

AVION
GOLD CORPORATION

(FORMERLY AVION RESOURCES CORP.)

***Management's
Discussion &
Analysis***

***for the three months ended
March 31, 2010 and
the four months ended
March 31, 2009***

-- unaudited --

MANAGEMENT'S DISCUSSION AND ANALYSIS **For the Three Months Ended March 31, 2010**

General

This management's discussion and analysis ("MD&A") has been prepared based on information available to Avion Gold Corporation ("we", "our", "us", "Avion", or the "Company") as of May 19, 2010. On May 22, 2009, the Company changed its name to Avion Gold Corporation from Avion Resources Corp. and started trading under its new name on the TSX Venture Exchange on June 5, 2009. This MD&A provides a detailed analysis of the Company's business and compares its financial results with those of the previous period and should be read in conjunction with the unaudited consolidated financial statements and notes thereto for the three months ended March 31, 2010 and our audited annual consolidated financial statements and notes and MD&A for the thirteen-month period ended December 31, 2009. The financial statements and related notes of Avion have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Additional information including press releases have been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and are available online under our profile at www.sedar.com.

The Company had changed its year-end to December 31 from November 30 effective our fiscal year ended 2009. As a result, the three months ended March 31, 2010 are being compared to a four month quarter ended March 31, 2009.

References to the first quarter of 2010 or Q1-2010, and the first quarter of 2009 or Q1-2009, refer to the three months ended March 31, 2010, and the four months ended March 31, 2009.

Effective September 30, 2009, the Company changed its reporting currency from Canadian dollars (CDN\$) to United States dollars (US\$) as the Company anticipates that the majority of its future revenue stream will be denominated in US\$. The Company has made this change in accordance with Canadian GAAP by following the recommendations of Emerging Issues Committee (EIC) of the Canadian Institute of Chartered Accountants (CICA) Abstract EIC-30 "Translation Method when the Reporting Currency Differs from the Measurement Currency or there is a Change in the Reporting Currency". The Company's functional currency, which is Canadian dollars, remains unchanged. Consequently, all figures reported herein are in US\$ unless otherwise indicated.

Unless otherwise noted, this MD&A reports our activities through May 19, 2010.

OVERVIEW AND STRATEGIC DIRECTION OF THE COMPANY

Avion's common shares are listed on the TSX Venture Exchange ('TSX-V') under the symbol "AVR".

Avion is a Canadian gold mining company with a current focus in West Africa. Avion acquired a 100 square kilometre land and mine asset in May 2008, which contains the Tabakoto and Ségala gold projects, located in Mali, West Africa. To move this asset forward, Avion has built a strong team of qualified operational staff and geologists that executed a plan that resulted in the start of gold milling activities on February 17, 2009.

The Company commenced commercial production at the Tabakoto and Ségala gold projects on May 1, 2009. Prior to this, the Company was a development stage company as defined by the CICA Accounting Guideline 11.

During Q4-2009, the Company entered into an agreement with Great Quest Metals Ltd. ("Great Quest") to acquire 75% of their interest in three mineral concessions located adjacent to the south and west sides of the Tabakoto property. The Company was required to make cash payments of CDN\$2,360,000 and work commitments of CDN\$1,890,000 both over five years. On signing of the Option Agreement, Avion made a cash payment of CDN\$350,000. In Q1-2010, the Company entered into a superseding agreement to acquire 100% of Great Quest's interest in these concessions. Consideration for this interest was CDN\$4,000,000, of which CDN\$500,000 was paid in cash in January 2010. The remainder was paid through the issuance of 7,608,696 common shares of the Company of which 1,902,174 shares are being held in escrow pending reception of the Comifa concession. See the Mineral Properties section of this report for further details.

The Company's March 31, 2010 consolidated financial statements have been prepared in accordance with Canadian GAAP applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in its March 31, 2010 consolidated financial statements. For a full description of the Company's risks, please refer to the Risks and Uncertainties section of this report.

Q1-2010 HIGHLIGHTS

During the three-month period ending March 31, 2010, the following significant activities occurred:

- Avion produced 15,716 ounces of gold during the quarter.
- Avion processed 156,140 tonnes of ore at an average grade of 3.26 g/t Au.
- The average mill recovery for the quarter was 96.5%.
- Avion announced a 100% increase in the Measured and Indicated Resources and a 38% increase in grade in the Segala Main deposit
- Avion announced a Heading Agreement with Avocet Mining PLC ("Avocet") for the planned acquisition of the Houndé Property from Avocet in Burkina Faso. The property hosts at least eight gold zones with the Vindaloo zone returning the best results with drill holes returning up to 8.91 g/t Au over 29 metres core length.
- Avion announced the acquisition of the Kofi property from Axmin Inc. ("AXMIN") subject to Various conditions. Total estimated Indicated Mineral Resources are approximately 3.6 million tonnes grading 2.5 g/t Au totaling 293,000 ounces Au (Roberts, 2008 43-101 compliant report). In addition, the Kofi property hosts total Inferred Mineral Resources of approximately 5.26 million tonnes grading 2.2 g/t Au totaling 368,000 ounces (Dec. 11, 2007 AXMIN news release, Roberts, 2008 43-101 compliant report) .
- On March 22, 2010, Avion announced drilling results from Djambaye II gold zone which supports the acquisition of the Keneiba property and should provide significant potential for increasing the resources of the zone.
- Additional exploration results were released on April 15, 2010, which described an intersection of 21.77 g/t Au over 21 metres, 2 KM south of Tabakoto

MINERAL PROPERTIES

Mali, West Africa (Tabakoto and Ségala gold projects)

The Company acquired an 80% interest in the Tabakoto and Ségala gold projects in Mali, West Africa (the “Mali Projects”) in May 2008. The remaining 20% interest is owned by the Government of Mali. This interest is subject to a 1% net smelter return royalty (“NSR”) payable to the vendor. The Company has the option to buy out this NSR for \$2,000,000 at anytime up to five years following the date of closing. As well, the Mali Projects are subject to a 6% NSR payable to the Government of Mali.

The Government of Mali owns a 20% interest in the Mali Projects. The Company is required to fund 100% of all expenditures related to the exploration and development of these properties and holds preferential rights to recover all funding plus interest from future cash flows prior to the Government of Mali receiving dividends.

Exploration Review

Tabakoto Project - Tabakoto,, Ségala and Kenieba Properties, Mali

As of May 8, 2010, Avion had completed 229 core and RC holes (number includes re-started holes) totalling approximately 22,680 metres, local geological mapping, magnetic surveys, soil sampling and trenching. Avion plans to complete approximately 60,000 metres of exploration drilling in 2010 as part of an US\$ 8 million exploration program on the Tabakoto, Segala and Kenieba properties.

As of May 13th, 2010 results have been released for reverse circulation drilling in the Djambayell zone and core and reverse circulation holes at the Dioulafoundou Zone.

Dioulafoundou Zone

Avion completed 90 holes totalling 7,702 metres over the Dioulafoundou area. The strongest of the two zones, Dioulafoundou NW zone (“DNW”), has been traced for approximately 400 metres along strike and to 170 metres depth. A second, parallel, zone of gold mineralization, DNW2, lies approximately 60 metres to the south and has been traced for approximately 190 metres along strike and to 115 metres depth. Both zones are steeply dipping and open down plunge.

Avion’s work has extended the DNW and NW2 zones both along strike and to depth, relative to the defined and existing open pit inferred mineral resource for the Dioulafoundou zone (see Figures 2 and 3) of 349,300 tonnes grading 3.76 g/t Au totaling 42,000 ounces at a 1 g/t Au cut-off (Avion news release, May 19, 2009). In addition, the new drilling indicates significantly higher grades in the near-surface portions of the resource than were estimated and indicated by previous drilling.

Avion plans to update the mineral resources for these two mineralized zones by the end of the second quarter as part of a Tabakoto project resource update, with completion planned for fourth quarter, 2010.

Drilling highlights include the following intercepts:

- 14.86 g/t Au over 15.9 metres
- 4.52 g/t Au over 22.0 metres
- 6.37 g/t Au over 17.5 metres
- 4.55 g/t Au over 22.0 metres

- 17.92 g/t Au over 6.0 metres
- 10.0 g/t Au over 12.0 metres
- 6.39 g/t Au over 10.0 metres
- 21.77 g/t Au over 21.0 metres
- 4.55 g/t Au over 22.0 metres
- 13.42 g/t Au over 16.1 metres
- 9.89 g/t Au over 9.1 metres
- 5.87 g/t Au over 13.3 metres
- 4.94 g/t Au over 5.5 metres
- 16.92 g/t Au over 2.0 metres
- 9.84 g/t Au over 6.0 metres
- 9.66 g/t Au over 4.0 metres

Kenieba Property - Djambaye II zone

The Kenieba Property lies adjacent to the south and southwestern boundary of Avion's Tabakoto Property approximately 6.5 kilometres southwest of the Tabakoto Mine and hosts the Djambaye II deposit (324,000 ounces of gold, in 2,574,000 tonnes grading 3.92 grams per tonne gold).

To date Avion has released results for 31 reverse circulation. Mineralized zones returning grades greater than 1 g/t Au were intersected in 27 of the 31 reverse circulation holes.

Avion's drilling to date has focused on a 700 metre section of the Djambaye II zones where grades and widths were expected to be stronger and where several parallel zones of gold mineralization were previously identified. The northern end of the Djambaye II zone is located approximately nine kilometres southwest from the Tabakoto mine site. Drilling to date has met with Avion's expectations with locally high grades and multiple intercepts. The Djambaye II mineralized structure/zone dips at -70 degrees to the east and has now been traced by drilling for approximately 4,400 metres and is still open to the north, south and to depth; assays are pending for the holes that tested the north and south strike extension of the Djambaye II zone. Infill drill holes have been emplaced every 25 metres along the northern portion of the zone and were targeted at 25 and 50 metre depths in order to define an initial, potentially near surface, mineable zone and further develop Avion's understanding of the zone in order to support an envisioned longer term underground mineable resource. The current drilling is expected to provide enough information to support an updated and upgraded resource statement.

Drilling highlights include the following intercepts:

- 10.66 g/t Au over 5.0 metres in drill hole GRC-10-11
- 11.34 g/t Au over 5.0 metres in drill hole GRC-10-13
- 3.64 g/t Au over 7.0 metres in drill hole GRC-10-18
- 7.53 g/t Au over 20.0 metres in drill hole GRC-10-19
- 21.24 g/t Au over 3.0 metres in drill hole GRC-10-27
- 18.97 g/t Au over 5.0 metres in drill hole GRC-10-31
- 14.2 g/t Au over 7.0 metres in drill hole GRC-10-46

Tabakoto South and Dabo Zones Drilling

The Tabakoto South Trend has been traced for 450 metres along strike and Avion suspects that it extends for at least 750 metres along strike. The Tabakoto South trend lies approximately 260 metres southeast, and is parallel to the NE1 zone described below. Within this trend two coherent zones of higher grade mineralization have been identified, the Dabo and Tabakoto South zones. The Tabakoto South Zone has been traced for approximately 300 metres along strike, to 275 metres below surface and is open to depth. Four of the six 2009 holes intersected significant gold mineralization with hole T-09-08A returning a best intercept of 4.64 g/t Au over 9.7 metres (approximately 9.3 metres true width). Infill drilling is required since most of the holes are more than 50 metres apart.

The Dabo zone has been traced for approximately 250 metres along strike, to 250 metres depth and is open down plunge. Three of the seven 2009 drill holes that pierced this target horizon returned significant values with the best intercept of 4.83 g/t Au over 3.0 metres (2.9 metres true width). More infill and down-plunge drilling is required to test this zone which appears to increase in grade at depth with the best hole returning 7.92 g/t Au over 14.1 metres (approximately 11.0 metres true width).

Fifteen drill holes totalling 3,700 metres have been planned to test the Tabakoto South and Dabo zones to 300 metres below surface at 50 metre centres.

Tabakoto NE 1 Zone Drilling

The NE1 trend lies in the southern part of the Tabakoto pit. On August 17, 2009, Avion released the results of channel samples collected along this trend that returned 108.68 g/t Au (18.24 g/t Au capped at 37.5 g/t Au) over 2.0 metres true thickness, and 25.15 g/t Au (23.47 g/t Au capped) over 2.3 metres (true thickness). This panel of mineralization can be traced along strike for approximately 300 metres and to depth for approximately 400 metres; this zone is still open to depth and partially along strike. Drill testing in 2009 comprised 4 core holes and 29 reverse circulation grade control holes. The core holes were drilled to test the western edge of the NE1 zone with 25 to 35 metre step-outs from previous holes. The RC holes tested a near surface panel approximately 70 metres long by 35 metres in depth in anticipation of developing a shallow open-pit resource. The core holes returned a best intercept of 4.42 g/t Au over 15.6 metres (approximately 12.0 metres true width). Reverse circulation holes indicated the presence of a continuously gold mineralized zone that returned a best value of 17.16 g/t over 9.0 metres (approximately 7.0 metres true width).

Drill testing of the NE1 trend also resulted in the intersection of a potential new, parallel zone of gold mineralization with an intercept of 15.55 g/t Au over 5.5 metres core length.

As part of the 2010 program Avion plans to test the NE1 zone to 300 metres depth at 50 metre centres along a an approximate 300 metre strike length. To accomplish this goal 20 holes totalling approximately 8,300 metres have been planned. As of May 8, 2010, 11 of these holes, totalling 2,485 metres, were completed. No assay results have been received for these holes.

Tabakoto NW1 Zone

Based on a long section interpretation of the NW1 zone 11 holes are planned to test this zone to 300 metres below surface at 50 metre centres.

Mine Plan Studies

Studies to support a longer term mine plan are essentially completed with underground mining studies in progress including possible mill expansion, efficiency improvements and heap leach testing. This work is being completed by both consultants and company staff and the bulk of it is expected to be completed by the end of Q1-2010. Leach test studies have been broadened to include a review of the economics of crushing and gravity concentrating the free gold. While initial leach test work suggests that recoveries of 85% of the gold is possible by leaching, all samples tested to date displayed the presence of gravity-recoverable coarse gold. Gravity recoveries for both the Tabakoto and Ségala mines range from 55 to 85% of the total gold content.

Current Resources

Avion's current Tabakoto Project Measured and Indicated Mineral Resource is 1.39 million ounces of gold grading 3.90 g/t Au. In addition, Avion's Inferred Mineral Resource is 1.21 million ounces of gold grading 3.78 g/t Au (Avion, January 6, 2010 news release). Avion has continued to refine the mineralization model for the Tabakoto deposit as support for an underground mining plan.

Avion has agreed to acquire the Kofi Project which contains estimated Indicated Mineral Resources of approximately 3.6 million tonnes grading 2.5 g/t Au totaling 293,000 ounces Au (Roberts, 2008 43-101 compliant report). In addition, the Kofi property hosts total Inferred Mineral Resources of approximately 5.26 million tonnes grading 2.2 g/t Au totaling 368,000 ounces (Dec. 11, 2007 Axmin news release, Roberts, 2008 43-101 compliant report).

Mineral Resource Estimates

Measured and Indicated Mineral Resources⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁷⁾

Zone	Tonnes	Au g/t	Ounces	News Release Date
Potentially Open Pittable Ségala				
Main Measured	50,655	4.52	11,199	Current update
Main Indicated	200,801	5.64	35,610	Current update
NW Measured				Dec. 12, 2008
NW Indicated	251,570	3.34	26,997	Dec. 12, 2008
Potentially Open Pittable Tabakoto				
Measured	1,253,370	2.89	116,383	May 19, 2009
Indicated	2,882,992	3.48	322,946	May 19, 2009
Sub Total	4,639,388	3.42	513,135	
Potentially Underground Mineable Ségala				
Main Measured	4,504	4.70	681	Current update
Main Indicated	2,875,302	5.30	489,490	Current update
NW Measured	0	0.00		Dec. 12, 2008
NW Indicated	638,384	3.22	66,166	Dec. 12, 2008
Potentially Underground Mineable Tabakoto				
Measured	39,746	3.39	4,331	May 19, 2009
Indicated	2,645,377	3.73	317,476	May 19, 2009

Sub Total	6,203,313	4.40	878,144
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Inferred Mineral Resources⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾

Zone	Tonnes	Au g/t	Ounces	Comment
Potentially Open Pittable				
Ségala NW	2,196	3.28	231	Dec. 12, 2008
Dioulafoundou	349,296	3.76	42,177	May 19, 2009
Dar Salam	1,195,228	3.49	134,155	May 19, 2009
Tabakoto	982,628	3.47	109,568	May 19, 2009
Djambaye 2	2,445,300	3.92	307,800	May 19, 2009
Sub Total	4,974,648	3.71	593,931	
Potentially Underground Mineable				
Ségala NW	214,785	2.74	18,930	Dec. 12, 2008
Ségala Main	1,305,126	4.45	186,523	Current update
Dioulafoundou	102,010	4.41	14,461	May 19, 2009
Dar Salam	601,965	3.35	64,785	May 19, 2009
Tabakoto	2,682,100	3.73	321,300	May 19, 2009
Sub Total	4,905,586	3.84	605,999	

- † Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
- † The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.
- † The mineral resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005.

- (1) The Inferred Resources are in addition to the Measured and Indicated Resources.
- (2) The mineral resources have been classified in accordance with requirements of NI 43-101 and the CIM standards. Resource estimates based on a gold price ranging from USD\$825 to USD\$ 900 per ounce.
- (3) Eugene Puritch, P. Eng. of P&E Mining Consultants Inc. Qualified Persons under NI 43-101, prepared the Current mineral resource estimates and have reviewed the technical disclosure herein relating to the resource estimates.
- (4) Milko Rivera, P.Eng and Farshid Gazanfari independent consultants, Qualified Persons under NI 43-101, prepared the May 19, 2009 mineral resource estimates and have reviewed the technical disclosure herein relating to the resource estimates. Eugene Puritch, P. Eng. of P&E Mining Consultants Inc. carried out an independent review of the resource model and provided preliminary open pit and UG mining scenarios.
- (5) Eugene Puritch, P. Eng. and Antoine Yassa, P. Geo. from P&E Mining Consultants Inc., Qualified Persons under NI 43-101 who are independent of the Company, are responsible for the mineral resource estimates presented on December 12, 2008 and have reviewed the scientific and technical information in this document relating to those estimates.
- (6) Carl Verley (P. Geo.), independent consultant, Qualified Person under NI 43-101, prepared the January 28, 2008 Djambaye 2 mineral resource study for Great Quest Metals Ltd.
- (7) Mineral resources that are not mineral reserves do not have demonstrated economic viability.

QA/QC Procedures

Avion's procedures for handling drill core and reverse circulation chips are consistent with international standards and comprise initial description and logging into a Microsoft Access database. Mineralized and suspected mineralized intervals in the holes are described in detail and marked for sampling. Core is then cut in half with the right-hand portion of the core put into plastic sample bags and sealed. Assay standard samples are inserted every 20th sample and split core from every 20th sample is also

quartered and sent in as a separate sample to double check the assays from these intervals. This sampling procedure was initiated and periodically reviewed by Avion's Senior Vice President of Exploration, Don Dudek, P. Geo. These samples were then delivered to a representative of SGS Mineral Service based in Kayes, Mali. The assay samples are then crushed to 2 mm with riffle split if required to 1.5 kg, the entire sample milled in a LM2 mill to a nominal 95% passing 75µm. All the preparation equipment is flushed with barren material prior to the commencement of the job. Gold values were determined by Fire Assay and AAS with a 50 gram nominal sample weight. Some of Avion's reverse circulation chips and drill core samples were analyzed at Avion's Tabakoto mine laboratory. In order to ensure that local, exceptionally high grade assays are not overly represented in assay composites Avion is also presenting assay composites with high grade samples capped at 27.5 g/t Au, which is the capping level deemed appropriate for the Ségala Main Deposit and 37.5 g/t Au for the Tabakoto Deposit (Avion December 12th, 2008 news release). Exploration holes are capped at 30 g/t Au.

Great Quest Metals Ltd. ("Great Quest") Kenieba Property option

The Great Quest properties comprise the Kenieba (Sansanto), Kenieba Est and Comifa concessions totaling approximately 32 km², which increases Avion's local property package by approximately 30%. The Kenieba concession hosts a 43-101 compliant inferred resource in the Djambaye 2 gold zone of 324,000 ounces (Carl Verley (P. Geo.), January 28, 2008 Great Quest news release). This equates to 2,574,000 tonnes grading 3.92 grams per tonne gold.

Avion Gold entered into an agreement in respect of the Kenieba Concessions to acquire 100% of Great Quest's interest in the concessions. Pursuant to the Acquisition Agreement, Avion Gold paid Great Quest total consideration of CDN\$4,000,000, comprised of the payment of CDN\$500,000 in cash and the issuance of 7,608,696 Avion Gold common shares. Avion Gold has also agreed to make future contingent payments of up to CDN\$2.1 million in the event that it produces more than 400,000 ounces of gold from the Kenieba concessions, payable in increments of 50,000 ounces of production. If production from the concessions exceeds 600,000 ounces, Avion would be required to make up to a further CDN\$1.4 million in payments to complete its obligations under this new agreement.

The Djambaye 2 zone, which is open in three directions, has been traced for 1,800 metres along strike and to 150 metres depth, by drilling. Avion's sampling of artisanal workings returned from 0.7 to 10.09 g/t Au which indicated that the zone can be extended for an additional 350 metres along strike to the north. All holes drilled into the Djambaye 2a zone intersected gold mineralization with values ranging from 0.63 g/t Au over 6.3 metres core length to 16.35 g/t Au over 5.2 metres core length. The Djambaye 2b zone, located 15 to 30 metres to the west, also displays consistent gold bearing intercepts ranging from 1.33 g/t Au over 1.85 metres core length to 8.82 g/t Au over 4.45 metres core length. True widths are expected to be in the order of 70% or more of core length. The bulk of the mineralization at the Djambaye 2 zone is hosted by pyrite-, stockwork silicified-, albite- and carbonate-altered felsic intrusion and greywacke. This mineralization style differs from that at Avion's Tabakoto and Ségala mines with the predominance of pyrite over arsenopyrite a feature more in common with Randgold's Loulo deposits and the more extensive stockwork-type silicification.

Mining Operation Review

2010 First Quarter production results

Avion produced 15,716 ounces of gold during Q1-2010, which is a 126% improvement over ounces produced in the first quarter of 2009. The Tabakoto plant processed 156,140 tonnes of ore at an average grade of 3.26 g/t Au. The average mill recovery for the quarter was 96.5%. This compares to first quarter of 2009 production of 76,000 tonnes of ore at an average grade of 2.74 g/t Au and a mill recovery of 92.8%. The first quarter of 2009 was a partial production quarter, as the Tabakoto process plant was restarted by Avion on February 17.

Production in 2009 was 51,291 ounces of gold. 562,750 tonnes of ore were processed at an average grade of 2.95 g/t Au, and an average mill recovery of 95.4%.

RESULTS OF OPERATIONS

For the three months ended March 31, 2010

The Company reported a net loss of \$545,740 (\$0.00 per share) for the three months ended March 31, 2010 compared to a net loss of \$1,241,360 (\$0.01 per share) for the four months ended March 31, 2009. Other comprehensive income for Q1-2010 amounted to \$2,203,894 (Q1-2009: other comprehensive loss of \$269,144), which represents the foreign exchange difference determined using the current rate method to translate the financial statements to US\$.

During Q1-2010, the Company sold 17,298 ounces of gold and generated \$19,425,382 in gold sales revenue. The Company was not in commercial production during Q1-2009. Mine and processing expenses were \$11,409,242, which includes \$191,150 in amortized deferred stripping costs, and the Company recorded amortization and depletion of \$1,373,968. The Company is amortizing deferred property, plant and equipment related to the Mali projects on a unit of production basis from the current mine plan over an estimated 333,558 ounces (approximately four years). The Company was subject to an aggregate NSR of 7% on metal sales during the quarter. Royalties expense totaled \$1,358,440 for the ounces of gold sold during Q1-2010.

Corporate and administrative expenses for the quarter ended March 31, 2010 totalled \$711,958 compared to \$474,665 for Q1-2009. The significant increases include consulting and management costs, where some charges were reallocated to this expense category, as well as shareholder communications costs, where the Company listed on the US over-the-counter market's prestigious tier, OTCQX International. The Company continues to share office space and other resources with companies that have common directors and officers.

Non-cash stock based compensation expense for Q1-2010 was \$2,382,567 (Q1-2009: \$163,079) related to the estimated fair value of stock options that were granted and/or vested during Q1-2010. A total of 4,455,000 stock options were granted to directors, officers, employees and consultants of the Company compared to 750,000 stock options granted in Q1-2009. Stock based compensation was estimated using the Black-Scholes option pricing model.

During Q1-2010, the Company incurred a non-cash accretion expense of \$113,750 related to the Company's asset retirement obligations acquired through the acquisition of the Mali projects (Q1-2009: \$123,215).

The Company recognized an unrealized loss of \$711,958 during Q1-2010 (Q1-2009: \$nil) related to their held-for-trading investments based on the fair market value of these investments as at March 31, 2010.

The Company also incurred a foreign exchange translation loss of \$1,973,533 during the Q1-2010 compared to a loss of \$215,950 during Q1-2009. The FCFA weakened substantially compared to the US\$ and a large proportion of the Company's net assets are carried in FCFA.

SUMMARY OF QUARTERLY RESULTS

This summary of unaudited quarterly results has been prepared in accordance with Canadian GAAP.

(in '000's except per share amounts)		Revenue	Income (Loss)	Income (Loss) per share	Long Term Liability
		\$	\$	\$	\$
Q1-2010	March 31, 2010	19,425	(546)	(0.00)	5,167
Q4-2009	December 31, 2009	14,202	3,975	0.02	5,053
Q3-2009	September 30, 2009	13,933	444	0.00	3,864
Q2-2009	June 30, 2009	5,597	(581)	(0.00)	3,789
Q1-2009	March 31, 2009 * four-month period	-	(1,241)	(0.02)	3,626
Q4-2008	November 30, 2008	-	(4,239)	(0.08)	3,554
Q3-2008	August 31, 2008	-	(1,119)	(0.02)	4,080
Q2-2008	May 31, 2008	-	(831)	(0.03)	4,288

The Company commenced commercial production during Q2-2009 resulting in revenue from operations recognized during the period. Q3-2009 reflects a full quarter of commercial production revenues. The Company did not have income from operations prior to the quarter ended March 31, 2009. During Q1-2009, the Company recognized pre-production revenues which were recorded against deferred exploration costs.

The loss during the quarter ending May 31, 2008 is a result of a large non-cash stock based compensation expense related to the issue of 3,050,000 stock options during the period. The loss recognized during the quarter ending March 31, 2009 is a result of both stock based compensation expense and a write off of project costs related to the Dundonald project. During the quarter ended March 31, 2009, the Company recognized a loss of approximately \$2,500,000 as a result of the write down of the Ethiopian projects. During the quarter ended March 31, 2009, the Company's loss is attributed to large interest and accretion expenses related to short-term debentures and the Company's asset retirement obligations. In Q2-2009, the Company incurred a large stock-based compensation expense but the start of commercial production has mitigated the loss. Income from Q3-2009 is a result of full commercial production during the quarter. An unrealized gain on investments of approximately \$1,289,000 contributed to income generated during Q4-2009. The loss during Q1-2010 is a result of an unrealized loss on investments of \$0.7 million as well as a foreign exchange loss of \$1.97 million.

The Company's long term debt consists of asset retirement obligations related to the Mali projects acquired at the end of May, 2008. Management had reassessed the asset retirement obligation during 2009 and had recorded an increase during 2009.

LIQUIDITY AND CAPITAL RESOURCES

As of the start of production, financing of operations is achieved primarily through metal sales. However, the Company has raised funds through the issue of common shares to fund further

exploration and underground development. At March 31, 2010, the Company had \$8,288,399 in cash and working capital of \$20,521,995.

During the quarter ended March 31, 2010, the Company raised \$677,713 from the exercise of warrants and options compared to \$nil during the quarter ended March 31, 2009.

During the comparative quarter ended March 31, 2009, the Company raised net proceeds of \$2,361,380 from a private placement financing through the issuance of 37,500,000 common shares of the Company at a price of CDN\$0.08 per share. Cash share issue costs totalled \$167,491.

Subsequent to the end of the quarter, the Company completed a public offering through the issuance of 48,070,000 common shares of the Company at a price of CDN\$0.60 per share for gross proceeds of CDN\$28,842,000 (\$27,629,083). The underwriters received a cash commission of \$1,657,745 as well as 2,884,200 broker warrants entitling them to acquire the same number of common shares at a price of CDN\$0.60 per share on or before May 10, 2011. As well, the Company received a total of \$1,997,912 from the exercise of 1,512,500 warrants, 2,621,750 broker options and 200,000 options subsequent to the end of the quarter.

CASH FLOWS

For the quarter ended March 31, 2010

During the quarter ended March 31, 2010, operating activities provided \$2,454,619 in cash flows compared to the use of \$3,361,116 during Q1-2009. Operations, net of corporate administrative expenses, generated approximately \$5,600,000 in cash while the net change in working capital used approximately \$3,100,000 during Q1-2010. During the Q1-2009, operating cash was used for corporate purposes only as the Company was not in commercial production during that period.

Cash from investing activities used \$15,273,403 during Q1-2010 compared to the use of \$4,022 during Q1-2009. Expenditures on properties, plant and equipment used \$10,783,275 during Q1-2010 compared to \$6,145,613 during Q1-2009. Also, during Q1-2009, the Company realized \$4,460,106 in pre-production revenues that were recorded against deferred project costs. The change in working capital related to properties, plant and equipment used \$4,084,765 for Q1-2010 compared to providing \$1,681,485 for Q1-2009. The Company paid advances during Q1-2010 to acquire equipment or for expenditure on the development of mineral properties.

Financing activities provided \$648,897 during Q1-2010 compared to \$2,361,380 during Q1-2009. The exercise of warrants and options generated \$677,713 in cash for Q1-2010 compared to \$nil during Q1-2009. In Q1-2009, the Company raised net proceeds of \$2,361,380 from a private placement financing.

The effect of the change in foreign exchange rates on cash was (\$83,570) during Q1-2010 compared to \$48,192 during Q1-2009.

TRANSACTIONS WITH RELATED PARTIES

The Company was charged \$14,765 during the three months ended March 31, 2010 (Q1-2009: \$17,696) for administrative fees charged by a corporation controlled by a director of the Company.

The Company shares its premises with other companies that have common directors and officers, and the Company reimburses the related companies for its proportionate share of the expenses. The Company has advanced \$134,870 at March 31, 2010 (December 31, 2009: \$44,677) to cover these

expenses, and this amount is recorded in prepaid expense. As well, the Company is owed \$46,813 (December 31, 2009: \$46,554) in reimbursable payments, and this amount is recorded in amounts receivable. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

DIRECTORS AND OFFICERS COMPENSATION

For the three months ended March 31, 2010, the Company was charged \$14,765 for consulting fees by directors or by companies controlled by directors of the Company (Q1-2009: \$17,696). The Company was charged \$275,892 in consulting fees for the three months ended March 31, 2010 (Q1-2009: \$240,470) by officers of the Company.

SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares of which 350,480,244 were issued and outstanding as of the date of this report.

Pursuant to the Company's Stock Option Plan, the number of common shares reserved for issuance under the Plan in aggregate shall not exceed 10% of the total number of issued and outstanding common shares on a non-diluted basis. As at the date of this report, 23,412,500 options (including broker compensation options) are outstanding at exercise prices ranging from CDN\$0.20 to CDN\$1.07 expiring between December 12, 2010 and May 13, 2015.

The following table sets out all the outstanding share purchase warrants in Avion as at the date of this report:

Expiry Date	Exercise Price (CDN\$)	Warrants Outstanding
July 12, 2010	0.10	5,012,500
May 8, 2011	0.65	28,275,000
May 10, 2011	0.60	2,884,200
November 2, 2011	0.60	1,000,000
		37,171,700

During 2009, the Company established a share compensation plan, such that, should the Company list its common shares on the Toronto Stock Exchange ("TSX"), subject to acceptance of such application by the TSX, up to 2,500,000 common shares of the Company can be issued to directors, officers and employees of the Company. This share compensation plan will be in addition to the Company's existing stock option plan. Common shares cannot be issued under the plan if the total number of common shares issued under the share compensation plan since its inception, together with the number of options outstanding under the stock option plan at the time of the proposed share issue will represent more than 10% of the issued and outstanding shares of the Company at that time. The number of common shares to be issued to any one director, officer or employee shall not exceed 500,000 common shares. The share compensation plan was approved at the Company's Annual General Meeting. No shares have been granted pursuant to the share compensation plan as at March 31, 2010.

Avion has no performance shares or escrow shares.

SUBSEQUENT EVENTS

On May 10, 2010, the Company closed a public offering through the issuance of 48,070,000 common shares of the Company at a price of CDN\$0.60 per share for gross proceeds of C\$28,842,000 (\$27,629,083). The underwriters received a cash commission of \$1,657,745 as well as 2,884,200 broker warrants entitling them to acquire the same number of common shares at a price of CDN\$0.60 per share on or before May 10, 2011.

Subsequent to March 31, 2010, 1,512,500 warrants, 2,621,750 broker options and 200,000 stock options were exercised for gross proceeds of \$1,997,912. As well, on May 8, 2010, 1,409,219 broker options expired unexercised.

RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration, development and mining. Companies in this industry are subject to many and varied kinds of risks, including, but not limited to, environmental, metal prices, political and economical risks.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

For additional disclosure regarding certain risks that could affect the Company, please refer to the Company's Annual Information Form filed on April 26, 2010.

COMMITMENTS

The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to \$3.6 million be made upon the occurrence of certain events such as a change of control. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in these consolidated financial statements. Additional minimum management contract commitments remaining under these contracts are approximately \$900,000.

The Company has contracted to purchase fuel as required, however if the contract was terminated, the Company would be obligated to pay the approximately \$800,000 at March 31, 2010.

The Company has received a tax assessment from the Malian government for FCFA 1,303,558,366 (approximately \$2,700,000) covering periods prior to the acquisition of the Mali Projects by the Company. The Company believes that this assessment is without merit and will not result in any significant expense to the Company.

The Company is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company cannot reasonably predict the likelihood or outcome of these actions. The Company does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason thereof, will have a material effect on the financial condition or future results of operations. As at March 31, 2010, accounts payable and accrued liabilities include provisions related to such matters totaling \$617,000.

SIGNIFICANT ACCOUNTING POLICIES

The annual consolidated financial statements are prepared using the same accounting policies and methods of application as those disclosed in note 3 to the Company's Audited Annual Consolidated Financial Statements for the period ended December 31, 2009.

Future Accounting Pronouncements

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling Interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards. Sections 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 - Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27 - Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. The Company has not determined the impact these new standards will have on its consolidated financial statements, if any.

Convergence with International Financial Reporting Standards ("IFRS")

In January 2006, the Canadian Accounting Standards Board ("AcSB") announced its decision to replace Canadian GAAP with IFRS. On February 13, 2008 the AcSB confirmed January 1, 2011 as the mandatory changeover date to IFRS for all Canadian publicly accountable enterprises. This means that Avion will be required to prepare IFRS financial statements for the interim periods and fiscal year ends beginning in 2011. The Company is creating an implementation team, which will consist of internal resources and external consultants. A changeover plan is being established to convert to the new standards within the allotted timeline and is expected to consist of the following three key project phases:

1. Raise Awareness and Assess Phase
2. Design Phase
3. Implementation Phase

Phase 1: Raise Awareness and Assess

This first phase of the conversion project has two stages focusing firstly on raising awareness within the Company and providing an initial assessment of the impact of the IFRS conversion, and secondly on carrying out a detailed assessment of the impact of the conversion to IFRS. Each section will be thoroughly reviewed and analyzed for accounting or disclosure differences between Canadian GAAP and IFRS. Once differences have been identified they will be reviewed for potential impacts to existing accounting policies, information systems and business processes. An action plan will then be developed for each impact area. This phase is currently underway.

Phase 2: Design

Following completion of the assessment phase, the focus of the design phase will build the tools required for the conversion based on management's decisions about accounting options and the related disclosures. During this phase, external consultants will assist the project team in designing the changes to be implemented relating to accounting and consolidation processes, information technology systems and other affected business aspects, including but not limited to, changes to contracts, key performance indicators, internal reporting.

The design phase will also involve revisiting the communication and training strategies to be carried out during the implementation of IFRS and updating the operational and milestone plans, and an issues log for finalization of actions to be taken during the implementation phase.

Phase 3: Implementation

The implementation stage is about execution. The roll-out of the designed changes takes place during this phase.

This phase will accomplish:

- Developing the new accounting policies, accounting manuals, guidelines, processes for reporting packages from business units, and consolidation templates;
- Preparing the IFRS financial statements and related disclosures including facilitating and supporting the dry run financial reporting process; and
- Developing revised internal control processes, including updating the key controls for NI 52-109 purposes.

All phases are expected to be completed during 2010 in order to facilitate comparative reporting during 2011.

CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The capital structure of the Company consists of capital stock, warrants and stock options. 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 future development of the business.

The Company is in production and has begun to generate cash flows to support the ongoing and longer term strategy focused on regional exploration. However, the Company may continue to rely on capital markets to support continued growth. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic 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 reasonable.

There were no significant changes in the Company's approach to capital management during the quarter ended March 31, 2010.

FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures for managing risk during the quarter ended March 31, 2010.

Credit risk

The Company's credit risk is primarily attributable to amounts receivable and the fuel duty recoverable. The Company has no significant concentration of credit risk arising from operations other than that related to the fuel duty recoverable. Financial instruments included in amounts receivable consist of Goods and Services Tax due from the Government of Canada, Value Added Tax from foreign governments, employee advances and reimbursable costs, and gold sales receivables. Fuel duty receivable is due from the Government of Mali, recoverable by way of offset against certain royalties and any taxes otherwise payable to the Government of Mali. The right to offset and the full value of the recoverable amount have not been confirmed by the Government of Mali. Management believes that the credit risk with respect to these financial instruments is minimal. There is no formal offset agreement with the Malian Government, however the Government has not rejected the offsets to date.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2010, the Company had a cash and cash equivalents balance of \$8,288,399 (December 31, 2009 - \$20,541,856) to settle current liabilities of \$9,199,401 (December 31, 2009 - \$9,831,171). Approximately \$7,800,000 of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

(a) Interest rate risk

The Company has cash and cash equivalent balances at March 31, 2010. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar, and its reporting currency is the United States dollar. The Company funds certain operational expenses in Africa using the CFA Francs ("FCFA") and the Euro currencies. The Company's Malian subsidiaries operate in FCFA which is fixed with the Euro. Gold sales are paid in United States dollars. Management does not hedge its foreign exchange risk.

(c) Price risk

The Company is exposed to price risk with respect to gold and silver prices. The Company closely monitors these metal prices to determine the appropriate course of action to be taken by the Company. The Company currently does not hedge for price risk.

Financial instruments and fair values

The Company has designated its cash and cash equivalents as held-for-trading, measured at fair value. Amounts receivable and the fuel duty recoverable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities, shareholder loan, and short term loans are classified as other financial liabilities, which are measured at amortized cost. The Company's investment in Midlands Minerals Corporation is classified as held-for-trading and measured at fair value. The Company's other investments are measured at estimated fair value as the investments do not have quoted market prices in an active market.

Fair value hierarchy and liquidity risk disclosure

The following table illustrates the classification of the Company's financial instruments within the fair-value hierarchy as at March 31, 2010:

	Level 1	Level 2	Level 3
Cash and equivalents:			
Cash	\$ 890,380	\$ -	\$ -
Equivalents	\$ 7,398,019	\$ -	\$ -
Investments	\$ 2,731,507	\$ -	\$ 137,412

The investments classified as Level 3 increased by \$3,935 during Q1-2010 as a result of fluctuations in the Canadian-US foreign exchange rate.

As at March 31, 2010, the carrying and fair value amounts of the Company's financial instruments are approximately the same, and there were no changes that occurred that attributed to credit risk.

Sensitivity analysis

Foreign exchange risk

A 10% change in the Canadian Dollar March 31, 2010 exchange rate on financial assets and liabilities as at March 31, 2010 compared to the US Dollar, with all other variables held constant, would impact the Company's net earnings by \$736,000. Comprehensive earnings would be impacted by \$7,300,000.

A 10% change in the Canadian Dollar December 31, 2009 exchange rate on financial assets and liabilities for 2009 compared to the FCFA, with all other variables held constant, would impact the Company's net earnings by \$191,000. Comprehensive earnings would be impacted by \$2,000.

Price risk

A 10% change in the average gold price for the quarter ended March 31, 2010 with all other variables constant would have resulted in an impact to earnings of approximately \$1,900,000.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reported period. Such estimates and assumptions affect the carrying value of assets, impact decisions as to when exploration and development costs should be capitalized to mineral properties, plant and equipment or expensed, and estimates for asset retirement obligations and reclamation costs. Significant estimates used in the preparation of the consolidated financial statements include, but are not limited to, the recoverability of amounts receivable, fuel duty receivable and investments; the measurement of material in circuit and the recoverable gold in this material used in determining the estimated net realizable value of inventories; and the proven and probable ore reserves and resources, and the related depletion and amortization. Other significant estimates made by the Company include factors affecting valuations of stock-based compensation, warrants, and income tax accounts. The Company regularly reviews its estimates and assumptions, however, actual results could differ from these estimates and these differences could be material.

CAUTIONARY NOTES REGARDING FORWARD LOOKING INFORMATION

Don Dudek, P.Geol. Avion's Senior VP Exploration and Director, and Andrew Bradfield, P.Eng., Avion's Chief Operating Officer, are the Qualified Persons for this MD&A as defined under National Instrument 43-101 and are responsible for the technical and scientific work carried out and have reviewed and approved the scientific and technical information presented in this MD&A.

Except for statements of historical fact relating to Avion, certain information contained herein constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the development potential of the Company's properties; future mineral prices; the estimation of mineral reserves and mineral resources; conclusions of economic evaluations, the realization of mineral reserve and resource estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; permitting time lines and permitting, mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the opinions and estimates of management as of the date such statements are made. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during permitting, construction, expansion and start-up; variations in mineral grade and recovery rates; delay or failure to receive government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future mineral prices; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, as well as those factors discussed herein under the heading "Risks". Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not

to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

OFF BALANCE SHEET ITEMS

The Company does not have any off balance sheet items.

OUTLOOK

In February 2009, Avion commenced mining operations at its Ségala and Tabakoto properties in Mali West Africa mining. The Company restarted the mill on February 17, 2009 and has been successfully running at an average of approximately 1,800 tonnes per day.

Avion has set an objective of achieving a production rate of 200,000 ounces of gold per year from its Tabakoto/ Ségala operations. The ability of Avion to increase production to 200,000 ounces of gold per year has not been the subject of a feasibility study and there is no certainty that the proposed expansion will be feasible or economically viable.

Avion considers its current estimated mineral resource at the Tabakoto, Ségala and Djambaye 2 Zone properties of Measured and Indicated mineral resources of 10.8 million tonnes grading 3.9 g/t Au or some 1.39 million ounces of gold, and Inferred mineral resources of 9.88 million tonnes grading 3.78 g/t Au or some 1.2 million ounces of gold, supports this goal (please refer to Avion press release dated January 6, 2010). Avion plans to spend up to \$10 million on exploration during 2010, with a mandate to increase the mineral resource base, and convert some of the Inferred mineral resources to Measured and Indicated mineral resources.

A development schedule is presented in the table below.

Project milestones	2010				2011				2012
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
60,000 metre exploration program	•	•	•	•					
Future exploration programs					•	•	•	•	•
Update plant expansion study	•								
Gravity gold vs leach study	•								
Order plant long lead time equipment		•							
Construct gravity gold recovery plant		•	•	•					
Tabakoto underground development			•	•	•	•	•	•	
Fast-track two Tabakoto u/g devel. areas				•	•	•			
Update mineral resource statement				•					
Issue NI43-101 report with mine plan				•					
Plant expansion construction					•	•	•	•	
Segala underground development					•	•	•	•	•
200,000 oz/year gold production									◇

Technical Details

Avion's progress to date towards expansion is summarized below:

- 2010 Exploration Program – 60,000 metres planned
 - Exploration planning completed. Will focus on the development of additional, and further definition of, mineral resources in Q1 and Q2.
 - Current highest priority targets include:
 - i. Tabakoto
 - ii. Djambaye I, Djambaye II and Fougala 1 zones
 - iii. Dioulafoundou
 - iv. Dar Salam
 - v. Segala Far NW
- Leach and grinding/gravity gold test studies
 - First two rounds of leach and gravity studies - completed. Up to 85% leach recovery from oxide material achieved. Potential to recover significant gold from sub-grade material (below the current economic cut-off grade) by grinding and gravity separation alone.
 - Third round of leach studies – underway. Results expected Q1 2010.
 - Gravity test work on fresh low grade material – underway. Will determine gravity recovery by grind size. Results expected Q1 2010.
 - Stand-alone gravity separation plant for sub-grade and low grade material - being studied. Objective is to increase gold production by 10,000 oz Au to 20,000 oz Au per year.
- Mill studies – Ball mill versus SAG (semi-autogenous grinding)
 - Grinding studies support the use of a SAG mill for Tabakoto and Segala ores to achieve 4,000 tonnes per day production.
 - SAG mill is expected to increase plant availability during the rainy season.
 - Capital and operating cost estimate for expanding plant to 4,000 tonnes per day – completed by engineering firm. Study compares SAG versus ball mill requirements to achieve 4,000 tonnes per day plant throughput. Study is being revised based on Avion's internal review. Expected Q1 2010.
 - Avion currently sourcing new and used SAG and ball mills to firm up capital costs and lead time estimates. Mill order expected to be placed Q2 2010.
- ILR (inline leach reactor) studies
 - Test work on gravity gold concentrates – completed. ILR considered suitable for the process.
 - ILR expected to increase gravity Au recovery and reduce handling of physical gold.
- Underground mining at Tabakoto
 - Initial development and mining plans for Tabakoto and Segala – completed, with optimization in progress.
 - Infrastructure equipment ordered to date includes dewatering system, ventilation fans and mobile equipment. Maintenance shop, change house, offices – detailed engineering/drafting underway.
 - Generators for power plant - purchased.
 - Camp construction for additional employees - underway.
 - Construction of Tabakoto pit water diversion ditch - underway.

- Backfill test work on tailings - underway.
- Contract negotiations with mining contractor - advancing.
- Over \$10 million in purchases committed to the project to date.

Avion's future plans include:

- Updated mineral resource models scheduled to be completed Q4 2010.
- Proposed construction and development timeline
 - Develop additional open pitable resources in 2010 via accelerated exploration in priority target areas
 - Order plant expansion long lead time equipment in Q2 2010
 - Commence construction of stand-alone gravity gold facility Q2 2010
 - Tabakoto underground development expected to commence Q3 2010
 - Underground development of areas behind the existing Tabakoto open pit walls to the north and south scheduled to be fast-tracked for expected production in Q4 2010
 - Underground mineral resources below the existing Tabakoto pit bottom to be developed starting in Q4 2010
 - Segala underground development expected to commence Q1 2011
 - Plant expansion construction expected to be completed during 2011
- Project studies
 - Avion continues to analyze a 200,000 ounce per year production scenario. Significant progress has been made towards this target, with a goal to update the production plan in Q4 2010 with the support of a NI 43-101 compliant technical report once new mineral resource models are completed based on the 2010 exploration program, and the Tabakoto underground mine development is advanced.

May 19, 2010