	\$ -

Professional fees for the year ended March 31, 2016 were \$40,738 compared to \$13,915 for the year ended March 31, 2015. Accruals for legal fees during the period ended March 31, 2014 were incurred in connection with the prospectus, and were classified as share issuance costs as a reduction to share capital during the year ended March 31, 2015. Professional fees for the year ended March 31, 2016 have been incurred as the Company seeks to complete its Qualifying Transaction and particularly in relation to its Agreement in Principle with Empower Environmental Solutions Ltd. as disclosed in "Proposed Transactions" below.

Regulatory fees for the year ended March 31, 2016 were \$18,079 compared to \$26,037 for the year ended March 31, 2015. The Company filed its preliminary prospectus and final prospectus in the year ended March 31, 2015 and the decrease in the current year is the result of the absence of the additional costs associated with this activity.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The Company utilizes existing cash and the issuance of equity instruments to provide liquidity to the Company. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

As at March 31, 2016, the Company had working capital of \$208,199 (March 31, 2015-\$225,106). At this time, management believes that this is sufficient to meet anticipated expenses for the next fiscal year.

Contractual Obligations

There are no significant contractual obligations.

Proposed Transactions

The Company entered into an agreement in principle dated November 2, 2015 (the "LOI") for the acquisition of Empower Environmental Solutions Ltd ("Empower"), a private company (the "Proposed Qualifying Transaction").

Pursuant to the terms of the LOI, the Company ("MMCC") will acquire Empower in exchange for a maximum of 31,722,745 post-consolidated common shares of MMCC as set forth below. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Prior to the completion of the Proposed Transaction, MMCC will complete a share consolidation on a 2 to 1 basis (two pre-consolidated shares for one post-consolidated share) (the "Share Consolidation") and a name change, expected to be to "Empower Environmental Solutions Ltd." Under the terms of the LOI, MMCC will acquire all of the issued and outstanding common shares of Empower in exchange for the issuance of common shares of MMCC on the basis of one post-consolidated common share of MMCC for every one Empower share held.

The terms of the LOI provide for the completion, concurrent with closing of the Proposed Transaction, of a private placement financing for gross proceeds of not less than \$2,500,000 at a price of \$0.40 per common share.

MMCC will pay commission equal to 8% of all proceeds raised and warrants exercisable at \$0.50 per share, equal to 7% of the common shares issued pursuant to the private placement. The warrants will expire two years from their issue.

SELECTED QUARTERLY FINANCIAL INFORMATION

Financial Quarter Ended (Unaudited)

	2016		2015	
	Mar 31	Dec 31	Sept 30	June 30
Revenue	\$ -	\$ -	\$ -	\$ -
Net loss	\$ (16,906)	\$ (35,367)	\$ (4,364)	\$ (3,242)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Total assets	\$ 248,054	\$ 256,492	\$ 274,647	\$ 276,031

	2015		2014	
	Mar 31	Dec 31	Sept 30	June 30
Revenue	\$ -	\$ -	\$ -	\$ -
Net loss	\$ (25,025)	\$ (27,315)	\$ (27,650)	\$ (8,557)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Total assets	\$ 283,947	\$ 288,319	\$ 97,793	\$ 103,943

For the quarter ended March 31, 2016 the Company incurred costs associated with rent, professional fees (legal and audit) and regulatory fees in respect of its continuing listing on the TSXV Exchange. For the quarter ended December 31, 2015, the Company entered into an Agreement in Principle as disclosed relating to its Proposed Qualifying Transaction. These circumstances resulted in an increase to the Company's net loss for the quarter ended December 31, 2015. During the quarters ended September 30, 2015, June 30, 2015 and March 31, 2015, the Company remained minimally active as the Proposed Qualifying Transaction remained pending.

OFF-BALANCE SHEET ARRANGEMENTS

Disclosure is required of all off-balance sheet arrangements that are reasonably likely to have a current or future effect on the results of operations or financial condition of the Company. Marching Moose does not have such off-balance sheet arrangements.

Risk Factors

Investing in the common shares of the Company involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline and prospective investors may lose part or all of their investment.

No Operating History

The Company was incorporated on September 24, 2013, has not commenced commercial operations, and has no assets other than cash. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future. Until Completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions.

The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction.

Possible Trading Suspension or Delisting

The Exchange may suspend from trading or delist the securities of the Company where the Company has failed to complete a Qualifying Transaction within the 24 months of the date of listing or if the Company fails to meet initial listing requirements of the Exchange upon Completion of the Qualifying Transaction. Suspension from trading of the common shares may, and delisting of the common shares will, result in the regulatory securities authorities issuing an interim cease trade order against the Company. In addition, delisting of the common shares will result in the cancellation of all of the currently issued and outstanding common shares of the Company held by Insiders. Trading in the common shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required.

Halt of Trading

Upon public announcement of a potential Qualifying Transaction, trading in the common shares of the Company will be halted and will remain halted until Completion of the Qualifying Transaction, or sooner pursuant to Policy 2.4. Neither the Exchange nor any securities regulatory authority passes upon the merits of the potential Qualifying Transaction.

Exchange May Not Approve a Qualifying Transaction

Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval as such terms are defined in Policy 2.4.

Notwithstanding that a transaction may meet the definition of a Qualifying Transaction; the Exchange may not approve a Qualifying Transaction:

- (a) if the Company fails to meet the initial listing requirements prescribed by Policy 2.1 – Initial Listing Requirements of the Exchange upon Completion of the Qualifying Transaction;
- (b) if, following Completion of the Qualifying Transaction, the Company will be a finance company or a mutual fund as defined under applicable securities laws;
- (c) the consideration proposed to be paid by the Company in connection with the Qualifying Transaction is not acceptable to the Exchange; or
- (d) for any other reason at the sole discretion of the Exchange.

Approval by the Majority of the Minority

Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the common shares.

Dilution

If the Company issues treasury shares to finance acquisition or participation opportunities, control of the Company may change and subscribers may suffer dilution of their investment.

Directors and Officers

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company but will be devoting such time as required to effectively manage the Company. Some of the directors and officers of the Company are engaged and will continue to be engaged in the search for assets or businesses on their own behalf or on behalf of others such that conflicts may arise from time to time. As a consequence of such conflicts, the Company may be exposed to liability and its ability to achieve its business objectives may be impaired.

Reliance on Management

The Company is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its directors and officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Company.

Foreign Acquisition

In the event the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

Critical Accounting Estimates

The preparation of financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements.

Significant estimates, judgments and assumptions relate to, but are not limited to, the recognition to deferred income taxes which includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected. Actual results could differ from these estimates.

NEW STANDARDS ADOPTED

Effective April 1, 2015, the following standards were adopted but did not have a material impact on the financial statements.

- IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

For information about the Company's financial instruments and financial risk management refer to Note 8 within the audited financial statements for the year ended March 31, 2016.

CONTROLS AND PROCEDURES

Disclosure controls and procedures ('DC&P') are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ('ICFR') are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

TSX Venture listed companies are not required to provide representations in filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument MI- 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's financial reporting framework. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding absence of misrepresentations and fair disclosures of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RELATED PARTY TRANSACTIONS

For the years ended

	March 31, 2016	March 31, 2015
Professional fees ⁽¹⁾	\$ 29,056	\$ 36,482
Share-based payments	-	\$ 46,625
	\$ 29,056	\$ 83,107

⁽¹⁾ These amounts were incurred to David Smalley Law Corporation ("DSLCL"), a company which is controlled by David Smalley, a former director and officer of the Company.

Accounts payable and accrued liabilities includes \$30,100 (2015 - \$2,632) in amounts due to DSLCL.

David Smalley is the President of Empower. The Company is working towards completion its Qualifying Transaction with Empower as discussed in the "Proposed Transactions" section.

OUTSTANDING SHARE DATA

Common shares

The following table sets forth the Company's outstanding share data:

Total common shares at March 31, 2016 and June 3, 2016	3,640,004
Total outstanding warrants	200,000
Total outstanding stock options	346,650
Fully diluted common shares at March 31, 2016 and June 3, 2016	4,186,654

As at March 31, 2016 and June 3, 2016, the Company has warrants outstanding and exercisable as follows:

Number of Options	Number Exercisable	Exercise Price	Expiry Date
200,000	200,000	\$ 0.15	November 19, 2016

As at March 31, 2016 and June 3, 2016, the Company has stock options outstanding and exercisable as follows:

Number of Options	Number Exercisable	Exercise Price	Expiry Date
346,650	346,650	\$ 0.15	November 19, 2024

2015 Share Consolidation

On November 25, 2015 the shareholders approved by special resolution that the authorized share structure of the Company be altered by consolidating all of the issued and outstanding common shares of the Company on the basis of two existing common shares for one new common share, or such lower ratio as the Board of Directors may determine. As of June 3, 2016 the directors have not initiated the share consolidation.

MARCHING MOOSE CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015

Introduction

The following Management's Discussion and Analysis ("MD&A") is dated July 15, 2015 and should be read in conjunction with the financial statements of Marching Moose Capital Corp. ("Marching Moose" or the "Company") for the year ended March 31, 2015. Marching Moose prepares its financial statements in accordance with International Accounting Standards ("IAS"), under International Financial Reporting Standards ("IFRS"), as set out in Part 1 of the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Marching Moose common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Description of Business

The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *British Columbia Business Corporations Act* on September 24, 2013. It is classified as a Capital Pool Company ("CPC") in accordance with Policy 2.4 of the TSX Venture Exchange. The Company's common shares commenced trading on the TSX Venture under the symbol "MMC.P".

The Company has not commenced commercial operations and has no assets other than cash. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a transaction where the Company acquires significant assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means (a "Qualifying Transaction"). Any proposed Qualifying Transaction must be accepted by the Exchange.

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

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company, unless otherwise noted.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. The financial statements do not include any adjustments to assets or liabilities should the Company be unable to continue in existence.

OVERALL PERFORMANCE

Performance Highlights

	Year ended March 31, 2015	For the period from September 24, 2013 to March 31, 2014
Revenue	\$ -	\$ -
Net loss	(88,547)	(20,000)
Net loss per share – basic and diluted	(0.04)	(0.02)
Cash used in operations	(46,053)	-
Total assets	\$ 284,051	\$ 50,000

The net loss for the year ended March 31, 2015 was \$88,547 compared to \$20,000 for the period from September 24, 2013 to March 31, 2014. The increase in the net loss is attributed to the increase in regulatory fees in connection with the Company's preparation of its prospectus for the initial public offering, and other general administrative expenses including share-based payment expense on the grant of stock options. In addition, the Company incurs monthly rent fees associated with office space. Cash used in operations for the year ended March 31, 2015 increased to \$46,053 from \$Nil for the period from September 24, 2013 to March 31, 2014. The increase in the cash used in operations is the result of the timing of payments for general and administrative expenses, legal fees, and audit fees and regulatory fees. At March 31, 2015, the Company had total assets of \$283,947 compared to \$50,000 at March 31, 2014. The increase is primarily attributable to the increase in cash as a result of share issuances and subscriptions receivable being collected.

RESULTS OF OPERATIONS

	Year ended March 31, 2015	For the period from September 24, 2013 to March 31, 2014
Professional fees	\$ 13,915	\$ 20,000
Share-based payments	46,625	-
Regulatory fees	26,037	-

Professional fees for the year ended March 31, 2015 were \$13,915 compared to \$20,000 for the period from September 24, 2013 to March 31, 2014. Accruals for legal fees during the period ended March 31, 2014 were incurred in connection with the prospectus, and were classified as share issuance costs as a reduction to share capital during the year ended March 31, 2015. Furthermore, additional audit fees were incurred relating to financial reporting requirements for the prospectus.

Regulatory fees for the year ended March 31, 2015 were \$26,037 compared to \$nil for the period from September 24, 2013 to March 31, 2014. The increase is the result of fees incurred in connection with filing the preliminary prospectus and final prospectus.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The Company utilizes existing cash and the issuance of equity instruments to provide liquidity to the Company. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

The following table shows how the activities of the Company were financed:

	Year ended March 31, 2015	For the period from September 24, 2013 to March 31, 2014
Cash on hand, beginning of period	\$ 50,000	\$ -
Cash flows from operations:		
Funds used in operations	(46,053)	-
Cash flows from financing	280,000	50,000
	283,947	50,000
Cash flows from investing	-	-
Cash on hand, end of period	\$ 283,947	\$ 50,000

The increase in funds used in operations of \$46,053 from \$nil is the result in the increase in net loss and cash paid for general and administrative expenses for the period therewith. For the period from September 24, 2013 to March 31, 2014 the Company incurred a loss of \$20,000 resulting from an accrual for professional fees. For the year ended March 31, 2015, the Company incurred a net loss of \$88,547 of which \$13,915 pertains to professional fees, \$26,037 for regulatory fees, and \$46,625 for share-based payments which collectively makeup the majority of expenses during the year then ended.

Cash flows from financing arose from the proceeds on issuance of common shares of \$386,000 less the share issuance cost of \$93,000 and the repurchase of common shares of \$13,000.

The following table shows the capital of the Company as at:

	March 31, 2015	March 31, 2014
Share capital	\$ 314,246	\$ 110,000
Reserves	62,379	-
Subscriptions receivable	-	(60,000)
Deficit	(108,547)	(20,000)
Net capital	\$ 268,078	\$ 30,000

The increase in share capital during the year is primarily the result of the issuance of common shares.

Working Capital

Working capital increased to \$268,078 at March 31, 2015 from \$30,000 at March 31, 2014. This was attributed to an increase of \$233,947 in current assets and a decrease of \$4,131 in current liabilities.

Cash increased \$233,947 from \$50,000 at March 31, 2014 to \$283,947 at March 31, 2015 primarily resulting from the issuance of common shares offset by cash used in operations.

Current liabilities decreased due to payments made to vendors relating to trade payables.

Contractual Obligations

There are no significant contractual obligations.

Proposed transactions

There are no proposed transactions.

SELECTED QUARTERLY FINANCIAL INFORMATION

Financial Quarter Ended (Unaudited)

	2015		2014	
	Mar 31	Dec 31	Sept 30	June 30
Revenue	\$ -	\$ -	\$ -	\$ -
Net loss	\$ (25,025)	\$ (27,315)	\$ (27,650)	\$ (8,557)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.00)
Total assets	\$ 283,947	\$ 288,319	\$ 97,793	\$ 103,943

	2014		2013	
	Mar 31	Dec 31	Sept 30	June 30
Revenue	n/a	n/a	n/a	n/a
Net loss	n/a	n/a	n/a	n/a
Basic and diluted loss per share	n/a	n/a	n/a	n/a
Total assets	n/a	n/a	n/a	n/a

For the quarter ended March 31, 2015 the Company incurred costs associated with rent, legal fees, audit fees, regulatory fees, and share-based payments. The Company was incorporated on September 24, 2013 and had not reported quarterly results as of March 31, 2014. As such, the table above only includes quarterly information as available for the quarters ended June 30, 2014, September 30, 2014, December 31, 2014 and March 31, 2015.

OFF-BALANCE SHEET ARRANGEMENTS

Disclosure is required of all off-balance sheet arrangements that are reasonably likely to have a current or future effect on the results of operations or financial condition of the Company. Marching Moose does not have such off-balance sheet arrangements.

Risk Factors

Investing in the common shares of the Company involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline and prospective investors may lose part or all of their investment.

No Operating History

The Company was incorporated on September 24, 2013, has not commenced commercial operations, and has no assets other than cash. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future. Until Completion of the Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction.

Possible Trading Suspension or Delisting

The Exchange may suspend from trading or delist the securities of the Company where the Company has failed to complete a Qualifying Transaction within the 24 months of the date of listing or if the Company fails to meet initial listing requirements of the Exchange upon Completion of the Qualifying Transaction. Suspension from trading of the common shares may, and delisting of the common shares will, result in the regulatory securities authorities issuing an interim cease trade order against the Company. In addition, delisting of the common shares will result in the cancellation of all of the currently issued and outstanding common shares of the Company held by Insiders. Trading in the common shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required.

Halt of Trading

Upon public announcement of a potential Qualifying Transaction, trading in the common shares of the Company will be halted and will remain halted until Completion of the Qualifying Transaction, or sooner pursuant to Policy 2.4. Neither the Exchange nor any securities regulatory authority passes upon the merits of the potential Qualifying Transaction.

Exchange May Not Approve a Qualifying Transaction

Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval as such terms are defined in Policy 2.4.

Notwithstanding that a transaction may meet the definition of a Qualifying Transaction; the Exchange may not approve a Qualifying Transaction:

- (a) if the Company fails to meet the initial listing requirements prescribed by Policy 2.1 – Initial Listing Requirements of the Exchange upon Completion of the Qualifying Transaction;
- (b) if, following Completion of the Qualifying Transaction, the Company will be a finance company or a mutual fund as defined under applicable securities laws;
- (c) the consideration proposed to be paid by the Company in connection with the Qualifying Transaction is not acceptable to the Exchange; or
- (d) for any other reason at the sole discretion of the Exchange.

Approval by the Majority of the Minority

Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the common shares.

Dilution

If the Company issues treasury shares to finance acquisition or participation opportunities, control of the Company may change and subscribers may suffer dilution of their investment.

Directors and Officers

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company but will be devoting such time as required to effectively manage the Company. Some of the directors and officers of the Company are engaged and will continue to be engaged in the search for assets or businesses on their own behalf or on behalf of others such that conflicts may arise from time to time. As a consequence of such conflicts, the Company may be exposed to liability and its ability to achieve its business objectives may be impaired.

Reliance on Management

The Company is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its directors and officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Company.

Foreign Acquisition

In the event the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

Critical Accounting Estimates

The preparation of financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements.

Significant estimates, judgments and assumptions relate to, but are not limited to, the recognition to deferred income taxes which includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected. Actual results could differ from these estimates.

NEW STANDARDS ADOPTED AND STANDARDS NOT YET ADOPTED

Effective April 1, 2014, the following standards were adopted but did not have a material impact on the financial statements.

- IAS 32 (Amendment): Standard amended to clarify requirements for offsetting financial assets and financial liabilities.
- IFRS 10 Investment Entities – Amendment.

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 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015.
- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

For information about the Company's financial instruments and financial risk management refer to Note 7 within the audited financial statements for the year ended March 31, 2015.

CONTROLS AND PROCEDURES

Disclosure controls and procedures ('DC&P') are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ('ICFR') are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

TSX Venture listed companies are not required to provide representations in filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument MI- 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's financial reporting framework. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding absence of misrepresentations and fair disclosures of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RELATED PARTY TRANSACTIONS

For the periods ended

	March 31, 2015	March 31, 2014
Professional fees ⁽¹⁾	\$ 36,482	\$ 15,000
Share-based payments	46,625	-
	<u>\$ 83,107</u>	<u>\$ -</u>

⁽¹⁾ Professional fees rendered during the year ended March 31, 2015 of \$2,482 (2014 - \$15,000), and \$34,000 (2014 - \$nil) were expensed as professional fees, and recorded as share issuance costs respectively. These amounts were incurred to David Smalley Law Corporation ("DSLCL"), a company which is controlled by David Smalley, a Director of the Company.

- a) Accounts payable and accrued liabilities includes \$2,632 (2014 - \$15,000) in amounts due to DSLCL for professional fees.

OUTSTANDING SHARE DATA

Common shares

The following table sets forth the Company's outstanding share data:

Total common shares at March 31, 2015 and July 15, 2015	3,640,004
Total outstanding warrants	200,000
Total outstanding stock options	346,650
Fully diluted common shares at March 31, 2015 and July 15, 2015	4,186,654

As at July 15, 2015, the Company has warrants outstanding and exercisable as follows:

Number of Options	Number Exercisable	Exercise Price	Expiry Date
200,000	200,000	\$ 0.15	November 19, 2016

As at July 15, 2015, the Company has stock options outstanding and exercisable as follows:

Number of Options	Number Exercisable	Exercise Price	Expiry Date
346,650	346,650	\$ 0.15	November 19, 2024

SCHEDULE A-2

**UNAUDITED FINANCIAL STATEMENTS OF MARCHING MOOSE CAPITAL CORPORATION
FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2017 AND AUDITED FINANCIAL
STATEMENTS FOR THE YEARS ENDED
MARCH 31, 2015, 2016, 2017**

Section

MARCHING MOOSE CAPITAL CORP.

**FINANCIAL STATEMENTS
(Unaudited)**

June 30, 2017

MARCHING MOOSE CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017
(Unaudited – Expressed in Canadian dollars)

As at	June 30, 2017	March 31, 2017
ASSETS		
Current		
Cash	\$ 118,097	\$ 150,324
Receivables	<u>5,513</u>	<u>4,038</u>
	<u>\$ 123,610</u>	<u>\$ 154,362</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	<u>\$ 9,323</u>	<u>\$ 15,902</u>
Shareholders' equity		
Share capital (Note 4)	314,246	314,246
Reserves (Note 4)	62,379	62,379
Deficit	<u>(262,338)</u>	<u>(238,165)</u>
	<u>114,287</u>	<u>138,460</u>
	<u>\$ 123,610</u>	<u>\$ 154,362</u>

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

On behalf of the Board on August 29, 2017:

“Anurag Arun” Director _____ “Larry K. Doan” Director

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

MARCHING MOOSE CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
JUNE 30, 2017
(Unaudited – Expressed in Canadian dollars)

	Three Month Period Ended June 30, 2017	Three Month Period Ended June 30, 2016
EXPENSES		
Professional fees (Note 5)	\$ 11,504	\$ 6,787
Regulatory fees	11,225	-
Rent expense	99	99
Office costs	145	-
Shareholder communications	1,200	-
Comprehensive loss for the period	\$ (24,173)	\$ (6,886)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding – basic and diluted	1,820,003	1,820,003

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

MARCHING MOOSE CAPITAL CORP.
CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
JUNE 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	-	-	-	(69,739)	(69,739)
Balance, March 31, 2017	1,820,003	\$ 314,216	\$ 62,379	\$ (238,165)	\$ 138,460
Loss for the period	-	-	-	(24,173)	(24,173)
Balance, June 30, 2017	1,820,003	\$ 314,246	\$ 62,379	\$ (262,338)	\$ 114,287

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

MARCHING MOOSE CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
JUNE 30, 2017
(Unaudited – Expressed in Canadian dollars)

	Three Month Period Ended June 30, 2017	Three Month Period Ended June 30, 2016
OPERATING ACTIVITIES		
Loss for the period	\$ (24,173)	\$ (6,886)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	(6,579)	(2,868)
Receivables	(1,475)	843
Cash used in operating activities	(32,227)	(8,911)
Change in cash during the period	(32,227)	(8,911)
Cash, beginning of period	150,324	231,864
Cash, end of period	\$ 118,097	\$ 222,953

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 financial statements.

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

These 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 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, 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.

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.

Proposed Qualifying Transaction

The Company entered into a Definitive Agreement dated March 13, 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 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 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 annual financial statements. These condensed financial statements do not include all the information required for full annual financial statements. These condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended March 31, 2017 and the period ended June 30, 2016.

These 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 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 interim condensed financial statements.

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

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 condensed interim 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 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 June 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)

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

4. SHARE CAPITAL AND RESERVES (cont'd...)

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 June 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 June 30, 2017, the Company incurred \$11,504 in professional fees to a law firm controlled by the former director and officer of the Company.

As at June 30, 2017, \$5,490 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 June 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 June 30, 2017, the Company's shareholders' equity was \$114,287 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 June 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 Definitive Agreement with Avidian dated March 13, 2017 with respect to the Letter of Intent entered on October 20, 2016 for the acquisition of Avidian ("Transaction").

Pursuant to the Definitive Agreement, 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 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.

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.

MARCHING MOOSE CAPITAL CORP.

FINANCIAL STATEMENTS

MARCH 31, 2017

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Marching Moose Capital Corp.

We have audited the accompanying financial statements of Marching Moose Capital Corp., which comprise the statements of financial position as at March 31, 2017 and 2016, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Marching Moose Capital Corp. as at March 31, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

July 18, 2017



MARCHING MOOSE CAPITAL CORP.
STATEMENTS OF FINANCIAL POSITION
AS AT

	March 31, 2017	March 31, 2016
ASSETS		
Current		
Cash	\$ 150,324	\$ 231,864
Receivables	4,038	1,190
Deferred financing fees (Note 4)	<u>-</u>	<u>15,000</u>
	<u>\$ 154,362</u>	<u>\$ 248,054</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 6)	<u>\$ 15,902</u>	<u>\$ 39,855</u>
Shareholders' equity		
Share capital (Note 5)	314,246	314,246
Reserves (Note 5)	62,379	62,379
Deficit	<u>(238,165)</u>	<u>(168,426)</u>
	<u>138,460</u>	<u>208,199</u>
	<u>\$ 154,362</u>	<u>\$ 248,054</u>

Nature and continuance of operations (Note 1)

On behalf of the Board:

"Anurag Arun" Director _____
"Larry K. Doan" Director

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

MARCHING MOOSE CAPITAL CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
YEARS ENDED

	March 31, 2017	March 31, 2016
EXPENSES		
Financing fees (Note 4)	\$ 7,040	\$ -
Professional fees (Note 6)	57,062	40,738
Regulatory fees	4,163	18,079
Rent expense	1,174	1,062
Shareholder communications	<u>300</u>	<u>-</u>
Loss and comprehensive loss	\$ (69,739)	\$ (59,879)
Basic and diluted loss per common share	\$ (0.04)	\$ (0.03)
Weighted average number of common shares outstanding – basic and diluted	1,820,003	1,820,002

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

MARCHING MOOSE CAPITAL CORP.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS AT

	Share Capital					Deficit	Total Shareholders' Equity
	Shares	Amount	Reserves	Subscriptions Receivable			
Balance, March 31, 2015	1,820,002	\$ 314,246	\$ 62,379	\$ -	\$ (108,547)	\$ 268,078	
Loss for the year	-	-	-	-	(59,879)	(59,879)	
Balance, March 31, 2016	1,820,002	\$ 314,246	\$ 62,379	\$ -	\$ (168,426)	\$ 208,199	
Fractional share adjustment	1	-	-	-	-	-	
Loss for the year	-	-	-	-	(69,739)	(69,739)	
Balance, March 31, 2017	\$ 1,820,003	\$ 314,216	\$ 62,379	\$ -	\$ (238,165)	\$ 138,460	

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

MARCHING MOOSE CAPITAL CORP.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED

	March 31, 2017	March 31, 2016
OPERATING ACTIVITIES		
Loss for the year	\$ (69,739)	\$ (59,879)
Financing fees	7,040	
Changes in non-cash working capital items:		
Receivables	(2,848)	(1,190)
Accounts payable and accrued liabilities	<u>(23,953)</u>	<u>23,986</u>
Cash used in operating activities	(88,500)	(37,083)
FINANCING ACTIVITIES		
Deferred financing fees	<u>7,960</u>	<u>(15,000)</u>
Cash provided by (used in) financing activities	7,960	(15,000)
Change in cash during the year	(81,540)	(52,083)
Cash, beginning of year	<u>231,864</u>	<u>283,947</u>
Cash, end of year	<u>\$ 150,324</u>	<u>\$ 231,864</u>

There was no cash paid for interest or income taxes during the years ended March 31, 2017 and 2016.

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

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

These financial statements are authorized for issue by the Board of Directors on July 14, 2017.

These 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 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 within 24 months of listing on the TSX-V, which was November 28, 2016. The TSX-V has agreed to extend the Company’s delist deadline to such time as the Qualifying Transaction closes or is cancelled, subject to the various closing conditions outlined in Note 11. Should the Qualifying Transaction fail to close, then the Company would immediately move to the NEX board and cancel 50% of its seed shares. Subsequent to March 31, 2017, the Company has entered into a definitive agreement with Avidian Gold Inc. (Note 11).

Subsequent to the year ended March 31, 2017, the Company completed a 2:1 share consolidation (Note 11). All share and per share amounts have been shown on a post consolidated basis.

Proposed Qualifying Transaction

The Company entered into a Letter of Intent dated October 20, 2016, to complete its Qualifying Transaction by way of a three-cornered amalgamation with Avidian Gold Inc. (“Avidian”). Refer to Note 9 for further details.

Proposed Qualifying Transaction – Expired

The Company had entered into an agreement in principle dated November 2, 2015 (the “LOI”) for the acquisition of Empower Environmental Solutions Ltd (“Empower”), a private company. The Company announced on June 6, 2016 that the agreement in principle with Empower had expired and could not be renegotiated despite repeated best efforts by both parties.

2. BASIS OF PREPARATION

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

Critical accounting judgements, estimates and assumptions

The preparation of financial statements 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 the reported amounts of 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. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The information about significant areas of estimation uncertainty considered by management in preparing the financial statements is as follows:

Share-based payments

The Company uses the Black-Scholes option pricing model to determine the fair value of options and compensatory warrants in order to calculate share-based payments expense and the fair value of agents' warrants. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense.

The information about significant areas of judgment considered by management in preparing the consolidated financial statements is as follows:

Deferred tax assets

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

3. SIGNIFICANT ACCOUNTING POLICIES

Deferred financing costs

Costs directly identifiable with the raising of capital will be charged against share capital as share issuance costs. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged as share issuance costs charged to operations if the shares are not issued.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities which affect neither accounting nor taxable loss as well as differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. For the periods presented, basic loss per share equates to diluted loss per share.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position, at fair value with changes in fair value recognized in profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with change in fair value recognized in profit or loss.

Other financial liabilities: This category includes accounts payable and accrued liabilities which are recognized at amortized cost.

The Company has classified its cash as fair value through profit and loss. The Company's receivables are classified as loans and receivables, and accounts payable and accrued liabilities is classified as other financial liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

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, effective for annual periods beginning on or after January 1, 2018.

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.

4. DEFERRED FINANCING COSTS

On December 2, 2015, the Company entered into an Engagement Agreement (the "Agreement") with Canaccord Genuity Corp. ("Canaccord") to act as an Agent to the Company to complete its Qualifying Transaction with Empower as discussed in Note 1. In connection with the Agreement, the Company paid Canaccord an advance retainer of \$15,000.

On October 24, 2016, the Company received an invoice from Canaccord for \$7,040 in respect of administrative and legal fees incurred by Canaccord in relation to the expired proposed Qualifying Transaction with Empower. Canaccord applied the invoice to the deferred financing fees of \$15,000, and issued the Company a refund of \$7,960 for the remaining balance.

5. SHARE CAPITAL AND RESERVES

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

Fiscal 2017 and 2016 transactions:

- a) During the year ended March 31, 2017 and 2016, no share capital transactions were completed.

5. 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 is issued, and 15% to be released every six months thereafter.

As at March 31, 2017, 820,003 (2015 – 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.

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

	Expiry Date	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Exercise Price
Outstanding at March 31, 2017, 2016 and 2015	November 10, 2024	173,325	173,325	\$ 0.30

Warrants

100,000 warrants were issued to Canaccord at exercise price of \$0.30 in respect of acting as agent in respect of the Company’s IPO in November 19, 2014. The warrants expired unexercised on November 28, 2016 and therefore as of March 31, 2017 there are currently no warrants outstanding.

6. 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.

Remuneration attributed to key management personnel can be summarized as follows:

- a) Professional fees during the year ended March 31, 2017, of \$41,907 (2016 - \$29,056), were incurred to a law firm controlled by a former director and officer of the Company.
- b) Accounts payable and accrued liabilities includes \$13,170 (2016 - \$30,100) in amounts due to the law firm controlled by the former director and officer of the Company.

7. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	Year ended March 31, 2017	Year ended March 31, 2016
Loss before income taxes	\$ (69,739)	\$ (59,879)
Expected income tax recovery	\$ (18,000)	\$ (16,000)
Statutory, foreign tax, and other	5,000	-
Unrecognized deductible temporary differences	<u>13,000</u>	<u>16,000</u>
Total income tax expense (recovery)	\$ -	\$ -

Unused tax losses that have not been included on the statements of financial position are as follows:

	March 31, 2017	Expiry Date	March 31, 2016	Expiry Date
Temporary differences				
Canadian eligible capital (CEC)	\$ 8,000	No expiry date	\$ 8,000	No Expiry Date
Share issuance costs	19,000	2017 to 2020	56,000	2036 to 2039
Non-capital losses available for future periods	<u>226,000</u>	<u>2017 to 2036</u>	<u>137,000</u>	<u>2034 to 2036</u>

Tax attributes are subject to review, and potential adjustment, by tax authorities.

8. 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 financial institution.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions 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 March 31, 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.

9. PROPOSED QUALIFYING TRANSACTION

The Company 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.

In connection with the Letter of Intent, a wholly-owned subsidiary of the Company will be formed for the purpose of completing a three-cornered amalgamation with Avidian, by which the Avidian shareholders will receive one post-consolidated common share of the Company for every 2.17 Avidian shares held (the "Transaction"). The Company has completed a share consolidation on a 2 to 1 basis as part of the agreement regarding the Transaction

Subsequent to the year ended March 31, 2017, the Company entered into a Definitive agreement with Avidian. Refer to Note 11 for further details.

10. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. As at March 31, 2017, the Company's shareholders' equity was \$138,460 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 requirements. There were no changes to the Company's capital management during the year ended March 31, 2017.

11. SUBSEQUENT EVENT

On April 18, 2017, the Company announced that it entered into a Definitive agreement with Avidian Gold Inc. ("Avidian"), dated March 13, 2017 with respect to the Letter of Intent entered on October 20, 2016 for the acquisition of Avidian Gold Inc. ("Transaction").

Pursuant to the agreement, 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. while the Company will change its name to Avidian Gold Corp. Prior to the completion of the Transaction, the Company is to complete a share consolidation on a 2 to 1 basis and Avidian is to complete a private placement of subscription receipts for a minimum of \$4,200,000 and maximum of \$5,500,000 at price per security commensurate with market conditions as working capital for the amalgamated company under the name of Avidian Gold Corp.

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
- d) third party approvals and authorizations;
- e) closing of the Private Placement of Subscription Receipts; and
- f) the parties obtaining requisite board approvals for the Transaction.

On April 25, 2017, the Company completed its share consolidation as per the Definitive Agreement with Avidian Gold Inc. on a 2:1 basis. All share and per share amounts have been shown on a post consolidated basis.

MARCHING MOOSE CAPITAL CORP.

FINANCIAL STATEMENTS

MARCH 31, 2016

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Marching Moose Capital Corp.

We have audited the accompanying financial statements of Marching Moose Capital Corp., which comprise the statements of financial position as at March 31, 2016 and 2015 and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Marching Moose Capital Corp. as at March 31, 2016 and 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Marching Moose Capital Corp.'s ability to continue as a going concern.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

June 3, 2016

MARCHING MOOSE CAPITAL CORP.
STATEMENTS OF FINANCIAL POSITION
AS AT

	March 31, 2016	March 31, 2015
ASSETS		
Current		
Cash	\$ 231,864	\$ 283,947
Receivables	1,190	-
Deferred financing fees (Note 4)	<u>15,000</u>	<u>-</u>
	<u>\$ 248,054</u>	<u>\$ 283,947</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 6)	<u>\$ 39,855</u>	<u>\$ 15,869</u>
Shareholders' equity		
Share capital (Note 5)	314,246	314,246
Reserves (Note 5)	62,379	62,379
Deficit	<u>(168,426)</u>	<u>(108,547)</u>
	<u>208,199</u>	<u>268,078</u>
	<u>\$ 248,054</u>	<u>\$ 283,947</u>

Nature and continuance of operations (Note 1)

On behalf of the Board:

"Anurag Arun" Director _____
"Larry K. Doan" Director

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

MARCHING MOOSE CAPITAL CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
YEARS ENDED

	March 31, 2016	March 31, 2015
EXPENSES		
Professional fees (Note 6)	\$ 40,738	\$ 13,915
Regulatory fees	18,079	26,037
Rent expense	1,062	1,262
Office and miscellaneous	-	318
Share-based payments (Note 5)	-	46,625
Shareholder communications	-	390
Loss and comprehensive loss	\$ (59,879)	\$ (88,547)
Basic and diluted loss per common share	\$ (0.02)	\$ (0.04)
Weighted average number of common shares outstanding – basic and diluted	3,640,004	2,320,552

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

MARCHING MOOSE CAPITAL CORP.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS AT

	Share Capital		Reserves	Subscriptions Receivable	Deficit	Total Shareholders' Equity
	Shares	Amount				
Balance, March 31, 2014	1,466,670	\$ 110,000	\$ -	\$ (60,000)	\$ (20,000)	\$ 30,000
Common shares issued	346,668	26,000	-	-	-	26,000
Common shares issued -CPC prospectus	2,000,000	300,000	-	-	-	300,000
Fair value of agents' warrants	-	(15,754)	15,754	-	-	-
Share issuance costs	-	(93,000)	-	-	-	(93,000)
Common shares repurchased	(173,334)	(13,000)	-	-	-	(13,000)
Subscriptions receivable	-	-	-	60,000	-	60,000
Share-based payments	-	-	46,625	-	-	46,625
Loss for the year	-	-	-	-	(88,547)	(88,547)
Balance, March 31, 2015	3,640,004	\$ 314,246	\$ 62,379	\$ -	\$ (108,547)	\$ 268,078
Loss for the year	-	-	-	-	(59,879)	(59,879)
Balance, March 31, 2016	3,640,004	\$ 314,246	\$ 62,379	\$ -	\$ (168,426)	\$ 208,199

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

MARCHING MOOSE CAPITAL CORP.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED

	March 31, 2016	March 31, 2015
OPERATING ACTIVITIES		
Loss for the year	\$ (59,879)	\$ (88,547)
Items not involving cash		
Share-based payments	-	46,625
Changes in non-cash working capital items:		
Receivables	(1,190)	-
Accounts payable and accrued liabilities	23,986	(4,131)
	<u>(37,083)</u>	<u>(46,053)</u>
FINANCING ACTIVITIES		
Proceeds from the issuance of common shares	-	386,000
Share issuance costs	-	(93,000)
Repurchase of common shares	-	(13,000)
Deferred financing fees	(15,000)	-
	<u>(15,000)</u>	<u>280,000</u>
Change in cash during the year	(52,083)	233,947
Cash, beginning of year	283,947	50,000
Cash, end of year	<u>\$ 231,864</u>	<u>\$ 283,947</u>

There was no cash paid for interest or income taxes during the years ended March 31, 2016 and 2015.

Supplemental information	March 31, 2016	March 31, 2015
Non-cash investing and financing activities:		
Fair value of agents' warrants recorded as share issuance costs	\$ -	\$ 15,754

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

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

These financial statements are authorized for issue by the Board of Directors on June 3, 2016.

These 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 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 within 24 months of listing on the TSX-V. Any acquisition or investment proposed by the Company will be subject to regulatory approval.

Proposed Transaction

The Company entered into an agreement in principle dated November 2, 2015 (the “LOI”) for the acquisition of Empower Environmental Solutions Ltd (“Empower”), a private company.

Pursuant to the terms of the LOI, the Company (“MMCC”) will acquire Empower in exchange for a maximum of 31,722,745 post-consolidated common shares of MMCC as set forth below. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Prior to the completion of the Proposed Transaction, MMCC will complete a share consolidation on a 2 to 1 basis (two pre-consolidated shares for one post-consolidated share) (the “Share Consolidation”) and a name change, expected to be to “Empower Environmental Solutions Ltd.” Under the terms of the LOI, MMCC will acquire all of the issued and outstanding common shares of Empower in exchange for the issuance of common shares of MMCC on the basis of one post-consolidated common share of MMCC for every one Empower share held.

The terms of the LOI provide for the completion, concurrent with closing of the Proposed Transaction, of a private placement financing for gross proceeds of not less than \$2,500,000 at a price of \$0.40 per common share.

MMCC will pay commission equal to 8% of all proceeds raised and warrants exercisable at \$0.50 per share, equal to 7% of the common shares issued pursuant to the private placement. The warrants will expire two years from their issue.

2. BASIS OF PREPARATION

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

Critical accounting judgements, estimates and assumptions

The preparation of financial statements 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 the reported amounts of 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. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The information about significant areas of estimation uncertainty considered by management in preparing the financial statements is as follows:

Share-based payments

The Company uses the Black-Scholes option pricing model to determine the fair value of options and compensatory warrants in order to calculate share-based payments expense and the fair value of agents' warrants. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense.

The information about significant areas of judgment considered by management in preparing the consolidated financial statements is as follows:

Deferred tax assets

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

3. SIGNIFICANT ACCOUNTING POLICIES

Deferred financing costs

Costs directly identifiable with the raising of capital will be charged against share capital as share issuance costs. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged as share issuance costs charged to operations if the shares are not issued.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities which affect neither accounting nor taxable loss as well as differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. For the periods presented, basic loss per share equates to diluted loss per share.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position, at fair value with changes in fair value recognized in profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with change in fair value recognized in profit or loss.

Other financial liabilities: This category includes accounts payable and accrued liabilities which are recognized at amortized cost.

The Company has classified its cash as fair value through profit and loss. The Company's receivables are classified as loans and receivables, and accounts payable and accrued liabilities is classified as other financial liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

New standard adopted during the year

Effective April 1, 2015, the following standard was adopted but had no material impact on the financial statements.

- IFRS 7: Amended to require additional disclosures on transition from IAS 39 to IFRS 9.

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, effective for annual periods beginning on or after January 1, 2018.

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.

4. DEFERRED FINANCING COSTS

On December 2, 2015, the Company entered into an Engagement Agreement (the "Agreement") with Canaccord Genuity Corp. ("Canaccord") to act as an Agent to the Company to complete its Qualifying Transaction with Empower as discussed in Note 1. In connection with the Agreement, the Company paid Canaccord an advance retainer of \$15,000.

5. SHARE CAPITAL AND RESERVES

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

Fiscal 2016 transactions:

- a) During the year ended March 31, 2016, no share capital transactions were completed.

Fiscal 2015 transactions:

- b) The Company filed a prospectus, offering 2,000,000 common shares at a price of \$0.15 per common share for gross proceeds of \$300,000, (the "Offering") by way of an Initial Public Offering. A cash commission of 10% totaling \$30,000 of the gross proceeds of the Offering was paid to the agents of the Offering (the "Agents"). A further \$63,000 was incurred in connection with this offering and recorded as share issuance costs. These amounts are recorded as share issue costs. In addition, the Agents were granted non-transferable share purchase warrants to purchase 200,000 common shares of the Company at a price of \$0.15 per common share. The fair value associated with the Agents' warrants granted was \$15,754 and is recorded as a reduction to share capital as share issuance costs.
- c) The Company issued 346,668 common shares at \$0.075 per share for gross proceeds of \$26,000.
- d) The Company repurchased and reissued within Note 4 (c) above, 173,334 common shares at \$0.075 per share for total consideration of \$13,000 from a company controlled by a former director and officer.

5. SHARE CAPITAL AND RESERVES (cont'd...)

Escrowed shares

On November 19, 2014, 1,640,004 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 is issued, and 15% to be released every six months thereafter.

As at March 31, 2016, 1,640,004 (2015 – 1,640,004) 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 May 7, 2014, the Board of Directors approved the reservation of 346,650 stock options to be granted to directors and officers of the Company on the date of the Company’s IPO. The options were granted with an exercise price of \$0.15 per common share and a term of ten years. \$46,625 was recorded as share-based payment expense during the year ended March 31, 2015.

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

	Number of Options	Weighted Average Exercise Price
Outstanding at March 31, 2016 and 2015	346,650	\$ 0.15

The fair value of the options granted was estimated at the date of grant using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

5. SHARE CAPITAL AND RESERVES (cont'd...)

Stock options (cont'd...)

	March 31, 2016	March 31, 2015
Expected stock price volatility	N/A	100%
Expected life of options	N/A	10 years
Risk-free interest rate	N/A	1.93%
Expected dividend yield	N/A	0%
Weighted average fair value per option	N/A	\$ 0.13

As at March 31, 2016, the Company has stock options outstanding and exercisable as follows:

Number of Options	Number Exercisable	Exercise Price	Remaining Contractual Life (Years)	Expiry Date
346,650	346,650	\$ 0.15	8.64	November 19, 2024

Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding at March 31, 2016 and 2015	200,000	\$ 0.15

The fair value of the Agents' warrants issued in connection with the Company's IPO was estimated at the date of issuance using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	March 31, 2016	March 31, 2015
Expected stock price volatility	N/A	100%
Expected life of warrants	N/A	2 years
Risk-free interest rate	N/A	0.97%
Expected dividend yield	N/A	0%
Weighted average fair value per warrant	N/A	\$ 0.08

MARCHING MOOSE CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2016

5. SHARE CAPITAL AND RESERVES (cont'd...)

Warrants (cont'd...)

As at March 31, 2016, the Company has warrants outstanding and exercisable as follows:

Number of Options	Number Exercisable	Exercise Price	Remaining Contractual Life (Years)	Expiry Date
200,000	200,000	\$ 0.15	0.64	November 19, 2016

2015 AGM Share Consolidation

On November 25, 2015 the shareholders approved by special resolution that the authorized share structure of the Company be altered by consolidating all of the issued and outstanding common shares of the Company on the basis of two existing common shares for one new common share, or such lower ratio as the Board of Directors may determine. As of June 3, 2016 the directors have not initiated the share consolidation.

6. 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.

Remuneration attributed to key management personnel can be summarized as follows:

	For the years ended	
	March 31, 2016	March 31, 2015
Share-based payments	<u>\$ -</u>	<u>\$ 46,625</u>

- a) Professional fees and share issuance costs rendered during the year ended March 31, 2016, of \$29,056 (2015 - \$2,482), and \$nil (2015 - \$34,000) respectively were incurred to a law firm controlled by a former director and officer of the Company whom remains a related party as at March 31, 2016.
- b) Accounts payable and accrued liabilities includes \$30,100 (2015 - \$2,632) in amounts due to the law firm controlled by the former director and officer of the Company.
- c) A former director and officer of the Company is the President of Empower. The Company is working towards completing its Qualifying Transaction with Empower as discussed in Note 1.

MARCHING MOOSE CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2016

7. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	Year ended March 31, 2016	Year ended March 31, 2015
Loss before income taxes	\$ (59,879)	\$ (88,547)
Expected income tax recovery	\$ (16,000)	\$ (23,000)
Permanent differences	-	12,000
Share issuance costs	-	(24,000)
Unrecognized deductible temporary differences and other	16,000	35,000
Total income tax expense (recovery)	\$ -	\$ -

Unused tax losses that have not been included on the statements of financial position are as follows:

	March 31, 2016	Expiry Date	March 31, 2015	Expiry Date
Temporary differences				
Canadian eligible capital (CEC)	\$ 8,000	No Expiry Date	\$ 8,000	No Expiry Date
Share issuance costs	56,000	2036 to 2039	74,000	2035 to 2039
Non-capital losses available for future periods	137,000	2034 to 2036	70,000	2034 to 2035

Tax attributes are subject to review, and potential adjustment, by tax authorities.

8. 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.

8. FINANCIAL INSTRUMENTS (cont'd...)

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 financial institution.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions 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 March 31, 2016, 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.

9. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. As at March 31, 2016, the Company's shareholders' equity was \$208,199 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 requirements.

MARCHING MOOSE CAPITAL CORP.

FINANCIAL STATEMENTS

MARCH 31, 2015

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Marching Moose Capital Corp.

We have audited the accompanying financial statements of Marching Moose Capital Corp., which comprise the statements of financial position as at March 31, 2015 and 2014 and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the year ended March 31, 2015 and the period from incorporation on September 24, 2013 to March 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Marching Moose Capital Corp. as at March 31, 2015 and March 31, 2014 and its financial performance and its cash flows for the year ended March 31, 2015 and the period from incorporation on September 24, 2013 to March 31, 2014 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Marching Moose Capital Corp.'s ability to continue as a going concern.

Vancouver, Canada

July 15, 2015

“DAVIDSON AND COMPANY”

Chartered Professional Accountants

MARCHING MOOSE CAPITAL CORP.
STATEMENTS OF FINANCIAL POSITION
AS AT

	March 31, 2015	March 31, 2014
ASSETS		
Current		
Cash	\$ 283,947	\$ 50,000
	<u>\$ 283,947</u>	<u>\$ 50,000</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 15,869	\$ 20,000
Shareholders' equity		
Share capital (Note 4)	314,246	110,000
Reserves	62,379	-
Subscriptions receivable (Note 4)	-	(60,000)
Deficit	<u>(108,547)</u>	<u>(20,000)</u>
	<u>268,078</u>	<u>30,000</u>
	<u>\$ 283,947</u>	<u>\$ 50,000</u>

Nature and continuance of operations (Note 1)

On behalf of the Board:

“David W. Smalley” Director “Larry K. Doan” Director

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

MARCHING MOOSE CAPITAL CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
PERIODS ENDED

	March 31, 2015	Period From Incorporation on September 24, 2013 to March 31, 2014
EXPENSES		
Professional fees (Note 5)	\$ 13,915	\$ 20,000
Regulatory fees	26,037	-
Rent expense	1,262	-
Office and miscellaneous	318	-
Share-based payments (Note 4)	46,625	-
Shareholder communications	<u>390</u>	<u>-</u>
Loss and comprehensive loss for the period	<u>\$ (88,547)</u>	<u>\$ (20,000)</u>
Basic and diluted loss per common share	<u>\$ (0.04)</u>	<u>\$ (0.02)</u>
Weighted average number of common shares outstanding – basic and diluted	<u>2,320,552</u>	<u>1,084,400</u>

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

MARCHING MOOSE CAPITAL CORP.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS AT MARCH 31, 2015

	Share Capital		Reserves	Subscriptions Receivable	Deficit	Total Shareholders' Equity
	Shares	Amount				
Balance, September 24, 2013 (incorporation)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Common shares issued	1,466,670	110,000	-	(60,000)	-	50,000
Net loss for the period	-	-	-	-	(20,000)	(20,000)
Balance, March 31, 2014	1,466,670	\$ 110,000	\$ -	\$ (60,000)	\$ (20,000)	\$ 30,000
Common shares issued	346,668	26,000	-	-	-	26,000
Common shares issued -CPC prospectus	2,000,000	300,000	-	-	-	300,000
Fair value of agents' warrants	-	(15,754)	15,754	-	-	-
Share issuance costs	-	(93,000)	-	-	-	(93,000)
Common shares repurchased	(173,334)	(13,000)	-	-	-	(13,000)
Subscriptions receivable	-	-	-	60,000	-	60,000
Share-based payments	-	-	46,625	-	-	46,625
Net loss for the period	-	-	-	-	(88,547)	(88,547)
Balance, March 31, 2015	3,640,004	\$ 314,246	\$ 62,379	\$ -	\$ (108,547)	\$ 268,078

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

MARCHING MOOSE CAPITAL CORP.
STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED MARCH 31, 2015

	Year ended March 31, 2015	Period From Incorporation on September 24, 2013 to March 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (88,547)	\$ (20,000)
Items not involving cash		
Share-based payments	46,625	-
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	<u>(4,131)</u>	<u>20,000</u>
	(46,053)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of common shares	386,000	50,000
Share issuance costs	(93,000)	-
Repurchase of common shares	<u>(13,000)</u>	<u>-</u>
	280,000	50,000
Change in cash during the period	233,947	50,000
Cash, beginning of period	<u>50,000</u>	<u>-</u>
Cash, end of period	<u>\$ 283,947</u>	<u>\$ 50,000</u>

There was no cash paid for interest or income taxes during the periods ended March 31, 2015 and 2014.

Supplemental information	March 31, 2015	March 31, 2014
Non-cash investing and financing activities:		
Fair value of agents' warrants recorded as share issuance costs	\$ 15,754	\$ -

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

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.

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

These financial statements are authorized for issue by the Board of Directors on July 15, 2015.

These 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 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 within 24 months of listing on the TSX-V. Any acquisition or investment proposed by the Company will be subject to regulatory approval.

2. BASIS OF PREPARATION

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

Critical accounting judgements, estimates and assumptions

The preparation of financial statements 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 the reported amounts of 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. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The information about significant areas of estimation uncertainty considered by management in preparing the financial statements is as follows:

Share-based payments

The Company uses the Black-Scholes option pricing model to determine the fair value of options and compensatory warrants in order to calculate share-based payments expense and the fair value of agents’ warrants. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price,

2. BASIS OF PREPARATION (cont'd...)

market price at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense.

The information about significant areas of judgment considered by management in preparing the consolidated financial statements is as follows:

Deferred tax assets

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

3. SIGNIFICANT ACCOUNTING POLICIES

Deferred financing costs

Costs directly identifiable with the raising of capital will be charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities which affect neither accounting nor taxable loss as well as

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Income taxes (cont'd...)

differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position, at fair value with changes in fair value recognized in the statement of operations.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of operations.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of operations.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with change in fair value recognized in the statement of operations.

Other financial liabilities: This category includes accrued liabilities which are recognized at amortized cost.

The Company has classified its cash as fair value through profit and loss. The Company's refundable deposit is classified as loans and receivables, and accounts payable and accrued liabilities is classified as other financial liabilities.

New standards adopted during the year

Effective April 1, 2014, the following standards were adopted but did not have a material impact on the financial statements.

- IAS 32 (Amendment): Standard amended to clarify requirements for offsetting financial assets and financial liabilities.
- IFRS 10 Investment Entities – Amendment.

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 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015.
- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.

4. SHARE CAPITAL

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

Fiscal 2015 transactions:

- a) The Company filed a prospectus, offering 2,000,000 common shares at a price of \$0.15 per common share for gross proceeds of \$300,000, (the "Offering") by way of an Initial Public Offering. A cash commission of 10% totaling \$30,000 of the gross proceeds of the Offering was paid to the agents of the Offering (the "Agents"). A further \$14,000 was withheld for legal fees. These amounts are recorded as share issue costs. In addition, the Agents were granted non-transferable share purchase warrants to purchase 200,000 common shares of the Company at a price of \$0.15 per common share, exercisable for period of 24 months from the date the common shares of the Company were listed for trading on the TSX-V. The fair value associated with the Agents' warrants granted was \$15,754 and is recorded as a reduction to share capital as share issuance costs.
- b) The Company issued 346,668 common shares at \$0.075 per share for gross proceeds of \$26,000.
- c) The Company repurchased and reissued within Note 4 (b) above, 173,334 common shares at \$0.075 per share for total consideration of \$13,000 from a company controlled by a director and officer.

Fiscal 2014 Transactions:

- d) During the period from incorporation on September 24, 2013 to March 31, 2014, the Company issued 1,466,670 common shares at \$0.075 per share for gross proceeds of \$110,000 of which \$60,000 was recorded as subscriptions receivable as at March 31, 2014. The amount was collected in full subsequent thereto.

Escrowed shares

On November 19, 2014, 1,640,004 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 is issued, and 15% to be released every six months thereafter.

As at March 31, 2015, 1,640,004 (2014 – nil) common shares are held in escrow.

Stock options

The Company maintains a Stock Option Plan (the "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 May 7, 2014, the Board of Directors approved the reservation of 346,650 stock options to be granted to directors and officers of the Company on the date of the Company's IPO. The options were granted with an exercise price of \$0.15 per common share and a term of ten years. \$46,625 was recorded as share-based payment expense during the year ended March 31, 2015.

MARCHING MOOSE CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2015

4. SHARE CAPITAL (cont'd...)

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

	Number of Options	Weighted Average Exercise Price
Outstanding at March 31, 2014	-	\$ -
Granted	346,650	0.15
Outstanding at March 31, 2015	346,650	\$ 0.15

The fair value of the options granted was estimated at the date of grant using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	March 31, 2015	March 31, 2014
Expected stock price volatility	100%	N/A
Expected life of options	10.00 years	N/A
Risk-free interest rate	1.93%	N/A
Expected dividend yield	0%	N/A
Weighted average fair value per option	\$ 0.13	N/A

As at March 31, 2015, the Company has stock options outstanding and exercisable as follows:

Number of Options	Number Exercisable	Exercise Price	Remaining Contractual Life (Years)	Expiry Date
346,650	346,650	\$ 0.15	9.65	November 19, 2024

Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding at March 31, 2014	-	\$ -
Granted	200,000	0.15
Outstanding at March 31, 2015	200,000	\$ 0.15

MARCHING MOOSE CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2015

4. SHARE CAPITAL (cont'd...)

Warrants (cont'd...)

The fair value of the Agents' warrants granted in connection with the Company's IPO was estimated at the date of grant using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	March 31, 2015	March 31, 2014
Expected stock price volatility	100%	N/A
Expected life of warrants	2.00 years	N/A
Risk-free interest rate	0.97%	N/A
Expected dividend yield	0%	N/A
Weighted average fair value per warrant	\$ 0.08	N/A

As at March 31, 2015, the Company has warrants outstanding and exercisable as follows:

Number of Options	Number Exercisable	Exercise Price	Remaining Contractual Life (Years)	Expiry Date
200,000	200,000	\$ 0.15	1.64	November 19, 2016

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.

Remuneration attributed to key management personnel can be summarized as follows:

	For the periods ended	
	March 31, 2015	March 31, 2014
Share-based payments	<u>\$ 46,625</u>	<u>\$ -</u>

- a) Professional fees rendered during the year ended March 31, 2015 of \$2,482 (2014 - \$15,000), and \$34,000 (2014 - \$nil) were expensed as professional fees, and recorded as share issuance costs respectively. These fees were incurred to a company controlled by a director of the Company for legal services.
- b) Accounts payable and accrued liabilities includes \$2,632 (2014 - \$15,000) in amounts due to a company controlled by a director for professional fees.

MARCHING MOOSE CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2015

6. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	Year Ended March 31, 2015	Period From Incorporation on September 24, 2013 to March 31, 2014
Loss before income taxes	\$ (88,547)	\$ (20,000)
Expected income tax recovery	\$ (23,000)	\$ (5,000)
Permanent difference	12,000	-
Share issue cost	(24,000)	-
Unrecognized deductible temporary differences and other	35,000	5,000
Total income tax expense (recovery)	\$ -	\$ -

Unused tax losses that have not been included on the statements of financial position are as follows:

	Year Ended March 31, 2015	Expiry Date	Period From Incorporation on September 24, 2013 to March 31, 2014	Expiry Date
Temporary Differences				
Canadian eligible capital (CEC)	\$ 8,000	No Expiry Date	\$ -	-
Share issue cost	74,000	2035 to 2039	-	-
Non-capital losses available for future periods	70,000	2034 to 2035	20,000	2034

Tax attributes are subject to review, and potential adjustment, by tax authorities.

7. 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 refundable deposit, 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 financial institution.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions 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 March 31, 2015, 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 earnings due to movements in individual equity prices or general movements in the level of the stock market.

8. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. As at March 31, 2015, the Company's shareholders' equity was \$268,182 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 requirements.

SCHEDULE B-1
MANAGEMENT DISCUSSION AND ANALYSIS OF AVIDIAN GOLD INC.
FOR THE YEARS ENDED JUNE 30, 2015, 2016, AND 2017



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2017

The following discussion and analysis of the operations, results, and financial position of Avidian Gold Inc. (“AVD or “the Corporation”) prepared as of October 26, 2017, should be read in conjunction with the Corporation’s audited consolidated financial statements and related notes attached hereto. The Corporation’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The effective date of this report is October 26, 2017. All figures are presented in United States dollars unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as “plans”, “intends”, “anticipates”, “should”, “estimates”, “expects”, “believes”, “indicates”, “suggests” and similar expressions.

This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Information concerning mineral resource estimates and the interpretation of drill results may also be considered as a forward-looking statement; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed.

It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Corporation’s expectations as of October 26, 2017.
- Readers are cautioned not to place undue reliance on these statements as the Corporation’s actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Corporation’s business, or if the Corporation’s estimates or assumptions prove inaccurate. Therefore, the Corporation cannot provide any assurance that forward-looking statements will materialize. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, possible variations in mineral resources, labour disputes, operating or capital costs; availability of sufficient financing to fund planned or further required work in a timely manner and on acceptable terms; failure of equipment or processes to operate as anticipated; and political, regulatory, environmental and other risks of the mining industry.

- Subject to applicable laws, the Corporation assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

For a description of material factors that could cause the Corporation's actual results to differ materially from the forward-looking statements in this MD&A, please see "Risks and Uncertainties".

GENERAL

Avidian Gold Inc. ("Avidian" or the "Corporation") was incorporated by articles of incorporation dated June 22, 2011 ("date of incorporation") under the Business Corporations Act (Ontario). Avidian is a private corporation. The Corporation's principal business activity is mineral exploration. The registered head office of the Corporation is located at 390 Bay Street, Suite #806, Toronto, Ontario, M4H 2Y2.

Additional information related to the Corporation is available on its website at www.avidiangold.com.

DESCRIPTION OF BUSINESS

Avidian is in the business of acquiring and exploring gold projects. As of June 30, 2017, the Corporation has acquired the rights to explore four gold properties in the United States of America and has acquired all the issued and outstanding shares of High Tide Resources Inc. which holds the right to explore a volcanogenic massive sulfide ("VMS") property in Newfoundland, Canada.

Avidian Gold Inc. operates in two jurisdictions: United States and Canada. In the United States, it is engaged, through its 100% interests in Avidian Gold US Inc. and Avidian Gold Alaska Inc. in the acquisition and exploration of resource properties.

OVERALL PERFORMANCE

The net loss for the year ended June 30, 2016 was \$2,949,140 compared to a net loss of \$774,808 for the year ended June 30, 2015. The higher net loss in the current year was largely due to an increase in exploration and evaluation expenditures.

The net increase in cash and cash equivalents during the current year was \$324,730 compared to a \$126,857 increase in the comparative period. Avidian increased its cash position in the current year through an issuance of common shares. The Corporation raised total net proceeds of \$1,691,566 through the issuance of 14,015,000 common shares.

Cash outflow from operating activities was \$1,505,912 compared to \$482,523 in the comparative period, mostly due to decreased general and administrative expenses in the current period.

Exploration Activities

During the current year, a total of \$2,131,448 was incurred in exploration and evaluation expenditures, with the majority spent on the Golden Zone project.

On October 22, 2016, the Corporation finalized a purchase agreement with Hidefield Gold Alaska Inc. ("Hidefield") for the Hidefield Golden Zone Interest. Pursuant to the agreement, the Corporation acquired a 100% of Hidefield's interest in certain claims. As consideration for acquisition of Hidefield's interests, the Corporation issued 3,500,000 common shares at a deemed price of CDN\$0.10 per share and the production from the property so acquired shall be subject to 1% NSR.

SELECTED ANNUAL INFORMATION

The following table provides a brief summary of the Corporation's annual financial operations. For more detailed information, refer to the audited consolidated financial statements.

ITEM	June 30, 2017	June 30, 2016
	\$	\$
Working Capital	298,415	494,025
Deficit	(5,940,424)	(2,991,284)
Net Loss	2,949,140	774,808
Basic and Diluted loss per share	0.04	0.02
Total Assets	1,669,757	1,083,193

The Corporation has no present intention of paying dividends on its common shares as it anticipates that all available funds will be invested to finance the growth of its business.

QUARTERLY INFORMATION

The following are selected financial data from the Corporation's unaudited financial statements for the last eight quarters ending with the most recently completed quarter, being the three months ended June 30, 2017.

	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
	\$	\$	\$	\$
Total assets	1,669,757	882,264	749,410	763,236
Net loss	(941,402)	(308,075)	(451,979)	(1,247,684)
Net loss per share	(0.01)	0.00	(0.01)	(0.02)

Three Month Period Ended

	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
	\$	\$	\$	\$
Total assets	1,083,193	525,498	579,132	760,648
Net loss	(33,291)	(112,375)	(455,704)	(173,438)
Net loss per share	0.00	0.00	(0.01)	0.00

RESULTS OF OPERATIONS

The Corporation had a loss of \$2,949,140 (\$0.04 per share) for the year ended June 30, 2017 compared to a loss of \$774,808 (\$0.02 per share) for the year ended June 30, 2016. The increased loss during the year ended June 30, 2017 was largely due to an increase in exploration and evaluation expenditures.

Significant expenses incurred during the year ended June 30, 2017 are as follows: \$2,131,448 (2016 - \$310,703) in exploration and evaluation, \$380,700 (2016 - \$11,978 gain) in unrealized loss on conversion feature, and \$221,857 (2016 - \$90,717) in professional fees.

LIQUIDITY

The Corporation finances its activities by raising capital in the equity markets and has no regular source of revenue or cash flow. The Corporation is dependent upon its ability to obtain the necessary equity financing to generate sufficient amounts of cash and cash equivalents, in the short and long term to meet its obligations as they become due and finance its exploration programs.

The Corporation's property interests are at an early stage of exploration and, in common with many exploration companies, it raises financing for its exploration and appraisal activities in discrete tranches. The directors and management of the Corporation consider that sufficient funds are available to progress the Corporation's planned acquisition and exploration of gold projects and that the Corporation has adequate working capital for at least the next twelve months. The directors and management of the Corporation therefore consider it appropriate to prepare these consolidated financial statements on the going concern basis which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

However, the existing funds may not be sufficient to explore potential gold project acquisitions and in due course, further funding could be required. In the event that the Corporation is unable to secure further financing it may not be able to complete the development of a gold project.

The Corporation's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop gold projects and ultimately, to achieve profitable operations. The success of these endeavours cannot be predicted at this time. The consolidated financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Corporation be unable to continue as a going concern, and such adjustments may be material.

Net cash used for operating activities for the year ended June 30, 2017 was \$1,505,912 compared to net cash used for operating activities of \$482,523 for the year June 30, 2016.

Cash flows from investing activities for the year ended June 30, 2017 was \$61,541 outflow compared to the investing activities of \$nil for the year ended June 30, 2016.

Cash flows from financing activities for the year ended June 30, 2017 was \$1,892,183 inflow compared to the financing activities of \$609,380 for the year ended June 30, 2016.

RELATED PARTY TRANSACTIONS

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of the entities outlined below.

The following individuals transacted with the Corporation in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties are unsecured, non-interest bearing, and due on demand, and were no more favourable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

The remuneration of key management personnel is comprised of fees paid to officers for the year ended June 30, 2017 totaling \$3,786 (2016 - \$96,082).

During the year ended June 30, 2017, the Corporation incurred \$9,381 (2016 - \$8,638) in expenses and consulting fees in the normal course of operations from a director who is also an officer of the Corporation. As at June 30, 2017, \$Nil is included in accounts payable and accrued liabilities (2016 - \$Nil).

During the year ended June 30, 2017, the Corporation incurred \$44,835 (2016 - \$2,114) in legal expenses in the normal course of operations from an officer of the Corporation. As at June 30, 2017, \$Nil is included in accounts payable and accrued liabilities (2016 - \$Nil)

Accounts payable and accrued liabilities as at June 30, 2017 includes \$7,698 (2016 - \$19,355) owed to current and former officers of the Corporation for fees. Such amounts are unsecured, non-interest bearing and with no fixed terms of payment.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

a) Accounting Policies

The Corporation prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee.

The significant accounting policies of the Corporation are summarized in Note 2 to the Corporation's Financial Statements. Also included therein is a discussion of new accounting standards and amendments issued but not yet adopted. As described therein, the Corporation does not expect the adoption of such new standards and amendments to have any material impact on its Financial Statements.

b) Critical Accounting Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. During the year ended June 30, 2017, there were no material revisions to accounting estimates made in prior periods.

Information regarding significant areas of estimation, uncertainty and critical judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the notes to the Financial Statements in respect of the following:

- decommissioning liability
- utilization of tax losses
- provisions and contingencies
- measurement of share-based compensation and warrants

FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

The Corporation's financial assets are classified in the following categories: at fair value through profit or loss or as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. As at June 30, 2017 and 2016, the Corporation's financial assets are comprised of cash and reclamation bond receivable.

Financial assets at fair value through profit are carried at fair value. Gains and losses are reflected in the consolidated statements of loss and comprehensive loss.

Cash and reclamation bond receivable are classified as loans and receivables and are recognized initially at fair value and subsequently measured at amortized cost.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership. The Corporation assesses at each financial reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

The Corporation's financial liabilities consist of trade payables, accrued liabilities, convertible debenture and conversion option component of convertible debenture. Trade payables, accrued liabilities and convertible debenture are classified as other financial liabilities and are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expired. The Corporation's conversion option component of the convertible debenture is classified as fair value through profit and loss and are recognized initially at fair value and subsequently re-measured at fair value at each reporting date.

Financial Risk Factors

The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Corporation's credit risk is attributable to cash. Cash is held with a reputable financial institution, from which management believes the risk of loss to be remote. The Corporation believes it has no significant credit risk.

Liquidity risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Corporation has cash balances and no interest-bearing debt. The Corporation is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Corporation is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in US Dollars (US).

(c) Price risk

The Corporation is exposed to price risk with respect to gold prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to gold price movements and volatilities. The Corporation closely monitors gold prices to determine the appropriate course of action to be taken by the Corporation.

Outstanding Share Capital As at June 30, 2017

Authorized Unlimited number of no par value common shares

Issued

Common shares	96,684,786
Stock options	Nil
Warrants	3,767,500

CONTINGENCIES

The Corporation's exploration activities are subject to various federal, provincial, state and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Corporation conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Corporation has made, and expects to make in the future, expenditures to comply with such laws and regulations.

RISKS AND UNCERTAINTIES

The operations of the Corporation's properties will be subject to various laws and regulations relating to the environment, prospecting, development, production, waste disposal and other matters. Amendments to current laws and regulations governing activities related to the Corporation's mineral properties may have material adverse impact on operations.

The Corporation will need additional funding to complete its short and long term objectives. The ability of the Corporation to fund its operations in the future will depend on the prevailing market conditions, as well as the business performance of the Corporation. There can be no assurances that the Corporation will be successful in its efforts to raise additional financing on terms satisfactory to the Corporation. If adequate funds are not available or not available on acceptable terms, the Corporation may not be able to take advantage of opportunities, to acquire new projects or to otherwise respond to competitive pressures.

SUBSEQUENT EVENTS

In August 2017, the Corporation closed the final tranches of its private placement for gross proceeds of CDN\$1,472,500 (US\$1,133,825) for total aggregate proceeds of CDN\$2,979,500 (US\$2,294,215). A total of 14,897,500 units were issued at a price of CDN\$0.20 per unit. Each unit is comprised of one common share and one half of one warrant with one whole warrant exercisable at CDN\$0.35 for 24 months. Officers and directors of the Corporation subscribed for 375,000 units for gross proceeds of CDN\$75,000.

The Corporation has entered into a letter of intent (LOI) with a capital pool company named Marching Moose Capital Corp. ("MMCC"). Under the terms of the LOI, a subsidiary of MMCC will amalgamate with Avidian by way of a three-cornered amalgamation whereby the Avidian shareholders will be issued shares of MMCC on the basis of one post-consolidated common share of MMCC for every 2.17 Avidian shares held. Upon completion of the proposed transaction, the business of Avidian will become the business of MMCC. The proposed transaction is intended to constitute MMCC's qualifying transaction under Policy 2.4 of the TSX Venture Exchange. A finder's fee of 150,000 Avidian common shares was issued on January 25, 2017 in conjunction with this transaction.



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2016

The following discussion and analysis of the operations, results, and financial position of Avidian Gold Inc. ("AVD or "the Corporation") prepared as of August 15, 2016, should be read in conjunction with the Corporation's audited consolidated financial statements and related notes attached hereto. The Corporation's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The effective date of this report is August 15, 2016. All figures are presented in United States dollars unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans", "intends", "anticipates", "should", "estimates", "expects", "believes", "indicates", "suggests" and similar expressions.

This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Information concerning mineral resource estimates and the interpretation of drill results may also be considered as a forward-looking statement; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed.

It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Corporation's expectations as of August 15, 2016.
- Readers are cautioned not to place undue reliance on these statements as the Corporation's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Corporation's business, or if the Corporation's estimates or assumptions prove inaccurate. Therefore, the Corporation cannot provide any assurance that forward-looking statements will materialize. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, possible variations in mineral resources, labour disputes, operating or capital costs; availability of sufficient financing to fund planned or further required work in a timely manner and on acceptable terms; failure of equipment or processes to operate as anticipated; and political, regulatory, environmental and other risks of the mining industry.

- Subject to applicable laws, the Corporation assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

For a description of material factors that could cause the Corporation's actual results to differ materially from the forward-looking statements in this MD&A, please see "Risks and Uncertainties".

GENERAL

Avidian Gold Inc. ("Avidian" or the "Corporation") was incorporated by articles of incorporation dated June 22, 2011 ("date of incorporation") under the Business Corporations Act (Ontario). Avidian is a private corporation. The Corporation's principal business activity is mineral exploration. The registered head office of the Corporation is located at 390 Bay Street, Suite #806, Toronto, Ontario, M4H 2Y2.

Additional information related to the Corporation is available on its website at www.avidiangold.com.

DESCRIPTION OF BUSINESS

Avidian is in the business of acquiring and exploring gold projects. As of June 30, 2016, the Corporation has acquired the rights to explore five gold properties in the United States of America and has acquired all the issued and outstanding shares of High Tide Resources Inc. which holds the right to explore a volcanogenic massive sulfide ("VMS") property in Newfoundland, Canada.

Avidian Gold Inc. operates in two jurisdictions: United States and Canada. In the United States, it is engaged, through its 100% interest in Avidian Gold US Inc. in the acquisition and exploration of resource properties.

OVERALL PERFORMANCE

The net loss for the year ended June 30, 2016 was \$774,808 compared to a net loss of \$689,791 for the year ended June 30, 2015. The higher net loss in the current year was largely due to an increase in share based compensation offset by lower general and administrative expenses.

The net increase in cash and cash equivalents during the current year was \$126,857 compared to a \$218,398 increase in the comparative period. Avidian increased its cash position in the current year through an issuance of convertible debentures. On June 1, 2016, the Corporation closed a secured convertible debenture financing for CDN\$794,000 (US\$605,275) with an interest rate of 8% per annum payable at maturity. The unsecured convertible debenture has a maturity date of June 1, 2019 and the principal amount and all accrued interest of the convertible debentures are convertible into common shares at CDN\$0.05 (US\$0.038) per share prior to June 1, 2019 at the option of the holder. A total of CDN\$102,500 of the debentures were issued to directors and officers of the Corporation.

Cash outflow from operating activities was \$482,523 compared to \$600,053 in the comparative period, mostly due to decreased general and administrative expenses in the current period.

Exploration Activities

During the current year, a total of \$310,703 was incurred in exploration and evaluation expenditures, with the majority spent on the Golden Zone, Amanita, County Line, and Shawnee Creek projects.

On April 28, 2016, Avidian entered a firm agreement with Chulitna Mining Company LLC ("Chulitna"), Mines Trust Company Inc. ("Mines Trust"), and Alix Resources Corp ("Alix") to purchase an aggregate interest of 70.6% interest in the Golden Zone Property, Alaska. On November 21, 2016 Avidian entered into a definitive agreement with Chulitna and Mines Trust to purchase an aggregate interest of 70.6% interest in the Golden Zone Property under the same terms as, and superseding, the April 28, 2016, firm agreement.

On May 25, 2016, Avidian entered into an option to enter a joint venture agreement with NPM on its mining claims located in the Mineral and Nye Counties of the State of Nevada. The North Peak Agreement was terminated on September 29, 2016.

SELECTED ANNUAL INFORMATION

The following table provides a brief summary of the Corporation's annual financial operations. For more detailed information, refer to the audited consolidated financial statements.

ITEM	June 30, 2016	June 30, 2015
	\$	\$
Working Capital	494,025	335,325
Deficit	(2,991,284)	(2,216,476)
Net Loss	774,808	689,791
Basic and Diluted loss per share	0.02	0.01
Total Assets	1,083,193	951,736

The Corporation has no present intention of paying dividends on its common shares as it anticipates that all available funds will be invested to finance the growth of its business.

QUARTERLY INFORMATION

The following are selected financial data from the Corporation's unaudited financial statements for the last eight quarters ending with the most recently completed quarter, being the three months ended June 30, 2016.

	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
	\$	\$	\$	\$
Total assets	1,083,193	525,498	579,132	760,648
Net loss	(33,291)	(112,375)	(455,704)	(173,438)
Net loss per share	0.00	0.00	(0.01)	0.00

Three Month Period Ended

	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
	\$	\$	\$	\$
Total assets	951,736	1,049,756	1,235,347	1,442,318
Net loss	(197,126)	(197,849)	(163,341)	(131,475)
Net loss per share	(0.01)	0.00	0.00	0.00

RESULTS OF OPERATIONS

The Corporation had a loss of \$774,808 (\$0.02 per share) for the year ended June 30, 2016 compared to a loss of \$689,791 (\$0.01 per share) for the year ended June 30, 2015. The increased loss during the year ended June 30, 2016 was largely due to an increase in share based compensation offset by lower general and administrative expenses.

Significant expenses incurred during the year ended June 30, 2016 are as follows: \$310,703 (2015 - \$363,079) in exploration and evaluation, \$310,487 (2015 - \$28,433) in share based compensation, and \$90,717 (2015 - \$140,729) in professional fees.

LIQUIDITY

The Corporation finances its activities by raising capital in the equity markets and has no regular source of revenue or cash flow. The Corporation is dependent upon its ability to obtain the necessary equity financing to generate sufficient amounts of cash and cash equivalents, in the short and long term to meet its obligations as they become due and finance its exploration programs.

The Corporation's property interests are at an early stage of exploration and, in common with many exploration companies, it raises financing for its exploration and appraisal activities in discrete tranches. The directors and management of the Corporation consider that sufficient funds are available to progress the Corporation's planned acquisition and exploration of gold projects and that the Corporation has adequate working capital for at least the next twelve months. The directors and management of the Corporation therefore consider it appropriate to prepare these consolidated financial statements on the going concern basis which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

However, the existing funds may not be sufficient to explore potential gold project acquisitions and in due course, further funding could be required. In the event that the Corporation is unable to secure further financing it may not be able to complete the development of a gold project.

The Corporation's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop gold projects and ultimately, to achieve profitable operations. The success of these endeavours cannot be predicted at this time. The consolidated financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Corporation be unable to continue as a going concern, and such adjustments may be material.

Net cash used for operating activities for the year ended June 30, 2016 was \$482,523 compared to net cash used for operating activities of \$600,053 for the year June 30, 2015.

Cash flows from investing activities for the year ended June 30, 2016 was \$nil compared to the investing activities of \$nil for the year ended June 30, 2015.

Cash flows from financing activities for the year ended June 30, 2016 was \$609,380 compared to the financing activities of \$818,451 for the year ended June 30, 2015.

RELATED PARTY TRANSACTIONS

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of the entities outlined below.

The following individuals transacted with the Corporation in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties are unsecured, non-interest bearing, and due on demand, and were no more favourable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

The remuneration of key management personnel is comprised of fees paid to officers for the year ended June 30, 2016 totaling \$96,082 (June 30, 2015 - \$32,802).

During the year ended June 30, 2016, the Corporation incurred \$8,638 (2015 - \$39,200) in expenses and consulting fees in the normal course of operations from a director who is also an officer of the Corporation. As at June 30, 2016, \$Nil is included in accounts payable and accrued liabilities (2015 - \$6,798).

During the year ended June 30, 2016, the Corporation incurred \$2,114 (2015 - \$19,625) in legal expenses in the normal course of operations from an officer of the Corporation. As at June 30, 2016, \$Nil is included in accounts payable and accrued liabilities (2015 - \$10,702).

Accounts payable and accrued liabilities as at June 30, 2016 includes \$19,355 (2015 - \$11,673) owed to current and former officers of the Corporation for fees. Such amounts are unsecured, non-interest bearing and with no fixed terms of payment.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

a) Accounting Policies

The Corporation prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee.

The significant accounting policies of the Corporation are summarized in Note 2 to the Corporation's Financial Statements. Also included therein is a discussion of new accounting standards and amendments issued but not yet adopted. As described therein, the Corporation does not expect the adoption of such new standards and amendments to have any material impact on its Financial Statements.

b) Critical Accounting Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. During the year ended June 30, 2016, there were no material revisions to accounting estimates made in prior periods.

Information regarding significant areas of estimation, uncertainty and critical judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the notes to the Financial Statements in respect of the following:

- decommissioning liability
- utilization of tax losses
- provisions and contingencies
- measurement of share-based compensation and warrants

FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

The Corporation's financial assets are classified in the following categories: at fair value through profit or loss or as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. As at June 30, 2016 and June 30, 2015, the Corporation's financial assets are comprised of cash and cash equivalents and reclamation bond receivable.

Financial assets at fair value through profit are carried at fair value. Gains and losses are reflected in the consolidated statements of loss and comprehensive loss.

Cash and reclamation bond receivable are classified as loans and receivables and are recognized initially at fair value and subsequently measured at amortized cost.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership. The Corporation assesses at each financial reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

The Corporation's financial liabilities consist of trade payables, accrued liabilities, convertible debenture and conversion option component of convertible debenture. Trade payables, accrued liabilities and convertible debenture are classified as other financial liabilities and are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expired. The Corporation's conversion option component of the convertible debenture is classified as fair value through profit and loss and are recognized initially at fair value and subsequently re-measured at fair value at each reporting date.

Financial Risk Factors

The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Corporation's credit risk is attributable to cash. Cash is held with a reputable financial institution, from which management believes the risk of loss to be remote. The Corporation believes it has no significant credit risk.

Liquidity risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Corporation has cash balances and no interest-bearing debt. The Corporation is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Corporation is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in US Dollars (US).

(c) Price risk

The Corporation is exposed to price risk with respect to gold prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to gold price movements and volatilities. The Corporation closely monitors gold prices to determine the appropriate course of action to be taken by the Corporation.

Outstanding Share Capital As at June 30, 2016

Authorized Unlimited number of no par value common shares

Issued

Common shares	50,906,886
Stock options	10,845,000
Warrants	Nil

COMMITMENTS AND CONTINGENCIES

The Corporation's exploration activities are subject to various federal, provincial, state and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Corporation conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Corporation has made, and expects to make in the future, expenditures to comply with such laws and regulations.

RISKS AND UNCERTAINTIES

The operations of the Corporation's properties will be subject to various laws and regulations relating to the environment, prospecting, development, production, waste disposal and other matters. Amendments to current laws and regulations governing activities related to the Corporation's mineral properties may have material adverse impact on operations.

The Corporation will need additional funding to complete its short and long term objectives. The ability of the Corporation to fund its operations in the future will depend on the prevailing market conditions, as well as the business performance of the Corporation. There can be no assurances that the Corporation will be successful in its efforts to raise additional financing on terms satisfactory to the Corporation. If adequate funds are not available or not available on acceptable terms, the Corporation may not be able to take advantage of opportunities, to acquire new projects or to otherwise respond to competitive pressures.

SUBSEQUENT EVENTS

The Corporation continues its due diligence work on the Golden Zone property and expects a final property agreement to be signed by the end of August 2016. See Note 12 in the audited financial statements.

Management has sent notice to the holders of the Corporation's outstanding stock options requesting the holder select one of the following options:

1. Exercise all options at the respective strike price; or
2. Receive 1/4 the number of shares for which the option entitles the holder to exercise.

There will be no stock options outstanding upon completion of this transaction.



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

The following discussion and analysis of the operations, results, and financial position of Avidian Gold Inc. ("AVD or "the Corporation") prepared as of October 20, 2015, should be read in conjunction with the Corporation's audited consolidated financial statements and related notes attached hereto. The Corporation's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The effective date of this report is October 20, 2015. All figures are presented in United States dollars unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans", "intends", "anticipates", "should", "estimates", "expects", "believes", "indicates", "suggests" and similar expressions.

This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Information concerning mineral resource estimates and the interpretation of drill results may also be considered as a forward-looking statement; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed.

It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Corporation's expectations as of October 20, 2015.
- Readers are cautioned not to place undue reliance on these statements as the Corporation's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Corporation's business, or if the Corporation's estimates or assumptions prove inaccurate. Therefore, the Corporation cannot provide any assurance that forward-looking statements will materialize. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, possible variations in mineral resources, labour disputes, operating or capital costs; availability of sufficient financing to fund planned or further required work in a timely manner and on acceptable terms; failure of equipment or processes to operate as anticipated; and political, regulatory, environmental and other risks of the mining industry.

- Subject to applicable laws, the Corporation assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

For a description of material factors that could cause the Corporation's actual results to differ materially from the forward-looking statements in this MD&A, please see "Risks and Uncertainties".

GENERAL

Avidian Gold Inc. ("Avidian" or the "Corporation") was incorporated by articles of incorporation dated June 22, 2011 ("date of incorporation") under the Business Corporations Act (Ontario). Avidian is a private corporation. The Corporation's principal business activity is mineral exploration. The registered head office of the Corporation is located at 390 Bay Street, Suite #806, Toronto, Ontario, M4H 2Y2.

Additional information related to the Corporation is available on its website at www.avidiangold.com.

DESCRIPTION OF BUSINESS

Avidian is in the business of acquiring and exploring gold projects. As of June 30, 2015, the Corporation has acquired the rights to explore three gold properties in the United States of America and has acquired all the issued and outstanding shares of High Tide Resources Inc. which holds the right to explore a volcanogenic massive sulfide ("VMS") property in Newfoundland, Canada.

Avidian Gold Inc. operates in two jurisdictions: United States and Canada. In the United States, it is engaged, through its 100% interest in Avidian Gold US Inc. in the acquisition and exploration of resource properties.

OVERALL PERFORMANCE

The net loss for the year ended June 30, 2015 was \$689,791 compared to a net loss of \$454,979 for the year ended June 30, 2014. The higher net loss in the current year was largely due to an increase in exploration and evaluation expenditures along with higher foreign exchange losses.

The net increase in cash and cash equivalents during the current year was \$218,398 compared to a \$463,244 decrease in the comparative period. Avidian increased its cash position in the current year through an issuance of share capital. Cash outflow from operating activities was \$600,053 compared to \$536,564 in the comparative period, mostly due to increased exploration and evaluation activities and higher trade payables and accrued liabilities in the current period.

Exploration Activities

During the current year, a total of \$363,079 was incurred in exploration and evaluation expenditures, with the majority spent on the County Line and Shawnee Creek projects.

On July 18, 2015, Avidian signed a lease to purchase option for a period of 15 years pursuant to which Avidian can acquire a 100% interest in the Amanita claim block subject to a 3% NSR for cash consideration of \$3 million.

SELECTED ANNUAL INFORMATION

The following table provides a brief summary of the Corporation's annual financial operations. For more detailed information, refer to the audited consolidated financial statements.

ITEM	June 30, 2015	June 30, 2014
	\$	\$
Working Capital	335,325	99,795
Deficit	(2,216,476)	(1,526,685)
Net Loss	689,791	454,979
Basic and Diluted loss per share	0.01	0.02
Total Assets	951,736	732,704

The Corporation has no present intention of paying dividends on its common shares as it anticipates that all available funds will be invested to finance the growth of its business.

QUARTERLY INFORMATION

The following are selected financial data from the Corporation's unaudited financial statements for the last eight quarters ending with the most recently completed quarter, being the three months ended June 30, 2015.

	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
	\$	\$	\$	\$
Total assets	951,736	1,049,756	1,235,347	1,442,318
Net loss	(197,126)	(197,849)	(163,341)	(131,475)
Net loss per share	(0.01)	0.00	0.00	0.00

Three Month Period Ended

	June 30, 2014	March 31, 2014	December 31, 2013	September 30, 2013
Total assets	732,704	740,787	842,706	948,798
Net loss	(115,153)	(105,651)	(90,815)	(143,360)
Net loss per share	0.00	0.00	0.00	(0.01)

RESULTS OF OPERATIONS

The Corporation had a loss of \$689,791 (\$0.01 per share) for the year ended June 30, 2015 compared to a loss of \$454,979 (\$0.02 per share) for the year ended June 30, 2014. The increased loss during the year ended June 30, 2015 was largely due to higher exploration and evaluation expenditures.

Significant expenses incurred during the year ended June 30, 2015 are as follows: \$363,079 (2014 - \$299,351) in exploration and evaluation, and \$140,729 (2014 - \$152,359) in professional fees.

LIQUIDITY

The Corporation finances its activities by raising capital in the equity markets and has no regular source of revenue or cash flow. The Corporation is dependent upon its ability to obtain the necessary equity financing to generate sufficient amounts of cash and cash equivalents, in the short and long term to meet its obligations as they become due and finance its exploration programs.

The Corporation's property interests are at an early stage of exploration and, in common with many exploration companies, it raises financing for its exploration and appraisal activities in discrete tranches. The directors and management of the Corporation consider that sufficient funds are available to progress the Corporation's planned acquisition and exploration of gold projects and that the Corporation has adequate working capital for at least the next twelve months. The directors and management of the Corporation therefore consider it appropriate to prepare these consolidated financial statements on the going concern basis which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

However, the existing funds may not be sufficient to explore potential gold project acquisitions and in due course, further funding could be required. In the event that the Corporation is unable to secure further financing it may not be able to complete the development of a gold project.

The Corporation's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop gold projects and ultimately, to achieve profitable operations. The success of these endeavours cannot be predicted at this time. The consolidated financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Corporation be unable to continue as a going concern, and such adjustments may be material.

Net cash used for operating activities for the year ended June 30, 2015 was \$600,053 compared to net cash used for operating activities of \$536,564 for the year June 30, 2014.

Cash flows from investing activities for the year ended June 30, 2015 was \$nil compared to the investing activities of \$nil for the year ended June 30, 2014.

Cash flows from financing activities for the year ended June 30, 2015 was \$818,451 compared to the financing activities of \$73,320 for the year ended June 30, 2014.

RELATED PARTY TRANSACTIONS

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of the entities outlined below.

The following individuals transacted with the Corporation in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties are unsecured, non-interest bearing, and due on demand, and were no more favourable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

The remuneration of key management personnel is comprised of fees paid to officers for the year ended June 30, 2015 totaling \$32,802 (June 30, 2014 - \$31,271).

During the year ended June 30, 2015, the Corporation incurred \$10,255 (2014 - \$37,703) for legal services in connection with general matters from a former director of the Corporation. As at June 30, 2015, \$Nil is included in accounts payable and accrued liabilities (2014 - \$2,687).

During the year ended June 30, 2015, the Corporation incurred \$39,200 (2014 - \$16,616) in expenses and consulting fees in the normal course of operations from a director who is also an officer of the Corporation. As at June 30, 2015, \$6,798 is included in accounts payable and accrued liabilities (2014 - \$Nil).

During the year ended June 30, 2015, the Corporation incurred \$19,625 (2014 - 4,433) in legal expenses in the normal course of operations from an officer of the Corporation. As at June 30, 2015, \$10,702 is included in accounts payable and accrued liabilities (2014 - \$3,300).

Accounts payable and accrued liabilities as at June 30, 2015 includes \$3,917 (2014 - \$Nil) owed to a director of the Corporation for travel expenses incurred on behalf of the Corporation.

Accounts payable and accrued liabilities as at June 30, 2015 includes \$11,673 (2014 - \$3,242) owed to current and former officers of the Corporation for fees.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

a) Accounting Policies

The Corporation prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee.

The significant accounting policies of the Corporation are summarized in Note 2 to the Corporation's Financial Statements. Also included therein is a discussion of new accounting standards and amendments issued but not yet adopted. As described therein, the Corporation does not expect the adoption of such new standards and amendments to have any material impact on its Financial Statements.

b) Critical Accounting Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. During the year ended June 30, 2015, there were no material revisions to accounting estimates made in prior periods.

Information regarding significant areas of estimation, uncertainty and critical judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the notes to the Financial Statements in respect of the following:

- decommissioning liability
- utilization of tax losses
- provisions and contingencies
- measurement of share-based compensation and warrants

FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

The Corporation's financial assets are classified in the following categories: at fair value through profit or loss or as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. As at June 30, 2015 and June 30, 2014, the Corporation's financial assets are comprised of cash and cash equivalents and reclamation bond receivable.

Financial assets at fair value through profit are carried at fair value. Gains and losses are reflected in the consolidated statements of loss and comprehensive loss.

Cash and reclamation bond receivable are classified as loans and receivables and are recognized initially at fair value and subsequently measured at amortized cost.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership. The Corporation assesses at each financial reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

The Corporation's financial liabilities consist of trade payables, accrued liabilities, subscription receipt payable, warrant liability and contingent consideration payable. Trade payables, accrued liabilities and subscription receipts payable are classified as other financial liabilities and are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expired. The Corporation's warrant liability and contingent consideration payable are classified as fair value through profit and loss and are recognized initially at fair value and subsequently re-measured at fair value at each reporting date.

Financial Risk Factors

The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Corporation's credit risk is attributable to cash. Cash is held with a reputable financial institution, from which management believes the risk of loss to be remote. The Corporation believes it has no significant credit risk.

Liquidity risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Corporation has cash balances and no interest-bearing debt. The Corporation is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Corporation is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in US Dollars (US).

(c) Price risk

The Corporation is exposed to price risk with respect to gold prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to gold price movements and volatilities. The Corporation closely monitors gold prices to determine the appropriate course of action to be taken by the Corporation.

Outstanding Share Capital As at June 30, 2015

Authorized	Unlimited number of no par value common shares
Issued	
Common shares	50,650,781
Stock options	2,600,000
Warrants	Nil

COMMITMENTS AND CONTINGENCIES

The Corporation's exploration activities are subject to various federal, provincial, state and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Corporation conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Corporation has made, and expects to make in the future, expenditures to comply with such laws and regulations.

RISKS AND UNCERTAINTIES

The operations of the Corporation's properties will be subject to various laws and regulations relating to the environment, prospecting, development, production, waste disposal and other matters. Amendments to current laws and regulations governing activities related to the Corporation's mineral properties may have material adverse impact on operations.

The Corporation will need additional funding to complete its short and long term objectives. The ability of the Corporation to fund its operations in the future will depend on the prevailing market conditions, as well as the business performance of the Corporation. There can be no assurances that the Corporation will be successful in its efforts to raise additional financing on terms satisfactory to the Corporation. If adequate funds are not available or not available on acceptable terms, the Corporation may not be able to take advantage of opportunities, to acquire new projects or to otherwise respond to competitive pressures.

SUBSEQUENT EVENTS

Subsequent to June 30, 2015, the Corporation signed a lease to purchase option for a period of 15 years pursuant to which the Corporation can acquire a 100% interest in the Amanita claim block subject to a 3% NSR for cash consideration of \$3 million. The Amanita claim block is comprised of 88 lode claims located within the Fairbanks Mining District approximately 25 kilometers northeast of Fairbanks.

The Corporation paid \$5,000 at the time of signing a letter of intent and a further \$20,000 on the signing of the definitive property agreement. The property agreement requires annual payments for the next 15 years. The first anniversary payment is \$15,000. The payments increase by \$10,000 annually. The Corporation can acquire the 3% NSR royalty for an additional \$3 million.

Subsequent to June 30, 2015, the Corporation staked 20 claims at Castle Creek in Idaho.

SCHEDULE B-2
AUDITED FINANCIAL STATEMENTS OF AVIDIAN GOLD INC.
FOR THE YEARS ENDED JUNE 30, 2015, 2016, AND 2017

Consolidated Financial Statements

AVIDIAN GOLD INC.

For the years ended June 30, 2017 and 2016

(Expressed in US dollars)

AVIDIAN GOLD INC.

Table of Contents

	<u>Page</u>
Consolidated Statements of Financial Position	3
Consolidated Statements of Operations and Comprehensive Loss	4
Consolidated Statements of Change in Shareholders' Equity	5
Consolidated Statements of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 37

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Avidian Gold Inc.:

We have audited the accompanying consolidated financial statements of Avidian Gold Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at June 30, 2017 and 2016, and the consolidated statements of operations and comprehensive loss, consolidated statements of changes in shareholders' equity, and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Avidian Gold Inc. and its subsidiaries as at June 30, 2017 and 2016, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

UHY McGovern Hurley LLP



Chartered Professional Accountants
Licensed Public Accountants

TORONTO, Canada
October 26, 2017

AVIDIAN GOLD INC.
Consolidated Statements of Financial Position

As at June 30, 2017 and 2016

(Expressed in US Dollars)

	2017	2016
	\$	\$
Assets		
Current		
Cash	856,818	532,088
Amounts receivable and prepaids	224,666	24,731
Total current assets	1,081,484	556,819
Non-current liabilities		
Equipment (Note 6)	63,380	1,481
Reclamation bond receivable (Note 15)	27,080	27,080
Mineral exploration interests (Note 5)	497,813	497,813
Total assets	1,669,757	1,083,193
Liabilities		
Current		
Trade payables and accrued liabilities (Note 10(e))	491,710	62,794
Decommissioning liability (Note 15)	28,600	-
Warrant liability (Note 8)	262,759	-
Total current liabilities	783,069	62,794
Non-current liabilities		
Convertible debenture (Note 12)	616,514	607,043
Decommissioning liability (Note 15)	-	28,600
Total liabilities	1,399,583	698,437
Shareholders' Equity		
Issued capital (Note 7(b))	6,210,598	3,037,120
Share-based payment reserve (Note 7(c))	-	338,920
Deficit	(5,940,424)	(2,991,284)
Total shareholders' equity	270,174	384,756
Total liabilities and shareholders' equity	1,669,757	1,083,193

NATURE OF BUSINESS AND GOING CONCERN (Note 1)

COMMITMENTS AND CONTINGENCIES (Notes 13 and 16)

SUBSEQUENT EVENTS (Note 17)

APPROVED BY THE BOARD OF DIRECTORS

Original signed by Victor H. Bradley, Director

Original signed by David Anderson, Director

AVIDIAN GOLD INC.

Consolidated Statements of Operations and Comprehensive Loss

Years ended June 30, 2017 and 2016

(Expressed in US Dollars)

	<u>2017</u>	<u>2016</u>
	\$	\$
Operating Expenses		
Exploration and evaluation expenditures (Note 13)	2,131,448	310,703
General and administrative (Note 11)	308,994	131,299
Foreign exchange losses	38,853	24,656
Convertible debenture interest (Note 12)	49,985	-
Accretion (Note 12)	51,104	9,641
Gain on settlement of debt	(9,423)	-
Gain on sale of equipment	(2,521)	-
Share-based compensation (Note 7(c))	-	310,487
Unrealized loss (gain) on conversion feature (Note 12)	380,700	(11,978)
Net loss and comprehensive loss for the period	2,949,140	774,808
Net loss per share - basic and diluted (Note 9)	0.04	0.02
Weighted average number of shares outstanding - basic and diluted (Note 9)	78,153,849	50,709,701

See accompanying notes to the consolidated financial statements

AVIDIAN GOLD INC.

Consolidated Statements of Change in Shareholders' Equity

Years ended June 30, 2017 and 2016

(Expressed in US Dollars)

	Number of shares	Share capital	Share-Based Payment Reserve	Deficit	Shareholders' Equity
		\$	\$	\$	\$
Balance June 30, 2015	50,650,781	3,021,636	28,433	(2,216,476)	833,593
Net loss and comprehensive loss for the period	-	-	-	(774,808)	(774,808)
Share-based compensation (Note 7(c))	-	-	310,487	-	310,487
Shares issued for services (Note 7(b))	256,105	15,484	-	-	15,484
Balance June 30, 2016	50,906,886	3,037,120	338,920	(2,991,284)	384,756
Net loss and comprehensive loss for the period	-	-	-	(2,949,140)	(2,949,140)
Options exercised (Note 7(c))	10,826,250	555,571	(338,920)	-	216,651
Shares issued on debenture conversion (Note 12)	10,880,000	422,488	-	-	422,488
Shares issued for accrued interest on debentures converted (Note 12)	870,400	33,070	-	-	33,070
Shares for property acquisition (Note 13)	8,736,250	708,631	-	-	708,631
Shares issued for services (Note 7(b))	450,000	24,911	-	-	24,911
Private placement, net of issue costs (Note 7(b))	14,015,000	1,691,566	-	-	1,691,566
Value of warrants issued under private placement	-	(262,759)	-	-	(262,759)
Balance June 30, 2017	96,684,786	6,210,598	-	(5,940,424)	270,174

See accompanying notes to the consolidated financial statements

AVIDIAN GOLD INC.

Consolidated Statements of Cash Flows

Years ended June 30, 2017 and 2016

(Expressed in US Dollars)

	2017	2016
	\$	\$
Operating activities		
Net loss for the period	(2,949,140)	(774,808)
Items not involving cash:		
Amortization (Note 6)	2,163	494
Accretion	51,104	9,641
Options exercised for services	16,034	-
Unrealized foreign exchange loss	155	-
Gain on settlement of debt	(9,423)	-
Gain on sale of equipment	(2,521)	-
Unrealized loss (gain) on conversion feature	380,700	(11,978)
Shares issued for property acquisition	708,631	-
Shares issued for settlement of interest	33,070	-
Shares issued for services	24,911	15,484
Share-based compensation	-	310,487
	(1,744,316)	(450,680)
Changes in non-cash working capital		
(Increase) in amounts receivable and prepaids	(199,935)	(5,094)
Increase (decrease) in trade payables and accrued liabilities	438,339	(26,749)
Change in non-cash operating working capital	238,404	(31,843)
Net cash flows from operating activities	(1,505,912)	(482,523)
Investing activities		
Purchase of equipment	(64,458)	-
Sale of equipment	2,917	-
Net cash flows from investing activities	(61,541)	-
Financing activities		
Proceeds from issuance of shares (Note 7(b))	1,717,907	-
Share issue costs	(26,341)	-
Proceeds from issuance of convertible debentures	-	609,380
Exercise of stock options	200,617	-
Net cash flows from financing activities	1,892,183	609,380
Increase in cash	324,730	126,857
Cash, beginning of period	532,088	405,231
Cash, end of period	856,818	532,088
Supplemental information		
Options exercised for services	\$ 16,034	\$ -
Shares issued on debt conversion	422,488	-

See accompanying notes to the consolidated financial statements

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

1. DESCRIPTION OF BUSINESS AND GOING CONCERN

Avidian Gold Inc. (“Avidian” or the “Corporation”) was incorporated by articles of incorporation dated June 22, 2011 under the Business Corporations Act (Ontario). Avidian is a private company. The Corporation's principal business activity is mineral exploration. The registered head office of the Corporation is located at 390 Bay Street, Suite #806, Toronto, Ontario, M4H 2Y2.

Avidian is in the business of acquiring and exploring gold projects. As of June 30, 2017, the Corporation has acquired the rights to explore four gold properties in the United States of America and has acquired all the issued and outstanding shares of High Tide Resources Inc. which holds the right to explore a volcanogenic massive sulfide (“VMS”) property in Newfoundland, Canada.

The consolidated financial statements of the Corporation for the year ended June 30, 2017 were reviewed, approved and authorized for issue by the Board of Directors on October 26, 2017. Although the Corporation has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Corporation's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Corporation's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and currency exchange fluctuations and restrictions.

The Corporation's property interests are at an early stage of exploration and, in common with many exploration companies, it raises financing for its exploration and appraisal activities in discrete tranches. The Corporation has incurred a loss for the year ended June 30, 2017 of \$2,949,140 and has an accumulated deficit of \$5,940,424. The Corporation has a working capital balance of \$298,415 at June 30, 2017 and closed a financing subsequent to June 30, 2017 (see Note 17). Management believes it has sufficient working capital to support planned operations for the next 12 months. Although the Corporation has been successful in raising funds to date, there can be no assurance that adequate or sufficient funding will be available in the future, or available under terms acceptable to the Corporation. In the event that the Corporation is unable to secure further financing it may not be able to complete the development of a gold project.

These consolidated financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Corporation will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Corporation's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop gold projects and ultimately, to achieve profitable operations. The success of these endeavours cannot be predicted at this time. The consolidated financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Corporation be unable to continue as a going concern, and such adjustments may be material.

AVIDIAN GOLD INC.
Notes to the Consolidated Financial Statements
June 30, 2017 and 2016
(Expressed in US dollars – except where otherwise indicated)

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements of the Corporation and its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") effective for the Corporation's reporting for the year ended June 30, 2017.

Basis of presentation

The consolidated financial statements have been prepared on an accrual basis except for cash flow information. These consolidated financial statements are based on historical costs except for those financial instruments carried at fair value and, except where otherwise stated, do not take into account changing money values, fair values of assets and liabilities or recoverable amounts. The policies set out below have been consistently applied to all periods presented.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and its subsidiaries. Subsidiaries consists of entities over which the Corporation is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Corporation and are deconsolidated from the date control ceases.

The financial statements include all assets, liabilities, revenues, expenses, and cash flow of the Corporation and its subsidiaries after eliminating inter-entity balances and transactions.

The following companies have been consolidated within the consolidated financial statements:

Company	Registered	Principal activity
Avidian Gold Inc. ("Avidian")	Ontario, Canada	Parent Company
Avidian Gold US Inc. ⁽¹⁾⁽²⁾ ("Avidian US")	Nevada, USA	Operating Company
Avidian Gold Alaska Inc. ⁽¹⁾⁽³⁾ ("Avidian Alaska US")	Alaska, USA	Operating Company
High Tide Resources Inc. ("HTR"). ⁽¹⁾⁽⁴⁾	Nova Scotia, Canada	Dormant Company

(1) 100% owned by Avidian Gold Inc.

(2) Incorporated as at June 23, 2011

(3) Incorporated as at July 19, 2016

(4) Incorporated as at March 27, 2007

Presentation and functional currency

These consolidated financial statements are presented in the functional currency of United States dollars ("US\$"), the currency of the primary economic environment in which the Corporation is currently operating.

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical accounting judgements and estimation uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires the Corporation's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Functional currency determination

The functional currency for the Corporation and its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency is conducted through an analysis of the consideration factors identified in IAS 21 The Effects of Changes in Foreign Exchange Rates and may involve certain judgments to determine the primary economic environment. The Corporation reconsiders the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment. Significant changes to those underlying factors could cause a change to the functional currency.

Assets' carrying values and impairment charges

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence of significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Fair value of financial instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty. Specifically the fair value of the conversion option component of the convertible debenture and warrant liability have significant measurement uncertainty. See Notes 8 and 12.

Share-based payments

Management is required to make certain estimates when determining the fair value of the share-based payments. These estimates affect the amount recognized as share-based compensation in the consolidated financial statements, and are based on expected volatility and the expected lives of the underlying stock options.

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical accounting judgements and estimation uncertainties (continued)

Impairment of mineral exploration interests

While assessing whether any indications of impairment exist for mineral exploration interests, consideration is given to both external and internal sources of information. Information the Corporation considers includes changes in the market, economic and legal environment in which the Corporation operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Corporation's mining properties, costs to sell the properties and the appropriate discount rate.

Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Corporation's exploration interests.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Contingencies

See Note 16.

Cash

Cash in the consolidated statement of financial position comprises cash at banks, as well as balances held in trust with legal counsel.

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

The Corporation's financial assets are classified in the following categories: at fair value through profit or loss or as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. As at June 30, 2017 and 2016, the Corporation's financial assets are comprised of cash and reclamation bond receivable.

Financial assets at fair value through profit are carried at fair value. Gains and losses are reflected in the consolidated statements of loss and comprehensive loss.

Cash and reclamation bond receivable are classified as loans and receivables and are recognized initially at fair value and subsequently measured at amortized cost.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership. The Corporation assesses at each financial reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

The Corporation's financial liabilities consist of trade payables, accrued liabilities, convertible debenture and conversion option component of convertible debenture. Trade payables, accrued liabilities and convertible debenture are classified as other financial liabilities and are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expired. The Corporation's conversion option component of the convertible debenture is classified as fair value through profit and loss and are recognized initially at fair value and subsequently re-measured at fair value at each reporting date.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Exploration and evaluation expenditures are expensed as incurred except for expenditures associated with the acquisition of mineral exploration interests through a business combination.

Equipment

Equipment is carried at cost, less accumulated amortization and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Amortization is recognized based on the cost of an item of equipment, over its estimated useful life. Amortization is calculated using the declining balance method at 20% per year.

An asset's residual value, useful life and amortization method are reviewed, and adjusted if appropriate, at each financial position reporting date.

AVIDIAN GOLD INC.
Notes to the Consolidated Financial Statements
June 30, 2017 and 2016
(Expressed in US dollars – except where otherwise indicated)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Equipment (continued)

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of operations and comprehensive loss.

Impairment of non-financial assets

At each financial position reporting date the carrying amounts of the Corporation's non-financial assets are reviewed to determine whether there is an indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss in the consolidated statements of operations and comprehensive loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

At the end of each reporting date, the Corporation assesses whether there is any indication that previously recognized impairment losses no longer exist. If such an indication exists, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined net of amortization or depreciation, had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss in the consolidated statements of operations and comprehensive loss.

Provisions

A provision is recognized in the consolidated statement of financial position when the Corporation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Corporation from such contracts are lower than the unavoidable cost of meeting its obligations under the contracts.

AVIDIAN GOLD INC.
Notes to the Consolidated Financial Statements
June 30, 2017 and 2016
(Expressed in US dollars – except where otherwise indicated)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Decommissioning, restoration and similar liabilities

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Corporation has recorded a provision for \$28,600 of restoration, rehabilitation and environmental costs as at June 30, 2017 (2016 - \$28,600).

Estimation of decommissioning and restoration costs and the timing of expenditure

The cost estimates are updated annually during the life of a project to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Corporation's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in "other comprehensive income", in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to taxes payable with regards to previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

To the extent that the Corporation does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset.

Loss per share

The Corporation presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards is determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the share capital note.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Compound financial instruments (debentures)

Compound financial instruments issued by the Company comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

Under IFRS, when the currency of the conversion price of the conversion option is different than the functional currency of the legal entity in which they were issued, the conversion option component is accounted for as a derivative liability.

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Compound financial instruments (debentures)(continued)

For the Corporation's conversion option component that have an exercise price denominated in Canadian dollars, the conversion option component is accounted for as a derivative liability which is measured at fair value using the Black-Scholes valuation model. The liability component of a compound financial instrument is recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the conversion option component.

Any directly attributable transaction costs are allocated to the liability and conversion option components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The conversion option component of a compound financial instrument is subsequently revalued every reporting period using market-based valuation techniques. Gains and losses from changes in fair value are recorded in the consolidated statement of operations and comprehensive loss.

Segment reporting

The Corporation operates in a single reportable operating segment, the acquisition, exploration and development of gold projects.

Issued capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Warrant liability

Under IFRS, when the currency of the exercise price of warrants is different than the functional currency of the legal entity in which they were issued, the warrants are accounted for as a derivative warrant liability. For the Corporation's warrants that have an exercise price denominated in Canadian dollars, the issued Canadian dollar warrants are accounted for as a derivative warrant liability which is measured at fair value each reporting period using the Black-Scholes valuation model. Gains and losses from changes in fair value are recorded in the consolidated statement of operations and comprehensive loss.

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRS IC that are mandatory for accounting periods on or after July 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Corporation and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Corporation.

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss.

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

IAS 12 – Income Taxes (“IAS 12”) was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument’s holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier adoption is permitted.

IAS 7 – Statement of Cash Flows (“IAS 7”) was amended in January 2016 to clarify that disclosures shall be provided that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective for annual periods beginning on or after January 1, 2017.

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

3. CAPITAL MANAGEMENT

When managing capital, the Corporation's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of gold resource assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management team to sustain the future development of the business. The Corporation considers its capital to be equity, which comprises issued capital, share-based payment reserve and deficit, which at June 30, 2017, totaled \$270,174.

The Corporation invests all capital not required for its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term guaranteed deposits, all held with select major Canadian financial institutions.

The Corporation is currently attempting to identify an economic gold resource and as such, the Corporation is dependent on external financing to fund its activities. In order to carry out the planned acquisitions and exploration, as well as pay for administrative costs, the Corporation will spend its existing working capital and raise additional amounts as needed.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

- a. maintaining a liquidity cushion in order to address any potential disruptions or industry downturns;
- b. minimizing discretionary disbursements; and
- c. exploring alternative sources of liquidity.

In light of the above, the Corporation will continue to assess new properties if the Corporation believes there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is appropriate.

There were no changes in the Corporation's approach to capital management during the years ended June 30, 2017 and 2016. The Corporation and its subsidiaries are not subject to externally imposed capital requirements.

4. FINANCIAL RISK FACTORS

The Corporation's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (specifically commodity price risk). Risk management is carried out by the Corporation's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Corporation's credit risk is attributable to cash. Cash is held with a reputable financial institution, from which management believes the risk of loss to be remote.

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

4. FINANCIAL RISK FACTORS (continued)

Credit risk (continued)

Included in amounts receivable is sales tax receivable from government authorities in Canada. Amounts receivable are in good standing as of June 30, 2017 and June 30, 2016. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is minimal.

Liquidity risk

Liquidity risk is the risk that the Corporation will not have sufficient cash resources to meet its financial obligations as they become due. The Corporation's liquidity and operating results may be adversely affected if the Corporation's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Corporation.

The Corporation generates cash flow primarily from its financing activities. As at June 30, 2017, the Corporation had cash of \$856,818 to settle current liabilities of \$783,069. The Corporation regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance and liquidity. The Corporation also closed a financing subsequent to year end (see Note 17).

All of the Corporation's current financial liabilities as at June 30, 2017 have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Interest rate risk

The Corporation has cash and cash equivalent balances subject to fluctuations in the prime rate. The Corporation's current policy is to invest excess cash in money market funds traded by its banking institutions. The Corporation periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes that interest rate risk is remote as investments are short-term, and the Corporation currently does not carry interest bearing debt at floating rates.

Foreign currency risk

The Corporation's functional and reporting currency is the US dollar and major purchases are transacted in US dollars. As at June 30, 2017, the Corporation holds in cash the following amounts (reported in US\$ currency) in Canadian ("CDN") and US funds respectively: \$676,840 and \$179,798 (2016 - \$462,096 and \$69,992) and has convertible debt with a face value of CDN\$250,000 at June 30, 2017 (2016 – CDN\$794,000).

Commodity price risk

The Corporation is exposed to price risk with respect to gold prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to gold price movements and volatilities. The Corporation closely monitors gold prices to determine the appropriate course of action to be taken by the Corporation.

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

4. FINANCIAL RISK FACTORS (continued)

Market risk (continued)

Sensitivity analysis

As of June 30, 2017 and 2016, both the carrying and fair value amounts of the Corporation's current financial instruments are approximately equivalent due to their short-term nature. The sensitivity analysis shown in the notes below may differ materially from actual results. Based on management's knowledge and experience of the financial markets, the Corporation believes the following movements are reasonably possible for the year ended June 30, 2017:

- (i) As at June 30, 2017, if foreign exchange rates had decreased/increased by 1% with all other variables held constant, the loss for the year ended June 30, 2017 would have changed by \$6,768 as a result of lower/higher foreign exchange gains and losses on funds held in foreign currencies and reported shareholders' equity would also not have changed by a material amount.
- (ii) Market risk is the risk that the fair value of, or future cash flows from, the Corporation's financial instruments will significantly fluctuate because of changes in market prices. The fair value of the conversion option component of the Corporation's outstanding convertible debenture (see Note 12) is impacted by the current fair value of the Corporation's common shares. For the year ended June 30, 2017, a 10% increase/decrease in the fair value of the Corporation's common shares would result in an estimated increase/decrease in unrealized loss on conversion feature of \$53,886.
- (iii) Commodity price risk could adversely affect the Corporation. In particular, the Corporation's future profitability and viability of development depends upon the world market price of gold. Gold prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of gold may be produced in the future, a profitable market will exist for them. As of June 30, 2017, the Corporation was not a gold producer. As a result, gold price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Corporation's liquidity and its ability to meet its ongoing obligations.

Fair value hierarchy and liquidity risk disclosure

The three levels of the fair value hierarchy are as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

4. FINANCIAL RISK FACTORS (continued)

Market risk (continued)

Fair value hierarchy and liquidity risk disclosure (continued)

At June 30, 2017 and 2016, the Corporation did not hold any financial assets in the fair value hierarchy.

At June 30, 2017 and 2016, the fair value of the Corporation's financial liabilities held at fair value, the option component of convertible debenture and warrant liability, are based on Level 3 measurements.

Level 3 Hierarchy

The key assumptions used in the valuation of the conversion option component of convertible debenture and warrant liability include (but are not limited to) the value at which a recent financing was done by the Company and share price volatility of comparable publicly traded companies.

For the conversion option component of convertible debenture valued based on market-based valuation technique, the inputs can be judgmental (See Notes 8 and 12). A +/- 25% change in the fair value of these Level 3 liabilities as at June 30, 2017 will result in a corresponding +/- \$192,000.

5. MINERAL EXPLORATION INTERESTS

On June 14, 2013, the Corporation entered into a share exchange agreement whereby the Corporation issued 11,228,137 common shares valued at \$1,103,277 using the estimated fair value of the Corporation's common shares at the time of issue in exchange for all the issued and outstanding shares and warrants of High Tide Resources Inc. The allocation of the purchase price was determined using the fair value of the identifiable assets acquired and liabilities assumed at the date of acquisition. The fair value of the mineral exploration interests acquired was determined to be \$497,813 on the date of acquisition.

HTR held a 100% interest in three mining licenses located in southwest Newfoundland (the "Strickland Property"), which it acquired from Quinlan Prospecting Limited on July 15, 2011 in exchange for 4,000,000 HTR common shares and subject to a 2% net smelter return royalty ("NSR"). The Corporation may purchase 1% of the NSR for CDN\$1,000,000 and another 0.5% for an additional CDN\$1,000,000.

During the year ended June 30, 2016, two mining licenses were cancelled that did not contain claims that were deemed essential to the property block. The remaining license is in good standing and requires exploration expenditures of CDN\$2,000 prior to April 2018. Management has assessed that the property has not been impaired because the core focus is located on the remaining claims.

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

6. EQUIPMENT

Cost	Equipment
Balance, June 30, 2015	\$ 4,287
Additions	-
Balance, June 30, 2016	4,287
Additions	64,458
Disposals	(4,287)
Balance, June 30, 2017	\$ 64,458
Amortization and impairment	Equipment
Balance, June 30, 2015	\$ 2,312
Amortization	494
Balance, June 30, 2016	2,806
Amortization	2,163
Disposals	(3,891)
Balance, June 30, 2017	\$ 1,078
Carrying amounts	
Balance, June 30, 2016	\$ 1,481
Balance, June 30, 2017	\$ 63,380

7. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares, with no par value.

(b) Issued

- (i) During the year ended June 30, 2016, the Corporation issued 100,000 shares valued at CDN\$0.05 (US\$0.0376) per share for a total value of CDN\$5,000 (US\$3,756) pursuant to an agreement for an exclusivity period in which to conduct due diligence on certain properties in Nevada. In addition, the Corporation issued 156,105 shares valued at CDN\$0.10 (US\$0.075) per share for a total value of CDN\$15,611 (US\$11,728) in consideration for geological consulting services.
- (ii) On August 31, 2016, the Corporation issued 50,000 shares valued at CDN\$0.10 (US\$0.075) per share and 250,000 shares valued at CDN\$0.05 (US\$0.0385) per share for a total value of CDN\$17,500 (US\$13,435) for professional services. A total of 250,000 shares were issued to officers of the Corporation.
- (iii) On September 14, 2016, the Corporation completed a private placement for 2,000,000 common shares offered at a price of CDN\$0.05 (US\$0.038) per share for total gross proceeds of CDN\$100,000 (US\$76,243). This private placement was subscribed for by a director of the Corporation.

AVIDIAN GOLD INC.
Notes to the Consolidated Financial Statements
June 30, 2017 and 2016
(Expressed in US dollars – except where otherwise indicated)

7. SHARE CAPITAL (continued)

(b) Issued (continued)

- (iv) In December 2016, the Corporation completed a private placement for 1,810,000 common shares offered at a price of CDN\$0.15 (US\$0.112) per share for total gross proceeds of CDN\$271,500 (US\$203,612).
- (v) On January 25, 2017, the Corporation issued 150,000 shares valued at CDN\$0.10 (US\$0.0765) per share for a total value of CDN\$15,000 (US\$11,475).
- (vi) In February 2017, the Corporation completed a private placement for 2,670,000 common shares offered at a price of CDN\$0.15 (US\$0.112) per share for total gross proceeds of CDN\$400,500 (US\$302,228).
- (vii) In September 2016, the Corporation issued a total of 7,750,000 shares valued at CDN \$0.10 (US\$0.0769) for a total value of CDN\$775,000 (US \$596,154) pursuant to certain property agreements. See Note 13.
- (viii) During the year ended June 30, 2017, the Corporation issued 10,826,250 shares for the exercise of options. See Note 7(c).
- (ix) During the year ended June 30, 2017, the Corporation issued 11,750,400 shares for the conversion of the convertible debentures and accrued interest. See Note 12.
- (x) On January 15, 2017, the Corporation issued 986,250 shares valued at CDN \$0.15 (US\$0.114) for a total value of CDN\$147,938 (US\$112,477) pursuant to the Golden Zone property agreement. See Note 13.
- (xi) In June 2017, the Corporation closed the first two tranches of a private placement for 7,535,000 units offered at a price of CDN\$0.20 (US\$0.151) per unit for total gross proceeds of CDN\$1,507,000 (US\$1,135,824). Each unit is comprised of one common share of the Corporation and one-half of a common share purchase warrant. Each whole warrant is exercisable into one common share at a price per common share of CDN\$0.35 (US\$0.269) at any time prior to the date that is 24 months from the closing date.

(c) Share-based payment reserve

On April 30, 2015, the Corporation granted 2,500,000 stock options to an officer of the Corporation to purchase 2,500,000 common shares of the Corporation at an exercise price of CDN\$0.025 (US\$0.021) per share expiring on April 30, 2020. The vesting terms of these options were as follows: 500,000 on the day of grant, 1,000,000 on April 30, 2016 and 1,000,000 on April 30, 2017. The options were valued at \$102,500 using the Black-Scholes pricing model with an expected volatility of 100%, an expected dividend yield of 0%, an expected life of 5 years and a risk free rate of 1.05%. A total of 2,000,000 of these options were forfeited in the year ended June 30, 2016 upon resignation of the officer. A reversal of \$7,349 of share based compensation was recorded in the year ended June 30, 2016 in relation to the forfeited options. During the year ended June 30, 2017 a total of 125,000 options were exercised, no cash was received as the consideration was exploration and evaluation services rendered in the amount of \$2,375. The remaining 375,000 options were exercised for total cash proceeds of \$6,949.

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

7. SHARE CAPITAL (continued)

(c) Share-based payment reserve (continued)

On June 1, 2015, the Corporation granted 100,000 stock options to a consultant of the Corporation to purchase 100,000 common shares of the Corporation at an exercise price of CDN\$0.025 (US\$0.020) per share for five years. These options vested immediately. These options were valued at \$3,267 using the Black-Scholes pricing model with an expected volatility of 100%, an expected dividend yield of 0%, an expected life of 5 years and a risk free rate of 0.90%. During the year ended June 30, 2017 the 100,000 options were exercised for total cash proceeds of \$1,853.

On November 16, 2015, the Corporation granted 10,000,000 stock options to officers, directors, and consultants of the Corporation to purchase 10,000,000 common shares of the Corporation at an exercise price of CDN\$0.025 (US\$0.019) per share expiring on November 30, 2020. The options vested upon issuance. The options were valued at \$310,401 using the Black-Scholes pricing model with an expected volatility of 100%, an expected dividend yield of 0%, an expected life of 5 years and a risk free rate of 1.05%. Share-based compensation expense of \$310,401 was recorded in the year ended June 30, 2016 for these options of which \$248,321 related to stock options granted to officers and directors of the Corporation. During the year ended June 30, 2017 the 9,812,500 options were exercised for total cash proceeds of \$190,110 and 187,500 options were exercised for which the consideration was exploration and evaluation services rendered in the amount of \$13,246.

On January 5, 2016, the Corporation granted a total of 220,000 stock options to property holders in lieu of the annual lease payment to purchase 220,000 common shares of the Corporation at an exercise price of CDN\$0.01 (US\$0.0077) per share for two years. These options vested immediately. These options were valued at \$6,940 using the Black-Scholes pricing model with an expected volatility of 100%, an expected dividend yield of 0%, an expected life of 2 years and a risk free rate of 0.94%. Share-based compensation expense of \$6,940 was recorded in the year ended June 30, 2016 for these options. During the year ended June 30, 2017 the 220,000 options were exercised for total cash proceeds of \$1,705.

On January 5, 2016, the Corporation granted a total of 25,000 stock options to a consultant of the Corporation to purchase 25,000 common shares of the Corporation at an exercise price of CDN\$0.05 (US\$0.0385) per share for two years. These options vested immediately. These options were valued at \$495 using the Black-Scholes pricing model with an expected volatility of 100%, an expected dividend yield of 0%, an expected life of 2 years and a risk free rate of 0.94%. Share-based compensation expense of \$495 was recorded in the year ended June 30, 2016 for these options. During the year ended June 30, 2017 a total of 6,250 options were exercised, no cash was received as the consideration was exploration and evaluation services rendered in the amount of \$413. The remaining 18,750 options were cancelled.

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

7. SHARE CAPITAL (continued)

(c) Share-based payment reserve (continued)

Share based payment activity for the period ended June 30, 2017 is summarized as follows:

	<u>Number of stock options</u>	<u>Weighted average exercise price (CDN)</u> \$
Balance, June 30, 2015	2,600,000	0.025
Granted	10,245,000	0.025
Forfeited	(2,000,000)	(0.025)
Balance, June 30, 2016	10,845,000	0.025
Exercised	(10,826,250)	(0.025)
Cancelled	(18,750)	(0.05)
Balance, June 30, 2017	-	-

There are no outstanding options as at June 30, 2017.

8. WARRANT LIABILITY

In connection to a private placement in June 2017, 3,767,500 warrants were issued that are exercisable in Canadian dollars. The fair value of these warrants is recorded as a warrant liability at the date of issuance. These warrants are revalued at each financial position reporting date with the corresponding change recorded as gain (loss) on warrant revaluation on the consolidated statement of loss and comprehensive loss.

The following is a summary of warrant activity for the years ended June 30, 2017 and June 30, 2016:

	<u>June 30, 2017</u>		<u>June 30, 2016</u>	
	<u>Number</u>	<u>Weighted average exercise price CDN \$</u>	<u>Number</u>	<u>Weighted average exercise price CDN \$</u>
Balance, beginning of year	-	-	-	-
Granted in connection with private placements	3,767,500	0.35	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Balance, end of year	3,767,500	0.35	-	-

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

8. WARRANT LIABILITY (continued)

- a) In connection with the June 2017 private placement disclosed in Note 7, the Corporation issued 3,767,500 warrants. The grant date fair value of \$262,759 assigned to the warrants was estimated using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility based on historical volatility of comparable entities of 150%, a risk free interest rate of 0.88%, share price of CDN\$0.155 and an expected maturity of 2 years.

Summary of warrants outstanding as at June 30, 2017:

<u>Warrants</u> #	<u>Exercise</u> <u>price</u> CDN \$	<u>Fair value of</u> <u>warrants</u> \$	<u>Expiry date</u>
3,767,500	0.35	262,759	June 30, 2019

9. BASIC AND DILUTED NET LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended June 30, 2017 was based on the loss attributable to common shareholders of \$2,949,140 (2016 - \$774,808) and the weighted average number of common shares outstanding of 78,153,849 (2016 - 50,709,701).

Diluted loss per share did not include the effect of the stock options disclosed in Note 7(c), the share purchase warrants disclosed in Note 8, or the conversion option feature described in Note 12 as they are anti-dilutive for the periods ended June 30, 2017 and 2016.

10. RELATED PARTY TRANSACTIONS

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of the entities outlined below.

The following individuals transacted with the Corporation in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties are unsecured, non-interest bearing, and due on demand, and were no more favourable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

- a) The remuneration of key management personnel is comprised of

	<u>June 30,</u> <u>2017</u>	<u>June 30,</u> <u>2016</u>
Fees	\$ 3,786	\$ 96,082
Share-based compensation	\$ -	\$ 248,321

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

10. RELATED PARTY TRANSACTIONS (continued)

- b) See Notes 7(b)(ii), (iii), (c), Note 12 and Note 17.
- c) During the year ended June 30, 2017, the Corporation incurred \$9,381 (2016 - \$8,638) in expenses and consulting fees in the normal course of operations from a director who is also an officer of the Corporation. As at June 30, 2017, \$Nil is included in accounts payable and accrued liabilities (2016 - \$Nil).
- d) During the year ended June 30, 2017, the Corporation incurred \$44,835 (2016 - \$2,114) in legal expenses in the normal course of operations from an officer of the Corporation. As at June 30, 2017, \$Nil is included in accounts payable and accrued liabilities (2016 - \$Nil)
- e) Accounts payable and accrued liabilities as at June 30, 2017 includes \$7,698 (2016 - \$19,355) owed to current and former officers of the Corporation for fees. Such amounts are unsecured, non-interest bearing and with no fixed terms of payment.
- f) During the year ended June 30, 2017, a gain of \$9,423 (2016 - \$Nil) was recorded for the settlement of debt through the issuance of shares with certain officers of the Corporation.

11. GENERAL AND ADMINISTRATIVE

	June 30, 2017	June 30, 2016
Professional fees and transfer agent	\$ 221,857	\$ 90,717
Office supplies, bank charges and telephone	27,654	12,556
Amortization (Note 6)	2,163	494
Travel and promotion	38,085	9,381
Occupancy costs	19,235	18,151
	\$ 308,994	\$ 131,299

12. CONVERTIBLE DEBENTURE

On June 1, 2016, the Corporation closed a secured convertible debenture financing for CDN\$794,000 (US\$605,275) with an interest rate of 8% per annum payable at maturity. The unsecured convertible debenture has a maturity date of June 1, 2019 and the principal amount and all accrued interest of the convertible debentures are convertible into common shares at CDN\$0.05 (US\$0.038) per share prior to June 1, 2019 at the option of the holder. A total of CDN\$102,500 of the debentures were issued to directors and officers of the Corporation.

Under IFRS, when the currency of the conversion price of the conversion option is different than the functional currency of the legal entity in which they were issued, the conversion option component is accounted for as a derivative liability.

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

12. CONVERTIBLE DEBENTURE (continued)

The Corporation allocated the net proceeds to liability and derivative liability components based on the fair value of the conversion feature (which is an embedded derivative liability requiring separation) and the convertible debentures using the effective interest rate method. The effective interest rate of the convertible note is 43.10% (this is determined by establishing the rate that is required to discount the contractual cash flows back to the carrying amount, as adjusted for transaction costs). The fair value of the derivative liability component was determined to be \$375,271 with a residual amount of \$224,813 allocated to the liability on the date of issuance. The fair value of the conversion option component of the debenture at issuance was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, risk free interest rate of 0.66% and an expected life of 3 years.

The discount on the convertible debentures is amortized using the effective interest method over a period of three years. The Corporation accretes the carrying value of the convertible debentures each month by recognizing an accretion expense in the statement of loss and comprehensive loss and a credit to convertible note. For the year ended June 30, 2017, \$51,104 (2016 - \$9,641) of finance expense from the debt discount was recorded by the Corporation.

The fair value of the conversion option component of the CDN\$794,000 convertible debenture at June 30, 2016 was estimated as \$368,829 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, risk free interest rate of 0.52% and an expected life of 2.9 years.

During the year ended June 30, 2017, a total of CDN\$544,000 convertible debentures were converted into 10,880,000 common shares of the Corporation, along with 8% interest for one full year which converted into 870,400 common shares of the Corporation. A total of CDN\$102,500 of the converted debentures were held by directors and officers of the Corporation.

The fair value of the conversion option component of the remaining CDN\$250,000 convertible debentures outstanding as at June 30, 2017 was estimated as \$504,213 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 150% based on the historical volatility of comparable entities, risk free interest rate of 0.75%, share price of CDN\$0.155, and an expected life of 1.90 years.

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

12. CONVERTIBLE DEBENTURE (continued)

The following table presents the reconciliation of the beginning and ending balances of the components of the convertible debt:

	Liability \$	Derivative liability \$	Total \$
June 30, 2015	-	-	-
Issuance of debenture	230,004	375,271	605,275
Issuance costs	(5,191)	-	(5,191)
Accretion of liability	9,641	-	9,641
Revaluation of conversion option	-	(11,978)	(11,978)
Change in foreign exchange	3,760	5,536	9,296
June 30, 2016	238,214	368,829	607,043
Accretion of liability	51,104	-	51,104
Accrued interest	49,985	-	49,985
Revaluation of conversion option	-	380,700	380,700
Change in foreign exchange	(19,468)	2,707	(16,761)
Debentures converted	(174,464)	(248,023)	(422,487)
Interest converted	(33,070)	-	(33,070)
June 30, 2017	112,301	504,213	616,514

13. EXPLORATION AND EVALUATION EXPENDITURES

Golden Zone

On April 28, 2016, the Corporation entered a preliminary agreement with Chulitna Mining Company LLC (“CMC”), Mines Trust Company Inc. (“MTC”), and Alix Resources Corp. (“AIX”) to purchase an aggregate interest of 70.6% interest in the Golden Zone property, Alaska. Upon signing this agreement, the Corporation paid \$25,000 to CMC for an exclusive 90-day due diligence period. In addition, the Corporation paid CDN\$10,000 to AIX and settled a debt of CDN\$200,000 (US\$152,462) owed by CMC to AIX through the issuance of 1,000,000 shares at a deemed price of CDN\$0.20 (US\$0.15) per share upon closing of the definitive agreement for the interest in the Golden Zone property.

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

13. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Golden Zone (continued)

The parties have agreed to the following financial terms for the final agreement, which was agreed to on November 21, 2016:

	CMC		MTC	
	cash	stock	cash	stock
upon signing an agreement in 2016	\$ 150,000	(paid) \$ 150,000	\$ 25,000	(paid) \$ 100,000
January 15, 2017	50,000	(paid) 50,000	-	25,000 (paid)
January 15, 2018	50,000	50,000	-	25,000
January 15, 2019	100,000	100,000	-	25,000
January 15, 2020	100,000	100,000	-	25,000
January 15, 2021	100,000	100,000	-	25,000
January 15, 2022	150,000	150,000	-	25,000
January 15, 2023	150,000	150,000	-	25,000
Total	\$ 850,000	\$ 850,000	\$ 25,000	\$ 275,000

Upon signing the agreement, the stock portion of the required payment resulted in the issuance of 3,250,000 common shares. The January 15, 2017 payments resulted in the issuance of 986,250 common shares.

The Corporation will undertake to spend \$2,000,000 over a five year period with a minimum annual expenditure of \$200,000.

The Corporation's shares will be valued at CDN\$0.10 per share where there is no public market for those shares and at the 20-day VWAP immediately prior to the date a payment is due when the Corporation's shares (or its successor company's shares) are listed upon a stock exchange.

Annual payments will cease after the January 15, 2023 payments or upon the beginning of production of 10,000 ounces or more of gold annually from the property when NSR's will become payable. Cash payments in the years 2019 and following will be considered advance royalty payments and will be deducted from up to 50% of NSR royalties payable upon achieving production from GZ. Those NSR royalties will be as follows: CMC 2.0%; MTC 1.0%. The Corporation can surrender its interest in the property by notifying the owner and there will be no further payment obligations.

The Corporation shall have the option exercisable at any time to purchase one-half (1/2) of the royalty payable to CMC representing 1.0% of the NSR for the purchase price of \$1,000,000 and 40% of the royalty payable to MTC representing 0.4% of the NSR for the purchase price of \$400,000.

On October 22, 2016, the Corporation finalized a purchase agreement with Hidefield Gold Alaska Inc. ("Hidefield") for the Hidefield Golden Zone Interest. Pursuant to the agreement, the Corporation acquired a 100% of Hidefield's interest in certain claims. As consideration for acquisition of Hidefield's interests, the Corporation issued 3,500,000 common shares at a deemed price of CDN\$0.10 per share and the production from the property so acquired shall be subject to 1% NSR.

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

13. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Amanita

On July 18, 2015, the Corporation signed a letter of intent for a lease to purchase option for a period of 15 years pursuant to which the Corporation can acquire a 100% interest in the Amanita claim block subject to a 3% NSR for cash consideration of \$3,000,000. The Amanita claim block is comprised of 88 lode claims located within the Fairbanks Mining District approximately 25 kilometres northeast of Fairbanks. The definitive agreement was formalized on October 31, 2016.

The Corporation paid \$5,000 at the time of signing a letter of intent and a further \$20,000 on the signing of the definitive property agreement. The Corporation is required to make minimum payments as follows, which would be credited against the purchase price.

- a. First anniversary of agreement date: \$15,000 (paid)
- b. Second anniversary of agreement date: \$25,000 (paid subsequent to year end)
- c. Third anniversary of agreement date: \$30,000
- d. Every subsequent anniversary: payments increase by \$10,000 annually

The Corporation can acquire the 3% NSR royalty for an additional \$3,000,000.

Jungo (Formerly known as Shawnee Creek)

On January 8, 2013, Dutch Gold Resources Inc. ("DGRI"), DGRI Jungo Development Corporation and the Corporation entered into an agreement pursuant to which DGRI and DGRI Jungo Development Corporation agreed to transfer to the Corporation all of the right, title and interest in and to the Red Dog Claims, in exchange for a 2% NSR and the obligation of the Corporation to pay annual advance minimum royalty payments to DGRI Jungo Development Corporation in the amount of \$20,000 beginning on August 25, 2015. The Corporation also holds a 100% interest in Red Dog Claims 101-160 that is not subject to an NSR.

Dome Hill

The Corporation owns claims located in Mono County, California and Mineral County, Nevada (the "Nevero Claims") outright and free and clear of any claims, encumbrances or liens. The Corporation has no royalty or minimum payment obligations in respect of the Nevero Claims.

On August 1, 2016, the Corporation entered into a lease agreement with Chonna DeLaney on the Jump Up Joe patented claim (MS 160651) in Mono County, California. The lease is for an initial period of ten years with options for ten, one-year extensions as long as the Corporation is conducting exploration or mining on the property. Annual lease payments are \$1,000, and there is a two percent (2%) gross proceeds royalty from all production from the property. One half of the royalty can be purchased at any time for \$250,000. The lease is current until August 1, 2018.

On August 1, 2016, the Corporation entered into a Lease with Option to Purchase Agreement with the Brook Family Trust on the Hermene patented claim (MS285868) in Mono County, California. The lease is for an initial period of ten years with options for ten, one-year extensions as long as the Corporation is conducting exploration or mining on the property. Annual lease payments are \$1,000, and the claim can be purchased for \$75,000. There is no residual royalty. The lease is current until August 1, 2018.

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

13. EXPLORATION AND EVALUATION EXPENDITURES (continued)

County Line

On August 12, 2011, the Corporation entered into a lease agreement ("PPM Lease") with Paradise Peak Mining, LLC ("PPM") for claims located in the Mineral and Nye Counties of the State of Nevada. The term of the lease was for ten years with five extension terms of ten years each and so long after expiration of the final ten year extension as long as the Corporation pays the minimum payments unless otherwise extended or terminated.

The Corporation could purchase the property at any time during the term of the lease agreement for the price of \$400,000, subject to an NSR of 2%.

The Corporation was required to make minimum payments as follows which would be cumulatively credited against the Corporation's royalty payment obligations, but would not be credited against the purchase price of the Corporation's option.

- a) August 15, 2011: \$20,000 (paid)
- b) First anniversary of initial payment: \$20,000 (paid)
- c) Second anniversary of initial payment: \$30,000 (paid)
- d) Third anniversary of initial payment: \$30,000 (paid)
- e) Each subsequent anniversary: \$40,000

The claims were subject to a work commitment (subject to an extension of time from the effective date to January 31, 2012, (the "Resolution Date") of \$50,000 within 18 months of the Resolution Date (the work commitment was fulfilled as at June 30, 2014) and \$150,000 before the third anniversary of the Resolution Date (the work commitment was fulfilled as at June 30, 2015).

The Corporation terminated this lease effective October 11, 2016.

On January 11, 2012, the Corporation entered into a mining lease and purchase agreement ("Desatoya Lease") effective January 31, 2012 with Desatoya Goldstrike, LLC ("Desatoya") for claims located in the Mineral and Nye Counties of the State of Nevada. The term of the lease is for ten years with five extension terms of ten years each and so long after the expiration of the final ten year extension, as long as the Corporation pays the minimum payments unless otherwise extended or terminated.

The Corporation could purchase the property at any time during the term of the lease agreement for the price of \$200,000, subject to a 2% NSR.

The Corporation was required to make minimum payments as follows which will be cumulatively credited against the Corporation's royalty payment obligations, but would not be credited against the purchase price of the Corporation's option.

- a) On execution of the agreement: \$10,000 (paid)
- b) First anniversary of initial payment: \$10,000 (paid)
- c) Second anniversary of initial payment: \$15,000 (paid)
- d) Third anniversary of initial payment: \$20,000 (paid)

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

13. EXPLORATION AND EVALUATION EXPENDITURES (continued)

County Line (continued)

- e) Each subsequent anniversary: \$20,000 (2016 payment satisfied by issuance of 200,000 stock options exercisable at CDN\$0.01. See Note 7(c))

The Corporation terminated this lease effective October 11, 2016.

On May 25, 2016, the Corporation entered into an option to enter into a joint venture agreement with North Peak Mining Inc. ("NPM") on the Corporation's mining claims located in the Mineral and Nye Counties of the State of Nevada.

NPM was required to make the following payments.

- a) On execution of the agreement: \$30,000 (paid)
- b) October 31, 2016: \$30,000
- c) First anniversary of initial payment: \$100,000
- d) Second anniversary of initial payment: \$100,000
- e) Third anniversary of initial payment: \$100,000

NPM had a work commitment obligation of \$100,000 completed by October 31, 2016, increasing by \$100,000 annually for the next three anniversaries for a total cumulative work commitment of \$1,000,000. Upon making all payments, NPM would have earned a 51% joint venture interest in the mining claims.

This agreement was terminated September 29, 2016.

On January 29, 2013, the Corporation entered into a mining lease and option to purchase agreement for the Rad Claims Property (the "Altan Lease") with Altan Rio (US) Inc., a Nevada corporation ("Altan"), a group of unpatented mining claims located in Mineral and Nye Counties, Nevada.

The term of the Altan Lease was for twenty years and so long after expiration of the primary term as the Corporation pays the minimum advance royalty payments, unless the Altan Lease is terminated in accordance with its terms or is otherwise extended.

The Corporation could purchase the claims at any time during the term of the Altan Lease for the price of \$500,000, subject to a 3% NSR. The Corporation had the option to purchase one-half of the royalty payable under the Altan Lease for the price of \$1,500,000. On closing of the royalty option the royalty rate would be reduced to a 1.5% NSR.

The Corporation was required to make minimum advance royalty payments which are cumulatively credited against the Corporation's production royalty payment obligations. The minimum advance royalty payments are not credited against the purchase price for the Rad Claims if the Corporation exercises its option to purchase the Rad Claims. The minimum advance royalty payments were:

- a) On execution of the Altan Lease: \$10,000 (paid)
- b) First anniversary of initial payment: \$15,000 (paid)
- c) Second anniversary of initial payment: \$20,000 (paid)

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

13. EXPLORATION AND EVALUATION EXPENDITURES (continued)

County Line (continued)

- d) Third anniversary of initial payment: \$25,000
- e) Each subsequent anniversary: \$30,000

The Corporation had a work commitment obligation of \$50,000 per year during each of the second through the fifth years of the Altan Lease, \$100,000 per year during the sixth through tenth lease years, and \$200,000 annually during each of the remaining lease years.

The Corporation terminated this lease effective December 23, 2015.

The following table summarizes exploration and evaluation expenditures for each of the Corporation's respective properties.

	June 30, 2017	June 30, 2016
Golden Zone		
Acquisition and holding costs	\$ 1,125,691	\$ 40,829
Evaluation expenditures	778,170	31,301
	<u>\$ 1,903,861</u>	<u>\$ 72,130</u>
Amanita		
Acquisition and holding costs	\$ 38,670	\$ 40,000
Evaluation expenditures	65,203	53,246
	<u>\$ 103,873</u>	<u>\$ 93,246</u>
County Line		
Acquisition and holding costs	\$ 230	\$ (2,459)
Evaluation expenditures	1,629	49,470
	<u>\$ 1,859</u>	<u>\$ 47,011</u>
Dome Hill		
Acquisition and holding costs	\$ 15,606	\$ 12,227
Evaluation expenditures	1,526	5,314
	<u>\$ 17,132</u>	<u>\$ 17,541</u>
Jungo (Formerly known as Shawnee Creek)		
Acquisition and holding costs	\$ 39,249	\$ 38,897
Evaluation expenditures	45,946	12,836
	<u>\$ 85,195</u>	<u>\$ 51,733</u>
Other Properties		
Evaluation expenditures	\$ 19,528	\$ 29,042
TOTAL EXPLORATION AND EVALUATION EXPENDITURES	\$ 2,131,448	\$ 310,703

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

14. INCOME TAXES

The Corporation utilizes the asset and liability method of accounting for incomes taxes. The estimated taxable income for the years ended June 30, 2017 and 2016 is \$Nil. Based upon the level of historical taxable income, it cannot be reasonably determined if the Corporation will realize deferred income tax assets.

(a) Provision for income taxes

Major items causing the Corporation's effective income tax rate to differ from the combined statutory rate of 21% (2016 – 21%) were as follows:

	2017	2016
	\$	\$
(Loss) before income taxes	(2,949,140)	(774,809)
Expected income tax recovery based on statutory rate	624,000	165,000
Adjustment to expected income tax benefit:		
Expenses not deductible for tax purposes	(2,000)	(7,000)
Other	(95,000)	11,000
Change in benefit of tax assets not recognized	(527,000)	(169,000)
Deferred income tax provision (recovery)	-	-

(b) Deferred income taxes

Recognized deferred tax assets and liabilities are as follows:

	2017	2016
Canada	\$	\$
Mineral exploration property costs	(21,000)	(21,000)
Other	(106,000)	-
Non-capital loss carry-forwards	127,000	21,000
Total	-	-

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

14. INCOME TAXES

(b) Deferred income taxes (continued)

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2017	2016
	\$	\$
Canada		
Non-capital loss carry-forwards	1,574,000	543,000
Share issue costs	26,000	8,000
Mineral exploration property costs	45,000	45,000
Total	1,645,000	596,000
United States		
Non-capital loss carry-forwards	3,519,000	2,418,000
Decommissioning liability	29,000	29,000
Total	3,548,000	2,447,000

The Corporation has approximately \$2,083,000 (CDN \$2,712,000) (2016 - \$626,000, CDN \$814,000) of non-capital losses in Canada, \$3,519,000 (2016 - \$2,419,000) of non-capital losses in the United States as at June 30, 2017, which under certain circumstances can be used to reduce the taxable income of future years. The non-capital losses will expire as follows:

Canada

2032	\$ 29,000
2033	94,000
2034	134,000
2035	192,000
2036	249,000
2037	1,385,000
Total	\$2,083,000

United States

2032	\$ 129,000
2033	762,000
2034	455,000
2035	1,001,000
2036	432,000
2037	740,000
Total	\$3,519,000

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

14. INCOME TAXES (continued)

(b) Deferred income taxes (continued)

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Corporation can use the benefits.

The Corporation has approximately \$544,000 (CDN\$681,000) of Canadian development and exploration expenditures as at June 30, 2017 (2016 - \$544,000, CDN\$681,000) which under certain circumstances can be used to reduce taxable income in future years.

15. DECOMMISSIONING LIABILITY

The Corporation's provision for closure and reclamation costs relates to County Line and is based on management's estimates of costs to abandon and reclaim mineral exploration interests and facilities as well as an estimate of the future timing of the costs to be incurred.

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the provision for closure and reclamation associated with the retirement of the Corporation's mineral exploration interests:

	Amount
Balance, June 30, 2015	\$ 28,600
Adjustments resulting from re-measurement	-
Balance, June 30, 2016	28,600
Adjustments resulting from re-measurement	-
Balance, June 30, 2017	\$ 28,600

The Corporation has assessed its total provision for closure and reclamation and estimated it to be \$28,600 at June 30, 2017 (2016 - \$28,600) based on a total future liability of approximately \$27,000 (2016 - \$27,000), an inflation rate of 1.8% (2016 - 1.8%) and a discount rate of 1.01% (2016 - 1.01%). Reclamation is expected to occur in one year.

16. CONTINGENCIES

Environmental contingencies

The Corporation's exploration activities are subject to various federal, provincial, state and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Corporation conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations.

AVIDIAN GOLD INC.

Notes to the Consolidated Financial Statements

June 30, 2017 and 2016

(Expressed in US dollars – except where otherwise indicated)

17. SUBSEQUENT EVENTS

In August 2017, the Corporation closed the final tranches of its private placement for gross proceeds of CDN\$1,472,500 (US\$1,133,825) for total aggregate proceeds of CDN\$2,979,500 (US\$2,294,215). A total of 14,897,500 units were issued at a price of CDN\$0.20 per unit. Each unit is comprised of one common share and one half of one warrant with one whole warrant exercisable at CDN\$0.35 for 24 months. Officers and directors of the Corporation subscribed for 375,000 units for gross proceeds of CDN\$75,000.

The Corporation has entered into a letter of intent (LOI) with a capital pool company named Marching Moose Capital Corp. (“MMCC”). Under the terms of the LOI, a subsidiary of MMCC will amalgamate with Avidian by way of a three-cornered amalgamation whereby the Avidian shareholders will be issued shares of MMCC on the basis of one post-consolidated common share of MMCC for every 2.17 Avidian shares held. Upon completion of the proposed transaction, the business of Avidian will become the business of MMCC. The proposed transaction is intended to constitute MMCC's qualifying transaction under Policy 2.4 of the TSX Venture Exchange. A finder's fee of 150,000 Avidian common shares was issued on January 25, 2017 in conjunction with this transaction.

AVIDIAN GOLD INC.

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015
(Expressed in US Dollars)**

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Avidian Gold Inc.:

We have audited the accompanying consolidated financial statements of Avidian Gold Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at June 30, 2016 and 2015, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in shareholders' equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Avidian Gold Inc. and its subsidiaries as at June 30, 2016 and 2015, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

McGOVERN, HURLEY, CUNNINGHAM, LLP



Chartered Accountants
Licensed Public Accountants

TORONTO, Canada
August 15, 2016

AVIDIAN GOLD INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in US dollars)

	June 30, 2016	June 30, 2015
ASSETS		
Current assets		
Cash (Note 4)	\$ 532,088	\$ 405,231
Amounts receivable and prepaids	24,731	19,637
Total current assets	556,819	424,868
Non-current assets		
Equipment (Note 6)	1,481	1,975
Reclamation bond receivable (Note 12)	27,080	27,080
Mineral exploration interests (Note 5)	497,813	497,813
TOTAL ASSETS	\$ 1,083,193	\$ 951,736
LIABILITIES		
Current liabilities		
Trade payables and accrued liabilities (Note 9)	\$ 62,794	\$ 89,543
Non-current liabilities		
Convertible debenture (Note 11)	607,043	-
Decommissioning liability (Note 14)	28,600	28,600
Total liabilities	698,437	118,143
EQUITY		
Issued capital (Note 7(b))	3,037,120	3,021,636
Share-based payment reserve (Note 7(c))	338,920	28,433
Deficit	(2,991,284)	(2,216,476)
Total equity	384,756	833,593
TOTAL LIABILITIES AND EQUITY	\$ 1,083,193	\$ 951,736

NATURE OF BUSINESS AND GOING CONCERN (Note 1)

COMMITMENTS AND CONTINGENCIES (Notes 12 and 15)

SUBSEQUENT EVENTS (Note 16)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

Signed, "Victor H. Bradley", Director

Signed, "David Anderson", Director

The accompanying notes are an integral part of these consolidated financial statements.

AVIDIAN GOLD INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEAR ENDED JUNE 30
(Expressed in US dollars)

	2016	2015
OPERATING EXPENSES		
Exploration and evaluation expenditures (Note 12)	\$ 310,703	\$ 363,079
General and administrative (Note 10)	131,299	204,003
Foreign exchange losses	24,656	90,459
Decommissioning expense (Note 14)	-	3,817
Share based compensation (Note 7(c))	310,487	28,433
Accretion (Note 11)	9,641	-
Unrealized gain on conversion feature (Note 11)	(11,978)	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	\$ 774,808	\$ 689,791
NET LOSS PER SHARE - basic and diluted (Note 8)	\$ 0.02	\$ 0.01
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING basic and diluted (Note 8)	50,709,701	48,527,653

The accompanying notes are an integral part of these consolidated financial statements.

AVIDIAN GOLD INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30
(Expressed in US dollars)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	\$ (774,808)	\$ (689,791)
Add:		
Amortization (Note 6)	494	494
Share based compensation (Note 7(c))	310,487	28,433
Accretion	9,641	-
Decommissioning expense	-	3,817
Unrealized gain on conversion feature	(11,978)	-
Shares issued for services	15,484	2,156
Changes in non-cash working capital items:		
Amounts receivable and prepaids	(5,094)	(1,128)
Trade payables and accrued liabilities	(26,749)	55,966
Cash flows (used in) operating activities	(482,523)	(600,053)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital (Note 7(b))	-	830,788
Share issue costs (Note 7(b))	-	(12,337)
Proceeds from issuance of convertible debentures	609,380	-
Cash flows provided by financing activities	609,380	818,451
CHANGE IN CASH	126,857	218,398
CASH, BEGINNING OF YEAR	405,231	186,833
CASH, END OF YEAR	\$ 532,088	\$ 405,231

The accompanying notes are an integral part of these consolidated financial statements.

AVIDIAN GOLD INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in US dollars)

	Issued Capital	Share- Based Payment Reserve	Deficit	Shareholders' Equity
Balance, June 30, 2014	\$2,126,069	\$ -	\$ (1,526,685)	\$ 599,384
Issuance of shares for services (Note 7(b)(i))	1,919	-	-	1,919
Private placement, net of issue costs (Note 7(b)(ii))	893,648	-	-	893,648
Share based compensation (Note 7(c))	-	28,433	-	28,433
Net loss and comprehensive loss for the year	-	-	(689,791)	(689,791)
Balance, June 30, 2015	3,021,636	28,433	(2,216,476)	833,593
Issuance of shares for services, (Note 7(b)(iii))	15,484	-	-	15,484
Share based compensation (Note 7(c))	-	310,487	-	310,487
Net loss and comprehensive loss for the year	-	-	(774,808)	(774,808)
Balance, June 30, 2016	\$3,037,120	\$ 338,920	\$ (2,991,284)	\$ 384,756

The accompanying notes are an integral part of these consolidated financial statements.

AVIDIAN GOLD INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 and 2015

(Expressed in US dollars except where otherwise indicated)

1. Nature of business and going concern

Avidian Gold Inc. ("Avidian" or the "Corporation") was incorporated by articles of incorporation dated June 22, 2011 under the Business Corporations Act (Ontario). Avidian is a private company. The Corporation's principal business activity is mineral exploration. The registered head office of the Corporation is located at 390 Bay Street, Suite #806, Toronto, Ontario, M4H 2Y2.

Avidian is in the business of acquiring and exploring gold projects. As of June 30, 2016, the Corporation has acquired the rights to explore five gold properties in the United States of America and has acquired all the issued and outstanding shares of High Tide Resources Inc. which holds the right to explore a volcanogenic massive sulfide ("VMS") property in Newfoundland, Canada.

The consolidated financial statements of the Corporation for the year ended June 30, 2016 were reviewed, approved and authorized for issue by the Board of Directors on August 15, 2016. Although the Corporation has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Corporation's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Corporation's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and currency exchange fluctuations and restrictions.

The Corporation's property interests are at an early stage of exploration and, in common with many exploration companies, it raises financing for its exploration and appraisal activities in discrete tranches. The Corporation has incurred a loss for the year ended June 30, 2016 of \$774,808 and has an accumulated deficit of \$2,991,284. The Corporation has a working capital balance of \$494,025 at June 30, 2016. The directors and management of the Corporation consider that sufficient funds are available to progress the Corporation's planned acquisition and exploration of gold projects and that the Corporation has adequate working capital for at least the next twelve months. The directors and management of the Corporation therefore consider it appropriate to prepare these consolidated financial statements on the going concern basis which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

However, the existing funds may not be sufficient to explore potential gold project acquisitions and in due course, further funding could be required. In the event that the Corporation is unable to secure further financing it may not be able to complete the development of a gold project.

The Corporation's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop gold projects and ultimately, to achieve profitable operations. The success of these endeavours cannot be predicted at this time. The consolidated financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Corporation be unable to continue as a going concern, and such adjustments may be material.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

2. Significant accounting policies

Statement of compliance

These consolidated financial statements of the Corporation and its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") effective for the Corporation's reporting for the year ended June 30, 2016.

Basis of presentation

The consolidated financial statements have been prepared on an accrual basis except for cash flow information. These consolidated financial statements are based on historical costs except for those financial instruments carried at fair value and, except where otherwise stated, do not take into account changing money values, fair values of assets and liabilities or recoverable amounts. The policies set out below have been consistently applied to all periods presented.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and its subsidiaries. Subsidiaries consists of entities over which the Corporation is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Corporation and are deconsolidated from the date control ceases.

The financial statements include all assets, liabilities, revenues, expenses, and cash flow of the Corporation and its subsidiaries after eliminating inter-entity balances and transactions.

The following companies have been consolidated within the consolidated financial statements:

Company	Registered	Principal activity
Avidian Gold Inc. ("Avidian")	Ontario, Canada	Parent Company
Avidian Gold US Inc. ⁽¹⁾⁽²⁾ ("Avidian US")	Nevada, USA	Operating Company
High Tide Resources Inc. ("HTR"). ⁽¹⁾⁽³⁾	Nova Scotia, Canada	Dormant Company

(1) 100% owned by Avidian Gold Inc.

(2) Incorporated as at June 23, 2011

(3) Incorporated as at March 27, 2007

Presentation and functional currency

These consolidated financial statements are presented in the functional currency of United States dollars ("US"), the currency of the primary economic environment in which the Corporation is currently operating.

Cash

Cash in the consolidated statement of financial position comprises cash at banks, as well as balances held in trust with legal counsel.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

2. Significant accounting policies (continued)

Financial instruments

The Corporation's financial assets are classified in the following categories: at fair value through profit or loss or as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. As at June 30, 2016 and 2015, the Corporation's financial assets are comprised of cash and reclamation bond receivable.

Financial assets at fair value through profit are carried at fair value. Gains and losses are reflected in the consolidated statements of loss and comprehensive loss.

Cash and reclamation bond receivable are classified as loans and receivables and are recognized initially at fair value and subsequently measured at amortized cost.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership. The Corporation assesses at each financial reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

The Corporation's financial liabilities consist of trade payables, accrued liabilities, convertible debenture and conversion option component of convertible debenture. Trade payables, accrued liabilities and convertible debenture are classified as other financial liabilities and are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expired. The Corporation's conversion option component of the convertible debenture is classified as fair value through profit and loss and are recognized initially at fair value and subsequently re-measured at fair value at each reporting date.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Exploration and evaluation expenditures are expensed as incurred except for expenditures associated with the acquisition of mineral exploration interests through a business combination.

Equipment

Equipment is carried at cost, less accumulated amortization and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Amortization is recognized based on the cost of an item of equipment, over its estimated useful life. Amortization is calculated using the declining balance method at 20% per year.

An asset's residual value, useful life and amortization method are reviewed, and adjusted if appropriate, at each financial position reporting date.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of loss and comprehensive loss.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

2. Significant accounting policies (continued)

Impairment of non-financial assets

At each financial position reporting date the carrying amounts of the Corporation's non-financial assets are reviewed to determine whether there is an indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss in the consolidated statements of loss and comprehensive loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

At the end of each reporting date, the Corporation assesses whether there is any indication that previously recognized impairment losses no longer exist. If such an indication exists, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined net of amortization or depreciation, had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss in the consolidated statements of loss and comprehensive loss.

Provisions

A provision is recognized in the consolidated statement of financial position when the Corporation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Corporation from such contracts are lower than the unavoidable cost of meeting its obligations under the contracts.

Decommissioning, restoration and similar liabilities

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Corporation has recorded a provision for \$28,600 of restoration, rehabilitation and environmental costs as at June 30, 2016 (2015 - \$28,600).

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

2. Significant accounting policies (continued)

Estimation of decommissioning and restoration costs and the timing of expenditure

The cost estimates are updated annually during the life of a project to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Corporation's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in "other comprehensive income", in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to taxes payable with regards to previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Corporation does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset.

Loss per share

The Corporation presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards is determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the share capital note.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

2. Significant accounting policies (continued)

Share-based payments (continued)

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Compound financial instruments (debentures)

Compound financial instruments issued by the Company comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

Under IFRS, when the currency of the conversion price of the conversion option is different than the functional currency of the legal entity in which they were issued, the conversion option component is accounted for as a derivative liability.

For the Corporation's conversion option component that have an exercise price denominated in Canadian dollars, the conversion option component is accounted for as a derivative liability which is measured at fair value using the Black-Scholes valuation model. The liability component of a compound financial instrument is recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the conversion option component. Any directly attributable transaction costs are allocated to the liability and conversion option components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The conversion option component of a compound financial instrument is subsequently revalued every reporting period using market-based valuation techniques. Gains and losses from changes in fair value are recorded in the consolidated statement of loss and comprehensive loss.

Segment reporting

The Corporation operates in a single reportable operating segment, the acquisition, exploration and development of gold projects.

Issued capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Critical accounting judgements and estimation uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires the Corporation's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

2. Significant accounting policies (continued)

Critical accounting judgements and estimation uncertainties (continued)

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Functional currency determination

The functional currency for the Corporation and its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency is conducted through an analysis of the consideration factors identified in IAS 21 The Effects of Changes in Foreign Exchange Rates and may involve certain judgments to determine the primary economic environment. The Corporation reconsiders the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment. Significant changes to those underlying factors could cause a change to the functional currency.

Assets' carrying values and impairment charges

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence of significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Fair value of financial instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty. Specifically the fair value of the conversion option component of the convertible debenture has significant measurement uncertainty. See Note 11.

Share-based payments

Management is required to make certain estimates when determining the fair value of the share-based payments. These estimates affect the amount recognized as share-based compensation in the consolidated financial statements, and are based on expected volatility and the expected lives of the underlying stock options.

Impairment of mineral exploration interests

While assessing whether any indications of impairment exist for mineral exploration interests, consideration is given to both external and internal sources of information. Information the Corporation considers includes changes in the market, economic and legal environment in which the Corporation operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Corporation's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Corporation's exploration interests.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

2. Significant accounting policies (continued)

Critical accounting judgements and estimation uncertainties (continued)

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Contingencies

See Note 15.

Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after July 1, 2016 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company..

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

IFRS 11 - Joint Arrangements (“IFRS 11”) was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

2. Significant accounting policies (continued)

Recent accounting pronouncements (continued)

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016.

IAS 12 – Income Taxes (“IAS 12”) was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument’s holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier adoption is permitted.

3. Capital management

When managing capital, the Corporation’s objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of gold resource assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation’s management team to sustain the future development of the business. The Corporation considers its capital to be equity, which comprises share capital, share-based payment reserve and accumulated deficit, which at June 30, 2016, totaled \$384,756.

The Corporation invests all capital not required for its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term guaranteed deposits, all held with select major Canadian financial institutions.

The Corporation is currently attempting to identify an economic gold resource and as such, the Corporation is dependent on external financing to fund its activities. In order to carry out the planned acquisitions and exploration, as well as pay for administrative costs, the Corporation will spend its existing working capital and raise additional amounts as needed.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

- a. maintaining a liquidity cushion in order to address any potential disruptions or industry downturns;
- b. minimizing discretionary disbursements; and
- c. exploring alternative sources of liquidity.

In light of the above, the Corporation will continue to assess new properties if the Corporation believes there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is appropriate.

There were no changes in the Corporation’s approach to capital management during the years ended June 30, 2016 and 2015. The Corporation and its subsidiaries are not subject to externally imposed capital requirements.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

4. Financial risk factors

The Corporation's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (specifically commodity price risk). Risk management is carried out by the Corporation's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Corporation's credit risk is attributable to cash. Cash is held with a reputable financial institution, from which management believes the risk of loss to be remote.

Included in amounts receivable is sales tax receivable from government authorities in Canada. Amounts receivable are in good standing as of June 30, 2016 and 2015. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is minimal.

Liquidity risk

Liquidity risk is the risk that the Corporation will not have sufficient cash resources to meet its financial obligations as they become due. The Corporation's liquidity and operating results may be adversely affected if the Corporation's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Corporation. The Corporation generates cash flow primarily from its financing activities. As at June 30, 2016, the Corporation had cash of \$532,088 to settle current liabilities of \$62,794. The Corporation regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance and liquidity.

All of the Corporation's current financial liabilities as at June 30, 2016 have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Interest rate risk

The Corporation has cash and cash equivalent balances subject to fluctuations in the prime rate. The Corporation's current policy is to invest excess cash in money market funds traded by its banking institutions. The Corporation periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes that interest rate risk is remote as investments are short-term, and the Corporation currently does not carry interest bearing debt at floating rates.

Foreign currency risk

The Corporation's functional and reporting currency is the US dollar and major purchases are transacted in US dollars. As at June 30, 2016, the Corporation holds in cash the following amounts (reported in US\$ currency) in Canadian ("CDN") and US funds respectively: \$462,096 and \$69,992 (2015 - \$390,274 and \$14,957).

Commodity price risk

The Corporation is exposed to price risk with respect to gold prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to gold price movements and volatilities. The Corporation closely monitors gold prices to determine the appropriate course of action to be taken by the Corporation.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

4. Financial risk factors (continued)

Sensitivity analysis

As of June 30, 2016 and 2015, both the carrying and fair value amounts of the Corporation's current financial instruments are approximately equivalent due to their short-term nature. The sensitivity analysis shown in the notes below may differ materially from actual results. Based on management's knowledge and experience of the financial markets, the Corporation believes the following movements are reasonably possible for the year ended June 30, 2016:

- (i) As at June 30, 2016, if foreign exchange rates had decreased/increased by 1% with all other variables held constant, the loss for the year ended June 30, 2016 would not have changed by a material amount as a result of lower/higher foreign exchange gains and losses on funds held in foreign currencies and reported shareholders' equity would also not have changed by a material amount.
- (ii) Commodity price risk could adversely affect the Corporation. In particular, the Corporation's future profitability and viability of development depends upon the world market price of gold. Gold prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of gold may be produced in the future, a profitable market will exist for them. As of June 30, 2016, the Corporation was not a gold producer. As a result, gold price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Corporation's liquidity and its ability to meet its ongoing obligations.

Fair value hierarchy and liquidity risk disclosure

The three levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At June 30, 2016 and 2015, the Corporation did not hold any financial assets in the fair value hierarchy.

At June 30, 2016, the fair value of the Corporation's financial liability held at fair value, the option component of convertible debenture, is based on level 3 measurements. The Corporation did not hold any financial liabilities at fair value as at June 30, 2015.

Level 3 Hierarchy

The key assumptions used in the valuation of the conversion option component of convertible debenture include (but are not limited to) the value at which a recent financing was done by the Company and share price volatility of comparable publicly traded companies.

For the conversion option component of convertible debenture valued based on market-based valuation technique, the inputs can be judgmental. A +/- 25% change in the fair value of these Level 3 investments as at June 30, 2016 will result in a corresponding +/- \$92,000.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

5. Mineral exploration interests

On June 14, 2013, the Corporation entered into a share exchange agreement whereby the Corporation issued 11,228,137 common shares valued at \$1,103,277 using the estimated fair value of the Corporation's common shares at the time of issue in exchange for all the issued and outstanding shares and warrants of High Tide Resources Inc. The allocation of the purchase price was determined using the fair value of the identifiable assets acquired and liabilities assumed at the date of acquisition. The fair value of the mineral exploration interests acquired was determined to be \$497,813 on the date of acquisition.

HTR holds a 100% interest in three mining licenses located in southwest Newfoundland (the "Strickland Property"), which it acquired from Quinlan Prospecting Limited on July 15, 2011 in exchange for 4,000,000 HTR common shares and subject to a 2% net smelter return royalty ("NSR"). The Corporation may purchase 1% of the NSR for CDN\$1,000,000 and another 0.5% for an additional CDN\$1,000,000.

During the year, two mining licenses were cancelled that did not contain claims that were deemed essential to the property block. The remaining licenses are in good standing and require exploration expenditures of CDN\$2,000 prior to April 2018. Management has assessed that the property has not been impaired because the core focus is located on the remaining claims.

6. Equipment

Cost	Equipment	
Balance, June 30, 2014	\$	4,287
Additions		-
Balance, June 30, 2015		4,287
Additions		-
Balance, June 30, 2016	\$	4,287
Amortization and impairment	Equipment	
Balance, June 30, 2014	\$	1,818
Amortization		494
Balance, June 30, 2015		2,312
Amortization		494
Balance, June 30, 2016	\$	2,806
Carrying amounts	Equipment	
Balance, June 30, 2015	\$	1,975
Balance, June 30, 2016	\$	1,481

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

7. Share capital

(a) Authorized

Unlimited number of common shares, with no par value.

(b) Issued

50,906,886 common shares

	Number of Shares	Amount
Balance, June 30, 2014	30,975,788	2,126,069
Shares issued for services (i)	21,562	1,919
Private placement shares issued (ii)	19,653,431	905,985
Share issue costs – cash (ii)	-	(12,337)
Balance, June 30, 2015	50,650,781	\$ 3,021,636
Shares issued for services (iii)	256,105	15,484
Balance, June 30, 2016	50,906,886	\$ 3,037,120

(i) During the year ended June 30, 2015, the Corporation issued 21,562 shares valued at CDN\$0.10 (US\$0.089) each for a total value of CDN\$2,156 (US\$1,919) in consideration for geological consulting services.

(ii) During the year ended June 30, 2015, the Corporation completed a private placement for 19,653,431 common shares offered at a price of CDN\$0.05 (US\$0.047) per share for total gross proceeds of CDN\$982,672 (US\$905,895). Share issue costs of \$12,337 were incurred in relation to this financing. Of this private placement, a total of CDN\$395,000 (US\$363,401) was subscribed for by the directors and officers of the Corporation.

(iii) During the year ended June 30, 2016, the Corporation issued 100,000 shares valued at CDN\$0.05 (US\$0.0376) each for a total value of CDN\$5,000 (US\$3,756) pursuant to an agreement for an exclusivity period in which to conduct due diligence on certain properties in Nevada. In addition, the Corporation issued 156,105 shares valued at CDN\$0.10 (US\$0.075) each for a total value of CDN\$15,611 (US\$11,728) in consideration for geological consulting services.

(c) Share-based payment reserve

On April 30, 2015, the Corporation granted 2,500,000 stock options to an officer of the Corporation to purchase 2,500,000 common shares of the Corporation at an exercise price of CDN\$0.025 (US\$0.021) per share expiring on April 30, 2020. The vesting terms of these options are as follows: 500,000 on the day of grant, 1,000,000 on April 30, 2016 and 1,000,000 on April 30, 2017. The options were valued at \$102,500 using the Black-Scholes pricing model with an expected volatility of 100%, an expected dividend yield of 0%, an expected life of 5 years and a risk free rate of 1.05%. A total of 2,000,000 of these options were forfeited in the year ended June 30, 2016 upon resignation of the officer. Share-based compensation expense of \$25,166 was recorded in the year ended June 30, 2015 for these options. A reversal of \$7,349 of share based compensation was recorded in the year ended June 30, 2016 in relation to the forfeited options.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

7. Share capital (continued)

(c) Share-based payment reserve (continued)

On June 1, 2015, the Corporation granted 100,000 stock options to a consultant of the Corporation to purchase 100,000 common shares of the Corporation at an exercise price of CDN\$0.025 (US\$0.020) per share for five years. These options vested immediately. These options were valued at \$3,267 using the Black-Scholes pricing model with an expected volatility of 100%, an expected dividend yield of 0%, an expected life of 5 years and a risk free rate of 0.90%. Share-based compensation expense of \$Nil (2015 - \$3,267) was recorded in the year ended June 30, 2016 for these options.

On November 16, 2015, the Corporation granted 10,000,000 stock options to officers, directors, and consultants of the Corporation to purchase 10,000,000 common shares of the Corporation at an exercise price of CDN\$0.025 (US\$0.019) per share expiring on November 30, 2020. The options vested upon issuance. The options were valued at \$310,401 using the Black-Scholes pricing model with an expected volatility of 100%, an expected dividend yield of 0%, an expected life of 5 years and a risk free rate of 1.05%. Share-based compensation expense of \$310,401 was recorded in the year ended June 30, 2016 for these options of which \$248,321 related to stock options granted to officers and directors of the Corporation.

On January 5, 2016, the Corporation granted a total of 220,000 stock options to property holders in lieu of the annual lease payment to purchase 220,000 common shares of the Corporation at an exercise price of CDN\$0.01 (US\$0.0077) per share for two years. These options vested immediately. These options were valued at \$6,940 using the Black-Scholes pricing model with an expected volatility of 100%, an expected dividend yield of 0%, an expected life of 2 years and a risk free rate of 0.94%. Share-based compensation expense of \$6,940 was recorded in the year ended June 30, 2016 for these options.

On January 5, 2016, the Corporation granted a total of 25,000 stock options to a consultant of the Corporation to purchase 25,000 common shares of the Corporation at an exercise price of CDN\$0.05 (US\$0.0385) per share for two years. These options vested immediately. These options were valued at \$495 using the Black-Scholes pricing model with an expected volatility of 100%, an expected dividend yield of 0%, an expected life of 2 years and a risk free rate of 0.94%. Share-based compensation expense of \$495 was recorded in the year ended June 30, 2016 for these options.

Share based payment activity for the years ended June 30, 2016 and June 30, 2015 is summarized as follows:

	Number of stock options	Weighted average exercise price (CDN)
		\$
Balance, June 30, 2014	-	-
Granted	2,600,000	0.025
Balance, June 30, 2015	2,600,000	0.025
Granted	10,245,000	0.025
Forfeited	(2,000,000)	(0.025)
Balance, June 30, 2016	10,845,000	0.025

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

7. Share capital (continued)

(c) Share-based payment reserve (continued)

Outstanding and exercisable options as at June 30, 2016 are summarized as follows:

Exercise price	Number outstanding	Weighted average remaining contractual life (years)	Number exercisable
CDN\$0.01	220,000	1.56	220,000
CDN\$0.025	10,600,000	4.32	10,600,000
CDN\$0.05	25,000	1.56	25,000

8. Basic and diluted net loss per share

The calculation of basic and diluted loss per share for the year ended June 30, 2015 was based on the loss attributable to common shareholders of \$774,808 (2015 - \$689,791) and the weighted average number of common shares outstanding of 50,709,701 (2015 - 48,527,653).

Diluted loss per share did not include the effect of the stock options disclosed in Note 7(c) and the conversion option feature described in Note 11 as they are anti-dilutive for the years ended June 30, 2016 and 2015.

9. Related party transactions

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of the entities outlined below.

The following individuals transacted with the Corporation in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties are unsecured, non-interest bearing, and due on demand, and were no more favourable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

(a) The remuneration of key management personnel is comprised of

	June 30, 2016	June 30, 2015
Fees	\$ 96,082	\$ 32,802

(b) See Notes 7(b)(ii) and (c) and Note 11.

(c) During the year ended June 30, 2016, the Corporation incurred \$8,638 (2015 - \$39,200) in expenses and consulting fees in the normal course of operations from a director who is also an officer of the Corporation. As at June 30, 2016, \$Nil is included in accounts payable and accrued liabilities (2015 - \$6,798).

(d) During the year ended June 30, 2016, the Corporation incurred \$2,114 (2015 - \$19,625) in legal expenses in the normal course of operations from an officer of the Corporation. As at June 30, 2016, \$Nil is included in accounts payable and accrued liabilities (2015 - \$10,702).

(e) Accounts payable and accrued liabilities as at June 30, 2016 includes \$19,355 (2015 - \$11,673) owed to current and former officers of the Corporation for fees. Such amounts are unsecured, non-interest bearing and with no fixed terms of payment.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

10. General and administrative

	June 30, 2016	June 30, 2015
Professional fees and transfer agent	\$ 90,717	\$ 140,729
Office supplies, bank charges and telephone	12,556	15,434
Amortization (Note 6)	494	494
Travel and promotion	9,381	29,796
Occupancy costs	18,151	17,550
	\$ 131,299	\$ 204,003

11. Convertible debt

On June 1, 2016, the Corporation closed a secured convertible debenture financing for CDN\$794,000 (US\$605,275) with an interest rate of 8% per annum payable at maturity. The unsecured convertible debenture has a maturity date of June 1, 2019 and the principal amount and all accrued interest of the convertible debentures are convertible into common shares at CDN\$0.05 (US\$0.038) per share prior to June 1, 2019 at the option of the holder. A total of CDN\$102,500 of the debentures were issued to directors and officers of the Corporation.

Under IFRS, when the currency of the conversion price of the conversion option is different than the functional currency of the legal entity in which they were issued, the conversion option component is accounted for as a derivative liability.

The Corporation allocated the net proceeds to liability and derivative liability components based on the fair value of the conversion feature (which is an embedded derivative liability requiring separation) and the convertible debentures using the effective interest rate method. The effective interest rate of the convertible note is 43.10% (this is determined by establishing the rate that is required to discount the contractual cash flows back to the carrying amount, as adjusted for transaction costs). The fair value of the derivative liability component was determined to be \$375,271 with a residual amount of \$224,813 allocated to the liability on the date of issuance. The fair value of the conversion option component of the debenture at issuance was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, risk free interest rate of 0.66% and an expected life of 3 years.

The discount on the convertible debentures is amortized using the effective interest method over a period of three years. The Corporation accretes the carrying value of the convertible debentures each month by recognizing an accretion expense in the statement of loss and comprehensive loss and a credit to convertible note. For the year ended June 30, 2016, \$9,641 of finance expense from the debt discount was recorded by the Corporation.

The fair value of the conversion option component of the debenture at June 30, 2016 was estimated as \$368,829 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, risk free interest rate of 0.52% and an expected life of 2.9 years.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

11. Convertible debt (continued)

The following table presents the reconciliation of the beginning and ending balances of the components of the convertible debt:

	Liability	Derivative liability	Total
July 1, 2015	-	-	-
Issuance of debenture	230,004	375,271	605,275
Issuance costs	(5,191)	-	(5,191)
Accretion of liability	9,641	-	9,641
Revaluation of conversion option	-	(11,978)	(11,978)
Change in foreign exchange	3,760	5,536	9,296
June 30, 2016	238,214	368,829	607,043

12. Exploration and evaluation expenditures

County Line

On August 12, 2011, the Corporation entered into a lease agreement ("PPM Lease") with Paradise Peak Mining, LLC ("PPM") for claims located in the Mineral and Nye Counties of the State of Nevada. The term of the lease is for ten years with five extension terms of ten years each and so long after expiration of the final ten year extension as long as the Corporation pays the minimum payments unless otherwise extended or terminated.

The Corporation can purchase the property at any time during the term of the lease agreement for the price of \$400,000, subject to an NSR of 2%.

The Corporation is required to make minimum payments as follows which will be cumulatively credited against the Corporation's royalty payment obligations, but will not be credited against the purchase price of the Corporation's option.

- a. August 15, 2011: \$20,000 (paid)
- b. First anniversary of initial payment: \$20,000 (paid)
- c. Second anniversary of initial payment: \$30,000 (paid)
- d. Third anniversary of initial payment: \$30,000 (paid)
- e. Each subsequent anniversary: \$40,000 (2016 payment satisfied by issuance of 20,000 stock options exercisable at CDN\$0.01. See Note 7(c))

The Corporation must pay all federal (\$145/claim) and state/county (\$12/claim) mining claim fees annually, file an intent to hold, and provide proof of compliance to the lessor fifteen days before the statutory compliance deadline.

The claims are subject to a work commitment (subject to an extension of time from the effective date to January 31, 2012, (the "Resolution Date") of \$50,000 within 18 months of the Resolution Date (the work commitment was fulfilled as at June 30, 2014) and \$150,000 before the third anniversary of the Resolution Date (the work commitment was fulfilled as at June 30, 2015).

On January 11, 2012, the Corporation entered into a mining lease and purchase agreement ("Desatoya Lease") effective January 31, 2012 with Desatoya Goldstrike, LLC ("Desatoya") for claims located in the Mineral and Nye Counties of the State of Nevada. The term of the lease is for ten years with five extension terms of ten years each and so long after the expiration of the final ten year extension, as long as the Corporation pays the minimum payments unless otherwise extended or terminated.

The Corporation can purchase the property at any time during the term of the lease agreement for the price of \$200,000, subject to a 2% NSR.

AVIDIAN GOLD INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 and 2015

(Expressed in US dollars except where otherwise indicated)

12. Exploration and evaluation expenditures (continued)

County Line (continued)

The Corporation is required to make minimum payments as follows which will be cumulatively credited against the Corporation's royalty payment obligations, but will not be credited against the purchase price of the Corporation's option.

- (i) On execution of the agreement: \$10,000 (paid)
- (ii) First anniversary of initial payment: \$10,000 (paid)
- (iii) Second anniversary of initial payment: \$15,000 (paid)
- (iv) Third anniversary of initial payment: \$20,000 (paid)
- (v) Each subsequent anniversary: \$20,000 (2016 payment satisfied by issuance of 200,000 stock options exercisable at CDN\$0.01. See Note 7(c))

The Corporation must pay all federal (\$145/claim) and state/county (\$12/claim) mining claim fees annually, file an intent to hold, and provide proof of compliance to the lessor not less than fifteen days before the statutory compliance deadline.

On May 25, 2016, the Corporation entered into an option to enter joint venture agreement with North Peak Mining Inc. ("NPM") on its mining claims located in the Mineral and Nye Counties of the State of Nevada. The term of the agreement continues to and includes December 31, 2019, and, if NPM completes its initial Earned-In Obligation, thereafter until the parties execute and deliver a joint venture agreement, unless sooner accelerated, terminated or extended.

NPM shall make the following payments.

- (i) On execution of the agreement: \$30,000 (paid)
- (ii) October 31, 2016: \$30,000
- (iii) First anniversary of initial payment: \$100,000
- (iv) Second anniversary of initial payment: \$100,000
- (v) Third anniversary of initial payment: \$100,000

NPM has a work commitment obligation of \$100,000 completed by October 31, 2016, increasing by \$100,000 annually for the next three anniversaries for a total cumulative work commitment of \$1,000,000. Upon making all payments, NPM will have earned a 51% joint venture interest in the mining claims.

On January 29, 2013, the Corporation entered into a mining lease and option to purchase agreement for the Rad Claims Property (the "Altan Lease") with Altan Rio (US) Inc., a Nevada corporation ("Altan"), a group of unpatented mining claims located in Mineral and Nye Counties, Nevada.

The term of the Altan Lease is for twenty years and so long after expiration of the primary term as the Corporation pays the minimum advance royalty payments, unless the Altan Lease is terminated in accordance with its terms or is otherwise extended.

The Corporation can purchase the claims at any time during the term of the Altan Lease for the price of \$500,000, subject to a 3% NSR. The Corporation has the option to purchase one-half of the royalty payable under the Altan Lease for the price of \$1,500,000. On closing of the royalty option the royalty rate would be reduced to a 1.5% NSR.

The Corporation is required to make minimum advance royalty payments which are cumulatively credited against the Corporation's production royalty payment obligations. The minimum advance royalty payments are not credited against the purchase price for the Rad Claims if the Corporation exercises its option to purchase the Rad Claims. The minimum advance royalty payments are:

- a. On execution of the Altan Lease: \$10,000 (paid)
- b. First anniversary of initial payment: \$15,000 (paid)
- c. Second anniversary of initial payment: \$20,000 (paid)
- d. Third anniversary of initial payment: \$25,000
- e. Each subsequent anniversary: \$30,000

AVIDIAN GOLD INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 and 2015

(Expressed in US dollars except where otherwise indicated)

12. Exploration and evaluation expenditures (continued)

County Line (continued)

The Corporation has a work commitment obligation of \$50,000 per year during each of the second through the fifth years of the Altan Lease, \$100,000 per year during the sixth through tenth lease years, and \$200,000 annually during each of the remaining lease years.

The Corporation terminated this lease effective December 23, 2015.

Dome Hill

On June 1, 2011, the Corporation entered into a lease agreement with Nevoro Nevada Inc. ("NNI") for claims located in Mono County, California and Mineral County, Nevada (the "Nevoro Claims"). The term of the lease was for three years from the date of the agreement.

The Corporation could purchase the property before the third anniversary of the agreement for \$25,000 less the amount of the minimum payments.

The Corporation was required to make minimum payments as follows, which would be credited against the purchase price.

- a. June 1, 2011, \$5,000 (paid)
- b. First anniversary of the agreement: \$5,000 (paid)
- c. Second anniversary of agreement: \$15,000 (no longer required to be paid)

The Corporation must pay all federal (\$145/claim) and state/county (\$12/claim) mining claim fees annually, file an intent to hold, and provide proof of compliance to NNI thirty days before the statutory compliance deadline.

The Corporation is subject to annual assessment work which must be completed by September 1 of each year to the extent required by law.

The property was subject to a 2% NSR. The Corporation could purchase half of the NSR for \$1,000,000.

Effective April 12, 2013, the Corporation and NNI entered into the First Amendment of Mining Lease and Option to Purchase Agreement Dome Hill Project in accordance with which the Corporation agreed to purchase all of the right, title and interest of NNI in the Nevoro Claims, including the royalty, for the sum of \$7,000. The Corporation paid the purchase price and NNI executed and delivered quitclaim deeds to the Corporation which were recorded.

The Nevoro Lease has been terminated. The Corporation owns the Nevoro Claims outright and free and clear of any claims, encumbrances or liens. The Corporation has no royalty or minimum payment obligations in respect of the Nevoro Claims.

On September 1, 2011, the Corporation entered into a mining lease and option to purchase agreement Sunshine Project (the "Sunshine Lease") with Deborah A. Ostas for the Sunshine Group of unpatented mining claims located in Mono County, California (the "Sunshine Claims"). The term of the Sunshine Lease is for twenty years.

The Corporation was required to make minimum advance royalty payments which are cumulatively credited against the Corporation's production royalty payment obligations. The minimum advance royalty payments are not credited against the purchase price for the Sunshine Claims if the Corporation exercises its option to purchase the Sunshine Claims.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

12. Exploration and evaluation expenditures (continued)

Dome Hill (continued)

The minimum advance royalty payments were:

- (i) On execution of the Sunshine Lease \$3,000 (paid)
- (ii) Each subsequent anniversary of the agreement \$5,000 (\$5,000 was paid on the first and second anniversary of the agreement)

The Corporation terminated this lease effective April 15, 2015.

On November 1, 2011, the Corporation entered into a mining lease and option to purchase agreement (the "Hermene Lease") with Doyle Kenneth Brook, Jr., an officer and former director of the Corporation, and his spouse, Maria Brook, (collectively "Brook"), for the Hermene patented mining claim located in Mono County, California, Patent No. 285868, Mineral Survey No. 4763. The primary term of the Hermene Lease is for ten years with the right to extend the Hermene Lease for an additional ten years.

The Corporation was required to make minimum payments. The minimum payments are not credited against the purchase price for the Hermene Claim if the Corporation exercises its option to purchase the Hermene Claim. The minimum payments were:

- (i) On execution of the Hermene Lease: \$1,000 (paid)
- (ii) Each subsequent anniversary of the agreement: \$1,000 (\$1,000 paid for the first and second anniversary payments)

The Corporation terminated this lease effective April 15, 2015.

Shawnee Creek (Formerly known as Jungo)

On August 29, 2011, the Corporation entered into a lease agreement with Dutch Gold Resources, Inc. ("DGRI"), a Nevada corporation, for claims located in Humboldt County of the State of Nevada, (the "Red Dog Claims"). The term of the lease was for ten years with five extension terms of ten years each and so long after expiration of the final ten year extension as long as the Corporation pays the minimum payments unless otherwise extended or terminated.

The Corporation was required to make minimum payments as follows which may be cumulatively credited against the Corporation's royalty payment obligations.

- a. Execution of agreement: \$15,000 (paid)
- b. First anniversary of agreement date: \$15,000 (paid)
- c. Second anniversary of agreement date: \$20,000 (paid)
- d. Each subsequent anniversary: \$20,000 (paid)

The Corporation must also issue to DGRI 150,000 common shares. (Issued)

The Corporation must pay all federal (\$145/claim) and state/county (\$12/claim) mining claim fees annually, file an intent to hold, and provide proof of compliance to DGRI fifteen days before the statutory compliance deadline.

Subsequently, on January 8, 2013, DGRI, DGRI Jungo Development Corporation and the Corporation entered into an agreement pursuant to which DGRI and DGRI Jungo Development Corporation agreed to transfer to the Corporation all of the right, title and interest in and to the Red Dog Claims, in exchange for a 2% NSR and the obligation of the Corporation to pay annual advance minimum royalty payments to DGRI Jungo Development Corporation in the amount of \$20,000 beginning on August 25, 2015. The agreement dated January 8, 2013, expressly supersedes the mining lease agreement dated August 29, 2011.

AVIDIAN GOLD INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****JUNE 30, 2016 and 2015****(Expressed in US dollars except where otherwise indicated)****12. Exploration and evaluation expenditures (continued)
Shawnee Creek (Formerly known as Jungo) (continued)**

William R. Hansen, the owner of the Royalty Red Dog Claims, executed and delivered to the Corporation the Quitclaim Deed With Reservation of Royalty Red Dog Claims dated January 4, 2013, which was recorded in the Office of the Humboldt County Recorder on January 8, 2013, Document 2014-82 in return for a purchase price of \$10,000. The Red Dog Claims are subject to a 2% NSR. The Corporation has no minimum royalty payment obligation to William R. Hansen. On June 26, 2014, the Corporation purchased a 100% interest in the Red Dog Claims 101-160 and as a result there is no longer a 2% NSR.

Golden Zone

On April 28, 2016, the Corporation entered a preliminary agreement with Chulitna Mining Company LLC ("CMC"), Mines Trust Company Inc. ("MTC"), and Alix Resources Corp. ("AIX") to purchase an aggregate interest of 70.6% interest in the Golden Zone property, Alaska. Upon signing this agreement, the Corporation paid \$25,000 to CMC for an exclusive 90-day due diligence period. In addition, the Corporation paid CDN\$10,000 to AIX and will settle a debt of CDN\$200,000 (US\$152,462) AIX owes to CMC through the issuance of 1,000,000 shares at a deemed price of CDN\$0.20 (US\$0.15) per share upon closing a definitive agreement for the interest in the Golden Zone property.

The parties have agreed to the following financial terms for the final agreement:

	CMC		MTC	
	cash	stock	cash	stock
upon signing an agreement in 2016	\$ 150,000	\$ 150,000	\$ 25,000	\$ 100,000
January 15, 2017	50,000	50,000	-	25,000
January 15, 2018	50,000	50,000	-	25,000
January 15, 2019	100,000	100,000	-	25,000
January 15, 2020	100,000	100,000	-	25,000
January 15, 2021	100,000	100,000	-	25,000
January 15, 2022	150,000	150,000	-	25,000
January 15, 2023	150,000	150,000	-	25,000
Total	\$ 850,000	\$ 850,000	\$ 25,000	\$ 275,000

The Corporation will undertake to spend \$2,000,000 over a five year period with a minimum annual expenditure of \$200,000.

The Corporation's shares will be valued at CDN\$0.10 per share where there is no public market for those shares and at the 20-day VWAP immediately prior to the date a payment is due when the Corporation's shares (or its successor company's shares) are listed upon a stock exchange.

Annual payments will cease after the January 15, 2023, payments or upon the beginning of production of 10,000 ounces or more of gold annually from the property when NSR's will become payable. Cash payments in the years 2019 and following will be considered advance royalty payments and will be deducted from up to 50% of NSR royalties payable upon achieving production from GZ. Those NSR royalties will be as follows: CMC 2.0%; MTC 1.0%

Royalty "buy-downs" will be available to the Corporation at the rate of one percentage point for \$1,000,000 for CMC's NSR and 4/10ths of one percentage point for \$400,000 for MTC's NSR. Should any party wish to cash in all of its NSR, then payments will be scaled up pro rata (i.e., CMC could sell the remaining percentage point for another \$1,000,000; MTC could sell its remaining 6/10ths for another \$600,000).

The Corporation is still conducting due diligence on the property and has not yet signed a final agreement.

AVIDIAN GOLD INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 and 2015

(Expressed in US dollars except where otherwise indicated)

12. Exploration and evaluation expenditures (continued)

Amanita

On July 18, 2015, the Corporation signed a lease to purchase option for a period of 15 years pursuant to which the Corporation can acquire a 100% interest in the Amanita claim block subject to a 3% NSR for cash consideration of \$3 million. The Amanita claim block is comprised of 88 lode claims located within the Fairbanks Mining District approximately 25 kilometres northeast of Fairbanks.

The Corporation paid \$5,000 at the time of signing a letter of intent and a further \$20,000 on the signing of the definitive property agreement. The Corporation is required to make minimum payments as follows, which would be credited against the purchase price.

- a. First anniversary of agreement date: \$15,000 (paid subsequent to year end in July 2016)
- b. Second anniversary of agreement date: \$25,000
- c. Third anniversary of agreement date: \$30,000
- d. Every subsequent anniversary: payments increase by \$10,000 annually

The Corporation can acquire the 3% NSR royalty for an additional \$3 million.

Northern Lights

On August 31, 2011, the Corporation entered into a lease agreement with Kircher Mine Development LLC ("KMD") for claims located in Mineral County of the State of Nevada. The term of the lease was for twenty years. The Corporation could purchase the property for \$250,000 any time during the term of the agreement and prior to commencing development or mining, subject to a 2.5% NSR. The Corporation could purchase 40% of the royalty representing a 1% NSR for \$2,000,000.

The Corporation was required to make minimum payments as follows, cumulatively credited against the Corporation's royalty payment obligations.

- a. First anniversary of agreement date: \$5,000 (paid)
- b. Second anniversary of agreement date: \$10,000 (paid)
- c. Third anniversary of agreement date: \$15,000 (paid)
- d. Every subsequent anniversary: \$15,000

The Corporation terminated this lease effective April 15, 2015.

Gray Hills

On June 1, 2014, the Corporation entered into a lease agreement with McIntosh Exploration LLC, a private Nevada company, for claims located in Lyon County of the State of Nevada, (the "Albite Claims"). The term of the lease was for ten years unless terminated or extended.

The Corporation was required to make minimum payments as follows which could be cumulatively credited against the Corporation's royalty payment obligations.

- a. Execution of agreement: \$10,000 (paid)
- b. First anniversary of agreement date: \$10,000
- c. Second anniversary of agreement date: \$15,000
- d. Third anniversary of agreement date: \$20,000
- e. Fourth anniversary of agreement date: \$25,000
- f. Fifth anniversary of agreement date: \$30,000
- g. Sixth anniversary of agreement date: \$50,000
- h. Every subsequent anniversary: \$50,000

On December 27, 2014, the Board of Directors decided not to pursue any further exploration work on the property and the Corporation terminated the lease agreement.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

12. Exploration and evaluation expenditures (continued)

Tramp Springs

On June 1, 2014, the Corporation entered into a lease agreement with T.J. and A.L. Percival, for claims located in Nye County of the State of Nevada, (the "Tramp Claims"). The term of the lease was for 20 years unless terminated or extended.

The Corporation was required to make minimum payments as follows which may be cumulatively credited against the Corporation's royalty payment obligations.

- (i) Execution of agreement: \$5,000 (paid)
- (ii) First anniversary of agreement date: \$7,500
- (iii) Second anniversary of agreement date: \$10,000
- (iv) Third anniversary of agreement date: \$20,000
- (v) Fourth anniversary of agreement date: \$30,000
- (vi) Fifth anniversary of agreement date: \$40,000
- (vii) Every subsequent anniversary: \$40,000

The Corporation terminated this lease effective May 1, 2015.

County Line	Year ended June 30, 2016	Year ended June 30, 2015
Acquisition and holding costs (recovery)	\$ (2,459)	\$ 72,027
Assays	8,845	6,201
Consulting fees	8,373	7,574
Field supplies, data and communication and other exploration costs	599	778
Drilling	28,484	22,492
Travel	3,169	201
	\$ 47,011	\$ 109,273
Dome Hill		
Acquisition and holding costs	\$ 12,227	\$ 10,932
Consulting fees	5,314	2,434
Field supplies, data and communication and other exploration costs	-	697
Legal and agreement costs	-	1,230
	\$ 17,541	\$ 15,293
Shawnee Creek (Formerly known as Jungo)		
Acquisition and holding costs	\$ 38,897	\$ 59,512
Assays	2,371	-
Consulting fees	7,565	6,396
Field supplies, data and communication and other exploration costs	-	6,354
Legal and agreement costs	1,050	1,005
Occupancy costs	1,850	950
	\$ 51,733	\$ 74,217

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

12. Exploration and evaluation expenditures (continued)

Amanita	2016	2015
Acquisition and holding costs	\$ 40,000	\$ -
Consulting fees	45,753	-
Travel	7,493	-
	<u>\$ 93,246</u>	<u>\$ -</u>
Golden Zone		
Acquisition and holding costs	\$ 40,829	\$ -
Consulting fees	31,301	-
	<u>\$ 72,130</u>	<u>\$ -</u>
Other Properties		
Evaluation expenditures	\$ 29,042	\$ 164,296
TOTAL EXPLORATION AND EVALUATION EXPENDITURES	\$ 310,703	\$ 363,079

13. Income taxes

The Corporation utilizes the asset and liability method of accounting for incomes taxes. The estimated taxable income for the years ended June 30, 2016 and 2015 is \$Nil. Based upon the level of historical taxable income, it cannot be reasonably determined if the Corporation will realize deferred income tax assets.

(a) Provision for income taxes

Major items causing the Corporation's effective income tax rate to differ from the combined statutory rate of 21% (2015 – 19%) were as follows:

	2016	2015
	\$	\$
(Loss) before income taxes	(774,809)	(689,791)
Expected income tax recovery based on statutory rate	165,000	133,000
Adjustment to expected income tax benefit:		
Expenses not deductible for tax purposes	(7,000)	(26,000)
Other	11,000	(105,000)
Change in benefit of tax assets not recognized	(169,000)	(2,000)
Deferred income tax provision (recovery)	-	-

The 2016 statutory tax rate of 21% differs from the 2015 statutory tax rate of 19% due to the difference in allocation of the blended rate between entities in different jurisdictions.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

13. Income taxes (continued)

(b) Deferred income tax

Recognized deferred tax assets and liabilities are as follows:

	2016	2015
	\$	\$
Canada		
Mineral exploration property costs	(21,000)	(16,000)
Non-capital loss carry-forwards	21,000	16,000
Total	-	-

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2016	2015
	\$	\$
Canada		
Non-capital loss carry-forwards	543,000	390,000
Share issue costs	8,000	32,000
Mineral exploration property costs	45,000	65,000
Total	596,000	487,000
United States		
Non-capital loss carry-forwards	2,418,000	1,505,000
Decommissioning liability	29,000	29,000
Total	2,447,000	1,534,000

The Corporation has approximately \$626,000 (CDN \$814,000) (2015 - \$454,000, CDN \$553,000) of non-capital losses in Canada, \$2,419,000 (2015 - \$1,505,000) of non-capital losses in the United States as at June 30, 2016, which under certain circumstances can be used to reduce the taxable income of future years. The non-capital losses will expire as follows:

Canada

2032	\$ 29,000
2033	94,000
2034	134,000
2035	191,000
2036	178,000
Total	\$ 626,000

United States

2032	\$ 129,000
2033	762,000
2034	455,000
2035	1,001,000
2036	72,000
Total	\$ 2,419,000

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

13. Income taxes (continued)

(b) Deferred income tax (continued)

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Corporation can use the benefits.

The Corporation has approximately \$544,000 (CDN\$681,000) of Canadian development and exploration expenditures as at June 30, 2016 (2015 - \$563,000, CDN\$701,000) which under certain circumstances can be used to reduce taxable income in future years.

14. Decommissioning liability

The Corporation's provision for closure and reclamation costs is based on management's estimates of costs to abandon and reclaim mineral exploration interests and facilities as well as an estimate of the future timing of the costs to be incurred.

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the provision for closure and reclamation associated with the retirement of the Corporation's mineral exploration interests:

	Amount
Balance, June 30, 2014	\$ 24,783
Adjustments resulting from re-measurement	3,817
Balance, June 30, 2015	28,600
Adjustments resulting from re-measurement	-
Balance, June 30, 2016	\$ 28,600

The Corporation has assessed its total provision for closure and reclamation and estimated it to be \$28,600 at June 30, 2016 (2015 - \$28,600) based on a total future liability of approximately \$27,000 (2015 - \$27,000), an inflation rate of 1.8% (2015 - 1.8%) and a discount rate of 1.01% (2015 - 1.01%). Reclamation is expected to occur in ten years.

15. Commitments and contingencies

Environmental contingencies

The Corporation's exploration activities are subject to various federal, provincial, state and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Corporation conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Corporation has made, and expects to make in the future, expenditures to comply with such laws and regulations.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 and 2015
(Expressed in US dollars except where otherwise indicated)

16. Subsequent events

The Corporation continues its due diligence work on the Golden Zone property and expects a final property agreement to be signed by the end of August 2016. See Note 12.

Management has sent notice to the holders of the Corporation's outstanding stock options requesting the holder select one of the following options:

1. Exercise all options at the respective strike price; or
2. Receive 1/4 the number of shares for which the option entitles the holder to exercise.

There will be no stock options outstanding upon completion of this transaction.

AVIDIAN GOLD INC.

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

(Expressed in US Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Avidian Gold Inc.:

We have audited the accompanying consolidated financial statements of Avidian Gold Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at June 30, 2015 and 2014, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in shareholders' equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Avidian Gold Inc. and its subsidiaries as at June 30, 2015 and 2014, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

McGOVERN, HURLEY, CUNNINGHAM, LLP



Chartered Accountants
Licensed Public Accountants

TORONTO, Canada
October 20, 2015

AVIDIAN GOLD INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in US dollars)

	June 30, 2015	June 30, 2014
ASSETS		
Current assets		
Cash (Note 4)	\$ 405,231	\$ 186,833
Amounts receivable and prepaids	19,637	21,499
Total current assets	424,868	208,332
Non-current assets		
Equipment (Note 6)	1,975	2,469
Reclamation bond receivable (Note 11)	27,080	24,090
Mineral exploration interests (Note 5)	497,813	497,813
TOTAL ASSETS	\$ 951,736	\$ 732,704
LIABILITIES		
Current liabilities		
Trade payables and accrued liabilities (Note 9)	\$ 89,543	\$ 33,577
Subscription receipts payable (Note 7(b))	-	74,960
Total current liabilities	89,543	108,537
Non-current liabilities		
Decommissioning liability (Note 13)	28,600	24,783
Total liabilities	118,143	133,320
EQUITY		
Issued capital (Note 7(b))	3,021,636	2,126,069
Share-based payment reserve (Note 7(d))	28,433	-
Deficit	(2,216,476)	(1,526,685)
Total equity	833,593	599,384
TOTAL LIABILITIES AND EQUITY	\$ 951,736	\$ 732,704

NATURE OF BUSINESS AND GOING CONCERN (Note 1)
COMMITMENTS AND CONTINGENCIES (Notes 5, 7, 11, and 14)
SUBSEQUENT EVENTS (Note 15)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

Signed, "Victor H. Bradley", Director

Signed, "David Anderson", Director

The accompanying notes are an integral part of these consolidated financial statements.

AVIDIAN GOLD INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEAR ENDED JUNE 30
(Expressed in US dollars)

	2015	2014
OPERATING EXPENSES		
Exploration and evaluation expenditures (Note 11)	\$ 363,079	\$ 299,351
General and administrative (Note 10)	204,003	202,430
Foreign exchange losses (gains)	90,459	(5,595)
Decommissioning expense (Note 13)	3,817	24,783
Share based compensation (Note 7(d))	28,433	-
(Gain) on contingent consideration payable	-	(21,639)
(Gain) on warrant valuation (Note 7(c))	-	(44,351)
NET LOSS AND COMPREHENSIVE		
LOSS FOR THE YEAR	\$ 689,791	\$ 454,979
NET LOSS PER SHARE -		
basic and diluted (Note 8)	\$ 0.01	\$ 0.02
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		
basic and diluted (Note 8)	48,527,653	30,851,725

The accompanying notes are an integral part of these consolidated financial statements.

AVIDIAN GOLD INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30
(Expressed in US dollars)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	\$ (689,791)	\$ (454,979)
Add:		
Amortization (Note 6)	494	617
Share-based payments (Note 7(d))	28,433	37,101
Gain on revaluation of warrants	-	(44,351)
Decommissioning expense	3,817	24,783
Gain on contingent consideration payable	-	(21,639)
Shares issued for services	2,156	-
Changes in non-cash working capital items:		
Amounts receivable and prepaids	(1,128)	(14,907)
Trade payables and accrued liabilities	55,966	(63,189)
Cash flows (used in) operating activities	(600,053)	(536,564)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital (Note 7(b))	830,788	-
Receipts on share subscription	-	74,960
Share issue costs (Note 7(b))	(12,337)	(1,640)
Cash flows provided by financing activities	818,451	73,320
CHANGE IN CASH	218,398	(463,244)
CASH, BEGINNING OF YEAR	186,833	650,077
CASH, END OF YEAR	\$ 405,231	\$ 186,833

The accompanying notes are an integral part of these consolidated financial statements.

AVIDIAN GOLD INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in US dollars)

	Issued Capital	Share- Based Payment Reserve	Warrants	Deficit	Shareholders' Equity
Balance, June 30, 2013	\$2,090,608	\$ -	21,251	\$ (1,092,957)	\$ 1,018,902
Issuance of shares for services (Note 7(b)(i))	37,101	-	-	-	37,101
Share issue costs	(1,640)	-	-	-	(1,640)
Expiration of brokers' warrants	-	-	(21,251)	21,251	-
Net loss and comprehensive loss for the year	-	-	-	(454,979)	(454,979)
Balance, June 30, 2014	2,126,069	-	-	(1,526,685)	599,384
Issuance of shares for services, (Note 7(b)(ii))	1,919	-	-	-	1,919
Share based compensation (Note 7(d))	-	28,433	-	-	28,433
Private placement, net of issue costs (Note 7(b))	893,648	-	-	-	893,648
Net loss and comprehensive loss for the year	-	-	-	(689,791)	(689,791)
Balance, June 30, 2015	\$3,021,636	\$ 28,433	\$ -	\$ (2,216,476)	\$ 833,593

The accompanying notes are an integral part of these consolidated financial statements.

AVIDIAN GOLD INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 and 2014

(Expressed in US dollars except where otherwise indicated)

1. Nature of business and going concern

Avidian Gold Inc. ("Avidian" or the "Corporation") was incorporated by articles of incorporation dated June 22, 2011 under the Business Corporations Act (Ontario). Avidian is a private company. The Corporation's principal business activity is mineral exploration. The registered head office of the Corporation is located at 390 Bay Street, Suite #806, Toronto, Ontario, M4H 2Y2.

Avidian is in the business of acquiring and exploring gold projects. As of June 30, 2015, the Corporation has acquired the rights to explore three gold properties in the United States of America and has acquired all the issued and outstanding shares of High Tide Resources Inc. which holds the right to explore a volcanogenic massive sulfide ("VMS") property in Newfoundland, Canada.

The consolidated financial statements of the Corporation for the year ended June 30, 2015 were reviewed, approved and authorized for issue by the Board of Directors on October 20, 2015. Although the Corporation has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Corporation's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Corporation's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and currency exchange fluctuations and restrictions.

The Corporation's property interests are at an early stage of exploration and, in common with many exploration companies, it raises financing for its exploration and appraisal activities in discrete tranches. The Corporation has incurred a loss for the year ended June 30, 2015 of \$689,791 and has an accumulated deficit of \$2,216,476. The Corporation has a working capital balance of \$335,325 at June 30, 2015. The directors and management of the Corporation consider that sufficient funds are available to progress the Corporation's planned acquisition and exploration of gold projects and that the Corporation has adequate working capital for at least the next twelve months. The directors and management of the Corporation therefore consider it appropriate to prepare these consolidated financial statements on the going concern basis which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

However, the existing funds may not be sufficient to explore potential gold project acquisitions and in due course, further funding could be required. In the event that the Corporation is unable to secure further financing it may not be able to complete the development of a gold project.

The Corporation's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop gold projects and ultimately, to achieve profitable operations. The success of these endeavours cannot be predicted at this time. The consolidated financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Corporation be unable to continue as a going concern, and such adjustments may be material.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

2. Significant accounting policies

Statement of compliance

These consolidated financial statements of the Corporation and its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") effective for the Corporation's reporting for the year ended June 30, 2015.

Basis of presentation

The consolidated financial statements have been prepared on an accrual basis except for cash flow information. These consolidated financial statements are based on historical costs except for those financial instruments carried at fair value and, except where otherwise stated, do not take into account changing money values, fair values of assets and liabilities or recoverable amounts. The policies set out below have been consistently applied to all periods presented.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and its subsidiaries. Subsidiaries consists of entities over which the Corporation is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Corporation and are deconsolidated from the date control ceases.

The financial statements include all assets, liabilities, revenues, expenses, and cash flow of the Corporation and its subsidiaries after eliminating inter-entity balances and transactions.

The following companies have been consolidated within the consolidated financial statements:

Company	Registered	Principal activity
Avidian Gold Inc. ("Avidian")	Ontario, Canada	Parent Company
Avidian Gold US Inc. ⁽¹⁾⁽²⁾ ("Avidian US")	Nevada, USA	Operating Company
High Tide Resources Inc. ("HTR"). ⁽¹⁾⁽³⁾	Nova Scotia, Canada	Dormant Company

(1) 100% owned by Avidian Gold Inc.

(2) Incorporated as at June 23, 2011

(3) Incorporated as at March 27, 2007

Presentation and functional currency

These consolidated financial statements are presented in the functional currency of United States dollars ("US"), the currency of the primary economic environment in which the Corporation is currently operating.

Cash

Cash in the consolidated statement of financial position comprises cash at banks, as well as balances held in trust with legal counsel.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

2. Significant accounting policies (continued)

Financial instruments

The Corporation's financial assets are classified in the following categories: at fair value through profit or loss or as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. As at June 30, 2015 and 2014, the Corporation's financial assets are comprised of cash and reclamation bond receivable.

Financial assets at fair value through profit are carried at fair value. Gains and losses are reflected in the consolidated statements of loss and comprehensive loss.

Cash and reclamation bond receivable are classified as loans and receivables and are recognized initially at fair value and subsequently measured at amortized cost.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership. The Corporation assesses at each financial reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

The Corporation's financial liabilities consist of trade payables, accrued liabilities, subscription receipt payable, warrant liability and contingent consideration payable. Trade payables, accrued liabilities and subscription receipts payable are classified as other financial liabilities and are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expired. The Corporation's warrant liability and contingent consideration payable are classified as fair value through profit and loss and are recognized initially at fair value and subsequently re-measured at fair value at each reporting date.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Exploration and evaluation expenditures are expensed as incurred except for expenditures associated with the acquisition of mineral exploration interests through a business combination.

Equipment

Equipment is carried at cost, less accumulated amortization and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Amortization is recognized based on the cost of an item of equipment, over its estimated useful life. Amortization is calculated using the declining balance method at 20% per year.

An asset's residual value, useful life and amortization method are reviewed, and adjusted if appropriate, at each financial position reporting date.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of loss and comprehensive loss.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

2. Significant accounting policies (continued)

Impairment of non-financial assets

At each financial position reporting date the carrying amounts of the Corporation's non-financial assets are reviewed to determine whether there is an indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss in the consolidated statements of loss and comprehensive loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

At the end of each reporting date, the Corporation assesses whether there is any indication that previously recognized impairment losses no longer exist. If such an indication exists, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined net of amortization or depreciation, had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss in the consolidated statements of loss and comprehensive loss.

Provisions

A provision is recognized in the consolidated statement of financial position when the Corporation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Corporation from such contracts are lower than the unavoidable cost of meeting its obligations under the contracts.

Decommissioning, restoration and similar liabilities

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Corporation has recorded a provision for \$28,600 of restoration, rehabilitation and environmental costs as at June 30, 2015 (2014 - \$24,783).

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

2. Significant accounting policies (continued)

Estimation of decommissioning and restoration costs and the timing of expenditure

The cost estimates are updated annually during the life of a project to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Corporation's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in "other comprehensive income", in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to taxes payable with regards to previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Corporation does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset.

Loss per share

The Corporation presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Share-based payments and warrant liability

Management determines costs for share-based payments and warrant liability using market-based valuation techniques. The fair value of the market-based and performance-based share awards and warrant liability are determined at the date of grant using generally accepted valuation techniques. Warrant liabilities are subsequently revalued every reporting period. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the share capital note.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

2. Significant accounting policies (continued)

Share-based payments and warrant liability (continued)

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Segment reporting

The Corporation operates in a single reportable operating segment, the acquisition, exploration and development of gold projects.

Issued capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Warrant liability

Under IFRS, when the currency of the exercise price of warrants is different than the functional currency of the legal entity in which they were issued, the warrants are accounted for as a derivative warrant liability. For the Corporation's warrants that have an exercise price denominated in Canadian dollars, the issued Canadian dollar warrants are accounted for as a derivative warrant liability which is measured at fair value each reporting period using the Black-Scholes valuation model. Gains and losses from changes in fair value are recorded in the consolidated statement of loss and comprehensive loss.

The Corporation also has warrants issued as compensation warrants that were issued to underwriters as a cost of the equity offering as disclosed in the share capital note and stock options. These broker warrants and stock options are not recorded as a derivative liability and are accounted for under IFRS 2 Share-based Payment.

Critical accounting judgements and estimation uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires the Corporation's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Functional currency determination

The functional currency for the Corporation and its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency is conducted through an analysis of the consideration factors identified in IAS 21 The Effects of Changes in Foreign Exchange Rates and may involve certain judgments to determine the primary economic environment. The Corporation reconsiders the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment. Significant changes to those underlying factors could cause a change to the functional currency.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

2. Significant accounting policies (continued)

Critical accounting judgements and estimation uncertainties (continued)

Assets' carrying values and impairment charges

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence of significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Share-based payments and warrant liability

Management is required to make certain estimates when determining the fair value of the warrant liability and share-based payments. These estimates affect the amount recognized as warrant liability and share-based compensation in the consolidated financial statements, and are based on expected volatility and the expected lives of the underlying stock options and warrants.

Impairment of mineral exploration interests

While assessing whether any indications of impairment exist for mineral exploration interests, consideration is given to both external and internal sources of information. Information the Corporation considers includes changes in the market, economic and legal environment in which the Corporation operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Corporation's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Corporation's exploration interests.

Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Corporation considers whether relevant tax planning opportunities are within the Corporation's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Corporation from realizing the tax benefits from the deferred tax assets. The Corporation reassesses unrecognized income tax assets at each reporting period.

Contingencies

See Note 14.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

2. Significant accounting policies (continued)

New accounting policies adopted

The Corporation adopted the following new standards, along with any consequential amendments, effective July 1, 2014. These changes were made in accordance with the applicable transitional provisions.

IFRS 8 - Operating Segments ("IFRS 8") was amended to require an entity to disclose the judgments made by management in aggregating segments. IFRS 8 was also amended to clarify that an entity needs to present a reconciliation between the total reporting segment's assets to the entities' total assets if this information is usually provided to the chief operating decision maker. The adoption of this amendment did not result in any material changes in the consolidated financial statements.

IFRS 13 – Fair Value Measurement ("IFRS 13") was amended to clarify that the exception which allows fair value measurements of a group of financial assets and liabilities on a net basis applies to all contracts within the scope of IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or liabilities as defined in IAS 32. The adoption of this amendment did not result in any material changes in the consolidated financial statements.

IAS 24 – Related Party Disclosures ("IAS 24") was amended to clarify that an entity providing key management services to the reporting entity or the parent of the reporting entity is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. The adoption of this amendment did not result in any material changes in the consolidated financial statements.

IAS 40 – Investment Property ("IAS 40") was amended to clarify that judgment is needed to determine whether an acquisition of investment property is the acquisition of an asset or a group of assets or a business combination within the scope of IFRS 3, Business Combinations. Determining whether a specific transaction meets the definition of a business combination as defined in IFRS 3 and includes an investment property as defined in IAS 40 requires the separate application of both Standards. The adoption of this amendment did not result in any material changes in the consolidated financial statements.

Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for the Corporation's accounting periods on or after July 1, 2015 or later periods. Many are not applicable or do not have a significant impact to the Corporation and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Corporation.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

2. Significant accounting policies (continued)

Recent accounting pronouncements (continued)

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

IFRS 11 - Joint Arrangements (“IFRS 11”) was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

IAS 16 – Property, Plant and Equipment (“IAS 16”) and IAS 41 – Agriculture (“IAS 41”) were amended in June 2014 in order to bring bearer plants, which are used solely to grow produce, into the scope of IAS 16 so that they are accounted for in the same way as property, plant and equipment. A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

IAS 27 – Separate Financial Statements (“IAS 27”) was amended in August 2014 to reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity’s separate financial statements. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

IAS 38 - Intangible Assets (“IAS 38”) and IAS 16 – Property, Plant and Equipment (“IAS 16”), were amended in May 2014 to introduce a rebuttable presumption that the use of revenue-based amortization methods is inappropriate. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

3. Capital management

When managing capital, the Corporation's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of gold resource assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management team to sustain the future development of the business. The Corporation considers its capital to be equity, which comprises share capital, share-based payment reserve and accumulated deficit, which at June 30, 2015, totaled \$833,593.

The Corporation invests all capital not required for its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term guaranteed deposits, all held with select major Canadian financial institutions.

The Corporation is currently attempting to identify an economic gold resource and as such, the Corporation is dependent on external financing to fund its activities. In order to carry out the planned acquisitions and exploration, as well as pay for administrative costs, the Corporation will spend its existing working capital and raise additional amounts as needed.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

- a. maintaining a liquidity cushion in order to address any potential disruptions or industry downturns;
- b. minimizing discretionary disbursements; and
- c. exploring alternative sources of liquidity.

In light of the above, the Corporation will continue to assess new properties if the Corporation believes there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is appropriate.

There were no changes in the Corporation's approach to capital management during the years ended June 30, 2015 and 2014. The Corporation and its subsidiaries are not subject to externally imposed capital requirements.

4. Financial risk factors

The Corporation's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (specifically commodity price risk). Risk management is carried out by the Corporation's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Corporation's credit risk is attributable to cash. Cash is held with a reputable financial institution, from which management believes the risk of loss to be remote.

Included in amounts receivable is sales tax receivable from government authorities in Canada. Amounts receivable are in good standing as of June 30, 2015 and 2014. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is minimal.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

4. Financial risk factors (continued)

Liquidity risk

Liquidity risk is the risk that the Corporation will not have sufficient cash resources to meet its financial obligations as they become due. The Corporation's liquidity and operating results may be adversely affected if the Corporation's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Corporation. The Corporation generates cash flow primarily from its financing activities. As at June 30, 2015, the Corporation had cash of \$405,231 to settle current liabilities of \$89,543. The Corporation regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance and liquidity.

All of the Corporation's financial liabilities as at June 30, 2015 have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Interest rate risk

The Corporation has cash and cash equivalent balances subject to fluctuations in the prime rate. The Corporation's current policy is to invest excess cash in money market funds traded by its banking institutions. The Corporation periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes that interest rate risk is remote as investments are short-term, and the Corporation currently does not carry interest bearing debt at floating rates.

Foreign currency risk

The Corporation's functional and reporting currency is the US dollar and major purchases are transacted in US dollars. As at June 30, 2015, the Corporation holds in cash the following amounts (reported in US\$ currency) in CDN and US funds respectively: \$390,274 and \$14,957 (2014 - \$87,112 and \$99,721).

Commodity price risk

The Corporation is exposed to price risk with respect to gold prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to gold price movements and volatilities. The Corporation closely monitors gold prices to determine the appropriate course of action to be taken by the Corporation.

Sensitivity analysis

As of June 30, 2015 and 2014, both the carrying and fair value amounts of the Corporation's financial instruments are approximately equivalent due to their short-term nature. The sensitivity analysis shown in the notes below may differ materially from actual results. Based on management's knowledge and experience of the financial markets, the Corporation believes the following movements are "reasonably possible" for the year ended June 30, 2015:

- (i) As at June 30, 2015, if foreign exchange rates had decreased/increased by 1% with all other variables held constant, the loss for the year ended June 30, 2015 would not have changed by a material amount as a result of lower/higher foreign exchange gains and losses on funds held in foreign currencies and reported shareholders' equity would also not have changed by a material amount.
- (ii) Commodity price risk could adversely affect the Corporation. In particular, the Corporation's future profitability and viability of development depends upon the world market price of gold. Gold prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of gold may be produced in the future, a profitable market will exist for them. As of June 30, 2015, the Corporation was not a gold producer. As a result, gold price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Corporation's liquidity and its ability to meet its ongoing obligations.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

4. Financial risk factors (continued)

Fair value hierarchy and liquidity risk disclosure

The three levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At June 30, 2015 and 2014, the Corporation did not hold any financial assets in the fair value hierarchy.

5. Mineral exploration interests

On June 14, 2013, the Corporation entered into a share exchange agreement whereby the Corporation issued 11,228,137 common shares valued at \$1,103,277 using the estimated fair value of the Corporation's common shares at the time of issue in exchange for all the issued and outstanding shares and warrants of High Tide Resources Inc.

HTR holds a 100% interest in three mining licenses located in southwest Newfoundland (the "Strickland Property"), which it acquired from Quinlan Prospecting Limited on July 15, 2011 in exchange for 4,000,000 HTR common shares and subject to a 2% net smelter return royalty ("NSR"). The Corporation may purchase 1% of the NSR for CDN\$1,000,000 and another 0.5% for an additional CDN\$1,000,000.

Subsequent to year end, two mining licenses were cancelled.

Participation right

The share exchange agreement includes a provision recognizing the possibility of additional share issuances by the Corporation to former shareholders of HTR ("Participation Right") based on the number of Avidian warrants outstanding on the date of the agreement that are exercised by May 23, 2014. Avidian was required to provide notice on the earlier of May 30, 2014 and ten days after all Avidian warrants have been exercised, of the number of warrants exercised. The former shareholders of HTR have the right, but not the obligation, to purchase one additional Avidian common share for CDN \$0.10 for every two Avidian warrants exercised, for a period of 30 days from the date that notice is received from the Corporation. The estimate of fair value is based on management's best estimate of the timing and probability of having to issue additional shares. As the purchase price of additional Avidian common shares is denominated in a currency that is not the functional currency of the Corporation, the contingent consideration is classified as a liability. The amount for the contingent consideration payable was revalued at fair value at each reporting date and any difference was recorded in the consolidated statements of loss and comprehensive loss. Upon completion of the share exchange agreement, the contingent consideration payable was valued at \$ 21,639 using the Black- Scholes option pricing model with the following assumptions: risk-free interest rate – 1.16%; expected life – 1.04 years; expected volatility – 100%; expected dividends – \$nil with an exercise price of CDN \$0.10. As of May 23, 2014 none of the warrants was exercised and the fair value of the contingent consideration payable was revalued to \$nil.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

6. Equipment

Cost	Equipment
Balance, June 30, 2013	\$ 4,287
Additions	-
Balance, June 30, 2014	4,287
Additions	-
Balance, June 30, 2015	\$ 4,287
Amortization and impairment	Equipment
Balance, June 30, 2013	\$ 1,201
Amortization	617
Balance, June 30, 2014	1,818
Amortization	494
Balance, June 30, 2015	\$ 2,312
Carrying amounts	Equipment
Balance, June 30, 2014	\$ 2,469
Balance, June 30, 2015	\$ 1,975

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

7. Share capital

(a) Authorized

Unlimited number of common shares, with no par value.

(b) Issued

50,650,781 common shares

	Number of Shares	Amount
Balance, June 30, 2013	30,586,837	2,090,608
Share issue costs – cash	-	(1,640)
Shares issued for services (i)	388,951	37,101
Balance, June 30, 2014	30,975,788	\$ 2,126,069
Shares issued for services (ii)	21,562	1,919
Private placement shares issued (iii)	19,653,431	905,985
Share issue costs – cash (iii)	-	(12,337)
Balance, June 30, 2015	50,650,781	\$ 3,021,636

(i) During the year ended June 30, 2014, the Corporation issued 388,951 shares valued at CDN\$0.10 (US\$0.095) each based on the price of the most recent private placement, for a total value of CDN\$38,895 (US\$37,101) in consideration for financial, corporate secretarial consulting, and geological fees. Of these shares, a total of 273,888 shares were issued to a former director and officer of the Corporation as settlement of debt for services rendered.

(ii) During the year ended June 30, 2015, the Corporation issued 21,562 shares valued at CDN\$0.10 (US\$0.089) each for a total value of CDN\$2,156 (US\$1,919) in consideration geological consulting services.

(iii) During the year ended June 30, 2015, the Corporation completed a private placement for 19,653,431 common shares offered at a price of CDN\$0.05 (US\$0.047) per share for total gross proceeds of CDN\$982,672 (US\$905,895), of which CDN\$80,000 (US\$74,960) was received during the year ended June 30, 2014. Share issue costs of \$12,337 were incurred in relation to this financing. Of this private placement, a total of CDN\$395,000 (US\$363,401) was subscribed for by the directors and officers of the Corporation.

(iv) As at June 30, 2015, the Corporation is obligated to issue 100,000 shares pursuant to an agreement for an exclusivity period in which to conduct due diligence on certain properties in California. In addition, the Corporation is obligated to issue 35,625 shares pursuant to an agreement of settlement of debt for services rendered.

(c) Warrants and broker warrants

	Number of Warrants	Weighted Average Exercise Price (CDN)
Balance, June 30, 2013	2,237,000	\$ 0.10
Expired	(2,237,000)	-
Balance, June 30, 2014 and 2015	-	\$ -

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

7. Share capital (continued)

(d) Stock options

On April 30, 2015, the Corporation granted 2,500,000 stock options to an officer of the Corporation to purchase 2,500,000 common shares of the Corporation at an exercise price of CDN\$0.025 (US\$0.021) per share expiring on April 30, 2020. The vesting terms of these options are as follows: 500,000 on the day of grant, 1,000,000 on April 30, 2016 and 1,000,000 on April 30, 2017. The options were valued at \$102,500 using the Black-Scholes pricing model with an expected volatility of 100%, an expected dividend yield of 0%, an expected life of 5 years and a risk free rate of 1.05%. Share-based compensation expense of \$25,166 was recorded in the year ended June 30, 2015 for these options.

On June 1, 2015, the Corporation granted 100,000 stock options to consultant of the Corporation to purchase 100,000 common shares of the Corporation at an exercise price of CDN\$0.025 (US\$0.020) per share for five years. These options vested immediately. These options were valued at \$3,267 using the Black-Scholes pricing model with an expected volatility of 100%, an expected dividend yield of 0%, an expected life of 5 years and a risk free rate of 0.90%. Share-based compensation expense of \$3,267 was recorded in the year ended June 30, 2015 for these options.

Outstanding and exercisable options as at June 30, 2015 are summarized as follows:

Exercise price	Number outstanding	Weighted average remaining contractual life (years)	Number exercisable
CDN\$0.025	2,600,000	4.77	600,000

8. Basic and diluted net loss per share

The calculation of basic and diluted loss per share for the year ended June 30, 2015 was based on the loss attributable to common shareholders of \$689,791 (2014 - \$454,979) and the weighted average number of common shares outstanding of 48,527,653 (2014 - 30,851,725).

Diluted loss per share did not include the effect of the warrants disclosed in Note 7(c) and the stock options disclosed in Note 7(d) as they are anti-dilutive for the years ended June 30, 2015 and 2014.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

9. Related party transactions

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of the entities outlined below.

The following individuals transacted with the Corporation in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties are unsecured, non-interest bearing, and due on demand, and were no more favourable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

- (a) The remuneration of key management personnel is comprised of

	June 30, 2015	June 30, 2014
Fees	\$ 32,802	\$ 31,271

- (b) See Notes 7(b)(i),(iii) and (d)
- (c) During the year ended June 30, 2015, the Corporation incurred \$10,255 (2014 - \$37,703) for legal services in connection with general matters from a former director of the Corporation. As at June 30, 2015, \$Nil is included in accounts payable and accrued liabilities (2014 - \$2,687).
- (d) During the year ended June 30, 2015, the Corporation incurred \$39,200 (2014 - \$16,616) in expenses and consulting fees in the normal course of operations from a director who is also an officer of the Corporation. As at June 30, 2015, \$6,798 is included in accounts payable and accrued liabilities (2014 - \$Nil).
- (e) During the year ended June 30, 2015, the Corporation incurred \$19,625 (2014 - 4,433) in legal expenses in the normal course of operations from an officer of the Corporation. As at June 30, 2015, \$10,702 is included in accounts payable and accrued liabilities (2014 - \$3,300).
- (f) Accounts payable and accrued liabilities as at June 30, 2015 includes \$3,917 (2014 - \$Nil) owed to a director of the Corporation for travel expenses incurred on behalf of the Corporation.
- (g) Accounts payable and accrued liabilities as at June 30, 2015 includes \$11,673 (2014 - \$3,242) owed to current and former officers of the Corporation for fees.

10. General and administrative

	June 30, 2015	June 30, 2014
Professional fees and transfer agent	\$ 140,729	\$ 152,359
Office supplies, bank charges and telephone	15,434	16,793
Amortization (Note 6)	494	617
Travel and promotion	29,796	16,173
Occupancy costs	17,550	16,488
	\$ 204,003	\$ 202,430

AVIDIAN GOLD INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 and 2014

(Expressed in US dollars except where otherwise indicated)

11. Exploration and evaluation expenditures

County Line

On August 12, 2011, the Corporation entered into a lease agreement ("PPM Lease") with Paradise Peak Mining, LLC ("PPM") for claims located in the Mineral and Nye Counties of the State of Nevada. The term of the lease is for ten years with five extension terms of ten years each and so long after expiration of the final ten year extension as long as the Corporation pays the minimum payments unless otherwise extended or terminated.

The Corporation can purchase the property at any time during the term of the lease agreement for the price of \$400,000, subject to an NSR of 2%.

The Corporation is required to make minimum payments as follows which will be cumulatively credited against the Corporation's royalty payment obligations, but will not be credited against the purchase price of the Corporation's option.

- (i) August 15, 2011: \$20,000 (paid)
- (ii) First anniversary of initial payment: \$20,000 (paid)
- (iii) Second anniversary of initial payment: \$30,000 (paid)
- (iv) Third anniversary of initial payment: \$30,000 (paid)
- (v) Each subsequent anniversary: \$40,000

The Corporation must pay all federal (\$145/claim) and state/county (\$12/claim) mining claim fees, file an intent to hold, and provide proof of compliance to the lessor fifteen days before the deadline.

The claims are subject to a work commitment (subject to an extension of time from the effective date to the Resolution Date) of \$50,000 within 18 months of the Resolution Date (the work commitment was fulfilled as at June 30, 2014) and \$150,000 before the third anniversary of the Resolution Date (the work commitment was fulfilled as at June 30, 2015).

On January 11, 2012, the Corporation entered into a mining lease and purchase agreement ("Desatoya Lease") effective January 31, 2012 with Desatoya Goldstrike, LLC ("Desatoya") for claims located in the Mineral and Nye Counties of the State of Nevada. The term of the lease is for ten years with five extension terms of ten years each and so long after the expiration of the final ten year extension, as long as the Corporation pays the minimum payments unless otherwise extended or terminated.

The Corporation can purchase the property at any time during the term of the lease agreement for the price of \$200,000, subject to a 2% NSR.

The Corporation is required to make minimum payments as follows which will be cumulatively credited against the Corporation's royalty payment obligations, but will not be credited against the purchase price of the Corporation's option.

- (i) On execution of the agreement: \$10,000 (paid)
- (ii) First anniversary of initial payment: \$10,000 (paid)
- (iii) Second anniversary of initial payment: \$15,000 (paid)
- (iv) Third anniversary of initial payment: \$20,000 (paid)
- (v) Each subsequent anniversary: \$20,000

The Corporation must pay all federal (\$145/claim) and state/county (\$12/claim) mining claim fees, file an intent to hold, and provide proof of compliance to the lessor not less than fifteen days before the statutory compliance deadline.

On January 29, 2013, the Corporation entered into a mining lease and option to purchase agreement for the Rad Claims Property (the "Altan Lease") with Altan Rio (US) Inc., a Nevada corporation ("Altan"), a group of unpatented mining claims located in Mineral and Nye Counties, Nevada.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

11. Exploration and evaluation expenditures (continued)

County Line (continued)

The term of the Altan Lease is for twenty years and so long after expiration of the primary term as the Corporation pays the minimum advance royalty payments, unless the Altan Lease is terminated in accordance with its terms or is otherwise extended.

The Corporation can purchase the claims at any time during the term of the Altan Lease for the price of \$500,000, subject to a 3% NSR. The Corporation has the option to purchase one-half of the royalty payable under the Altan Lease for the price of \$1,500,000. On closing of the royalty option the royalty rate would be reduced to a 1.5% NSR.

The Corporation is required to make minimum advance royalty payments which are cumulatively credited against the Corporation's production royalty payment obligations. The minimum advance royalty payments are not credited against the purchase price for the Rad Claims if the Corporation exercises its option to purchase the Rad Claims. The minimum advance royalty payments are:

- a. On execution of the Altan Lease: \$10,000 (paid)
- b. First anniversary of initial payment: \$15,000 (paid)
- c. Second anniversary of initial payment: \$20,000 (paid)
- d. Third anniversary of initial payment: \$25,000
- e. Each subsequent anniversary: \$30,000

The Corporation has a work commitment obligation of \$50,000 per year during each of the second through the fifth years of the Altan Lease, \$100,000 per year during the sixth through tenth lease years, and \$200,000 annually during each of the remaining lease years.

Under the Altan Lease, the Corporation must pay the federal annual mining claim maintenance fees (\$145/claim) and State of Nevada mining claim fees (\$12/claim) for the Rad Claims, record a notice of intent to hold the Altan Claims, and provide to the owner proof of the Corporation's compliance not less than fifteen days before the statutory compliance deadline.

Dome Hill

On June 1, 2011, the Corporation entered into a lease agreement with Nevoro Nevada Inc. ("NNI") for claims located in Mono County, California and Mineral County, Nevada (the "Nevoro Claims"). The term of the lease was for three years from the date of the agreement.

The Corporation could purchase the property before the third anniversary of the agreement for \$25,000 less the amount of the minimum payments.

The Corporation was required to make minimum payments as follows, which would be credited against the purchase price.

- a. June 1, 2011, \$5,000 (paid)
- b. First anniversary of the agreement: \$5,000 (paid)
- c. Second anniversary of agreement: \$15,000 (no longer required to be paid)

The Corporation must pay all federal (\$145/claim) and state/county (\$12/claim) mining claim fees, file an intent to hold, and provide proof of compliance to NNI thirty days before the deadline.

The Corporation is subject to annual assessment work which must be completed by September 1 of each year to the extent required by law.

The property was subject to a 2% NSR. The Corporation could purchase half of the NSR for \$1,000,000. The option to purchase the NSR must be exercised within nine months following commencement of production.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

11. Exploration and evaluation expenditures (continued)
Dome Hill (continued)

Effective April 12, 2013, the Corporation and NNI entered into the First Amendment of Mining Lease and Option to Purchase Agreement Dome Hill Project in accordance with which the Corporation agreed to purchase all of the right, title and interest of NNI in the Nevoro Claims, including the royalty, for the sum of \$7,000. The Corporation paid the purchase price and NNI executed and delivered quitclaim deeds to the Corporation which were recorded.

The Nevoro Lease has been terminated. The Corporation owns the Nevoro Claims outright and free and clear of any claims, encumbrances or liens. The Corporation has no royalty or minimum payment obligations in respect of the Nevoro Claims.

On September 1, 2011, the Corporation entered into a mining lease and option to purchase agreement Sunshine Project (the "Sunshine Lease") with Deborah A. Ostas for the Sunshine Group of unpatented mining claims located in Mono County, California (the "Sunshine Claims"). The term of the Sunshine Lease is for twenty years.

The Corporation was required to make minimum advance royalty payments which are cumulatively credited against the Corporation's production royalty payment obligations. The minimum advance royalty payments are not credited against the purchase price for the Sunshine Claims if the Corporation exercises its option to purchase the Sunshine Claims.

The minimum advance royalty payments were:

- (i) On execution of the Sunshine Lease \$3,000 (paid)
- (ii) Each subsequent anniversary of the agreement \$5,000 (\$5,000 was paid on the first and second anniversary of the agreement)

The Corporation terminated this lease effective April 15, 2015.

On November 1, 2011, the Corporation entered into a mining lease and option to purchase agreement (the "Hermene Lease") with Doyle Kenneth Brook, Jr., an officer and former director of the Corporation, and his spouse, Maria Brook, (collectively "Brook"), for the Hermene patented mining claim located in Mono County, California, Patent No. 285868, Mineral Survey No. 4763. The primary term of the Hermene Lease is for ten years with the right to extend the Hermene Lease for an additional ten years.

The Corporation was required to make minimum payments. The minimum payments are not credited against the purchase price for the Hermene Claim if the Corporation exercises its option to purchase the Hermene Claim. The minimum payments were:

- (i) On execution of the Hermene Lease: \$1,000 (paid)
- (ii) Each subsequent anniversary of the agreement: \$1,000 (\$1,000 paid for the first and second anniversary payments)

The Corporation terminated this lease effective April 15, 2015.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

11. Exploration and evaluation expenditures (continued)

Shawnee Creek (Formerly known as Jungo)

On August 29, 2011, the Corporation entered into a lease agreement with Dutch Gold Resources, Inc. ("DGRI"), a Nevada corporation, for claims located in Humboldt County of the State of Nevada, (the "Red Dog Claims"). The term of the lease was for ten years with five extension terms of ten years each and so long after expiration of the final ten year extension as long as the Corporation pays the minimum payments unless otherwise extended or terminated.

The Corporation was required to make minimum payments as follows which may be cumulatively credited against the Corporation's royalty payment obligations.

- (i) Execution of agreement: \$15,000 (paid)
- (ii) First anniversary of agreement date: \$15,000 (paid)
- (iii) Second anniversary of agreement date: \$20,000 (paid)
- (iv) Each subsequent anniversary: \$20,000 (paid)

The Corporation must also issue to DGRI 150,000 common shares. (Issued)

The Corporation must pay all federal (\$145/claim) and state/county (\$12/claim) mining claim fees, file an intent to hold, and provide proof of compliance to DGRI fifteen days before the deadline.

Subsequently, on January 8, 2013, DGRI, DGRI Jungo Development Corporation and the Corporation entered into an agreement pursuant to which DGRI and DGRI Jungo Development Corporation agreed to transfer to the Corporation all of the right, title and interest in and to the Red Dog Claims, in exchange for a 2% NSR and the obligation of the Corporation to pay annual advance minimum royalty payments to DGRI Jungo Development Corporation in the amount of \$20,000 beginning on August 25, 2015. The agreement dated January 8, 2013, expressly supersedes the mining lease agreement dated August 29, 2011.

William R. Hansen, the owner of the Royalty Red Dog Claims, executed and delivered to the Corporation the Quitclaim Deed With Reservation of Royalty Red Dog Claims dated January 4, 2013, which was recorded in the Office of the Humboldt County Recorder on January 8, 2013, Document 2014-82 in return for a purchase price of \$10,000. The Red Dog Claims are subject to a 2% NSR. The Corporation has no minimum royalty payment obligation to William R. Hansen.

On June 26, 2014, the Corporation purchased a 100% interest in the Red Dog Claims 101-160 and as a result there is no longer a 2% NSR.

Northern Lights

On August 31, 2011, the Corporation entered into a lease agreement with Kircher Mine Development LLC ("KMD") for claims located in Mineral County of the State of Nevada. The term of the lease was for twenty years. The Corporation could purchase the property for \$250,000 any time during the term of the agreement and prior to commencing development or mining, subject to a 2.5% NSR. The Corporation could purchase 40% of the royalty representing a 1% NSR for \$2,000,000.

The Corporation was required to make minimum payments as follows, cumulatively credited against the Corporation's royalty payment obligations.

- a. First anniversary of agreement date: \$5,000 (paid)
- b. Second anniversary of agreement date: \$10,000 (paid)
- c. Third anniversary of agreement date: \$15,000 (paid)
- d. Every subsequent anniversary: \$15,000

The Corporation terminated this lease effective April 15, 2015.

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

11. Exploration and evaluation expenditures (continued)

Gray Hills

On June 1, 2014, the Corporation entered into a lease agreement with McIntosh Exploration LLC, a private Nevada company, for claims located in Lyon County of the State of Nevada, (the "Albite Claims"). The term of the lease was for ten years unless terminated or extended.

The Corporation is required to make minimum payments as follows which may be cumulatively credited against the Corporation's royalty payment obligations.

- (i) Execution of agreement: \$10,000 (paid)
- (ii) First anniversary of agreement date: \$10,000
- (iii) Second anniversary of agreement date: \$15,000
- (iv) Third anniversary of agreement date: \$20,000
- (v) Fourth anniversary of agreement date: \$25,000
- (vi) Fifth anniversary of agreement date: \$30,000
- (vii) Sixth anniversary of agreement date: \$50,000
- (viii) Every subsequent anniversary: \$50,000

On December 27, 2014, the Board of Directors decided not to pursue any further exploration work on the property and the Corporation terminated the lease agreement.

Tramp Springs

On June 1, 2014, the Corporation entered into a lease agreement with T.J. and A.L. Percival, for claims located in Nye County of the State of Nevada, (the "Tramp Claims"). The term of the lease was for 20 years unless terminated or extended.

The Corporation was required to make minimum payments as follows which may be cumulatively credited against the Corporation's royalty payment obligations.

- (i) Execution of agreement: \$5,000 (paid)
- (ii) First anniversary of agreement date: \$7,500
- (iii) Second anniversary of agreement date: \$10,000
- (iv) Third anniversary of agreement date: \$20,000
- (v) Fourth anniversary of agreement date: \$30,000
- (vi) Fifth anniversary of agreement date: \$40,000
- (vii) Every subsequent anniversary: \$40,000

The Corporation terminated this lease effective May 1, 2015

County Line	Year ended June 30, 2015	Year ended June 30, 2014
Acquisition and holding costs	\$ 72,027	\$ 65,289
Assays	6,201	9,195
Consulting fees	7,574	14,388
Field supplies, data and communication and other exploration costs	778	5,225
Drilling	22,492	38,051
Travel	201	496
	\$ 109,273	\$ 132,644

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

11. Exploration and evaluation expenditures (continued)

	Year ended June 30, 2015	Year ended June 30, 2014
Dome Hill		
Acquisition and holding costs	\$ 10,932	\$ 25,412
Assays	-	1,396
Consulting fees	2,434	5,770
Field supplies, data and communication and other exploration costs	697	54
Legal and agreement costs	1,230	-
Geological	-	1,955
Travel	-	276
	\$ 15,293	\$ 34,863
Shawnee Creek (Formerly known as Jungo)		
Acquisition and holding costs	\$ 59,512	\$ 50,544
Assays	-	940
Consulting fees	6,396	1,450
Field supplies, data and communication and other exploration costs	6,354	680
Geophysical	-	4,332
Legal and agreement costs	1,005	484
Occupancy costs	950	507
	\$ 74,217	\$ 58,937
Northern Lights		
Acquisition and holding costs	\$ 31,554	\$ 20,054
Legal and agreement costs	300	-
	\$ 31,854	\$ 20,054
Gray Hills		
Acquisition and holding costs	\$ 1,769	\$ 10,000
Assays	1,988	-
Consulting fees	9,948	5,178
Field supplies, data and communication and other exploration costs	-	749
Legal and agreement costs	1,496	-
Travel	1,606	1,319
	\$ 16,807	\$ 17,246
Tramp Springs		
Acquisition and holding costs	\$ 9,714	\$ 20,829
Field supplies, data and communication and other exploration costs	7,463	-
Consulting	24,738	-
Travel	5,238	1,162
	\$ 47,153	\$ 21,991
Other Properties		
Evaluation expenditures	\$ 68,482	\$ 13,616
TOTAL EXPLORATION AND EVALUATION EXPENDITURES	\$ 363,079	\$ 299,351

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

12. Income taxes

The Corporation utilizes the asset and liability method of accounting for incomes taxes. The estimated taxable income for the years ended June 30, 2015 and 2014 is \$Nil. Based upon the level of historical taxable income, it cannot be reasonably determined if the Corporation will realize deferred income tax assets.

(a) Provision for income taxes

Major items causing the Corporation's effective income tax rate to differ from the combined statutory rate of 19% (2014 – 17%) are as follows:

	2015	2014
	\$	\$
(Loss) before income taxes	(689,791)	(454,979)
Expected income tax recovery based on statutory rate	(133,000)	(77,000)
Adjustment to expected income tax benefit:		
Expenses not deductible for tax purposes	26,000	-
Other	105,000	(63,000)
Change in benefit of tax assets not recognized	2,000	140,000
Deferred income tax provision (recovery)	-	-

The 2015 statutory tax rate of 19% differs from the 2014 statutory tax rate of 17% due to the difference in allocation of the blended rate between entities in different jurisdictions.

(b) Deferred income tax

Recognized deferred tax assets and liabilities are as follows:

	2015	2014
	\$	\$
Canada		
Mineral exploration property costs	(16,000)	-
Non-capital loss carry-forwards	16,000	-
Total	-	-

AVIDIAN GOLD INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Expressed in US dollars except where otherwise indicated)

12. Income taxes (continued)

(b) Deferred income tax (continued)

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2015	2014
	\$	\$
Canada		
Non-capital loss carry-forwards	390,000	274,000
Share issue costs	32,000	44,000
Mineral exploration property costs	65,000	526,000
Other	-	2,000
Total	487,000	846,000
United States		
Non-capital loss carry-forwards	1,505,000	1,007,000
Decommissioning liability	29,000	25,000
Total	1,534,000	1,032,000

The Corporation has approximately \$454,000 (CDN \$553,000) (2014 - \$274,000, CDN \$292,000) of non-capital losses in Canada, \$1,505,000 (2014 - \$1,007,000) of non-capital losses in the United States as at June 30, 2015, which under certain circumstances can be used to reduce the taxable income of future years. The non-capital losses will expire as follows:

Canada

2032	\$ 31,000
2033	98,000
2034	139,000
2035	186,000
Total	\$ 454,000

United States

2032	\$ 129,000
2033	762,000
2034	455,000
2035	159,000
Total	\$ 1,505,000

The Corporation has approximately \$563,000 (CDN\$701,000) of Canadian development and exploration expenditures as at June 30, 2015 (2014 - \$1,015,000, CDN\$1,082,000) which under certain circumstances can be used to reduce taxable income in future years.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Corporation can use the benefits.

AVIDIAN GOLD INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 and 2014

(Expressed in US dollars except where otherwise indicated)

13. Decommissioning liability

The Corporation's provision for closure and reclamation costs is based on management's estimates of costs to abandon and reclaim mineral exploration interests and facilities as well as an estimate of the future timing of the costs to be incurred.

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the provision for closure and reclamation associated with the retirement of the Corporation's mineral exploration interests:

	Amount
Balance, June 30, 2013	\$ -
Adjustments resulting from re-measurement	24,783
Balance, June 30, 2014	24,783
Adjustments resulting from re-measurement	3,817
Balance, June 30, 2015	\$ 28,600

The Corporation has assessed its total provision for closure and reclamation and estimated it to be \$28,600 at June 30, 2015 (2014 - \$24,783) based on a total future liability of approximately \$27,000 (2014 - \$24,000), an inflation rate of 1.8% (2014 - 2.1%) and a discount rate of 1.01% (2014 - 2.53%). Reclamation is expected to occur in ten years.

14. Commitments and contingencies

Environmental contingencies

The Corporation's exploration activities are subject to various federal, provincial, state and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Corporation conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Corporation has made, and expects to make in the future, expenditures to comply with such laws and regulations.

15. Subsequent events

Subsequent to June 30, 2015, the Corporation signed a lease to purchase option for a period of 15 years pursuant to which the Corporation can acquire a 100% interest in the Amanita claim block subject to a 3% NSR for cash consideration of \$3 million. The Amanita claim block is comprised of 88 lode claims located within the Fairbanks Mining District approximately 25 kilometers northeast of Fairbanks.

The Corporation paid \$5,000 at the time of signing a letter of intent and a further \$20,000 on the signing of the definitive property agreement. The property agreement requires annual payments for the next 15 years. The first anniversary payment is \$15,000. The payments increase by \$10,000 annually. The Corporation can acquire the 3% NSR royalty for an additional \$3 million.

Subsequent to June 30, 2015, the Corporation staked 20 claims at Castle Creek in Idaho.

SCHEDULE C
PRO FORMA CONSOLIDATED FINANCIAL STATEMENT OF
THE RESULTING ISSUER

Marching Moose Capital Corp.

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of June 30, 2017

(Unaudited)

MARCHING MOOSE CAPITAL CORP.
Pro-Forma Consolidated Statement of Financial Position
As at June 30, 2017
(Expressed in US Dollars)
(unaudited)

	As Reported Marching Moose Capital Corp.	Converted Marching Moose Capital Corp.	As Reported Avidian Gold Inc.	Pro-Forma Adjustments	Notes	Pro-Forma Consolidation
	<i>CAD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>		<i>USD</i>
Current assets						
Cash	\$ 118,097	\$ 91,006	\$ 856,818	1,134,708	2(c)(i)	\$ 2,082,532
Amounts receivable and prepaids	5,513	4,248	224,666	-		228,914
Total current assets	123,610	95,254	1,081,484	1,134,708		2,311,446
Non-current assets						
Equipment	-	-	63,380	-		63,380
Reclamation bond receivable	-	-	27,080	-		27,080
Mineral exploration interests	-	-	497,813	-		497,813
TOTAL ASSETS	\$ 123,610	\$ 95,254	\$ 1,669,757	\$ 1,134,708		\$ 2,899,719
Current liabilities						
Trade payables and accrued liabilities	\$ 9,323	\$ 7,184	\$ 491,710	100,000	2(c)(ii)	\$ 598,894
Warrant liability	-	-	262,759	257,291	2(c)(i)	520,050
Decommissioning liability	-	-	28,600	-		28,600
Total current liabilities	9,323	7,184	783,069	357,291		1,147,544
Non-current liabilities						
Convertible debenture	-	-	616,514			616,514
Total liabilities	9,323	7,184	1,399,583	357,291		1,764,058
Issued capital	314,246	242,158	6,210,598	(242,158) 877,417	2(b) 2(c)(i)	7,453,095
Share-based payment reserve	62,379	48,069	-	365,080 (48,069) 49,266	2(b) 2(b)	93,592
Deficit	(262,338)	(202,157)	(5,940,424)	44,326 202,157 (100,000) (326,276) (44,326)	2(c)(iii) 2(b) 2(c)(ii) 2(b) 2(c)(iii)	(6,411,026)
Total equity	114,287	88,070	270,174	777,417		1,135,661
TOTAL LIABILITIES AND EQUITY	\$ 123,610	\$ 95,254	1,669,757	\$ 1,134,708		\$ 2,899,719

The accompanying notes are an integral part of this pro-forma consolidated financial statement

MARCHING MOOSE CAPITAL CORP.
NOTES TO PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in US Dollars, except where otherwise indicated)
(unaudited)

1. BASIS OF PRESENTATION

The accompanying unaudited pro-forma consolidated statement of financial position of Marching Moose Capital Corp. (“Marching Moose” or “the Company”) has been prepared by management from information derived from the financial statements of Marching Moose and the financial statements of Avidian Gold Inc. (“Avidian”), using the same accounting policies as described in Avidian’s annual financial statements for the year ended June 30, 2017, together with other information available to the Company. The unaudited pro-forma consolidated statement of financial position has been prepared for inclusion in Marching Moose’s Filing Statement in conjunction with its acquisition of 100% of the issued and outstanding capital stock of Avidian (“the Acquisition”). As consideration for the Acquisition, Marching Moose will issue 44,555,200 common shares in the capital of Marching Moose. The Acquisition will constitute the Company’s qualifying transaction. The Acquisition is subject to acceptance by certain securities regulatory authorities.

For accounting purposes, the acquisition has been accounted for as a reverse take-over, with Avidian being the accounting acquirer, and is not considered to be a business combination as defined in IFRS 3 Business Combinations since Marching Moose was inactive prior to the Acquisition and its activities were limited to the management of cash resources and the maintenance of its listing. Accordingly, the Acquisition has been accounted for as a share-based payment transaction in accordance with IFRS 2 Share-based Payment. In the opinion of the Company’s management, the pro-forma consolidated statement of financial position includes all adjustments necessary for fair presentation of the transactions as described in Note 2.

The unaudited pro-forma consolidated statement of financial position of the Company has been compiled from and includes:

- a) Marching Moose’s unaudited statement of financial position as at June 30, 2017.
- b) Avidian’s audited consolidated statement of financial position as at June 30, 2017.
- c) The additional information set out in Note 2.

As at June 30, 2017, the functional and presentation currency of Avidian is the US dollar. The functional currency of Marching Moose is the Canadian dollar. The financial statement of Marching Moose has been translated to the presentation currency of the US dollar. The Marching Moose statement of financial position has been translated to US\$ based on the June 30, 2017 closing CAD/US foreign exchange rate of 0.7706.

The unaudited pro-forma consolidated statement of financial position should be read in conjunction with the financial statements and notes thereto, of Marching Moose and Avidian described above.

The unaudited pro-forma consolidated statement of financial position has been prepared for illustrative purposes only and may not be indicative of the combined entities’ financial position that would have occurred if the acquisition had been in effect at the date indicated as set out in Note 2.

2. PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS

The pro-forma consolidated statement of financial position was prepared based on the following assumptions:

- a) The unaudited pro-forma consolidated statement of financial position gives effect to the acquisition of Avidian by Marching Moose as if it had occurred on June 30, 2017.

MARCHING MOOSE CAPITAL CORP.
NOTES TO PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in US Dollars, except where otherwise indicated)
(unaudited)

- b) As consideration for 100% of the outstanding common shares of Avidian, Marching Moose will issue 44,555,200 common shares in the capital of Marching Moose based on 1 Marching Moose share for every 2.17 Avidian shares held. Since the share and share based consideration allocated to the former shareholders of Avidian on closing the acquisition is considered within the scope of IFRS 2, and since the Company cannot identify specifically some or all of the goods or services received in return for the allocation of the common shares, the value in excess of the net identifiable assets acquired on closing will be expensed in the statement of comprehensive loss as listing expense, as Avidian shareholders acquired Marching Moose's public listing as a result of the transaction. The fair value of the consideration was determined based on the fair value of the common shares, which was determined in relation to the common shares issued in the concurrent private placement (see note 2(c)(i)).

The 173,125 outstanding stock options of Marching Moose have the exercise price of CAD\$0.30 and original expiry date of November 19, 2024. Save and except for the 55,149 options held by David W. Smalley, a former director of the Corporation, the terms of which will remain as previously granted, the terms of options of the other current holders will be amended so as they have an expiry date of 28 months following the completion of the Qualifying Transaction. The fair value of the options held by David W. Smalley have been estimated as of June 30, 2017 using the Black-Scholes Option Pricing Model using the following assumptions: expected stock price volatility – 150%, expected life of options – 7.39 years, risk-free interest rate – 2.00%, exercise price CAD\$0.30 per share, and expected dividend yield – 0%. This resulted in a fair value per option of \$0.3238. The fair value of the remaining options have been estimated as of June 30, 2017 using the Black-Scholes Option Pricing Model using the following assumptions: expected stock price volatility – 150%, expected life of options – 2.33 years, risk-free interest rate – 1.00%, exercise price CAD\$0.30 per share, and expected dividend yield – 0%. This resulted in a fair value per option of \$0.2658.

The fair value of the consideration given and net assets acquired was comprised of:

Value of consideration		
Shares	\$	365,080
Options		49,266
		<u>414,346</u>
Net assets acquired		
Cash	\$	91,006
Amounts receivable and prepaids		4,248
Trade payables and accrued liabilities		<u>(7,184)</u>
		88,070
Unidentified asset acquired		
Public listing expense		<u>326,276</u>
Total identifiable assets acquired and public listing expense	\$	<u>414,346</u>

- c) Prior to closing of the Acquisition, the following transactions are contemplated:

MARCHING MOOSE CAPITAL CORP.
NOTES TO PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in US Dollars, except where otherwise indicated)
(unaudited)

- (i) completing a private placement of at least CAD\$2,979,500 (US\$2,238,498) (the “Financing”) through the issuance of 6,865,207 post consolidation units of Avidian at a post amalgamation purchase price of CAD\$0.434 per unit. Each unit is comprised of one common share and one half of one warrant with one whole warrant exercisable at CAD\$0.7595 for 24 months. As at June 30, 2017, Avidian has closed CAD\$1,507,000 of the private placement. The remaining CAD\$1,472,500 of the placement will result in the issuance of 3,392,857 post consolidation units. The fair value of the warrants has been estimated as of June 30, 2017 using the Black-Scholes Option Pricing Model using the following assumptions: expected stock price volatility – 150%, expected life of warrants – 2 years, risk-free interest rate – 0.75%, exercise price CAD\$0.7595 per share, and expected dividend yield – 0%. This resulted in a fair value per warrant of \$0.1478;
- (ii) an accrual of \$100,000 to reflect the anticipated cost to close the transaction; and
- (iii) the issuance of 300,000 stock options as compensation for sponsor services in connection with the Qualifying Transaction. The fair value of the options has been estimated as of June 30, 2017 using the Black-Scholes Option Pricing Model using the following assumptions: expected stock price volatility – 150%, expected life of warrants – 2 years, risk-free interest rate – 0.75%, exercise price CAD\$0.7595 per share, and expected dividend yield – 0%. This resulted in a fair value per option of \$0.1478.

The Financing and share issuances noted herein will be completed prior to or concurrently with the closing of the Acquisition such that Marching Moose will have 49,768,060 common shares, 3,432,604 warrants, and 473,325 stock options outstanding at the time of the closing of the acquisition.

3. COMMON STOCK AND CONTRIBUTED SURPLUS

Share capital as at June 30, 2017 in the unaudited pro-forma consolidated statement of financial position is comprised of:

	Number of Shares	Share Capital \$	Contributed Surplus \$
Authorized			
Unlimited common shares without par value			
Issued			
Capital stock of Avidian as at June 30, 2017	96,684,786	6,210,598	-
Share consolidation of Avidian	(52,129,586)	-	-
Capital stock of Avidian immediately prior to the amalgamation	44,555,200	6,210,598	-
Concurring private placement (Note 2(c)(i))	3,392,857	1,134,708	-
Fair value of warrants issued under private placement (Note 2(c)(i))	-	(257,291)	-
Valuation of Marching Moose issued and outstanding shares (Note 2b)	1,410,001	365,080	-
Valuation of Marching Moose stock options (Note 2b)	-	-	49,266
Valuation of sponsorship options (Note 2(c)(iii))	-	-	44,326
	49,358,058	7,453,095	93,592

4. PRO-FORMA EFFECTIVE TAX RATE

The pro-forma effective tax rate that will be applicable to the operations of the Company is 26%.