



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED DECEMBER 31, 2018

1 INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") is a review by management ("Management") of the operations, results, and financial position of Avidian Gold Corp. ("Avidian" or the "Company") for the six months ended December 31, 2018 (the "Reporting Period"). This MD&A is prepared as of February 28, 2019, unless otherwise indicated, and should be read in conjunction with the Company's unaudited interim financial statements and related notes for the six months ended December 31, 2018 ("Interim Financial Statements") and the audited financial statements and related notes for the year ended June 30, 2018 ("Annual Financial Statements") which have been prepared in accordance with International Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All figures are presented in United States dollars ("\$\$") unless otherwise indicated. Additional information relevant to the activities of the Company has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") – <http://www.sedar.com> and are also available on the Company's website <http://www.avidiangold.com>.

2 CAUTIONARY NOTE

FORWARD-LOOKING STATEMENTS

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans", "intends", "anticipates", "should", "estimates", "expects", "believes", "indicates", "suggests" and similar expressions.

This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Information concerning mineral resource estimates and the interpretation of drill results may also be considered as a forward-looking statement; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed.

Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, possible variations in mineral resources, labour disputes, operating or capital costs; availability of sufficient financing to fund planned or further required work in a timely manner and on acceptable terms; failure of equipment or processes to operate as anticipated; and political, regulatory, environmental and other risks of the mining industry.

Subject to applicable laws, the Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Risks and Uncertainties".

3 HIGHLIGHTS

- At Golden Zone property, Alaska:
 - Completed 1,827 m of core drilling from 6 holes with 1,600 samples submitted for analysis
 - Excavated 11 trenches with collection of 601 rock chip samples
 - 330 samples collected by prospecting, submitted for analysis
 - Completed 46 line km of a CSAMT ground geophysical program
 - Staked an additional 44 sq km, increasing the total property size to 105.5 sq km - **See Project Review**
- On February 4, 2019, the Company announced the following changes in Management:
 - Nick Tintor tendered his resignation as President, CEO and Director of Avidian, as a result of changes in circumstances relating to other business interests
 - Vic Bradley stepped down from the position of Interim CFO
 - David Anderson has assumed the role of CEO as well as retaining his position as Chairman of the Board; and
 - The Company has appointed Donna McLean as the Company's new CFO, on a consulting basis. Ms. McLean has many years experience in this role, in several sectors, including mineral exploration.

The Board of Directors sincerely thanks Nick and Vic for their contribution to Avidian and welcomes Ms. McLean to the Avidian team.

- Completed a \$708,000 non-brokered private placement – **See Subsequent Events**

4 DISCUSSION AND ANALYSIS

4.1 BACKGROUND

The Company

Avidian Gold Corp., formerly Marching Moose Capital Corp. ("Avidian" or the "Company") was incorporated by Certificate of Incorporation issued pursuant to the provisions of the *British Columbia Business Corporations Act* on September 24, 2013. The Company's principal business activity is mineral exploration. The Company was a Capital Pool Company ("CPC") as defined pursuant to Policy 2.4 of the TSXV.

Pursuant to the terms of an amalgamation agreement dated on March 13, 2017 and amended on April 13, 2017, June 23, 2017, August 24, 2017, and November 17, 2017 between Marching Moose Capital Corp., Avidian Gold Incorporated (AGI), and MMC Amalco Ltd. (Subco), a wholly owned subsidiary of Marching Moose Capital Corp., AGI and Subco amalgamated under the Business Corporations Act (British Columbia) to form a new company and will carry on the business previously carried on by AGI as a subsidiary of the Company. As compensation, each holder of AGI common shares received one common share of the Company for every 2.17 AGI common shares held at the date of the completion of the transaction.

On December 1, 2017, the Company completed its Qualifying Transaction ("Transaction"). Upon closing, Avidian Gold Incorporated shareholders held approximately 97.1% of the outstanding shares of the Company. In substance, the Transaction involves Avidian Gold Incorporated shareholders obtaining control of the Company and accordingly the Transaction is considered to be a reverse takeover transaction ("RTO")

with the Company. For accounting purposes, the acquisition is considered to be outside the scope of IFRS 3 Business Combinations ("IFRS 3") since the Company, prior to the acquisition did not constitute a business. Upon completion of the Amalgamation, there were 49,358,058 Common Shares issued and outstanding. The transaction is accounted for in accordance with IFRS 2 Share-based Payments whereby Avidian Gold Incorporated is deemed to have issued shares and share purchase warrants in exchange for the net assets of the Company together with its listing status at the fair value of the consideration received by Avidian Gold Incorporated. The consolidated interim and annual financial statements of the combined entities are issued under the legal parent, Avidian Gold Corp. (formerly Marching Moose Capital Corp.), but are considered a continuation of the financial statements of the legal subsidiary, Avidian Gold InCompany. Since Avidian Gold Incorporated is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the interim and annual consolidated financial statements at their historical carrying values.

Creation of HIGH TIDE RESOURCES CORP.

The Company has spun out its Strickland base metal project located in southern Newfoundland into a majority-owned Ontario incorporated private company called High Tide ("High Tide"). Avidian's goal will be to take High Tide public within the next 18 months.

The spinout is part of Avidian's value creation initiative to maximize shareholder value whereby any property asset that is not deemed to be core to its portfolio or is not being properly valued within Avidian will be spun out into a subsidiary company. Key benefits of the High Tide spinout, to Avidian and its shareholders include:

- No financial dilution to Avidian;
- Avidian retains a major interest in High Tide following a flow-through share financing;
- Avidian, via its share ownership, will have exposure to any exploration success High Tide has in Newfoundland.

High Tide has also entered into an option agreement to acquire a 100-per-cent interest in the Black Raven gold project located in northern Newfoundland.

During the period ended December 31, 2018, High Tide completed a flow-through financing for total proceeds of CDN\$362,000. The flow-through shares were issued at a price of CDN\$0.10/share. The funds will be used for an exploration program on the Black Raven project.

* * *

Additional information related to the Company and its subsidiaries is available on its website at www.avidiangold.com.

Directors, Officers and Management

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

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Exchange Listing

The Company's common shares ("Common Shares") are traded on the TSX Venture Exchange ("TSX-V") under the symbol AVG.

Nature of Operations and Company Focus

Avidian is in the business of acquiring and exploring gold projects. As of December 31, 2018, the Company has acquired the rights to explore four gold properties in the United States of America ("United States") and has majority ownership of High Tide which holds the right to explore two properties in Newfoundland, Canada.

Avidian Gold Corp. operates in two jurisdictions: United States and Canada.

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

In **Canada**, Avidian's new spinout High Tide Resources Corp. ("High Tide") is a base metal project located in southern Newfoundland.

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

Financial Position

The Company's financial position at December 31, 2018 and June 30, 2018 is summarized as follows:

Financial Position	December 31, 2018	June 30, 2018
Current assets	370,123	2,022,699
Non-current assets	636,940	652,431
Total assets	1,007,063	2,675,130
Current liabilities	1,302,964	1,545,787
Non-current liabilities	560,706	1,023,168
Total liabilities	1,863,670	2,568,955
Shareholders' equity	(1,123,533)	106,175
Non-controlling interest	266,926	-
Total liabilities and shareholders' equity	1,007,063	2,675,130

For the six months ended December 31, 2018:

- the Company's cash position decreased to \$303,752 from \$1,921,582 at June 30, 2018. Cash was used to fund exploration and general corporate expenses. The remaining current assets are largely comprised of HST receivable;
- there was no change in the account balance for the mineral exploration interests and only a small increase in the property and equipment account; these comprise the Company's non-current assets;
- the revaluation of the warrant liability and convertible debenture resulted in a decrease in total liabilities which was partially offset by an increase in accounts payable; and
- the change in shareholders' equity relates to the net loss recorded during the period

4.3 SELECTED FINANCIAL RESULTS

Financial Position – See 4.2 above

Results of Operations

For the six months ended December 31, 2018, the Company recorded a net loss of \$2,066,542 (2017 – 2,575,007). The decreased loss in 2018 is due to i) an unrealized gain on warrant revaluation of \$443,374 compared to an unrealized loss of \$269,260 in the prior year, an unrealized gain on revaluation of the conversion feature of \$264,061 compared to an unrealized loss of \$260,663 in the prior year; and iii) the public listing expense of \$403,652 in 2017 did not recur in 2018. These differences were offset by an increase in share-based compensation recognized in the amount of \$643,369 compared to \$32,714 in prior period.

For the three months ended December 31, 2018, the Company recorded net earnings of \$705,779 (2017 - a net loss \$1,227,938). Similar to the results discussed above, the positive earnings for the period resulted from: i) the warrant revaluation gain of \$766,625 compared to the warrant revaluation loss of \$281,232 in the prior year, ii) the revaluation gain of the conversion feature of \$438,030 compared to the revaluation loss of the conversion feature of \$277,298, in the prior year. The public listing expense of \$403,562 recorded in the three months ended December 31, 2017, did not recur in the same period in 2018. These differences were offset by an increase in evaluation and exploration expenditures from \$75,738 to from \$382,450 in the current reporting period.

STATEMENTS OF LOSS	Three months ended December 31, 2018	Three months ended December 31, 2017
Exploration expenses	\$382,450	\$75,738
Stock-based compensation expense	62,299	32,714
Corporate overhead expense	133,183	93,279
	(577,932)	(671,211)
Other income/expenses:		
Foreign exchange gains (losses)	\$79,056	\$1,803
Gain (loss) on warrant revaluation	766,625	(281,232)
Gain (loss) on conversion feature	438,030	(277,298)
	\$1,283,711	\$(1,227,938)
Non-controlling interest	(3,248)	-
Earnings (loss) for the period	\$705,779	\$(1,227,938)

STATEMENTS OF LOSS	Six months ended December 31, 2018	Six months ended December 31, 2017
Exploration expenses	\$1,754,534	1,349,534
Stock-based compensation expense	643,369	32,714
Corporate overhead expense	426,292	1,628,447
	2,824,195	(2,010,695)
Other income/expenses:		
Foreign exchange gains (losses)	46,970	(34,389)
Gain (loss) on warrant revaluation	443,374	(269,260)
Gain (loss) on conversion feature	264,061	(260,663)
	\$754,405	\$(564,312)
Non-controlling interest	(3,248)	-
Earnings (loss) for the period	\$(2,069,790)	\$(2,575,007)

Cash Flows

Cash Flow Activities	Six months ended December 31, 2018	Six months ended December 31, 2017
Operating	\$(1,948,392)	\$(1,726,078)
Financing	330,562	1,128,507
Investing	-	(36,700)
Increase (decrease) in cash during the period	\$(1,617,830)	\$(634,271)

For the Reporting Period, net cash used for operating activities was \$1,948,392 (\$1,726,078). The majority of the cash (90%) (2017 – 78%) was used for project evaluation and exploration. There were no equipment purchases however \$36,700 was used to purchase sundry equipment in the same period, in 2017. The Company continued to draw down on the balance of funds raised through the Company's 2017 equity offering, and new cash was generated from the issuance of subsidiary shares and the exercise of stock options.

During the same period in 2017, Management relied on the proceeds of the 2017 equity offering of \$1,128,507 to pay corporate costs and exploration expenditures for the period.

4.4 PROJECTS REVIEW

Location, tenure and historical data

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

ALASKA PROJECTS

A Golden Zone

The Golden Zone and Amanita properties lie within the prolific Tintina Gold Belt that hosts multi-million ounce gold deposits such as Donlin Creek (+39 Moz measured plus indicated gold resource), the producing Fort Knox Gold Mine (+7 Moz produced and contains 1.5 Moz proven plus probable reserves) and Dublin Gulch (4.8 Moz indicated gold resource and 1.5 Moz inferred gold resource). Both properties have well documented gold showings that trend over several kilometers in length, are easily accessible all year round by road and are close to major infrastructure.

The Golden Zone property is located 320 km north of Anchorage, Alaska, and approximately 16 km west of the main transportation route between Anchorage and Fairbanks. This 10,550 (105.5 sq km) property is comprised of a 1,184 hectare (11.84 sq km) Uplands Mining Lease (with 32 years remaining on the lease) surrounded by 9,356 hectares (93.6 sq km) of State of Alaska claims and a non-contiguous 16 hectare Mill Site Lease. The property hosts a number of high grade gold surface showings along an 15 km long well mineralized trend hosting grades of 4 g/t Au to > 25 g/t Au plus Ag $\pm$ base metals, with significant drill and trench intersections.

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

Exploration Work

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

During the Reporting Period, Avidian carried out work mainly on the Golden Zone property. The work program consisted of: 1,827 m of core drilling from 6 holes where 1,600 samples were submitted for analysis, excavating 11 trenches with the collection of 601 rock chip samples, prospecting with 330 samples that have been submitted for analysis. Avidian also completed 46 line km of a CSAMT ground geophysical program and staked an 4.403 hectares (44 sq. km) ("2018 Exploration").

Exploration Highlights

Highlight results from the 2018 Exploration are as follows.

- Staking of additional ground to establish a district size scale project of over 105 sq km in size that hosts mineral occurrences grading > 1.0 g/t Au along a strike length trend of 15 km.
- Discovery of the JJ Zone, a new gold showing that hosts multiple vertical dipping sulphide-bearing gossans (disseminated to semi-massive pyrite with chalcopyrite and arsenopyrite hosted within siltstones and sandstones) ranging in thickness from 0.5 to +3.0 m over a true width area of approximately 150 m, a vertical exposure of 300 m and a strike length of at least 500 m. Eight of twenty-three grab samples assayed greater 0.95 g/t Au with highlight samples in the gossan zones ranging from 2.08 g/t Au to 6.14 g/t Au. Samples from interbedded sediments are also mineralized and range from 0.098 g/t Au to 0.965 g/t Au, which allows for a large-scale bulk tonnage opportunity.
- Drilling and trenching highlights in the Copper King/S. Long Creek prospect area.
 - Hole CK18-01 intersected 9.1 m grading 8.71 g/t Au, 80.8 g/t Ag and 3.57% Cu in hole CK18-01 from 3.9 m to 13.0 m.

- A surface trench (T18-09) located in the same vicinity as hole CK18-01 returned 30.0 m grading 2.24 g/t Au, 67.2 g/t Ag and 2.79% Cu.
- 3.0 m grading 16.08 g/t Au, 50.6 g/t Ag and 0.78% Cu was encountered in a trench located 750 m from the high-grade Copper King mineralization (hole CK18-01) attesting to the size of the mineralizing system in the Copper King/Long Creek area. This mineralization, located on the southern flank of a large CSAMT high, and is hosted in a conglomeratic unit. Within a 200m vicinity of the Copper King prospect, Avidian previously collected surface rock grab samples that graded:
 - 1.44 g/t Au, 87.5 g/t Ag and 3.29% Cu in a conglomeratic unit;
 - 1.51 g/t Au, 67.0 g/t Ag and 1.05% Cu in siltstones;
 - 6.86 g/t Au, 192 g/t Ag and 9.65% Cu in siltstones, and;
 - 4.8 g/t Au, 106 g/t Ag and 1.41% Cu in a quartz-eye granite stockwork.
- A CSAMT geophysical survey was conducted over the +3 km long Copper King, Long Creek and S. Long Creek trend. Multiple resistivity highs were mapped which are interpreted to be highly prospective areas for gold and copper mineralization. Many of the CSAMT resistivity high features correspond with magnetic lows identified in a previous helicopter-borne aeromagnetic survey and are coincident with known mineralization in the Copper King and Long Creek area.
- Drilling within the Breccia Pipe and Mayflower area yielded the following results.
 - Hole GZ18-04 was drilled down the plunge of the Breccia Pipe Deposit to test for mineralization within the monzodiorite hosting the Breccia Pipe Deposit that is not included in the current resource estimate and to infill the southwestern margin of the pipe. This hole encountered 107.31 m grading 4.76 g/t Au down plunge within the sulphide rich portion of the Breccia Pipe Deposit and 21.59 m grading 1.66 g/t Au within the host monzodiorite including 3.60 m grading 5.53 g/t Au. This latter mineralization indicates potential for additional resources to be developed within the monzodiorite that hosts the Breccia Pipe Deposit.
 - Within the Mayflower Extension Zone ("MEZ"), hole GZ18-02, located approximately 400 m northeast of the Breccia Pipe Deposit, was drilled to follow up on the mineralization intersected in 2017 hole GZ17-10 that returned 21.6 m grading 1.46 g/t Au in a conglomeratic unit. GZ18-02 drilled 50 m southwest of hole GZ17-10 intersected 17.7 m grading 2.12 g/t Au in conglomerates which is interpreted to be related to the mineralization in hole GZ17-10. This hole also bottomed in conglomerates that ran 1.04 g/t over 17.7 m. The last 3 m returned 2.6 g/t Au indicating that the mineralization remains open on strike and at depth.
 - The MEZ remains open to the southwest in the direction of the Breccia Pipe Deposit. It is also open to the northeast and at depth. The MEZ represents excellent potential for defining additional resources in the area of the Breccia Pipe Deposit. In addition, the MEZ mineralization is dominantly hosted in a conglomeratic unit which is interpreted to represent leakage mineralization from the Breccia Pipe deposit. This suggests the potential root of the Breccia Pipe Deposit may underlie the MEZ or lie between the two identified areas of mineralization.

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

Next Steps

Avidian plans to advance the Golden Zone Property in 2019 through:

- Additional mapping and sampling at the newly discovered JJ Zone with the aim of establishing boundaries for the mineralization exposed at surface. The current surface footprint covers a very large area of gold mineralization. Drill testing to follow with metres to be determined.
- Additional geologic evaluation of the CSAMT anomalies in the Copper King/Long Creek area in an attempt to relate the geophysical results to the identified intrusive related gold targets. Follow-up drilling is planned in areas that returned significant drilling and trenching results in 2018.
- Further drill testing of the Breccia Pipe Deposit/MEZ area to identify the root of the sulphide-rich Breccia Pipe and the source and extent of the gold mineralization in conglomerates. This will include extending GZ-18-02 which bottomed in mineralization (17.7 m of 1.04 g/t Au including 3 m of 2.6 g/t Au at the end of the hole).
- Regional mapping, prospecting and rock and soil sampling of the entire GZ property to identify other mineralized areas as well as follow-up work on prospects known to host significant gold mineralization (i.e. Cohio prospect) that have not been adequately explored.

Budget

The above work program has yet to be fully finalized but it is anticipated that it will require a modest budget ranging from \$300,000 to \$500,000 (excluding drilling). Work permits to carry out sampling trenching, road building and drilling are currently in place for 2019.

B. Amanita

Location, tenure and historic data

The Amanita property is comprised of State of Alaska claims totaling 1,460 hectares (14.6 sq km) and is located 15 km northeast of Fairbanks, Alaska, and approximately 5 km southwest and contiguous to the Fort Knox open-pit gold mine. Fort Knox is currently producing approximately 380,000 oz of gold per annum at a grade of less than 0.5 g/t Au. The Fairbanks mining district has historically produced in excess of 20 Moz of gold. Mineralization at Fort Knox is contained within a northeast/southwest structural corridor that trends southwest directly onto the Amanita property. This corridor at Amanita is approximately 1.6 km long and hosts multiple historical drill intersections >1.5 g/t Au, such as 13.7 m at 3.0 g/t Au and 4.5 m at 11.4 g/t Au, with visible gold noted in some of the drill holes as well as in selected float samples. This corridor has been sparsely drill tested, with the drill intersections all occurring at a depth of less than 150 m.

Exploration Work

While no exploration activity was carried out on the Amanita property during the reporting period or 2018, Avidian anticipates that it will undertake an exploration program on the property during 2019. Avidian believes the Amanita property has the potential to host one or more oxide gold resources within a 1.6 km long mineralized structural corridor that trends directly onto the adjacent and contiguous Fort Knox gold mine property. Historical drilling along this corridor (referred to as the Tonsina Trend) indicates that oxide gold mineralization extends from surface to a depth of at least approximately 150 m. Historical reverse circulation drilling of 30 holes (from a drill campaign of 39 holes) intersected gold grades of > 1.0 g/t Au over widths of 1.5 m, with visible gold identified in six holes. Some highlight intersections include 14 m of 3.02 g/t Au, 11 m of 1.08 g/t Au, 5 m of 2.30 g/t Au and 3 m of 14.04 g/t Au.

Next Steps

Drill targets have been identified on this property and Avidian is evaluating the possibility of undertaking a small drill program in 2019. A work permit to carry out trenching and drilling for 2019 is currently in place.

NEVADA PROJECTS

C. Jungo Property

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

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

D. Dome Hill

Also in Nevada, within the Walker Lane Trend, is the Dome Hill property which covers an area of 600 hectares (6 sq km). More than 5.8 km of high-sulphidation, quartz-alunite veins containing gold values up to 32 g/t Au have been mapped on the property and host most of the old workings. Mineralization is hosted in Tertiary volcanic rocks and is thought to be related to a deeper, sub-volcanic pluton that could generate a large, porphyry-style gold-copper deposit. Limited historical drilling intersected 4.6 m at 4.7 g/t Au and 1.5 m at 9.7 g/t Au. The bottom of the holes also contained up to 0.4% copper which supports the theory of a deeper porphyry system. Dome Hill is in the same geological district as the Bodie (1.5 Moz historical production) and Aurora (1.9 Moz historical production) gold deposits.

Next Steps for Nevada Properties

No exploration activity took place on either the Jungo or Dome Hill property during 2018 and none is anticipated for 2019. Avidian is evaluating the possibility spinning out these properties into another vehicle, either private or public, so as to maximize their unrecognized value for Avidian shareholders.

Evaluation and Exploration Expenditures

During the six months ended December 31, 2018, a total of \$1,754,534 (2017 - \$1,349,534) was incurred for project costs, as follows:

	Six months ended December 31, 2018	Six months ended December 31, 2017
Golden Zone		
Geology consulting fees	486,110	401,996
Drilling	455,084	342,767
Equipment rental and fuel	206,697	130,747
Camp supplies	191,230	145,469
Assays	135,317	113,167
Geophysics	113,795	114,491
Acquisition and holding costs	51,372	20,905
	\$1,639,605	\$1,269,542
Amanita		
Acquisition and holding costs	\$45,158	\$45,950
Geology consulting fees	2,485	-
	\$47,643	\$45,950
Dome Hill		
Acquisition and holding costs	\$14,745	\$16,920
Jungo		
Acquisition and holding costs	\$36,197	\$39,249
Others		
Acquisition and holding costs	\$-	\$(7,500)
Geology consulting fees	16,344	-
Reimbursement of reclamation bond	6	(14,627)
	16,344	(22,127)
Total Evaluation and Exploration Expenditures	\$1,754,534	\$1,349,534

4.5 SUMMARY OF QUARTERLY RESULTS

The following are selected financial data from the Company's Interim Financial Statements for the last eight quarters, ending with the most recently completed quarter, being the three months ended December 31, 2018:

	2019		2018				2017	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Total revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net earnings (loss)	709,027	(2,775,569)	(226,646)	(557,827)	(1,227,938)	(1,347,069)	(945,609)	(308,075)
Net earnings (loss) per share - basic and fully diluted	0.01	(0.05)	(0.01)	(0.01)	(0.03)	(0.01)	(0.03)	(0.01)

4.6 LIQUIDITY AND CAPITAL RESOURCES

The Company finances its activities by raising capital in the equity markets and has no regular source of revenue or cash flow. The Company is dependent upon its ability to obtain the necessary equity financing to generate sufficient amounts of cash and cash equivalents, in the short and long term to meet its obligations as they become due and finance its exploration programs.

The Company's property interests are at an early stage of exploration and, in common with many exploration companies, it raises financing for its evaluation and exploration activities in discrete tranches. The existing funds may not be sufficient to explore potential gold project acquisitions and in due course, further funding could be required.

The Company's ability to continue as a going concern is highly dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop gold projects and ultimately, to achieve profitable operations. The success of these endeavours cannot be predicted at this time. The 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.

On February 26, 2019 the Company announced the closing of a CDN\$708,000 non-brokered private placement – **See Subsequent Events**

4.7 ESTIMATED WORKING CAPITAL REQUIREMENTS

The Company's working capital requirements are discussed in detail in the Results of Operations and Financial Condition sections. Fixed costs to maintain operations, pay taxes and upkeep are about \$180,000 per annum. Corporate and general costs to maintain the requirements of a listed Company are estimated to be about \$75,000. Therefore, minimum working capital requirements are estimated at \$255,000 per year. Project costs vary.

4.8 OUTSTANDING SHARE DATA

As at	Common Shares	Warrants	Stock Options	Fully Diluted
June 30, 2018	56,030,756	6,832,483	4,483,125	67,346,364
December 31, 2018	56,621,585	6,832,483	4,633,125	68,087,193
February 28, 2019	57,021,683	10,372,483	3,483,125	70,877,291

4.9 RELATED PARTY TRANSACTIONS

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

The remuneration of key management personnel is comprised of fees paid to officers for the six months ended December 31, 2018 totaling \$43,444 (2017 - \$nil) and share-based compensation of \$42,105 (2017 - \$nil)

4.10 OFF-BALANCE-SHEET TRANSACTIONS

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

4.11 PROPOSED TRANSACTIONS

The Company has no proposed transaction to acquire any additional assets or to dispose of any asset of the Company. However, from time to time, and like other junior mineral exploration enterprises, the Company may acquire or dispose of property assets as determined by Management based on exploration results, opportunities, the competitive nature of the business, and capital availability.

4.12 ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

a) Changes in Accounting Policies

These Interim Financial Statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") effective for the Company's reporting for the year ended June 30, 2018.

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

b) Critical Accounting Estimates

The Company prepares its Interim Financial Statements in accordance with IFRS. Under IFRS, Management is required to make judgments, estimates and assumptions about future events that could affect the carrying amounts of the assets and liabilities. Although these estimates are based on Management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas that require Management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

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

- viii. the existence and estimated amount of contingencies; **See Commitments and Contingencies** and
- ix. the determination of the Company's provision for taxes.

4.13 FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

The Company's financial assets are classified in the following categories: at fair value through profit or loss or as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. As at December 31, 2018 and June 30, 2018, the Company's financial assets are comprised of cash, and accounts receivable.

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

Cash, and accounts receivable are classified as loans and receivables and are recognized initially at fair value and subsequently measured at amortized cost.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The Company assesses at each financial reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

The Company's financial liabilities consist of trade payables, accrued liabilities, convertible debenture and conversion option component of convertible debenture. Trade payables, accrued liabilities and convertible debenture are classified as other financial liabilities and are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expired. The Company's conversion option component of the convertible debenture is classified as fair value through profit and loss and are recognized initially at fair value and subsequently re-measured at fair value at each reporting date.

Financial Risk Factors

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

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is attributable to cash. Cash is held with a reputable financial institution, from which Management believes the risk of loss to be remote. The Company's believes it has no significant credit risk.

Liquidity risk

Liquidity risk arises through an excess of financial obligations over financial assets at any point in time. The Company's approach to managing liquidity risk is to maintain readily available cash to continue operations and meets its financial obligations when they become due.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. Management is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

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

(c) Commodity price risk

The Company is exposed to price risk with respect to gold prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to gold price movements and volatilities. The Company closely monitors gold prices to determine the appropriate course of action to be taken by the Company.

4.14 COMMITMENTS AND CONTINGENCIES

The Company's exploration activities are subject to various federal, provincial, state and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company 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.

See Note 14 in the Interim Financial Statements.

4.15 RISKS AND UNCERTAINTIES

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

Laws and Regulations Governing Operations

The operations of the Company's properties will be subject to various laws and regulations relating to the environment, prospecting, development, production, waste disposal and other matters. Amendments to current laws and regulations governing activities related to the Company's mineral properties may have material adverse impact on operations.

Exploration, Development and Operating Risk

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

Ability of Community Stakeholders to Impede Project Success

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

Property Title

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

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

Environmental Matters

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

Funding

The Company will need additional funding to complete its short and long term objectives. The ability of the Company to fund its operations in the future will depend on the prevailing market conditions, as well as the business performance of the Company. There can be no assurances that the Company will be successful in its efforts to raise additional financing on terms satisfactory to the Company. If adequate funds are not available or not available on acceptable terms, the Company may not be able to take advantage of opportunities, to acquire new projects or to otherwise respond to competitive pressures.

Foreign Currency

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

4.16 QUALIFIED PERSON

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

4.17 SUBSEQUENT EVENTS

- a) On January 15, 2019, the Company made a \$50,000 payment towards its annual Golden Zone anniversary payment and agreed with the vendor to defer the remaining \$50,000 payment to June 2019. The Company issued 400,098 common shares in accordance with the Golden Zone payment schedule detailed in Note 14 of the Interim Financial Statements.
- b) On February 26, 2019 the Company announced the closing of a \$708,000 non-brokered private placement (the "**Offering**") of 708 debenture units of the Company ("**Units**") with each Unit consisting of a C\$1,000 principal amount three (3) year unsecured interest-bearing convertible debenture (a "**Debenture**") and five thousand (5,000) common share purchase warrants of the Company (each a "**Warrant**").

The Debentures are convertible into Common Shares at a price of \$0.40 per Common Share at an option of an investor at any time prior to maturity day of the Debenture. Each Warrant entitles the holder to acquire one common share of the Company (a "**Common Share**") at a price of C\$0.76 per

Common Share for a period of 36 months from the closing of the Offering, subject to the Company's option to accelerate the term of the Warrants in the event that the trading price of Common Shares on the TSX Venture Exchange equals or exceeds \$1.00 for twenty consecutive trading days by providing a 30 days' notice to warrant holders.

The Debentures, at the election of investors at the time of purchase, bear an annual interest calculated a rate of either 8% or 12% as follows: Debentures either bear an 8% annual interest (compounded on a semiannual basis) in annual cash payments; or the Debentures bear a 12% annual interest rate compounded on a semi-annual basis and converted into Common Shares at maturity, subject to the approval of such conversion by the TSX Venture Exchange (the "TSXV"), at a conversion price that shall be the greater of \$0.40 and the lowest conversion price acceptable to the TSXV at the time of conversion. If the TSXV acceptance of the conversion of accrued interest into Common Shares cannot be obtained, the interest on Debentures shall be recalculated at an annual rate of 9% and paid out in cash.

- c) An officer of the Company has been granted 100,000 five-year stock options, to purchase 100,000 Common Shares of the Company, with an exercise price of \$0.40. The stock options vest over three years.