



*Condensed Interim Consolidated Financial Statements  
(Unaudited)*

**AVIDIAN GOLD CORP.**

*For the three and nine months ended March 31, 2024 and 2023*

*(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, 2024 and 2023 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 29, 2024

“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, 2024	As at June 30, 2023
	\$	\$
<b>Assets</b>		
Current		
Cash	35,057	48,492
Due from associate	-	27,857
Amounts receivable and prepaid expenses	4,877	9,847
<b>Total current assets</b>	<b>39,934</b>	<b>86,196</b>
Non-current assets		
Equipment (Note 5)	7,809	34,069
Investment in associate (Note 8)	1,047,552	1,169,120
<b>Total assets</b>	<b>1,095,295</b>	<b>1,289,385</b>
<b>Liabilities</b>		
Current		
Trade payables and accrued liabilities (Note 10)	686,610	621,950
Convertible debenture (Note 12)	207,468	-
Warrant liability (Note 7)	27,458	-
<b>Total current liabilities</b>	<b>921,536</b>	<b>621,950</b>
Non-current liabilities		
Warrant liability (Note 7)	-	99,221
<b>Total liabilities</b>	<b>921,536</b>	<b>721,171</b>
<b>Shareholders' Equity</b>		
Share capital (Note 6(b))	19,932,362	19,932,362
Share-based payment reserve (Note 6(c))	2,183,093	2,161,283
Deficit	(21,941,696)	(21,525,431)
<b>Total equity</b>	<b>173,759</b>	<b>568,214</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,095,295</b>	<b>1,289,385</b>

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

**COMMITMENTS AND CONTINGENCIES** (Notes 12, 13 and 14)

**SUBSEQUENT EVENT** (Note 15)

APPROVED BY THE BOARD OF DIRECTORS

Original signed by James Polson, Director

Original signed by Dino Titaro, Director

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

	For the three months ended March 31, 2024	For the three months ended March 31, 2023	For the nine months ended March 31, 2024	For the nine months ended March 31, 2023
	\$	\$	\$	\$
<b>Operating Expenses</b>				
Exploration and evaluation expenditures (Note 13)	-	410,917	154,017	789,831
General and administrative (Note 11)	52,510	124,574	128,542	332,330
Accretion	11,537	-	22,928	-
Share-based compensation (Note 6(c))	3,718	25,917	21,810	102,200
<b>Net loss before other losses (gains)</b>	<b>67,765</b>	<b>561,408</b>	<b>327,297</b>	<b>1,224,361</b>
Foreign exchange loss (gain)	(13,635)	818	(11,561)	(3,385)
Finance costs (Note 12)	-	-	56,375	-
Loss from equity accounting in associate (Note 8)	21,825	72,200	121,568	233,458
Unrealized loss (gain) on warrant revaluation (Note 7)	(6,496)	(76,340)	(69,677)	60,607
Unrealized loss (gain) on derivative liability (Note 12)	21,070	-	(7,737)	-
Total other (gains) losses	22,764	(3,322)	88,968	290,680
<b>Net loss and comprehensive loss for the period</b>	<b>90,529</b>	<b>558,086</b>	<b>416,265</b>	<b>1,515,041</b>
Net loss per share - basic and diluted (Note 9)	0.00	0.00	0.00	0.01
Weighted average number of shares outstanding - basic and diluted (Note 9)	185,411,207	184,325,846	185,411,207	173,873,488

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	Total Equity
		\$	\$	\$	\$
<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>
Net loss and comprehensive loss for the period	-	-	-	(1,515,041)	(1,515,041)
Private placement, net of issue costs (Note 6(b))	11,549,429	280,882	-	-	280,882
Value of warrants issued under private placement (Note 7)	-	(86,420)	-	-	(86,420)
Broker warrants issued (Note 7)	-	(3,645)	3,645	-	-
Shares for property acquisition (Note 13)	6,105,154	205,060	-	-	205,060
Share-based compensation (Note 6(c))	-	-	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>
Net loss and comprehensive loss for the period	-	-	-	(225,265)	(225,265)
Share-based compensation (Note 6(c))	-	-	22,423	-	22,423
<b>Balance, June 30, 2023</b>	<b>185,411,207</b>	<b>19,932,362</b>	<b>2,161,283</b>	<b>(21,525,431)</b>	<b>568,214</b>
Net loss and comprehensive loss for the period	-	-	-	(416,265)	(416,265)
Share-based compensation (Note 6(c))	-	-	21,810	-	21,810
<b>Balance, March 31, 2024</b>	<b>185,411,207</b>	<b>19,932,362</b>	<b>2,183,093</b>	<b>(21,941,696)</b>	<b>173,759</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, 2024	For the nine months ended March 31, 2023
	\$	\$
<b>Operating activities</b>		
Net loss for the period	(416,265)	(1,515,041)
Items not involving cash:		
Amortization	26,260	27,278
Loss from equity accounting in associates	121,568	233,458
Unrealized foreign exchange gain	(5,428)	(1,515)
Unrealized gain on warrant revaluation	(69,677)	60,607
Accretion	22,928	-
Finance costs	56,375	-
Unrealized gain on derivative liability	(7,737)	-
Shares issued for property acquisition - Golden Zone	-	205,060
Share-based compensation	21,810	102,200
	<b>(250,166)</b>	<b>(887,953)</b>
Changes in non-cash working capital		
Decrease in amounts receivable and prepaids	4,970	22,129
Decrease in amount due from associate	27,857	62,192
Increase in trade payables and accrued liabilities	64,660	320,769
Change in non-cash operating working capital	97,487	405,090
Net cash flows used in operating activities	<b>(152,679)</b>	<b>(482,863)</b>
<b>Financing activities</b>		
Proceeds from issuance of convertible debentures	139,244	-
Proceeds from issuance of units	-	296,343
Unit issue costs	-	(15,461)
Net cash flows provided by financing activities	<b>139,244</b>	<b>280,882</b>
Change in cash	<b>(13,435)</b>	<b>(201,981)</b>
Cash, beginning of period	<b>48,492</b>	<b>265,034</b>
<b>Cash, end of period</b>	<b>35,057</b>	<b>63,053</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, 2024 and 2023**

**(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 in the Province of Ontario on October 20, 2020. The registered head office of the Company is located at 110 Yonge Street, Suite #1601, Toronto, Ontario, M5C 1T4.

Avidian is in the business of acquiring and exploring gold projects. As of March 31, 2024, 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 three properties in Eastern Canada.

The condensed interim consolidated financial statements of the Company for the three and nine months ended March 31, 2024 (the “Interim Financial Statements”) were reviewed, approved, and authorized for issue by the Board of Directors on May 29, 2024. 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 evaluation activities in discrete tranches. The Company has incurred a loss for the nine months ended March 31, 2024 of \$416,265 (2023 - \$1,515,041), and has an accumulated deficit of \$21,941,696 (June 30, 2023 - \$21,525,431) and a working capital deficiency as at March 31, 2024.

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 Interim 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. These Interim 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, 2024 and 2023**

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

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

These Interim Financial Statements have been prepared in accordance with the International Accounting Standards (“IAS”) 34, Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”). These Interim 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, 2023 and 2022 (“Annual Financial Statements”). Accordingly, these Interim Financial Statements should be read together with the Annual Financial Statements.

These Interim 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*

These Interim 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. and include all assets, liabilities, revenues, expenses, and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

### **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 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, 2024, totaled \$173,759 (June 30, 2023 - \$568,214).

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.

# AVIDIAN GOLD CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2024 and 2023

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

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### 3. CAPITAL MANAGEMENT (continued)

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, 2024.

### 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 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. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable and the amount due from associate is minimal.

#### *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, 2024, the Company had cash of \$35,057 (June 30, 2023 - \$48,492) to settle current liabilities of \$832,476 (June 30, 2023 - \$621,950) excluding the warrant liability and the conversion feature of the convertible debenture as these are not a cash settled liability. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance and liquidity.

# AVIDIAN GOLD CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2024 and 2023

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

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### 4. FINANCIAL RISK FACTORS (continued)

#### *Liquidity risk (continued)*

The Company's current financial liabilities as at March 31, 2024 have contractual maturities of less than 30 days and are subject to normal trade terms except for the convertible debenture and warrant liability.

#### 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, 2024, the Company holds in cash the following amounts (reported in US\$ currency) in Canadian (“CDN”) and US funds respectively: \$33,766 and \$1,291 (June 30, 2023 - \$46,392 and \$2,100).

#### 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, 2024 and June 30, 2023, 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, 2024:

- (i) As at March 31, 2024, if foreign exchange rates had decreased/increased by 10% with all other variables held constant, the loss for the period ended March 31, 2024 would have changed by \$79,577 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, 2024, 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.

# AVIDIAN GOLD CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2024 and 2023

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

### 4. FINANCIAL RISK FACTORS (continued)

#### Fair value hierarchy and liquidity risk disclosure

The three levels of the fair value hierarchy are as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At March 31, 2024 and June 30, 2023, the Company did not hold any financial assets in the fair value hierarchy.

At March 31, 2024 and June 30, 2023, the fair value of the Company's conversion option and call option component of the convertible debenture and the 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 conversion option and call option component of the convertible debenture and 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, 2024 will result in a corresponding +/- \$54,438 change in the net loss for the period.

### 5. EQUIPMENT

<b>Cost</b>	<b>Equipment</b>
Balance, June 30, 2022	\$ 213,002
Additions	-
Balance, June 30, 2023	213,002
Additions	-
<b>Balance, March 31, 2024</b>	<b>\$ 213,002</b>
<b>Amortization and impairment</b>	<b>Equipment</b>
Balance, June 30, 2022	\$ 142,881
Amortization	36,052
Balance, June 30, 2023	178,933
Amortization	26,260
<b>Balance, March 31, 2024</b>	<b>\$ 205,193</b>
Carrying amounts	
Balance, June 30, 2023	\$ 34,069
<b>Balance, March 31, 2024</b>	<b>\$ 7,809</b>

# AVIDIAN GOLD CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2024 and 2023

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

### 6. SHARE CAPITAL

#### (a) Authorized

Unlimited number of common shares, with no par value.

#### (b) Issued

- (i) 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.
- (ii) 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.

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

Share based payment activity for the nine months ended March 31, 2024 and the year ended June 30, 2023 is summarized as follows:

	<u>Number of stock options</u>	<u>Weighted average exercise price (CDN\$)</u>
<b>Balance, June 30, 2022</b>	<b>12,690,149</b>	<b>0.31</b>
Expired	(500,000)	(0.13)
<b>Balance, June 30, 2023</b>	<b>12,190,149</b>	<b>0.31</b>
Expired	(2,885,000)	(0.59)
<b>Balance, March 31, 2024</b>	<b>9,305,149</b>	<b>0.23</b>

Summary of options outstanding as at March 31, 2024:

Number outstanding	Number exercisable	Grant date	Expiry date	Exercise price (CDN\$)	Share-based compensation amount for the period ended March 31, 2024	Grant date fair value per option	Black-Scholes inputs			
							Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
3,500,000	3,500,000	26-Aug-19	26-Aug-24	0.20	-	\$ 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	3,000,000	3-Sep-20	3-Sep-25	0.28	9,934	\$ 0.17	125%	5	0%	0.35%
1,100,000	733,333	7-Apr-21	7-Apr-26	0.20	9,274	\$ 0.17	125%	5	0%	0.83%
1,650,000	1,550,000	19-Jul-21	19-Jul-26	0.20	2,602	\$ 0.10	125%	5	0%	0.71%
9,305,149	8,838,482				\$ 21,810					

The weighted average remaining time to expiry for all outstanding options as of March 31, 2024, is 1.26 years (June 30, 2023 – 1.58 years).

# AVIDIAN GOLD CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2024 and 2023

(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, 2024, 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\$)	0.01	0.01
Expected volatility	186%	222%
Risk free interest rate	4.22%	4.32%
Expected dividend yield	0%	0%
Remaining life in years	0.19	0.71
Fair value	\$ -	\$ 27,458

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

	Warrant liability
	\$
<b>June 30, 2022</b>	<b>31,582</b>
Warrant issuance	86,420
Warrant revaluation	(20,322)
Change in foreign exchange	1,541
<b>June 30, 2023</b>	<b>99,221</b>
Warrant revaluation	(69,677)
Change in foreign exchange	(2,086)
<b>March 31, 2024</b>	<b>27,458</b>

# AVIDIAN GOLD CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2024 and 2023

(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, 2024 and the year ended June 30, 2023:

	March 31, 2024		June 30, 2023	
	Number	Weighted average exercise price CDN\$	Number	Weighted average exercise price CDN\$
Balance, beginning of period	27,625,529	0.14	40,941,958	0.22
Granted in connection with private placements	-	-	11,835,086	0.06
Expired during the period	-	-	(25,151,515)	(0.22)
Balance, end of period	27,625,529	0.14	27,625,529	0.14

Summary of warrants outstanding as at March 31, 2024:

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:

	March 31, 2024		June 30, 2023	
Balance - beginning of period	\$	1,169,120	\$	1,518,163
Less: Equity loss from HTR Corp.		(121,568)		(349,043)
Balance - end of period	\$	1,047,552	\$	1,169,120

Based on the quoted market price at March 31, 2024, the fair value of the Company’s 28% interest in HTR Corp. was \$1,287,281 (June 30, 2023 - \$2,144,646).

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

The calculation of basic and diluted loss per share for the three months ended March 31, 2024 was based on the net loss of \$90,529 (2023 – \$558,086) and the weighted average number of common shares outstanding of 185,411,207 (2023 – 184,325,846).

# AVIDIAN GOLD CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2024 and 2023

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

### 9. BASIC AND DILUTED NET LOSS PER SHARE (continued)

The calculation of basic and diluted loss per share for the nine months ended March 31, 2024 was based on the net loss of \$416,265 (2023 – \$1,515,041) and the weighted average number of common shares outstanding of 185,411,207 (2023 – 173,873,488).

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 three and nine month periods ended March 31, 2024 and 2023.

### 10. RELATED PARTY TRANSACTIONS

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

	Three months ended March 31, 2024	Three months ended March 31, 2023	Nine months ended March 31, 2024	Nine months ended March 31, 2023
Wages and benefits	\$ -	\$ 8,595	\$ -	\$ 8,595
Consulting fees	-	37,884	-	114,913
Share-based compensation	3,307	17,493	17,981	69,993

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

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

c) Trade payables and accrued liabilities as at March 31, 2024 include \$211,433 (June 30, 2023 - \$216,959) 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, 2024	Three months ended March 31, 2023	Nine months ended March 31, 2024	Nine months ended March 31, 2023
Amortization (Note 5)	\$ 8,754	\$ 9,089	\$ 26,260	\$ 27,278
Corporate relations	-	-	-	13,376
Occupancy costs	1,500	1,500	4,500	2,400
Office supplies, bank charges and telephone	31,041	30,933	45,076	77,524
Professional fees and transfer agent	11,215	70,459	52,706	199,159
Travel and promotion	-	3,998	-	3,998
Wages and benefits	-	8,595	-	8,595
	\$ 52,510	\$ 124,574	\$ 128,542	\$ 332,330

### 12. CONVERTIBLE DEBENTURE

On August 8, 2023, the Company entered into loan facility agreements ("Series A") with certain private lenders (which included two directors for CDN\$100,000) (the "Financing") for gross funding of CDN\$150,000 (the "Principal Amount"). The Financing was completed through the issuance of unsecured loan facility units (the "Units") issued to the subscribers (the "Subscribers") on a private placement basis. The Principal Amount shall be due and repayable in full, 18 months from the closing of the Financing, or upon the occurrence of a liquidity event (the "Liquidity Event"), whichever is earlier (both such events being the "Maturity Date"). The Liquidity Event shall mean any arms-length financing of the Company or any disposition of assets of the Company.



# AVIDIAN GOLD CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2024 and 2023

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

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### 12. CONVERTIBLE DEBENTURE (continued)

On the Maturity Date, a commitment fee totalling CDN\$22,500 (the "Commitment Amount") shall be due and payable to the Series A Subscribers by the Company in addition to the Principal Amount.

Before the Maturity Date, the Series A Subscribers shall have the option (the "Conversion Option") to convert the Principal Amount and the Commitment Amount into common shares of HTR Corp. owned by the Company (the "High Tide Shares"), on the basis of eight (8) High Tide Shares for every one dollar (CDN\$1.00), being an effective price of CDN\$0.125 per High Tide Share for an aggregate of CDN\$172,500 and a total of 1,380,000 High Tide Shares. In addition, regardless of whether the Conversion Option has been exercised, for a period of two years from the closing of the Financing the Subscribers of Series A shall have the option (the "Call Option") to acquire 1,200,000 High Tide Shares at a price of CDN\$0.125 per common share for an aggregate purchase price of CDN\$150,000. In connection with the Conversion Option and the Call Option, the Company shall place 2,580,000 High Tide Shares into escrow with their legal counsel.

On December 29, 2023, the Company entered into loan facility agreements ("Series B") with certain private lenders (which included two directors for CDN\$32,000) (the "Financing") for gross funding of CDN\$48,000 (the "Principal Amount"). The Financing was completed through the issuance of unsecured loan facility units (the "Units") issued to the subscribers (the "Subscribers") on a private placement basis. The Principal Amount shall be due and repayable in full, 13 months from the closing of the Financing, or upon the occurrence of a liquidity event (the "Liquidity Event"), whichever is earlier (both such events being the "Maturity Date"). The Liquidity Event shall mean any arms-length financing of the Company or any disposition of assets of the Company.

On the Maturity Date, a commitment fee totalling CDN\$7,200 (the "Commitment Amount") shall be due and payable to the Series B Subscribers by the Company in addition to the Principal Amount.

The Series B Subscribers shall have the option (the "Conversion Option") to convert the Principal Amount and the Commitment Amount into common shares of HTR Corp. owned by the Company (the "High Tide Shares"), on the basis of twenty eight point five seven (28.57) High Tide Shares for every one dollar (CDN\$1.00), being an effective price of CDN\$0.035 per High Tide Share for an aggregate of CDN\$55,200 and a total of 1,577,143 High Tide Shares.

Under IFRS, when the currency of the conversion price of the conversion option is different than the functional currency of the legal entity in which they were issued, the conversion option component is accounted for as a derivative liability.

The Company allocated the net proceeds to liability and derivative liability components based on the fair value of the conversion feature (which is an embedded derivative liability requiring separation) and the convertible debentures using the effective interest rate method. The effective interest rate is 70.16% for Series A and 83.16% for Series B (this is determined by establishing the rate that is required to discount the contractual cash flows back to the carrying amount, as adjusted for transaction costs).

The fair value of the Conversion Option component of Series A was determined to be \$64,614 with a residual amount of \$38,337 allocated to the liability on the date of issuance.

# AVIDIAN GOLD CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2024 and 2023

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

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### 12. CONVERTIBLE DEBENTURE (continued)

The fair value of the Conversion Option component of the debenture at issuance was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 132%, risk-free interest rate of 4.56%, share price of CDN\$0.11, and an expected life of 1.5 years.

The fair value of the Call Option was determined to be \$56,186 on the date of issuance. The fair value of the Call Option was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 132%, risk-free interest rate of 4.56%, share price of CDN\$0.11, and an expected life of 2 years.

The fair value of the Conversion Option component of Series B was determined to be \$21,465 with a residual amount of \$14,828 allocated to the liability on the date of issuance. The fair value of the Conversion Option component of the debenture at issuance was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 129%, risk-free interest rate of 3.91%, share price of CDN\$0.35, and an expected life of 1.1 years.

The discount on the convertible debentures is amortized using the effective interest method over the term of the debenture. The Company accretes the carrying value of the convertible debentures each month by recognizing an accretion expense in the statement of operations and comprehensive loss and a credit to convertible note. For the nine months ended March 31, 2024, \$22,928 (2023 - \$nil) of accretion expense from the debt discount was recorded by the Company.

The fair value of the Conversion Option of Series A as at March 31, 2024 was estimated as \$32,533 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 146%, risk-free interest rate of 4.25%, share price of CDN\$0.08, and an expected life of 0.86 years.

The fair value of the Conversion Option of Series B as at March 31, 2024 was estimated as \$65,065 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 146%, risk-free interest rate of 4.25%, share price of CDN\$0.08, and an expected life of 0.86 years.

The fair value of the Call Option as at March 31, 2024 was estimated as \$35,362 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 139%, risk-free interest rate of 4.25%, share price of CDN\$0.08, and an expected life of 1.36 years.

# AVIDIAN GOLD CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2024 and 2023

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

### 12. CONVERTIBLE DEBENTURE (continued)

The following table presents the reconciliation of the beginning and ending balances of the components of the convertible debt:

	Liability	Conversion Option	Call Option	Total
	\$	\$	\$	\$
<b>June 30, 2023</b>	-	-	-	-
Issuance of debenture (net of costs)	53,165	86,079	-	139,244
Issuance of call option	-	-	56,375	56,375
Accretion of liability	22,928	-	-	22,928
Revaluation of conversion option	-	12,701	-	12,701
Revaluation of call option	-	-	(20,438)	(20,438)
Change in foreign exchange	(1,585)	(1,182)	(575)	(3,342)
<b>March 31, 2024</b>	<b>74,508</b>	<b>97,598</b>	<b>35,362</b>	<b>207,468</b>

At March 31, 2024, the face value of the outstanding convertible debentures totals CDN\$198,000.

### 13. EXPLORATION AND EVALUATION EXPENDITURES

#### Golden Zone

The Company's 100% owned Golden Zone property is comprised of State of Alaska claims, a Millsite Lease and an Uplands Mining Lease which is valid until 2050. Certain claims are subject to a 3-4% net smelter royalty ("NSR") while the Company has the right to buy back 50% of the claims that are subject to a 3% NSR.

#### Amanita

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

- First anniversary of agreement date: \$15,000 (paid)
- Second anniversary of agreement date: \$25,000 (paid)
- Third anniversary of agreement date: \$30,000 (paid)
- Every subsequent anniversary: payments increase by \$10,000 annually

In July 2022, the Company made the seventh anniversary payment of \$70,000. The Company has received an extension to make the 2023 anniversary payment. It expects to make the payment on or before June 30, 2024. The Company may acquire the 3% NSR royalty for an additional \$3,000,000.

# AVIDIAN GOLD CORP.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2024 and 2023

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

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

#### Amanita NE

On July 21, 2020, the Company acquired a 100% interest in the Amanita NE gold property, located in Alaska, for the issuance of 2,500,000 common shares. 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 are also 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 the third party after the deduction of a) an amount equal to two times the exploration costs expended by the Company on the Amanita NE property and b) all reasonable transactional expenses incurred in connection with the sale to the third party.

#### Jungo

The Company's Jungo property consists unpatented mining claims held by the Company. Certain claims are subject to a 2% NSR.

The following table summarizes exploration and evaluation expenditures for each of the Company's respective properties for the nine-months ended March 31, 2024 and 2023.

	March 31 2024	March 31 2023
<b>Golden Zone</b>		
Acquisition and holding costs	\$ 36,713	\$ 424,782
Evaluation expenditures	6,467	186,773
	<b>\$ 43,180</b>	<b>\$ 611,555</b>
<b>Amanita</b>		
Acquisition and holding costs	\$ 98,086	\$ 88,086
Evaluation expenditures	-	36,728
	<b>\$ 98,086</b>	<b>\$ 124,814</b>
<b>Amanita NE</b>		
Acquisition and holding costs	\$ 5,305	\$ 5,305
Evaluation expenditures	-	-
	<b>\$ 5,305</b>	<b>\$ 5,305</b>
<b>Jungo</b>		
Acquisition and holding costs	\$ 7,446	\$ 48,157
Evaluation expenditures	-	-
	<b>\$ 7,446</b>	<b>\$ 48,157</b>
<b>TOTAL EXPLORATION AND EVALUATION EXPENDITURES</b>	<b>\$ 154,017</b>	<b>\$ 789,831</b>

# **AVIDIAN GOLD CORP.**

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

**For the three and nine months ended March 31, 2024 and 2023**

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

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### **14. 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.

#### **Management agreements**

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 employees are 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 Interim Financial Statements.

### **15. SUBSEQUENT EVENT**

The Company has entered into a binding stock purchase agreement with Contango Ore Inc. ("Contango"), pursuant to which Contango has agreed to purchase the Company's wholly-owned Alaskan subsidiary, Avidian Gold Alaska Inc., for initial consideration of \$2,400,000, plus a potential future upside consideration of \$1,000,000 for a total consideration of up to \$3,400,000. Contango will pay the Company an initial purchase price of \$2,400,000 consisting of (i) \$400,000 in cash and (ii) \$2,000,000 in shares of Contango common stock (the "equity consideration"). The cash consideration shall be paid in the following tranches: (i) a deposit of \$50,000 (that has been received in April 2024); (ii) \$150,000 due on the closing date; and (iii) \$200,000 due on or before the six-month anniversary of the closing date. The number of shares of common stock constituting the equity consideration will be determined based on Contango's NYSE American, 10-day volume-weighted average price immediately prior to the closing date.

If Contango makes a positive production decision on either of the Amanita or Golden Zone properties within 120 months of the closing date, Contango will pay the Company an additional \$1,000,000 within 30 days of such decision (the "deferred purchase price"). The deferred purchase price can be paid in either cash or shares of Contango, at Contango's sole discretion. If, at any time prior to this production decision, within the 120-month period, Contango enters into a third party transaction on either of the Amanita or Golden Zone properties, the Company will receive 20 per cent of the consideration received by Contango (capped at \$500,000 per property), to be credited against the total deferred purchase price.

The transaction is subject to shareholder approval by the Company's shareholders, as well as the receipt of all required governmental and/or regulatory approvals, including that of the Toronto Venture Exchange and NYSE-A. The shareholders meeting is scheduled for July 4, 2024. Should the Company's shareholders not approve this transaction, the agreement will terminate and a termination fee of \$175,000 will be paid to Contango, representing liquidated damages for the time, resources and opportunities lost in facilitating this transaction.