



*Condensed Interim Consolidated Financial Statements  
(Unaudited)*

**AVIDIAN GOLD CORP.**

*For the three and nine months ended March 31, 2023 and 2022*

*(Expressed in US dollars)*

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim consolidated financial statements of Avidian Gold Corp. (the “Company” or “Avidian”) for the three and nine months ended March 31, 2023 and 2022 have been prepared by Management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

In accordance with National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company herewith discloses that the accompanying unaudited condensed interim consolidated financial statements have not been reviewed by an auditor.

May 30, 2023

“Steve Roebuck”  
Chief Executive Officer

“Donna McLean”  
Chief Financial Officer

# **AVIDIAN GOLD CORP.**

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# AVIDIAN GOLD CORP.

## Condensed Interim Consolidated Statements of Financial Position

(Unaudited; Expressed in US Dollars)

	As at March 31, 2023	As at June 30, 2022
	\$	\$
<b>Assets</b>		
Current		
Cash	63,053	265,034
Due from associate	8,801	70,993
Amounts receivable and prepaid expenses	13,754	35,883
Total current assets	85,608	371,910
Non-current assets		
Equipment (Note 5)	42,843	70,121
Investment in associate (Note 8)	1,284,705	1,518,163
Total assets	1,413,156	1,960,194
<b>Liabilities</b>		
Current		
Trade payables and accrued liabilities (Note 10)	465,006	144,237
Total current liabilities	465,006	144,237
Non-current liabilities		
Warrant liability (Note 7)	177,094	31,582
Total liabilities	642,100	175,819
<b>Shareholders' Equity</b>		
Share capital (Note 6(b))	19,932,362	19,536,485
Share-based payment reserve (Note 6(c))	2,138,860	2,033,015
Deficit	(21,300,166)	(19,785,125)
Total equity	771,056	1,784,375
Total liabilities and shareholders' equity	1,413,156	1,960,194

**DESCRIPTION OF BUSINESS AND GOING CONCERN** (Note 1)

**COMMITMENTS AND CONTINGENCIES** (Notes 12 and 13)

APPROVED BY THE BOARD OF DIRECTORS

Original signed by James Polson, Director

Original signed by Dino Titaro, Director

See accompanying notes to the condensed interim consolidated financial statements

**AVIDIAN GOLD CORP.****Condensed Interim Consolidated Statements of Operations and Comprehensive Loss****(Unaudited; Expressed in US Dollars)**

	For the three months ended March 31, 2023	For the three months ended March 31, 2022	For the nine months ended March 31, 2023	For the nine months ended March 31, 2022
	\$	\$	\$	\$
<b>Operating Expenses</b>				
Exploration and evaluation expenditures (Note 12)	410,917	533,457	789,831	3,899,647
General and administrative (Note 11)	124,574	280,964	332,330	906,848
Share-based compensation (Note 6(c))	25,917	80,722	102,200	349,672
<b>Net loss before other losses (gains)</b>	<b>561,408</b>	<b>895,143</b>	<b>1,224,361</b>	<b>5,156,167</b>
Foreign exchange (gain) loss	818	(52,575)	(3,385)	(24,487)
Gain on loss of control of HTR Corp.	-	(2,282,905)	-	(2,282,905)
Loss from equity accounting in associate (Note 8)	72,200	41,488	233,458	41,488
Unrealized (gain) loss on warrant revaluation (Note 7)	(76,340)	(477,045)	60,607	(2,679,643)
Total other (gains) losses	(3,322)	(2,771,037)	290,680	(4,945,547)
<b>Net loss (earnings) and comprehensive loss (earnings) for the period</b>	<b>558,086</b>	<b>(1,875,894)</b>	<b>1,515,041</b>	<b>210,620</b>
<b>Net loss (earnings) and comprehensive loss (earnings) attributable to:</b>				
<b>Shareholders of the Corporation</b>	<b>558,086</b>	<b>(1,947,202)</b>	<b>1,515,041</b>	<b>(694,928)</b>
<b>Non-controlling interest</b>	<b>-</b>	<b>71,308</b>	<b>-</b>	<b>905,548</b>
<b>Net loss (earnings) and comprehensive loss (earnings) for the period</b>	<b>558,086</b>	<b>(1,875,894)</b>	<b>1,515,041</b>	<b>210,620</b>
Net loss per share - basic and diluted (Note 9)	0.00	(0.01)	0.01	(0.00)
Weighted average number of shares outstanding - basic and diluted (Note 9)	184,325,846	165,100,374	173,873,488	165,037,917

See accompanying notes to the condensed interim consolidated financial statements

**AVIDIAN GOLD CORP.**

**Condensed Interim Consolidated Statements of Change in Shareholders' Equity**

(Unaudited; Expressed in US Dollars)

	Number of shares	Share capital	Share-based payment reserve	Deficit	Equity attributable to shareholders of the Corporation	Non-controlling interest	Total Equity
		\$	\$	\$	\$	\$	\$
<b>Balance June 30, 2021</b>	<b>164,862,041</b>	<b>19,334,419</b>	<b>1,635,251</b>	<b>(19,271,606)</b>	<b>1,698,064</b>	<b>611,758</b>	<b>2,309,822</b>
Non-controlling interest on acquisition	-	-	-	437,817	437,817	841,072	1,278,889
Net earnings (loss) and comprehensive earnings (loss) for the period	-	-	-	694,928	694,928	(905,548)	(210,620)
Dividend in-kind - spinout of HTR Corp. shares	-	-	-	(875,387)	(875,387)	-	(875,387)
Elimination of non-controlling interest on loss of control of HTR Corp.	-	-	-	-	-	(547,282)	(547,282)
Broker warrants exercised (Note 6(b))	30,000	3,652	(1,282)	-	2,370	-	2,370
Warrants exercised (Note 6(b))	250,000	31,687	-	-	31,687	-	31,687
Shares for property acquisition (Note 12)	2,614,583	166,727	-	-	166,727	-	166,727
Share-based compensation (Note 6(c))	-	-	349,672	-	349,672	-	349,672
<b>Balance March 31, 2022</b>	<b>167,756,624</b>	<b>19,536,485</b>	<b>1,983,641</b>	<b>(19,014,248)</b>	<b>2,505,878</b>	<b>-</b>	<b>2,505,878</b>
Non-controlling interest on acquisition	-	-	-	-	-	-	-
Net loss and comprehensive loss for the period	-	-	-	(770,877)	(770,877)	-	(770,877)
Share-based compensation (Note 6(c))	-	-	49,374	-	49,374	-	49,374
<b>Balance June 30, 2022</b>	<b>167,756,624</b>	<b>19,536,485</b>	<b>2,033,015</b>	<b>(19,785,125)</b>	<b>1,784,375</b>	<b>-</b>	<b>1,784,375</b>
Net loss and comprehensive loss for the period	-	-	-	(1,515,041)	(1,515,041)	-	(1,515,041)
Private placement, net of issue costs (Note 6(b))	11,549,429	280,882	-	-	280,882	-	280,882
Value of warrants issued under private placement (Note 7)	-	(86,420)	-	-	(86,420)	-	(86,420)
Broker warrants issued (Note 7)	-	(3,645)	3,645	-	-	-	-
Shares for property acquisition (Note 12)	6,105,154	205,060	-	-	205,060	-	205,060
Share-based compensation (Note 6(c))	-	-	102,200	-	102,200	-	102,200
<b>Balance March 31, 2023</b>	<b>185,411,207</b>	<b>19,932,362</b>	<b>2,138,860</b>	<b>(21,300,166)</b>	<b>771,056</b>	<b>-</b>	<b>771,056</b>

See accompanying notes to the condensed interim consolidated financial statements

**AVIDIAN GOLD CORP.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
(Unaudited; Expressed in US Dollars)

	For the nine months ended March 31, 2023	For the nine months ended March 31, 2022
	\$	\$
<b>Operating activities</b>		
Net loss for the period	(1,515,041)	(210,620)
Items not involving cash:		
Amortization	27,278	27,339
Gain on loss of control of HTR Corp.	-	(2,282,905)
Loss from equity accounting in associates	233,458	41,488
Unrealized foreign exchange gain	(1,515)	(51,224)
Unrealized loss (gain) on warrant revaluation	60,607	(2,679,643)
Shares issued for property acquisition - Golden Zone	205,060	166,727
Shares issued for property acquisition - Labrador West	-	1,278,889
Share-based compensation	102,200	349,672
	<b>(887,953)</b>	<b>(3,360,277)</b>
Changes in non-cash working capital		
Decrease in amounts receivable and prepaids	22,129	158,969
Decrease in amount due from associate	62,192	-
Increase (decrease) in trade payables and accrued liabilities	320,769	(140,138)
Change in non-cash operating working capital	405,090	18,831
Net cash flows used in operating activities	<b>(482,863)</b>	<b>(3,341,446)</b>
<b>Investing activities</b>		
Reduction of cash on loss of control of HTR Corp.	-	(1,182,342)
Net cash flows used in investing activities	-	(1,182,342)
<b>Financing activities</b>		
Proceeds from issuance of units	296,343	-
Unit issue costs	(15,461)	-
Increase in amount due from related party	-	(118,713)
Exercise of warrants	-	31,687
Exercise of broker warrants	-	2,370
Net cash flows provided by financing activities	<b>280,882</b>	<b>(84,656)</b>
Change in cash	<b>(201,981)</b>	<b>(4,608,444)</b>
Cash, beginning of period	<b>265,034</b>	<b>5,218,564</b>
<b>Cash, end of period</b>	<b>63,053</b>	<b>610,120</b>

See accompanying notes to the condensed interim consolidated financial statements

# **AVIDIAN GOLD CORP.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

**For the three and nine months ended March 31, 2023 and 2022**

**(Unaudited; Expressed in US dollars – except where otherwise indicated)**

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### **1. DESCRIPTION OF BUSINESS AND GOING CONCERN**

Avidian Gold Corp. (“Avidian” or the “Company”) was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on September 24, 2013. The Company was continued into the Province of Ontario on October 20, 2020. The registered head office of the Company is located at 18 King Street East, Suite #902, Toronto, Ontario, M5C 1C4.

Avidian is in the business of acquiring and exploring gold projects. As of March 31, 2023, the Company has acquired the rights to explore four gold properties in the United States of America and has a 28% ownership of High Tide Resources Corp. which holds the right to explore two properties in Eastern Canada.

The condensed interim consolidated financial statements of the Company for the three and nine months ended March 31, 2023 were reviewed, approved and authorized for issue by the Board of Directors May 30, 2023. Although the Company 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 Company’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 Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and currency exchange fluctuations and restrictions.

The Company’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 Company has incurred a loss for the nine months ended March 31, 2023 attributable to shareholders of the Company of \$1,515,041 and has an accumulated deficit of \$21,300,166.

Although the Company 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 Company. In the event that the Company is unable to secure further financing, it may not be able to complete the development of a gold, copper and other mineral projects. Material uncertainties as mentioned above cast significant doubt upon the Company’s ability to continue as a going concern.

These consolidated financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company 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 Company'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, copper and other mineral 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 Company be unable to continue as a going concern, and such adjustments may be material.



# **AVIDIAN GOLD CORP.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

**For the three and nine months ended March 31, 2023 and 2022**

**(Unaudited; Expressed in US dollars – except where otherwise indicated)**

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### **2. BASIS OF PRESENTATION**

The condensed interim consolidated financial statements of the Company have been prepared in accordance with the International Accounting Standards (“IAS”) 34, Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”). These condensed interim consolidated financial statements have been prepared in accordance with the accounting policies described in Note 2 of the Company’s annual consolidated financial statements as at and for the years ended June 30, 2022 and 2021 (“Annual Financial Statements”). Accordingly, these condensed interim consolidated financial statements as at and for the three and nine months ended March 31, 2023 and 2022 should be read together with the Annual Financial Statements.

These condensed interim consolidated financial statements have been prepared on an accrual basis except for cash flow information. These condensed interim 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 condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries Avidian Gold Inc., Avidian Gold US Inc., Avidian Gold Alaska Inc., and High Tide Resources Inc. These financial statements include all assets, liabilities, revenues, expenses, and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions. The financial statements include all assets, liabilities, revenues, expenses, and cash flow of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

For non-wholly owned, controlled subsidiaries, the net assets attributable to outside equity shareholders are presented as “non-controlling interests” in the equity section of the consolidated statement of financial position. Loss for the period that is attributable to non-controlling interests is calculated based on the ownership of the minority shareholders in the subsidiary.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. Gains or losses on disposals to non-controlling interests are also recorded in equity.

### **3. CAPITAL MANAGEMENT**

When managing capital, the Company’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 Company’s management team to sustain the future development of the business. The Company considers its capital to be equity, which comprises issued capital, share-based payment reserve and deficit, which at March 31, 2023, totaled \$771,056 (June 30, 2022 - \$1,784,375).

# **AVIDIAN GOLD CORP.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

**For the three and nine months ended March 31, 2023 and 2022**

**(Unaudited; Expressed in US dollars – except where otherwise indicated)**

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### **3. CAPITAL MANAGEMENT (continued)**

The Company 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 Company is currently attempting to identify an economic gold resource and as such, the Company 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 Company 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 Company will continue to assess new properties if the Company 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 Company, is appropriate. There were no significant changes in the Company's approach to capital management during the nine months ended March 31, 2023.

### **4. FINANCIAL RISK FACTORS**

The Company'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 Company'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 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.

Included in amounts receivable is sales tax receivable from government authorities in Canada. Amounts receivable are in good standing as of March 31, 2023 and June 30, 2022. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable and the amount due from associate is minimal.

# AVIDIAN GOLD CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2023 and 2022

(Unaudited; Expressed in US dollars – except where otherwise indicated)

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### 4. FINANCIAL RISK FACTORS (continued)

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due. The Company's liquidity and operating results may be adversely affected if the Company'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 Company.

The Company generates cash flow primarily from its financing activities. As at March 31, 2023, the Company had cash of \$63,053 (June 30, 2022 - \$265,034) to settle current liabilities of \$465,006 (June 30, 2022 - \$144,237). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance and liquidity.

All of the Company's current financial liabilities as at March 31, 2023 have contractual maturities of less than 30 days and are subject to normal trade terms.

#### *Market risk*

##### Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in money market funds traded by its banking institutions.

The Company 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 Company currently does not carry interest bearing debt at floating rates.

##### Foreign currency risk

The Company primarily incurs expenditures in US dollars and Canadian dollars. As at March 31, 2023, the Company holds in cash the following amounts (reported in US\$ currency) in Canadian ("CDN") and US funds respectively: \$54,843 and \$8,210 (June 30, 2022 - \$227,245 and \$37,789).

##### 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.

#### **Sensitivity analysis**

As of March 31, 2023 and June 30, 2022, both the carrying and fair value amounts of the Company'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 Company believes the following movements are reasonably possible for the nine months ended March 31, 2023:

# AVIDIAN GOLD CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2023 and 2022

(Unaudited; Expressed in US dollars – except where otherwise indicated)

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### 4. FINANCIAL RISK FACTORS (continued)

#### Fair value hierarchy and liquidity risk disclosure (continued)

- (i) As at March 31, 2023, if foreign exchange rates had decreased/increased by 1% with all other variables held constant, the loss for the period ended March 31, 2023 would have changed by \$4,683 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 Company. In particular, the Company'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 March 31, 2023, the Company 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 Company'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 March 31, 2023 and June 30, 2022, the Company did not hold any financial assets in the fair value hierarchy.

At March 31, 2023 and June 30, 2022 the fair value of the Company's warrant liability held at fair value is based on Level 2 measurements.

#### Level 2 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 Company's quoted market price and share price volatility of comparable publicly traded companies.

For the warrant liability valued based on market-based valuation technique, the inputs can be judgmental (See Notes 7 and 12). A +/- 25% change in the fair value of these Level 2 liabilities as at March 31, 2023 will result in a corresponding +/- \$59,918 change in the net loss for the period.

# AVIDIAN GOLD CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2023 and 2022

(Unaudited; Expressed in US dollars – except where otherwise indicated)

### 5. EQUIPMENT

<b>Cost</b>	<b>Equipment</b>
Balance, June 30, 2021	\$ 213,002
Additions	-
Balance, June 30, 2022	213,002
Additions	-
<b>Balance, March 31, 2023</b>	<b>\$ 213,002</b>
<b>Amortization and impairment</b>	<b>Equipment</b>
Balance, June 30, 2021	\$ 106,433
Amortization	36,448
Balance, June 30, 2022	142,881
Amortization	27,278
<b>Balance, March 31, 2023</b>	<b>\$ 170,159</b>
Carrying amounts	
Balance, June 30, 2022	\$ 70,121
<b>Balance, March 31, 2023</b>	<b>\$ 42,843</b>

### 6. SHARE CAPITAL

#### (a) Authorized

Unlimited number of common shares, with no par value.

#### (b) Issued

- (i) On September 14, 2021, the Company issued 30,000 common shares in connection with the exercise of 30,000 broker warrants for proceeds of CDN\$3,000 (US\$2,370). The fair value of these broker warrants was \$1,282, which was transferred from share-based payment reserve to share capital.
- (ii) On October 13, 2021, the Company issued 250,000 common shares in connection to the exercise of 250,000 warrants for proceeds of CDN\$37,500 (US\$30,131). The fair value of these warrants was \$1,556, which was transferred from warrant liability to share capital.
- (iii) On January 15, 2022, the Company issued 2,614,583 shares valued at CDN\$0.08 (\$0.06) for a total value of CDN\$209,167 (\$166,727) pursuant to the Golden Zone property agreement. See Note 13.
- (iv) On December 15, 2022, the Company closed a private placement for gross proceeds of CDN\$404,232 (\$296,343). A total of 11,549,429 units were issued at a price of CDN\$0.035 (\$0.026) per unit. Each unit consists of one common share of the Company and one common share purchase warrant; each warrant is exercisable into a common share at a price of CDN\$0.06 (\$0.044) for 24 months following the warrant issuance.

# AVIDIAN GOLD CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2023 and 2022

(Unaudited; Expressed in US dollars – except where otherwise indicated)

### 6. SHARE CAPITAL (continued)

- (v) On January 16, 2023, the Company issued 6,105,154 shares valued at CDN\$0.045 (\$0.03) for a total value of CDN\$274,732 (\$205,060) pursuant to the Golden Zone property agreement. See Note 13.

#### (b) Share-based payment reserve

On July 19, 2021, the Company granted 1,650,000 stock options to certain members of management, directors and consultants of the Company. The options are exercisable into common shares of the Company at an exercise price of CDN\$0.20 per share and have a five-year term to maturity. The vesting terms are as follows: 600,000 options vested immediately; 475,000 vest on the first anniversary; 475,000 vest on the second anniversary and 100,000 vest on the third anniversary of the date of grant.

Share based payment activity for the nine months ended March 31, 2023 and the year ended June 30, 2022 is summarized as follows:

	<u>Number of stock options</u>	<u>Weighted average exercise price (CDN\$)</u>
<b>Balance, June 30, 2021</b>	<b>11,415,149</b>	<b>0.36</b>
Granted	1,650,000	0.20
Forfeited	(166,667)	(0.28)
Expired	(208,333)	(0.47)
<b>Balance, June 30 and March 31, 2023</b>	<b>12,690,149</b>	<b>0.31</b>

Summary of options outstanding as at March 31, 2023:

Number outstanding	Number exercisable	Grant date	Expiry date	Exercise price (CDN\$)	Share-based compensation amount for the period ended March 31, 2023	Grant date fair value per option	Black-Scholes inputs			
							Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
500,000	500,000	8-Jun-20	8-Jun-23	0.13	-	\$ 0.04	101%	3	0%	0.32%
2,635,000	2,635,000	15-Aug-18	15-Aug-23	0.60	-	\$ 0.28	125%	5	0%	2.19%
150,000	150,000	15-Nov-18	15-Nov-23	0.60	-	\$ 0.24	125%	5	0%	2.31%
100,000	100,000	4-Feb-19	4-Feb-24	0.40	-	\$ 0.18	125%	5	0%	2.31%
3,500,000	3,500,000	26-Aug-19	26-Aug-24	0.20	5,643	\$ 0.09	125%	5	0%	1.24%
55,149	55,149	1-Dec-17	19-Nov-24	0.30	-	\$ 0.25	150%	7	0%	1.78%
3,000,000	2,000,000	3-Sep-20	3-Sep-25	0.28	57,306	\$ 0.17	125%	5	0%	0.35%
1,100,000	366,667	7-Apr-21	7-Apr-26	0.20	23,315	\$ 0.17	125%	5	0%	0.83%
1,650,000	1,075,000	19-Jul-21	19-Jul-26	0.20	15,936	\$ 0.10	125%	5	0%	0.71%
12,690,149	10,381,816				\$ 102,200					

The weighted average remaining time to expiry for all outstanding options as of March 31, 2023 is 1.76 years (June 30, 2022 – 2.51 years).

# AVIDIAN GOLD CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2023 and 2022

(Unaudited; Expressed in US dollars – except where otherwise indicated)

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### 7. WARRANTS

Warrants issued in connection with the completion of certain private placements are exercisable in Canadian dollars. The fair value of these non-compensatory 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 operations.

At March 31, 2023, the fair values of the Company's warrants were determined using the Black-Scholes option pricing model with the following inputs:

Expiry date	10-Jun-24	15-Dec-24
Number of warrants	14,713,887	11,549,429
Exercise price (CDN\$)	0.20	0.06
Share price (CDN\$)	0.03	0.03
Expected volatility	141%	127%
Risk free interest rate	3.78%	3.78%
Expected dividend yield	0%	0%
Remaining life in years	1.20	1.71
Fair value	\$ 58,891	\$ 118,203

The following table presents the reconciliation of the beginning and ending balances of the warrant liability:

	<b>Warrant liability</b>
	<b>\$</b>
<b>June 30, 2021</b>	<b>2,849,727</b>
Warrant revaluation	(2,757,053)
Warrants exercised	(1,556)
Change in foreign exchange	(59,536)
<b>June 30, 2022</b>	<b>31,582</b>
Warrant issuance	86,420
Warrant revaluation	60,607
Change in foreign exchange	(1,515)
<b>March 31, 2023</b>	<b>177,094</b>

# AVIDIAN GOLD CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2023 and 2022

(Unaudited; Expressed in US dollars – except where otherwise indicated)

### 7. WARRANTS (continued)

The following is a summary of warrant activity for the nine months ended March 31, 2023 and the year ended June 30, 2022:

	March 31, 2023		June 30, 2022	
	Number	Weighted average exercise price CDN\$	Number	Weighted average exercise price CDN\$
Balance, beginning of period	40,941,958	0.22	46,930,958	0.22
Granted in connection with private placements	11,835,086	0.06	-	-
Exercised during the period	-	-	(280,000)	(0.14)
Expired during the period	(25,151,515)	(0.22)	(5,709,000)	(0.23)
Balance, end of period	27,625,529	0.14	40,941,958	0.22

Summary of warrants outstanding as at March 31, 2023:

Warrants #	Classification	Exercise price CDN\$	Grant date fair value of warrants \$	Expiry date
14,713,887	Liability	0.20	893,224	June 10, 2024
1,076,556	Equity	0.20	103,834	June 10, 2024
11,549,429	Liability	0.06	86,420	December 15, 2024
285,657	Equity	0.05	3,645	December 15, 2024
27,625,529			1,087,123	

### 8. INVESTMENT IN ASSOCIATE

The continuity of carrying value of the investment in High Tide Resources Corp. (“HTR Corp.”) is set out below:

	December 31, 2022	June 30, 2022
Balance - beginning of period	\$ 1,518,163	\$ -
Fair value of equity interest in HTR Corp.	-	2,917,965
Less: distribution	-	(875,387)
Less: Equity loss from HTR Corp.	(233,458)	(524,415)
Balance - end of period	\$ 1,284,705	\$ 1,518,163

Based on the quoted market price at March 31, 2023, the fair value of the Company’s 28% interest in HTR Corp. was \$2,340,165 (June 30, 2022 - \$1,864,521).



# AVIDIAN GOLD CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2023 and 2022

(Unaudited; Expressed in US dollars – except where otherwise indicated)

### 9. BASIC AND DILUTED NET LOSS PER SHARE

The calculation of basic and diluted loss per share for the three months ended March 31, 2023 was based on the loss attributable to common shareholders of \$558,086 (2022 – earnings \$1,947,202) and the weighted average number of common shares outstanding of 184,325,846 (2022 – 165,100,374).

The calculation of basic and diluted loss per share for the nine months ended March 31, 2023 was based on the loss attributable to common shareholders of \$1,515,041 (2022 – earnings \$694,928) and the weighted average number of common shares outstanding of 173,873,488 (2022 – 165,037,917).

Diluted loss per share did not include the effect of the stock options disclosed in Note 6(c), or the share purchase warrants disclosed in Note 7 as they are anti-dilutive for the periods ended March 31, 2023 and 2022.

### 10. RELATED PARTY TRANSACTIONS

a) The remuneration of key management personnel is comprised of:

	Three months ended March 31 2023	Three months ended March 31 2022	Nine months ended March 31 2023	Nine months ended March 31 2022
Wages and benefits	\$ 8,595	\$ 22,681	\$ 8,595	\$ 64,119
Consulting fees	37,884	46,361	114,913	163,432
Share-based compensation	17,493	60,342	69,993	259,533

\*Key management personnel include directors, officers and former directors/officers.

b) See Notes 6(b), (c), 8 and Note 12.

c) Trade payables and accrued liabilities as at March 31, 2023 include \$139,467 (June 30, 2022 - \$46,236) owed to current and former officers of the Company. Such amounts are unsecured, non-interest bearing and with no fixed terms of payment.

### 11. GENERAL AND ADMINISTRATIVE

	Three months ended March 31, 2023	Three months ended March 31, 2022	Nine months ended March 31, 2023	Nine months ended March 31, 2022
Amortization (Note 5)	\$ 9,089	\$ 9,112	\$ 27,278	\$ 27,339
Corporate relations	-	64,331	13,376	171,271
Occupancy costs	1,500	900	2,400	2,700
Office supplies, bank charges and telephone	30,933	33,761	77,524	92,347
Professional fees and transfer agent	70,459	139,589	199,159	476,364
Travel and promotion	3,998	10,590	3,998	72,708
Wages and benefits	8,595	22,681	8,595	64,119
	\$ 124,574	\$ 280,964	\$ 332,330	\$ 906,848

# AVIDIAN GOLD CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2023 and 2022

(Unaudited; Expressed in US dollars – except where otherwise indicated)

### 12. EXPLORATION AND EVALUATION EXPENDITURES

#### Golden Zone

On April 28, 2016, the Company 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 Company paid \$25,000 to CMC for an exclusive 90-day due diligence period. In addition, the Company paid CDN\$10,000 to AIX and settled a debt of CDN\$200,000 (\$152,462) owed by CMC to AIX through the issuance of 460,829 shares at a deemed price of CDN\$0.43 (\$0.33) per share upon closing of the definitive agreement for the interest in the Golden Zone property.

On November 21, 2016, the parties signed a final agreement with the following financial terms:

	CMC		MTC	
	cash	stock	cash	stock
upon signing an agreement in 2016	\$ 150,000 (paid)	\$ 150,000 (paid)	\$ 25,000 (paid)	\$ 100,000 (paid)
January 15, 2017	50,000 (paid)	50,000 (paid)	-	25,000 (paid)
January 15, 2018	50,000 (paid)	50,000 (paid)	-	25,000 (paid)
January 15, 2019	100,000 (paid)	100,000 (paid)	-	25,000 (paid)
January 15, 2020	100,000 (paid)	100,000 (paid)	-	25,000 (paid)
January 15, 2021	100,000 (paid)	100,000 (paid)	-	25,000 (paid)
January 15, 2022	150,000 (paid)	150,000 (paid)	-	25,000 (paid)
January 15, 2023	150,000 (partially paid)	150,000 (paid)	-	25,000 (paid)
Total	\$ 850,000	\$ 850,000	\$ 25,000	\$ 275,000

The January 15, 2022 payments resulted in the issuance of 2,614,583 common shares. The January 15, 2023 payments resulted in the issuance of 6,105,154 common shares. The fair value of the shares was estimated based on the quoted market price of the Company’s shares.

In addition to the above-noted cash and shares commitments, the Company was required to make work expenditures of \$2,000,000, over a five-year period, which was met in January 2018.

Annual payments will cease after the sooner of January 15, 2023 payments or upon the beginning of annual production of 10,000 ounces or more of gold annually from the property when a net smelter royalty (“NSR”) will become payable. Cash payments to CMC in the years 2019 and following will be considered advance royalty payments and will be deducted from up to 50% of the NSRs payable to CMC upon achieving production from GZ. Those NSR royalties will be as follows: CMC 2.0%; MTC 1.0%. The Company can surrender its interest in the property by notifying the owner at any time, and there will be no further payment obligations.

The Company shall have the option exercisable at any time to purchase one-half (1/2) of the NSR payable to CMC representing 1.0% of the NSR for the purchase price of \$1,000,000 and 40% of the NSR payable to MTC representing 0.4% of the NSR for the purchase price of \$400,000.

# **AVIDIAN GOLD CORP.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

**For the three and nine months ended March 31, 2023 and 2022**

**(Unaudited; Expressed in US dollars – except where otherwise indicated)**

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### **12. EXPLORATION AND EVALUATION EXPENDITURES (continued)**

#### **Amanita**

On October 31, 2016, the Company signed a definitive agreement for a 15-year lease to purchase option pursuant to which the Company 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, Alaska.

The Company 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 Company is required to make minimum payments as follows, which are credited against the \$3,000,000 purchase price.

- a. First anniversary of agreement date: \$15,000 (paid)
- b. Second anniversary of agreement date: \$25,000 (paid)
- c. Third anniversary of agreement date: \$30,000 (paid)
- d. Every subsequent anniversary: payments increase by \$10,000 annually (paid \$50,000 in July 2020; \$60,000 in July 2021 and \$70,000 in July 2022).

The Company may acquire the 3% NSR royalty for an additional \$3,000,000.

#### **Amanita NE**

On July 21, 2020, the Company acquired a 100% interest in the Amanita NE gold property, located in Alaska. The Company issued 2,500,000 common shares as consideration for the acquisition. The fair value of the shares was estimated based on the quoted market price of the Company's shares. The vendors were granted a 1% NSR on the Amanita NE property and a 0.2% NSR royalty on the Amanita property.

The vendors will also be entitled to receive one-half of any additional royalty granted to a third party in the event of the subsequent disposition by the Company of the Amanita NE property, and to receive 25% of any net profits received from such sale to 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 sale to the third party.

#### **Jungo**

On January 8, 2013, Dutch Gold Resources Inc. ("DGRI"), DGRI Jungo Development Company and the Company entered into an agreement pursuant to which DGRI and DGRI Jungo Development Company agreed to transfer to the Company all of the right, title and interest in and to the Red Dog Claims located in Nevada, in exchange for a 2% NSR and the obligation of the Company to pay annual advance minimum royalty payments to DGRI Jungo Development Company in the amount of \$20,000 beginning on August 25, 2015. The Company also holds a 100% interest in Red Dog Claims 101-160 that is not subject to an NSR.

# AVIDIAN GOLD CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited; Expressed in US dollars – except where otherwise indicated)

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### 12. EXPLORATION AND EVALUATION EXPENDITURES (continued)

#### Labrador West

On August 20, 2019, the HTR Corp. entered into an option agreement (together with the Amendment Agreement, the Second Amendment Agreement and the Third Amendment Agreement, each as defined herein below, the “Labrador West Option Agreement”) with Altius Resources Inc. (“Altius”) pursuant to which the Company was granted the Labrador West Option to acquire up to a 100% interest in the Labrador West iron ore project, located in the Labrador Trough.

Accordingly, pursuant to the Labrador West Option Agreement, as amended by the Amendment Agreement and Second Amendment Agreement, in order for the HTR Corp. to exercise the Labrador West Option, the HTR Corp. must:

- (a) within thirty-six (36) months from the execution date of the Labrador West Option Agreement, HTR Corp. must have listed its common shares on, or assigned the Labrador West Option to a company (“Pubco”) that has its shares listed on, the Toronto Stock Exchange, the TSX Venture Exchange, or the Canadian Securities Exchange (“CSE”) (completed);
- (b) incur expenditures in connection with the exploration of the property subject to the Labrador West Option Agreement (“Exploration Expenditures”), consisting of:
  - a. At least CDN\$1,000,000 by December 31, 2021 (completed); and
  - b. An additional CDN\$1,000,000 by December 31, 2022 (completed);

Upon HTR Corp. satisfying the above conditions, the HTR Corp. will have been deemed to have exercised the Labrador West Option and will be entitled to purchase the 100% interest in the property subject to the provisions of the Labrador West Property Agreement, which include, among other matters:

- (a) issue to Altius a number common shares of the Company equal to \$200,000 (the “Additional Shares”) on the earlier of: (i) the first anniversary of the Payment Date and (ii) the date whereby the Company completes a financing transaction subsequent to the Payment Date (the “Secondary Financing”), at a price per Additional Share equal to the price per share pursuant to the Secondary Financing; in the event that the Company has not completed the Secondary Financing by the first anniversary of the Payment Date, then the price per Additional Share shall be equal to the maximum applicable discount under the policies of the CSE and as may be acceptable to the CSE; in the event that the issuance of the Additional Shares would result in Altius holding more than 19.9% of the common shares of the Company on a partially diluted basis the number of the Additional Shares issuable to Altius will be decreased by such number of shares so that Altius’s holdings will not exceed 19.9% of the issued and outstanding common shares in the capital of the Company; and

# **AVIDIAN GOLD CORP.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

**For the three and nine months ended March 31, 2023 and 2022**

**(Unaudited; Expressed in US dollars – except where otherwise indicated)**

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### **12. EXPLORATION AND EVALUATION EXPENDITURES (continued)**

(b) within 24 months from the date the Company delivers the Payment Shares to the Altius, the Company shall be obligated to issue to Altius an additional 1,246,004 Common Shares (the “Milestone Shares”), at the sole discretion of Altius. Altius may elect at any time to receive the Milestone Shares by delivering notice to that effect to the Company, provided that the issuance of the Milestone Shares would not result in Altius holding more than 19.9% of the Common Shares of the Company on a partially diluted basis. The Milestone Shares shall be issued at a deemed price per Milestone Share equal to the maximum applicable discount under the policies of the CSE and as may be acceptable to the CSE. The Company shall not be responsible for the issuance of any unissued Milestone Shares in the event that Altius does not make an election to receive the Milestone Shares, in full, within 24 months from the delivery date of the Payment Shares.

Upon acquiring a 100% interest in the project, the Company shall grant to Altius a 2.75% gross sales royalty (GSR) on all iron ore produced, removed and recovered from the project.

#### **Lac Pegma**

On February 2, 2021, HTR Corp. entered into a purchase agreement with Globex Mining Enterprises Inc. (“Globex”) to purchase 100% of the Lac Pegma copper-nickel-cobalt sulphide deposit located approximately 50 kilometres south of Fermont, Que.

The terms of the purchase agreement are as follows: HTR Corp. paid Globex \$10,000 in cash and an undertaking to issue 650,000 shares of HTR Corp. upon completion of an initial public offering/liquidity event prior to September 30, 2021. In addition, Globex will retain a 2% gross metal royalty with a 1% buyback option for CDN\$1,500,000 exercisable at any time at the discretion of the Company.

The following table summarizes exploration and evaluation expenditures for each of the Company’s respective properties.

# AVIDIAN GOLD CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

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### 12. EXPLORATION AND EVALUATION EXPENDITURES (continued)

	Nine Month Period ended March 31, 2023	Nine Month Period ended March 31 2022
<b>Golden Zone</b>		
Acquisition and holding costs	\$ 424,782	\$ 383,491
Evaluation expenditures	186,773	1,617,644
	\$ 611,555	\$ 2,001,135
<b>Amanita</b>		
Acquisition and holding costs	\$ 88,086	\$ 49,959
Evaluation expenditures	36,728	78,086
	\$ 124,814	\$ 128,045
<b>Amanita NE</b>		
Acquisition and holding costs	\$ 5,305	\$ 5,325
Evaluation expenditures	-	9,919
	\$ 5,305	\$ 15,244
<b>Jungo</b>		
Acquisition and holding costs	\$ 48,157	\$ 41,595
Evaluation expenditures	-	31,059
	\$ 48,157	\$ 72,654
<b>Labrador West</b>		
Acquisition and holding costs	\$ -	\$ 1,278,889
Evaluation expenditures	-	112,700
	\$ -	\$ 1,391,589
<b>Lac Pegma</b>		
Acquisition and holding costs	\$ -	\$ 61,807
Evaluation expenditures	-	229,173
	\$ -	\$ 290,980
<b>TOTAL EXPLORATION AND EVALUATION EXPENDITURES</b>	<b>\$ 789,831</b>	<b>\$ 3,899,647</b>

### 13. COMMITMENTS AND CONTINGENCIES

#### Environmental contingencies

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company 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 CORP.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

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**(Unaudited; Expressed in US dollars – except where otherwise indicated)**

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### **13. COMMITMENTS AND CONTINGENCIES (continued)**

The Company currently has management services agreements with two Company employees that contain the provision of termination and change of control benefits. The agreements provide that in the event that their services are terminated by the Company, other than for cause, or there is a change in control of the Company the employee is entitled to a lump sum payment equal to 30 months of remuneration. As a triggering event has not taken place, the contingent payments of \$724,000 have not been reflected in these consolidated financial statements.