



## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED DECEMBER 31, 2020**

### **1 INTRODUCTION**

The following Management's Discussion and Analysis ("MD&A") is a review by management ("Management") of the operations, results, and financial position of Avidian Gold Corp. ("Avidian" or the "Company") for the three and six months ended December 31, 2020 (the "Reporting Period"). This MD&A is prepared as of February 26, 2021, unless otherwise indicated, and should be read in conjunction with the Company's unaudited interim financial statements and related notes for the three and six months ended December 31, 2020 ("Interim Financial Statements") and the audited financial statements and related notes for the year ended June 30, 2020 ("Annual Financial Statements") which have been prepared in accordance with International Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All figures are presented in United States dollars ("\$\$") unless otherwise indicated. Additional information relevant to the activities of the Company has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") – <http://www.sedar.com> and are also available on the Company's website <http://www.avidiangold.com>.

### **2 CAUTIONARY NOTE**

#### **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.

Readers are cautioned not to place undue reliance on these statements as the Company'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 Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company 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 Company 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 Company's actual results to differ materially from the forward-looking statements in this MD&A, please see Section 4.15 - Risks and Uncertainties.

### **3 HIGHLIGHTS FOR THE THREE AND SIX MONTHS ENDING DECEMBER 31, 2020**

- At Amanita property, Alaska:
  - Completed a high-resolution drone magnetic survey (443.6 line km) over the entire property at 50 m line spacing with selected areas flown at a 25 m line spacing.
  - Completed a helicopter-borne LiDAR survey over the entire property.
  - Completed nine HQ-diameter oriented core holes for a total of 1,945 m.
  - Complete hole assay results have only been received for holes AM20-1 and AM20-2 with the remainder of the balance of the core hole results pending as of the date of this MD&A.
  - Gold mineralization was encountered in both holes, with the highlight being **22.72 m of 3.11 g/t Au** (includes **12.87 m of 6.23 g/t Au**) from Hole AM20-02; this intersection occurs approximately 60 metres below Trench D-West, which returned **27.0 m of 4.22 g/t Au**.
  
- At Golden Zone property, Alaska:
  - A helicopter LiDAR and Orthophoto survey was flown over the entire property.
  - A 588.7 line km Drone-Mag magnetometer survey was flown over the northern portion of the property covering the Breccia Pipe Deposit area.
  - Staked an additional 1,975 hectares (4,880 acres) of claims adjoining the southwestern portion of the property along the strike extension of the newly discovered MJ mineral occurrence (grab samples of **5.17 g/t Au and 4.2 g/t Au plus 2.77% Cu**) extending the mineralized trend to 19 kilometres in strike length and overall property size to 125.3 sq km. Three mineral occurrences are located on the newly staked area known as Silver Kitty, Ready Cash and Canyon Creek.
  - Immediately west of the Silver Kitty occurrence, described as a chalcopyrite and sphalerite bearing skarn adjacent to a porphyritic stock, a grab sample returned **12.5 g/t Au**. This sample is located approximately 500 m southwest and on trend with the MJ discovery.
  - At the Ready Cash occurrence, a grab sample returned **0.4 g/t Au, 17.7 g/t Ag and 4.7% Cu**.

*It should be noted that, due to their selective nature, assay results from grab samples noted may not be representative of the overall grade and extent of mineralization on the subject areas. All drill core assays and trench results noted above are presented in core/sample lengths as at this time there is insufficient data with respect to the orientation of the mineralized intersections to calculate true widths.*

- At Amanita NE property, Alaska ("Amanita NE")
  - In July 2020 completed the acquisition of the Amanita NE property located approximately 12 km NE of the Amanita property
  - A drone LiDAR and Orthophoto survey over the entire property, was completed in August 2020

- 212.9 line km Drone-Mag airborne magnetometer geophysical survey was flown over the entire property in August 2020
- At Labrador West property, Newfoundland (“Labrador West”)
  - Completed a four core hole diamond drilling program for 999.0 metres
  - A total of 564 samples were collected for assay and as of the date of this MD&A all assay results have been received and significant results include **314.7 m grading 29.6% total iron**
  - A NI 43-101 Technical Report was completed and has been filed on SEDAR.

## CORPORATE/FINANCE

- Purchased the 1,032 acre Amanita NE property, Alaska located approximately 12 km NE of the Amanita property from Keltic Enterprises Inc ("**Keltic**"). On July 21, 2020, the Company purchased a 100% interest in the property in exchange for the issuance of 2.5 million common shares of Avidian Gold Corp., the granting of an unencumbered 1% net smelter royalty (“NSR”) on the property and a 0.2% NSR on the Amanita property. Keltic will also be entitled to receive one half of any additional royalty granted to a third party in the event of subsequent disposition by the Company of the Amanita NE property and to receive 25% of any net profits received from such sale to a third party after a deduction of an amount equal to two times the exploration costs expended by the Company on the Amanita NE property and reasonable transactional expenses incurred in connection with the sale to a third party.
- Completed a CDN\$2,000,000 (US\$1,468,800) non-brokered private placement
- Completed a CDN\$1,700,000 (US\$1,287,240) non-brokered private placement
- Avidian commenced trading on the OTCQB Venture marketplace (“OTCQB”) under the ticker symbol “AVGDF” on October 28, 2020. Listing on the OTCQB should increase exposure in the US and make trading in Avidian stock much more accessible to U.S. investors.

## 4 DISCUSSION AND ANALYSIS

### 4.1 BACKGROUND

#### The Company

Avidian Gold Corp. (“Avidian” or 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’s principal business activity is mineral exploration. The Company was a Capital Pool Company (“CPC”) as defined pursuant to Policy 2.4 of the TSXV.

On January 16, 2020, shareholders of the Company approved by way of a special resolution to change the Continuance of the Company from the British Columbia Business Corporations Act to the Ontario Business Corporations Act and approved that the registered office of the Company be changed from the Province of British Columbia to the Province of Ontario.

## **HIGH TIDE RESOURCES CORP.**

Over the course of late 2019 and early 2020 High Tide applied for and was granted all exploration permits from the Government of Newfoundland & Labrador and commenced detailed planning for a diamond drill program at Labrador West. The compilation work and data review of the widely spaced historical drilling identified a large area of iron intercepts exceeding 200 metres in thickness that would form the target area of a Phase 1 1,000 m drill program. All support contracts – drilling, accommodation, geological and helicopter - were in place by February with the idea of starting the program in mid-March. By early March the COVID-19 pandemic had begun to spread to North America and by mid-March all non-essential travel and work in Newfoundland & Labrador was halted; consequently, the Phase 1 drill program was paused at that time. The drill program commenced in August using local consultants with 4 core holes completed for 999 m. A total of 564 samples were collected for assay and as of the date of this MD&A all assay results have been received and significant results include: 314.7 m of 29.6% total iron, 321.5 m of 26.8% total iron, 57.2 m of 31% total iron and 60.0 m of 33.8% total iron. A NI 43-101 report was completed on December 2, 2020 and has been filed on SEDAR.

On January 8, 2021, High Tide announced the entering of a purchase Agreement with Globex Mining Enterprises Inc. (“Globex” GMX-TSX, GLBXF-OTCQX International, G1MN-Frankfurt) to purchase 100% of the Lac Pegma Copper-Nickel-Cobalt sulphide deposit located approximately 50 kilometres south of Fermont, Quebec.

\* \* \*

Additional information related to the Company and its subsidiaries is available on its website at [www.avidiangold.com](http://www.avidiangold.com).

### **Directors, Officers and Management**

David C. Anderson, Chairman, Chief Executive Officer and Director  
Stephen Roebuck – President  
Dino Titano – Independent Director  
James Polson – Independent Director  
Douglas J. Kirwin – Independent Director  
Donna McLean – Chief Financial Officer

### **Corporate Office**

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### **Exchange Listing**

The Company’s common shares (“Common Shares”) are traded on the TSX Venture Exchange (“TSX-V”) under the symbol AVG and on the OTCQB Venture marketplace (“OTCQB”) under the ticker symbol “AVGDF”.

### **Nature of Operations and Company Focus**

Avidian is in the business of acquiring and exploring gold and non-precious projects. As of December 31, 2020, the Company has acquired the rights to explore three gold properties in the United States of America (“United States”) and has 55% ownership of High Tide, which holds the right to explore three properties in Newfoundland, Canada.

Avidian operates in two jurisdictions: United States and Canada.

In the **United States**, the Company is engaged, through its 100% interest in Avidian Gold US Inc. and Avidian Gold Alaska Inc. in the acquisition and exploration of resource properties. Avidian holds properties in Alaska and Nevada, two major gold producing areas. To date the exploration focus has been primarily on the more advanced Golden Zone property in Alaska.

In **Canada**, Avidian's spinout High Tide has rights to an iron ore project in Labrador.

## **4.2 OVERALL PERFORMANCE – Financial Position, Results of Operations and Cash Flows**

### **Financial Position**

The Company's financial position at December 31, 2020 and June 30, 2020 is summarized as follows:

Financial Position	December 31, 2020	June 30, 2020
	\$	\$
Current assets	1,644,469	1,034,795
Non-current assets	86,082	98,612
Total assets	1,730,551	1,133,407
Current liabilities	128,121	165,650
Non-current liabilities	3,723,571	610,052
Total liabilities	3,851,692	775,702
Equity attributable to shareholders of the Corporation	(2,234,043)	123,583
Non-controlling interest	112,902	234,122
Total liabilities and shareholders' equity	1,730,551	1,133,407

For the six months ended December 31, 2020:

- the Company's cash position increased to \$1,330,300 from \$927,739. The increase is due to the completion of two private placements for gross proceeds of CDN\$3,700,000 (US\$2,715,060) completed in July and August 2020. During the period, cash was used to fund exploration and general corporate expenses. The remaining current assets are largely comprised of HST receivable;
- non-current assets had a small decrease in the property and equipment account due to depreciation of equipment;
- the revaluation of the warrant liability and convertible debenture resulted in an increase in total liabilities to \$3,851,692; and
- the change in shareholders' equity relates to the net loss recorded during the period and completion of the private placements.

### 4.3 SELECTED FINANCIAL RESULTS

#### Financial Position – See 4.2 above

#### Results of Operations

For the three and six months ended December 31, 2020, the Company recorded a net loss of \$5,096,113 (2019 - \$1,442,168). The increased loss for the period resulted from: i) the warrant revaluation loss of \$2,268,102 compared to the warrant revaluation loss of \$29,261 in the prior year, ii) the revaluation loss on the conversion feature of \$107,018 compared to the revaluation loss of the conversion feature of \$30,310, in the prior year; and iii) increased exploration and evaluation of expenditures of \$1,291,969.

For the three months ended December 31, 2020, the Company recorded a net loss of \$330,051 (2019 - \$523,246). The loss for the period resulted from: i) the increase in exploration costs to \$478,746 compared to \$319,193 in the prior year, ii) and increase in share-based compensation to \$124,934 compared to \$76,155, and iii) the warrant revaluation gain of \$517,085 compared to the warrant revaluation loss of \$30,836 in the prior year.

For the six months ended December 31, 2020, the Company recorded a net loss of \$5,227,075 (2019 - \$1,572,446). The increased loss for the period resulted from: i) an increase in general and administrative expenditures to \$346,239 compared to \$295,230 in 2019, ii) an increase in share-based compensation expense to \$210,016 compared to \$133,494 in 2019, iii) an increase in exploration expenditures to \$2,929,134 compared to \$1,477,612 in 2019, iv) the warrant revaluation loss of \$1,751,017 compared to the warrant revaluation loss of \$60,097 in the prior year.

STATEMENTS OF LOSS	Three months ended December 31, 2020	Three months ended December 31, 2019
Exploration expenses	\$478,746	\$319,193
Share-based compensation expense	124,934	76,155
Corporate overhead expense	220,055	189,083
	823,735	584,431
<b>Other income/expenses:</b>		
Foreign exchange losses (gain)	\$88,246	\$37,424
(Gain) loss on warrant revaluation	(517,085)	30,836
(Gain) loss on conversion feature	(34,341)	(22,747)
	\$(463,180)	\$45,513
<b>Non-controlling interest</b>	30,504	106,698
<b>Loss for the period (shareholders)</b>	<b>\$330,051</b>	<b>\$523,246</b>

STATEMENTS OF LOSS	Six months ended December 31, 2020	Six months ended December 31, 2019
Exploration expenses	\$2,929,134	\$1,477,612
Share-based compensation expense	210,016	133,494
Corporate overhead expense	429,463	363,448

	<b>3,568,613</b>	1,974,554
<b>Other income/expenses:</b>		
Foreign exchange losses (gain)	<b>\$64,361</b>	\$29,898
Loss on warrant revaluation	<b>1,751,017</b>	60,097
Loss on conversion feature	<b>72,677</b>	7,563
	<b>\$1,888,055</b>	\$97,558
<b>Non-controlling interest</b>	<b>229,593</b>	499,666
<b>Loss for the period (shareholders)</b>	<b>\$5,227,075</b>	\$1,572,446

## Cash Flows

Cash Flow Activities	Six months ended December 31, 2020	Six months ended December 31, 2019
Operating	<b>\$(2,587,601)</b>	\$(1,353,337)
Financing	<b>2,990,162</b>	2,080,580
Investing	-	-
<b>Increase (decrease) in cash during the period</b>	<b>\$402,561</b>	\$727,243

For the Reporting Period, net cash used for operating activities was \$2,587,601 (2019 - \$1,353,337). The majority of the cash (82%) (2019 – 76%) was used for project evaluation and exploration. The Company generated \$2,990,162 (2019 - \$2,080,580) in financing activities from the issuance of shares during the period.

## 4.4 PROJECTS REVIEW

### ALASKA PROJECTS

#### Location, tenure and historical data

Avidian holds properties in Alaska and Nevada. These properties comprise large land positions in recognized, prolific gold belts where historically multi-million ounce deposits have been discovered. All of the properties are at an advanced exploration stage and either host a resource or have drill/trench intercepts of economic interest. They also have historical databases and multiple identified drill ready targets. To date the exploration focus has been primarily on the more advanced Golden Zone property in Alaska.

#### A Golden Zone

The Golden Zone and Amanita properties lie within the prolific Tintina Gold Belt that hosts multi-million ounce gold deposits such as Donlin Creek (+39 Moz measured plus indicated gold resource), the producing Fort Knox Gold Mine (+8 Moz produced and contains 1.5 Moz proven plus probable reserves) and Dublin Gulch (4.8 Moz indicated gold resource and 1.5 Moz inferred gold resource). Both properties have well documented gold showings that trend over several kilometers in length, are easily accessible all year round by road, and are close to major infrastructure.



The Golden Zone property is located 320 km north of Anchorage, Alaska, and approximately 16 km west of the main transportation route between Anchorage and Fairbanks. This 12,525 hectare (125.25 sq km) property is comprised of a 1,184 hectare (11.84 sq km) Uplands Mining Lease (with 32 years remaining on the lease) surrounded by 11,325 hectares (113.25 sq km) of State of Alaska claims and a non-contiguous 16 hectare Mill Site Lease. The property hosts a number of high grade gold surface showings along a 15 km long well mineralized trend hosting grades of 4 g/t Au to > 25 g/t Au plus Ag ± base metals, with significant drill and trench intersections.

The property also hosts the Breccia Pipe Deposit, which contains a NI 43-101 Indicated gold resource of 267,400 ounces (4,187,000 tonnes at 1.99 g/t Au), plus an Inferred gold resource of 35,900 ounces (1,353,000 tonnes at 0.83 g/t Au). The deposit is exposed on surface and remains open at depth and along strike.

## Exploration Work

Exploration programs to date over the 15 km mineralized strike length at the Golden Zone property have defined three major target areas within this district scale property. The current Breccia Pipe Deposit resource and Mayflower Extension Zone lies within one of these target areas. Copper King and the recently discovered JJ - J4 zone and MJ zone lie within the other two target areas. Below is a summary of the relevant exploration results on the property.

In 2018, the Company completed the following.

- Discovery of the JJ Zone, a new gold showing that hosts multiple vertical dipping sulphide-bearing gossans (disseminated to semi-massive pyrite with chalcopyrite and arsenopyrite hosted within siltstones and sandstones) ranging in thickness from 0.5 to +3.0 m over a true width area of approximately 150 m, a vertical exposure of 300 m and a strike length of at least 500 m. Eight of twenty-three grab samples assayed greater 0.95 g/t Au with highlight samples in the gossan zones ranging from 2.08 g/t Au to 6.14 g/t Au. Samples from interbedded sediments are also mineralized and range from 0.098 g/t Au to 0.965 g/t Au, which allows for a large-scale bulk tonnage opportunity.
- Drilling and trenching highlights in the Copper King/S. Long Creek prospect area.
  - Hole CK18-01 intersected 9.1 m grading 8.71 g/t Au, 80.8 g/t Ag and 3.57% Cu in hole CK18-01 from 3.9 m to 13.0 m.
  - A surface trench (T18-09) located in the same vicinity as hole CK18-01 returned 30.0 m grading 2.24 g/t Au, 67.2 g/t Ag and 2.79% Cu.
  - 3.0 m grading 16.08 g/t Au, 50.6 g/t Ag and 0.78% Cu was encountered in a trench located 750 m from the high-grade Copper King mineralization (hole CK18-01) attesting to the size of the mineralizing system in the Copper King/Long Creek area. This mineralization, located on the southern flank of a large CSAMT high, and is hosted in a conglomeratic unit. Within a 200m vicinity of the Copper King prospect, Avidian previously collected surface rock grab samples that graded:
    - 1.44 g/t Au, 87.5 g/t Ag and 3.29% Cu in a conglomeratic unit;
    - 1.51 g/t Au, 67.0 g/t Ag and 1.05% Cu in siltstones;
    - 6.86 g/t Au, 192 g/t Ag and 9.65% Cu in siltstones, and;
    - 4.8 g/t Au, 106 g/t Ag and 1.41% Cu in a quartz-eye granite stockwork.



- A CSAMT geophysical survey was conducted over the +3 km long Copper King, Long Creek and S. Long Creek trend. Multiple resistivity highs were mapped which are interpreted to be highly prospective areas for gold and copper mineralization. Many of the CSAMT resistivity high features correspond with magnetic lows identified in a previous helicopter-borne aeromagnetic survey and are coincident with known mineralization in the Copper King and Long Creek area.
- Drilling within the Breccia Pipe and Mayflower area yielded the following results:
  - Hole GZ18-04 was drilled down the plunge of the Breccia Pipe Deposit to test for mineralization within the monzodiorite hosting the Breccia Pipe Deposit that is not included in the current resource estimate and to infill the southwestern margin of the pipe. This hole encountered 107.31 m grading 4.76 g/t Au down plunge within the sulphide rich portion of the Breccia Pipe Deposit and 21.59 m grading 1.66 g/t Au within the host monzodiorite including 3.60 m grading 5.53 g/t Au. This latter mineralization indicates potential for additional resources to be developed within the monzodiorite that hosts the Breccia Pipe Deposit.
  - Within the Mayflower Extension Zone ("MEZ"), hole GZ18-02, located approximately 400 m northeast of the Breccia Pipe Deposit, was drilled to follow up on the mineralization intersected in 2017 hole GZ17-10 that returned 21.6 m grading 1.46 g/t Au in a conglomeratic unit. GZ18-02 drilled 50 m southwest of hole GZ17-10 intersected 17.7 m grading 2.12 g/t Au in conglomerates which is interpreted to be related to the mineralization in hole GZ17-10. This hole also bottomed in conglomerates that ran 1.04 g/t over 17.7 m. The last 3 m returned 2.6 g/t Au indicating that the mineralization remains open on strike and at depth.
  - The MEZ remains open to the southwest in the direction of the Breccia Pipe Deposit. It is also open to the northeast and at depth. The MEZ represents excellent potential for defining additional resources in the area of the Breccia Pipe Deposit. In addition, the MEZ mineralization is dominantly hosted in a conglomeratic unit which is interpreted to represent leakage mineralization from the Breccia Pipe deposit. This suggests the potential root of the Breccia Pipe Deposit may underlie the MEZ or lie between the two identified areas of mineralization.

During 2019, 92 grab samples were collected from a helicopter based prospecting program, 246 chip/channel samples from a detailed sampling program at JJ Zone and 296 soil samples and 94 biogeochemical samples over the MEZ and to the northeast of this zone.

Highlight results from the 2019 work program are as follows (press releases of November 11 and 13, 2019).

- Identified a new mineralized occurrence (MJ) located 3.4 km SW of the JJ Zone; MJ returned grab samples of **5.17 g/t Au** and **4.2 g/t Au** and **2.77% Cu** over an area at least 200 m x 200 m and open.
- Prospecting at the JJ - J4 Zone extended the strike length of this occurrence to at least 750 m and it still remains open in both directions; it is now identified over an area of 120 m wide, 300 m in height from the valley floor and >750 m in length with highlight grab samples of gossan zones ranging from **2.08 g/t Au** to **6.14 g/t Au** and chip samples of **12.0 m @ 1.40 g/t Au** and **6.0 m @ 1.85 g/t Au**.
- The Breccia Pipe deposit has had limited drill testing below 200 m from surface resulting in incomplete testing of the margins of the pipe as well as the enclosing mineralized monzodiorite

host rock, particularly in the southwest portion of the breccia body which will require follow up drilling.

- Adjacent to the Breccia Pipe deposit is the MEZ, which is predominantly skarn/replacement type mineralization within a conglomeratic unit, occurring over a strike length of 350 m. The most apparent extension of this zone is to the NE where it projects into a gold-in-soil anomaly.
- the BLT shear zone mineralization that trends through the Breccia Pipe deposit and currently forms a small part of the present resource can be traced for over 1.5 km. Limited drilling has been completed on the BLT shear zone over this strike length. It remains open to the NE where it strikes into a gold-in-soil anomaly.

Highlights from the 2020 work program to date are as follows.

- A helicopter LiDAR and Orthophoto survey was flown over the entire property.
- 588.7 line km Drone-Mag airborne magnetometer geophysical survey was flown over the northern portion of the property.
- An additional 4,880 acres of claims were staked, adjoining the south western portion of the property along the strike extension of the MJ mineral occurrence
- grab samples results from the newly staked ground include 12.5 g/t Au and 0.4 g/t Au, 17.7 g/t Ag and 4.7% Cu

*It should be noted that, due to their selective nature, assay results from grab samples noted may not be representative of the overall grade and extent of mineralization on the subject areas. All drill core assays noted above are presented in core length as at this time there is insufficient data with respect to the orientation of the mineralized intersections to calculate true widths.*

## **Next Steps**

The Drone-Mag survey results are being compiled and integrated with other existing geophysical surveys on the property and geological/drill hole data. Given the current COVID-19 Pandemic and related work and travel restrictions associated therein, the Company has determined that any follow up exploration work and further drilling on this property will be deferred until 2021. In the meantime the Company will incorporate its previous work into an updated compilation taking into account the new results from the Drone-Mag and LiDAR surveys.

## **B. Amanita**

### **Location, tenure and historic data**

The Amanita property is comprised of State of Alaska claims totaling 1,460 hectares (14.6 sq km) and is located 15 km northeast of Fairbanks, Alaska, and approximately 5 km southwest and contiguous to the Fort Knox open-pit gold mine. Fort Knox is currently producing approximately 380,000 oz of gold per annum at a grade of less than 0.5 g/t Au. The Fairbanks mining district has historically produced in excess of 20 Moz of gold. Mineralization at Fort Knox is contained within a northeast/southwest structural corridor that trends southwest directly onto the Amanita property. This corridor at Amanita is approximately 1.6 km long and hosts multiple historical drill intersections >1.5 g/t Au, such as 13.7 m at 3.0 g/t Au and 4.5 m at 11.4 g/t Au, with visible gold noted in some of the drill holes as well as in selected float samples. This

corridor has been sparsely drill tested, with the drill intersections all occurring at a depth of less than 150 m.

## Exploration Work

Avidian believes the Amanita property has the potential to host one or more oxide gold resources within a 4 km long mineralized structural corridor that trends directly onto the adjacent and contiguous Fort Knox gold mine property. Historical drilling along this corridor (referred to as the Tonsina Trend) indicates that oxide gold mineralization extends from surface to a depth of at least approximately 150 m. Historical reverse circulation drilling of 30 holes (from a drill campaign of 39 holes) intersected gold grades of > 1.0 g/t Au over widths of 1.5 m, with visible gold identified in six holes. Some highlight intersections include 14 m of 3.02 g/t Au, 11 m of 1.08 g/t Au, 5 m of 2.30 g/t Au and 3 m of 14.04 g/t Au.

During the July and August of 2019, a trenching program comprised of 6 trenches for 1,725 m with the collection of 722 rock chip samples was completed. Highlight trenching results (January 7, 2020 press release) are as follows.

- 94.5 m of 3.04 g/t Au, including 22.5 m of 11.51 g/t Au or 6.0 m of 13.10 g/t Au; and
- 27.0 m of 4.22 g/t Au including 6.0 m of 13.85 g/t Au and 6.0 m of 2.48 g/t Au

Highlights from the 2020 work program to date are as follows.

- A drone LiDAR and Orthophoto survey has been completed over the entire property.
- 443.6 line km Drone-Mag airborne magnetometer geophysical survey has been flown over the entire property with interpretations of this data underway.
- Completed a core HQ-diameter oriented core drilling program, with 9 core holes completed for a total of 1,944.5 metres as follows:
  - three core holes (AM20-1, 2, 8) were drilled in the vicinity of Trench C & D (completed in 2019) to test the NE-SW trending zone of gold mineralization;
  - two core holes (AM20-3, 4) drilled to test for possible NE-SW trending parallel gold zones anywhere from 20 to 250 m southeast of the hole AM20-2;
  - three core holes (AM20-5, 6, 7: note hole AM20-6 was abandoned at 54.25 m due to rock conditions and hole AM20-7 was drilled at the same collar location) drilled to test for a possible strike extension of mineralized trenches on trend with hole AM20-1 & 2) 140 m to the northeast and 230 m to the southeast, respectfully); and,
  - one hole (AM20-9) drilled 1.1 km southwest of the trenches to test possible SW extension of the mineralization coincident with geophysical targets.
- Complete drill hole assay results have only been received for drill holes AM20-1 and AM20-2 with the remainder of the balance of the core hole assay results pending. Drill holes AM20-01 and AM20-02 were designed to test for the down-dip extent of the mineralization encountered in trenches C-North and D-West, respectively. The mineralization between these two trenches trends in a NE direction over a strike extent of at least 200 m. Highlights from these holes are listed below.
  - Gold mineralization was encountered in both holes, with the highlight being **22.72 m of 3.11 g/t Au** from Hole AM20-02; this intersection occurs approximately 60 metres below Trench D-West, which returned **27.0 m of 4.22 g/t Au**.
  - AM20-01 was designed to pass under the north-trending intersection of **22.5 m of 11.51 g/t Au** in Trench C-North and intercept this zone at a vertical depth of

approximately 50 m. The upper 75 m of AM20-01 is structurally complex and movement along these structures likely displaced the mineralization as no significant mineralization was intercepted in the upper part of the hole. Several thin anomalous (>0.25 g/t) gold values were encountered including **3.12 m of 1.39 g/t Au** at a depth of 95 m. The structural complexity in the upper 75 meters of AM20-01 is also evident in the property wide magnetic survey that indicates multiple, major, structural trends intersecting in the area of AM20-01.

- Hole AM20-02 was designed to test the down-dip extension of the Trench D-West intersection of **27.0 m of 4.22 g/t Au**, interpreted to reflect the same mineralized zone targeted by Hole AM20-01. The upper parts of the hole contain intersections of **4.54 m of 0.68 g/t Au** and **6.10 m of 1.49 g/t Au**, but the highlight intersection is **33.89 m of 2.56 g/t Au**, which includes **27.22 m of 3.11 g/t Au**, which itself includes **12.87 m of 6.23 g/t Au**. **This intersection** lies approximately 60 m below the Trench D-West intersection, demonstrating its down-dip extension. This mineralization remains open at depth and along strike.

### **Next Steps**

A 2021 field program is in the planning stages to at a minimum follow up on the drill results from holes AM20-01 and AM20-02 and their general vicinity as well as additional scout drilling on newly identified areas resulting from the 2020 geophysical survey and a soil survey over the entire property. Further compilation of all the 2020 work program results and the refinement of details for the 2021 work program and budget are underway.

### **C. Amanita NE**

A drone LiDAR and Orthophoto survey and a Drone-Mag airborne magnetometer geophysical survey have been completed on this property. The survey results are currently being analysed with the view of possibly carrying out a follow up drill program in 2021.

## **NEVADA PROJECTS**

### **D. Jungo Property**

The 2,000 hectare (20 sq km) Jungo Property is situated within the Humboldt mineral trend, Nevada, that hosts the multi-million ounce Hycroft and Sleeper gold deposits. Hycroft hosts 10.5 Moz of proven plus probable reserves plus 11 Moz of measured plus indicated resource. Sleeper has produced +1.6 Moz and contains a resource of 3.1 Moz of measured plus indicated and 1.5 Moz inferred. The Jungo property lies between these two deposits.

Historical work on the property has outlined a 5 km long gold-copper system that has been sparsely tested by geophysics, trenching and drilling. Historical drilling along the 5 km strike length includes: 1.52 m at 2.5 g/t Au, 71.6 g/t Ag and 0.67 % Cu, 7.62 m at 0.90 g/t Au, 28.9 g/t Ag and 1.73% Cu, and 12.19 m at 1.29 g/t Au, 28.6 g/t Ag and 0.72% Cu. Historical trenching along the 5 km strike length includes: 6.10 m at 2.12 g/t Au, 6.10 m at 1.21 g/t Au, and 3.05 m at 2.36 g/t Au.

### **Next Steps for Jungo**

No exploration activity took place on the Jungo property during fiscal 2020. Avidian is evaluating the possibility of doing a small RC drilling program on this property in 2021 and/or spinning out the property into another vehicle, either private or public, so as to maximize its unrecognized value for Avidian

shareholders. In the meantime, Avidian has received its work permit allowing the Company to carry out field work on its drill ready targets.

**NEWFOUNDLAND PROJECTS (HIGH TIDE) - See High Tide Resources Corp.**

**Evaluation and Exploration Expenditures**

During the six months ended December 31, 2020, a total of **\$2,929,134** (2019 - \$1,477,612) was incurred for project costs, as follows:

	<b>Three and six months ended December 31, 2020</b>	Three and six months ended December 31, 2019
<b>Golden Zone</b>		
Acquisition and holding costs	<b>\$62,688</b>	\$40,130
Equipment rental and fuel	-	3,411
Camp supplies	<b>11,552</b>	8,033
Assays	<b>917</b>	31,472
Geophysics	<b>113,027</b>	-
Geology consulting fees	<b>65,776</b>	191,617
	<b>\$253,960</b>	\$274,663
<b>Amanita</b>		
Acquisition and holding costs	<b>\$68,086</b>	\$58,150
Assays	<b>29,579</b>	28,180
Drilling	<b>422,823</b>	-
Geophysics	<b>66,727</b>	-
Geology consulting fees	<b>634,390</b>	140,612
	<b>\$1,221,605</b>	\$226,942
<b>Amanita NE</b>		
Acquisition and holding costs	<b>\$835,600</b>	\$-
Geophysics	<b>27,881</b>	-
Geology consulting fees	<b>6,608</b>	-
	<b>\$870,089</b>	\$-
<b>Jungo</b>		
Acquisition and holding costs	<b>\$52,484</b>	\$41,964
Geological consulting fees	<b>2,984</b>	-
	<b>\$55,468</b>	\$41,964

<b>Labrador West</b>		
Assays	<b>13,859</b>	-
Camp supplies	<b>32,044</b>	-
Drilling	<b>226,604</b>	-
Equipment rental and fuel	<b>105,589</b>	82,334
Geology consulting fees	<b>152,611</b>	89,584
	<b>\$528,012</b>	\$869,655
<b>Others</b>		
Acquisition and holding costs	<b>\$-</b>	\$1,285
Geology consulting fees	-	63,103
	<b>\$-</b>	\$64,388
<b>Total Evaluation and Exploration Expenditures</b>	<b>\$2,929,134</b>	\$1,477,612

#### 4.5 SUMMARY OF QUARTERLY RESULTS

The following are selected financial data from the Company's Interim Financial Statements for the last eight quarters, ending with the most recently completed quarter, being the three and six months ended December 31, 2020:

	2021		2020				2019	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Total revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net (loss) earnings	<b>(330,051)</b>	(4,897,024)	(307,014)	(867,571)	(523,246)	(1,049,200)	(21,276)	600,237
Net (loss) earnings per share - basic and fully diluted	<b>0.00</b>	(0.04)	0.00	(0.01)	(0.01)	(0.01)	0.00	0.01

#### 4.6 LIQUIDITY AND CAPITAL RESOURCES

The Company finances its activities by raising capital in the equity markets and has no regular source of revenue or cash flow. The Company 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 Company's property interests are at an early stage of exploration and, in common with many exploration companies, it raises financing for its evaluation and exploration activities in discrete tranches. The existing funds may not be sufficient to explore potential gold project acquisitions and in due course, further funding could be required.

The Company's ability to continue as a going concern is highly 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 Annual Financial Statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material.

The Company raised a total of CDN\$3,700,000 (US\$2,756,040) with the closing of two private placements. These proceeds will be used to advance exploration on Avidian's current projects and for general working capital purposes.

#### **4.7 ESTIMATED WORKING CAPITAL REQUIREMENTS**

The Company's working capital requirements are discussed in detail in Section 4.2 Overall Performance and Section 4.8 Liquidity and Capital Resources. Fixed costs to maintain operations, pay taxes and overheads are about \$180,000 per annum. Annual corporate and general costs to maintain the requirements of a listed Company are estimated to be about \$75,000. Therefore, minimum working capital requirements are estimated at \$255,000 per year. Project costs vary.

#### **4.8 OUTSTANDING SHARE DATA**

<b>As at</b>	<b>Common Shares</b>	<b>Warrants</b>	<b>Stock Options</b>	<b>Fully Diluted</b>
<b>June 30, 2020</b>	94,402,899	6,307,000	7,351,149	108,061,048
<b>December 31, 2020</b>	122,372,414	31,326,515	10,315,149	164,014,078
<b>February 25, 2021</b>	123,095,425	31,326,515	10,315,149	164,737,089

#### **4.9 RELATED PARTY TRANSACTIONS**

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and nonexecutive) of the Company.

The remuneration of key management personnel is comprised of fees paid to officers for the period ended December 31, 2020 totaling \$24,257 (2019 - \$24,600), consulting fees of \$84,724 (2019 - \$60,600) and share-based compensation of \$119,354 (2019 - \$85,247).

#### **4.10 OFF-BALANCE-SHEET TRANSACTIONS**

There are no off-balance sheet transactions contemplated at this time.

#### **4.11 PROPOSED TRANSACTIONS**

The Company has no proposed transaction to acquire or dispose of any asset, however Management has been actively identifying and evaluating new opportunities with the goal of acquiring additional mineral exploration projects, as industry conditions are creating opportunities for companies such as Avidian, to expand their asset base.

#### **4.12 ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES**

##### **a) Changes in Accounting Policies**

The Interim Financial Statements of the Company 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 Company's reporting for the three and six months ended December 31, 2020.

The significant accounting policies of the Company are summarized in Note 2 of the Company's Annual Financial Statements. New accounting standards and amendments issued but not yet adopted are also addressed in the Interim Financial Statements. Management does not expect the adoption of such new standards and amendments to have any material impact on its Annual Financial Statements.

#### b) Critical Accounting Estimates

The Company prepares its consolidated financial statements in accordance with IFRS. Under IFRS, Management is required to make judgments, estimates and assumptions about future events that could affect the carrying amounts of the assets and liabilities. 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 that require Management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- i. the assessment of the primary economic environment in order to determine the Company's functional currency;
- ii. the carrying valuation of assets and impairment charges;
- iii. the valuation of the accretion and derivative liability of compound financial instruments;
- iv. the inputs used in accounting for valuation of warrants and options which are included in the statement of financial position;
- v. the inputs used in accounting for share-based payment expense in the statement of loss;
- vi. the \$nil provision for decommissioning and restoration obligations which are included in the statement of financial position;
- vii. the inputs used for assessing impairment included the estimates of the discounted figure after-tax cash flows expected to be derived from the Company's mining properties;
- viii. the existence and estimated amount of contingencies; **See Section 4.14 - Commitments and Contingencies** and
- ix. the determination of the Company's provision for taxes.

### **4.13 FINANCIAL INSTRUMENTS**

#### Fair Value of Financial Instruments

The Company'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 December 31, 2020, the Company's financial assets are comprised of cash and amounts receivable.

Financial assets at fair value through profit are carried at fair value. Gains and losses are reflected in the consolidated statements of operations and comprehensive loss.

Cash, and amounts 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 Company has transferred substantially all risks and rewards of ownership. The Company assesses at each financial reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

The Company's financial liabilities consist of trade payables, accrued liabilities, warrant liability, 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 Company'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 Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and commodity price risk). Risk management is carried out by Management with guidance from the Audit Committee under policies approved by the Board. The Board also provides regular guidance for overall risk management. There have been no significant changes in the risks, objectives, policies and procedures during the reporting period.

#### *Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company'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 Company's believes it has no significant credit risk.

#### *Liquidity risk*

Liquidity risk arises through an excess of financial obligations over financial assets at any point in time. The Company's approach to managing liquidity risk is to maintain readily available cash to continue operations and meets its financial obligations when they become 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 Company has cash balances and no interest-bearing debt. Management is satisfied with the credit ratings of its banks.

##### (b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and trade payables and accrued liabilities that are denominated in US Dollars ("USD").

##### (c) Commodity price risk

The Company 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 Company closely monitors gold prices to determine the appropriate course of action to be taken by the Company.

## **4.14 COMMITMENTS AND CONTINGENCIES**

The Company'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 Company strives to conduct 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 is obligated to spend CDN\$830,000 (US\$609,054) by December 31, 2021 for the issuance of flow-through shares by HTR Corp. As at December 31, 2020, the Corporation had spent CDN\$701,068 (US\$525,590) and is obligated to spend an additional CDN\$128,932 (US\$96,660). The flow-through agreements require the Corporation to renounce certain tax deductions for Canadian exploration expenditures incurred on the Corporation's mineral properties to flow-through participants. The Corporation has indemnified the subscribers for certain tax related amounts that become payable by the subscribers should the Corporation not meeting its expenditure commitments.

See Notes 15 and 16 from the Interim Financial Statements for the period ended December 31, 2020.

#### **4.15 RISKS AND UNCERTAINTIES**

Although Management attempts to mitigate risks associated with exploration and mining and minimize their effect on the Company's financial performance, there is no guarantee that the Company will be profitable in the future and the Company's Common Shares should be considered speculative.

#### **COVID - 19**

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. Its impact on global economies has been far-reaching and business around the world are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

#### **Laws and Regulations Governing Operations**

The operations of the Company'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 Company's mineral properties may have material adverse impact on operations.

#### **Exploration, Development and Operating Risk**

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation, may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to the hazards and risks normally associated with mineral exploration and the development of deposits, many of which could result in work stoppages, damage to property, and possible environmental damage. Mining involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. None of the properties in which Avidian has an interest has a defined orebody and there is no assurance that any of Avidian's mineral exploration and development activities will result in the discovery of a commercially viable mineral deposit. Exploring in a foreign jurisdiction subjects the Company to additional risks including potential political change, changes in law or policies, inability to obtain permits or delays in obtaining them, limitations on foreign ownership and other risks not specified here. Foreign currency fluctuations may also adversely affect the Company's financial position and operating results.

## **Ability of Community Stakeholders to Impede Project Success**

The Company recognizes that it is crucial that it engages with key constituency groups to mitigate the social and business risk associated with exploration on properties owned by non-shareholding stakeholders.

## **Property Title**

Property title may be jeopardized by unregistered prior agreements or by the Company not fully complying with regulatory requirements.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee that challenges to the titles may not emerge.

## **Environmental Matters**

The Company's exploration activities are subject to various federal, cantonal, provincial and international laws and regulations governing the protection of the environment. The Company believes that its operations are materially in compliance with all applicable laws and regulations. However, the Company has engaged, and is reliant upon, an environment specialist consultant to keep the Company informed and compliant with respect to environmental rules and regulations.

## **Funding**

The Company will require significant capital to finance its overall objectives and there can be no assurance that the Company will be able to raise the capital required, thus jeopardizing the Company's ability to achieve its objectives, meet its obligations or continue as a going-concern. Given the nature of the Company's operations, which consist of exploration, evaluation, development and acquisition of mineral properties or mining projects, the Company believes that the most meaningful financial information relates primarily to current liquidity and solvency. There can be no assurance that the Company's directors/officers will fund the Company's working capital needs.

Failure to obtain sufficient and timely financing may result in delaying or indefinitely postponing exploration or development activities. If the Company obtains debt financing, it may expose its operations to restrictive loan and lease covenants and undertakings. If the Company obtains equity financing, existing shareholders may suffer dilution.

## **Foreign Currency**

The Company has projects in the US, therefore the Company is exposed to foreign currency risk on fluctuations related to cash and trade payables and accrued liabilities that are denominated in US Dollars (USD). Management believes that the foreign exchange risk derived from currency conversions is best served by not hedging its foreign exchange.

### **4.16 QUALIFIED PERSON**

The foregoing and technical information contained has been prepared or reviewed by Dino Titaro, Director, who is a registered Professional Geologist and is a "Qualified Person" for the purposes of National Instrument 43-101, Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators.