

Avidian Gold To Sell Its Alaskan Subsidiary To Contango Ore

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TORONTO, May 02, 2024 - [Avidian Gold Corp.](#) ("Avidian" or the "Company") (TSX-V: AVG) is pleased to announce that it has entered into a binding Stock Purchase Agreement (the "Agreement") with Contango ORE, Inc. ("Contango") (NYSE-A: CTGO) pursuant to which Contango has agreed to purchase Avidian's 100% owned Alaskan subsidiary, [Avidian Gold Alaska Inc.](#) ("Avidian Alaska") for initial consideration of US\$2.4 million (CDN\$3.30 million), plus a potential future upside consideration of US\$1.0 million, for a total consideration of up to US\$3.4 million (CDN\$4.68 million at current exchange rate of US\$1 = CDN\$1.376) (the "Transaction"). The consideration is a combination of cash plus Contango shares, as more fully described below.

Avidian Alaska owns and controls the Golden Zone and Amanita NE gold properties and has an option agreement to purchase 100% of the Amanita gold property. Golden Zone is a large, prospective property in between Anchorage and Fairbanks near rail and highway infrastructure. The Amanita and Amanita NE gold properties border [Kinross Gold Corp.](#)'s Fort Knox operation near Fairbanks.

Dino Titaro, Director and Chairman of Avidian Gold states, "*On behalf of the Board of Directors, we are pleased to announce this transaction. We believe Avidian is well served by both the cash consideration to immediately strengthen its balance sheet and the Contango shares to better participate in the continued strength in the gold price. Contango is a soon to be producer of gold that is expected to be generating cash flow by mid to late 2024 from the high grade Manh Choh Gold Deposit, a 70:30 joint venture between [Kinross Gold Corp.](#) and Contango. Contango has the financial and technical strength to quickly advance these properties. We are of the opinion that this acquisition will enhance their future production growth strategy, which Avidian will participate in and greatly benefit from its share ownership.*"

This transaction is a win-win, particularly considering the current market investment climate for non-producing junior exploration companies like Avidian. We believe the Alaska properties will generate more value in Contango's portfolio as a near term producer, as evidenced by Contango's acquisition of these properties for a purchase price plus a future potential upside payment that well exceeded Avidian's market capitalization at the time of negotiations, up to CDN\$4.68 million vs a then market capitalization of less than CDN\$2.0 million. This at a time where Avidian and most other junior explorers have not benefited by improving gold prices and have not been able to raise the suitable equity to adequately advance exploration.

At the conclusion of this transaction, should Shareholders approve, Avidian will be debt free with a clean balance sheet and will hold cash plus marketable securities, at current equity prices, on the order of CDN\$3.0 million dollars, excluding the potential future upside payment on a production decision of US\$1.0 million. Avidian will then focus on a value creation strategy for its 100% owned Jungo gold-copper project in Nevada and continue ongoing evaluation of a number of possible strategic opportunities/alternatives that could be transformational for the Company."

Transaction Details

1. Contango to acquire 100% of the capital stock of [Avidian Gold Alaska Inc.](#) from [Avidian Gold Corp.](#);
2. Contango will pay Avidian an initial purchase price of US\$2,400,000 consisting of (i) US\$400,000 in cash (the "Cash Consideration") and (ii) US\$2,000,000 in shares of Contango common stock (the "Equity Consideration"). The Cash Consideration shall be paid in the following tranches: (i) a deposit US\$50,000 (that has been received) (ii) US\$150,000 due on the Closing Date, and (iii) US\$200,000 due on or before the 6-month anniversary of the Closing Date. The number of shares of common stock constituting the Equity Consideration will be determined based on Contango's NYSE-A, 10-day volume-weighted average price immediately prior to the Closing Date;

3. If Contango makes a positive production decision on either of the Amanita or Golden Zone properties within 120 months of the Closing Date, Contango will pay Avidian an additional US\$1,000,000 within thirty (30) days of such decision (the "*Deferred Purchase Price*"). The Deferred Purchase Price can be paid in either cash or shares of Contango at Contango's sole discretion. If at any time prior to this production decision, within the 120-month period, Contango enters into a third party transaction on either of the Amanita or Golden Zone properties, Avidian will receive 20% of the consideration received by Contango (capped at US\$500,000 per property), to be credited against the total Deferred Purchase Price; and
4. The Transaction is subject to Avidian Shareholder approval, as well as the receipt of all required governmental and/or regulatory approvals, including that of the Toronto Venture Exchange and NYSE-A. Should Avidian Shareholders not approve this transaction the Agreement will terminate and a termination fee of US\$175,000 will be paid to Contango, representing liquidated damages for the time, resources and opportunities lost in facilitating this transaction.

Both Avidian's and Contango's Board of Directors have unanimously approved the Transaction. The Board of Directors for Avidian unanimously recommends that shareholders vote in favor of the Transaction. The Annual General and Special Meeting of shareholders will be held on July 4, 2024. It is expected that closing of this Transaction will happen as soon as practically possible following the shareholder meeting that has approved the Transaction.

About Contango ORE Inc.

Contango ORE, Inc. (NYSE-A: CTGO) owns a 30% interest in the high grade Manh Choh gold project located in Alaska, in partnership with a subsidiary of [Kinross Gold Corp.](#) ("Kinross"). Kinross acts as manager and operator. The Manh Choh project has received all Federal and State permits and mining operations are underway. Mining started at Manh Choh in August of 2023 with ore stockpiled at site. Transportation of the ore from Manh Choh to Kinross' existing Fort Knox mill complex located near Fairbanks, Alaska began in November 2023. Additional ore arrives daily to the stockpile at Fort Knox and first gold production is planned for the second half of 2024. Annual gold production is expected to be 225,000 ounces with 30%, or approximately 67,500 ounces, credited to Contango's account (see Technical Summary Report on the Manh Choh project, dated May 12, 2023 at www.contangoore.com).

The use of the Fort Knox mill has accelerated the development of the Manh Choh project and resulted in meaningfully reduced environmental impact and upfront capital without the need for separate milling and tailings storage facilities in addition to a shorter permitting and development timeline with less overall risk for the Manh Choh project. In addition to Manh Choh, Peak Gold LLC, the 30/70 joint venture between Contango and Kinross, has had a mining lease since 2008 on 675,000 acres of private lands owned by the Tetlin Tribe and administered by the Tetlin Tribal Council, which offer excellent exploration potential.

Ore is currently being stockpiled at the Manh Choh site and transported by highway ore haul trucks to a stockpile area at the Fort Knox mill complex. A stockpile of approximately 250,000 tons is being built prior to the start of milling in mid 2024.

Contango also controls the Lucky Shot project near Anchorage, Alaska, and through its subsidiary, has 100% ownership of approximately 8,000 acres of peripheral State of Alaska mining claims. The Lucky Shot project is a past high-grade gold producer in which Contango has outlined an initial indicated mineral resource of 226,963 tonnes at 14.5 grams per tonne ("g/t") gold ("Au") and inferred mineral resource of 82,058 tonnes at 9.5 g/t Au (see Technical Summary Report on the Lucky Shot project, dated May 26, 2023 at www.contangoore.com). Contango also owns a 100% interest in an additional 137,280 acres of State of Alaska mining claims through its wholly owned subsidiary, providing additional exploration potential.

For additional details see www.contangoore.com.

About [Avidian Gold Corp.](#)

Avidian brings a disciplined and veteran team of project managers together with a focus on advanced-stage gold exploration projects in Alaska. The Company's district-scale (over 40sqkm) Golden Zone property hosts 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) within the Breccia Pipe Deposit. This resource is exposed on the surface and was pit constrained for an open-pit mining scenario. The Technical Report was filed on November 17, 2017, and was authored by Leon McGarry, B.Sc., P.Ge. and Ian D. Trinder, M.Sc., P.Ge. Additional projects include the Amanita and the Amanita NE gold properties which are both adjacent to Kinross Gold's Fort Knox gold mine in Alaska, and the Jungo gold-copper property in Nevada.

Avidian is a shareholder in High Tide Resources (CSE: HTRC), which is focused on and committed to the development of mineral projects critical to infrastructure development using industry best practices combined with a strong social license from local communities. [Avidian Gold](#) controls approximately 28% of High Tide's outstanding shares. High Tide owns a 100% interest in the Labrador West Iron Project which hosts a NI 43-101 Inferred iron resource of 654.9 Mt @ 28.84% Fe and is located adjacent to the Iron Ore Company of Canada's ("IOCC") Carol Lake Mine in Labrador City, NL operated by [Rio Tinto Plc](#). This resource is exposed at surface and was pit constrained for an open-pit mining scenario. The Technical Report was filed on SEDAR on April 6, 2023 and was authored by Ryan Kressall M.Sc., P. Geo, Matthew Herrington, M.Sc., P. Geo, Catharine Pelletier, P. Eng. and Jeffrey Cassoff P. Eng. The Company also owns a 100% interest in the Lac Pegma copper-nickel-cobalt deposit located 50 kilometres southeast of Fermont, Quebec.

Further details on the Company and the individual projects, including the NI 43-101 Technical reports on the Golden Zone property, can be found on the Company's website at www.avidiangold.com.

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anticipated benefit to the Company or its shareholders resulting from the Company's shareholdings, the financial state of the Company should the Transaction be successfully completed, the payment or non-payment of any termination fee in connection with the Transaction, and estimates of market conditions. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to: the failure to complete the Transaction on the terms provided or at all, failure to receive requisite approvals in respect of the Transaction, failure to identify mineral resources, failure to convert estimated mineral resources to reserves, the inability to complete a feasibility study which recommends a production decision, the preliminary nature of metallurgical test results, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, political risks, inability to fulfill the duty to accommodate First Nations and other indigenous peoples, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, capital and operating costs varying significantly from estimates and the other risks involved in the mineral exploration and development industry, and those risks set out in the Company's public documents filed on SEDAR. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

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