

Avidian Gold Corp. – TSXV:AVG

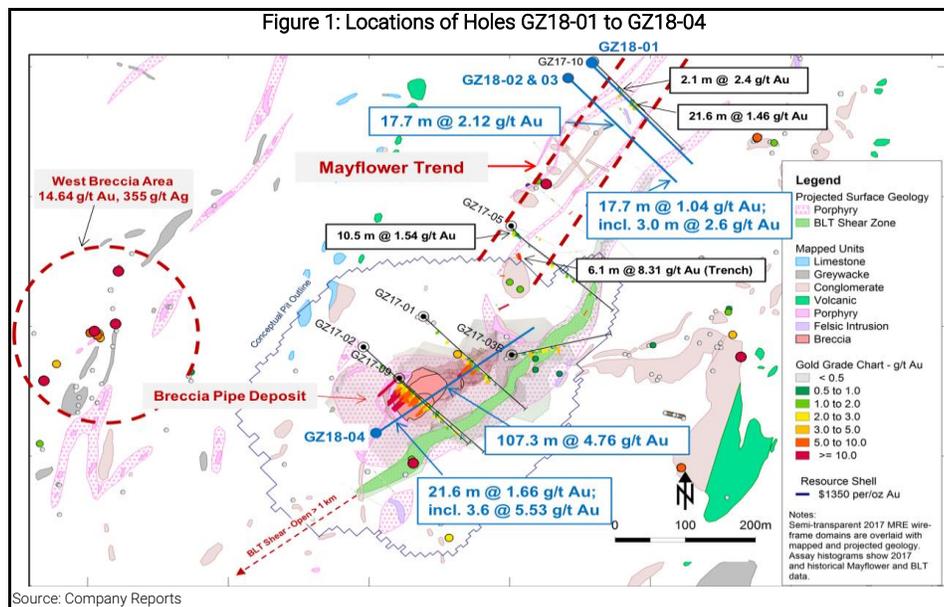
October 1, 2018

Big Breccia Hole Should Add Ounces; High-Potential Porphyry Results Pending

Avidian Gold announced exceptional drill results from the Breccia deposit and Mayflower Trend at its 100% owned Golden Zone project in Alaska. The results suggest to us there may be significant growth potential for the gold resource both respect to tonnes and grade.

- Breccia deposit drilling points to higher grade and mineralization outside the Breccia pipe
- Mayflower trend strike length extended over 400m; open at depth
- Pending holes from the Long Creek and Copper King Au-Cu porphyry targets could be game changing

We are encouraged by these initial gold results from Avidian, as they point to the potential for a much larger gold deposit than previously thought possible (Figure 1). Additionally, we are looking forward to the pending results from the Long Creek and Copper King Au-Cu porphyry targets as these could be an even bigger catalyst for the stock, similar to what has happened with other recent exploration successes. Red Cloud Klondike Strike Inc. and Avidian will be hosting a conference call for investors to provide an exploration update on [Tuesday October 2, 2018 at 2 pm EST](#).



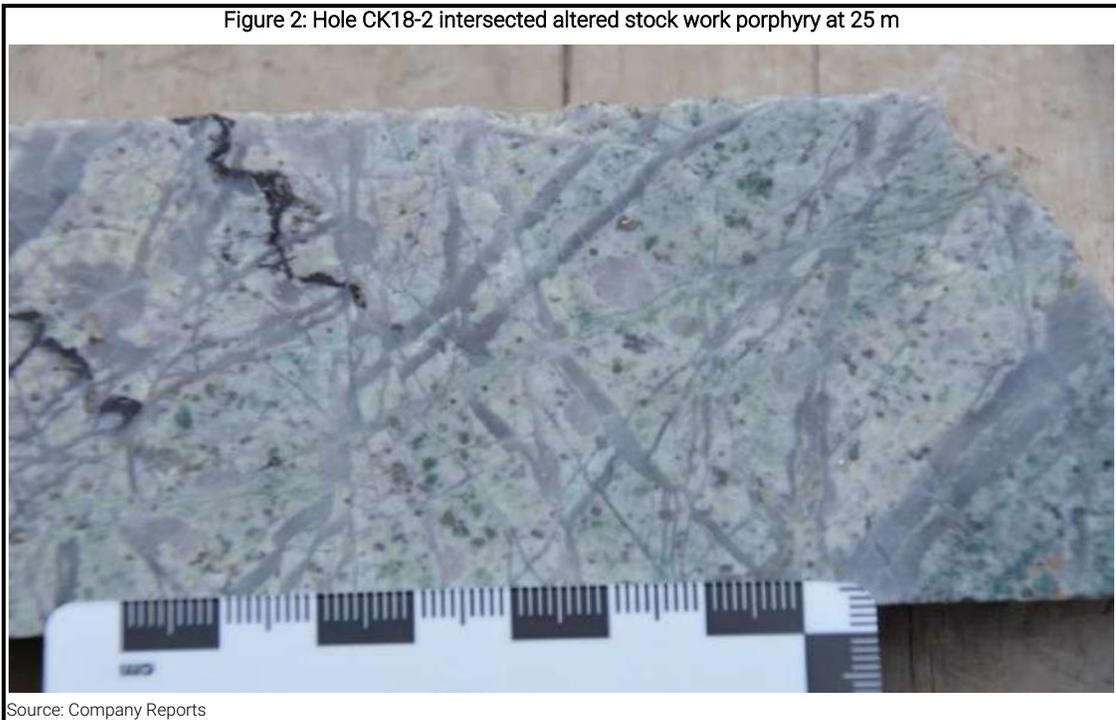
Breccia deposit drilling points to higher grade and mineralization outside the Breccia pipe. Results returned 4.76 g/t Au over 107m (GZ18-04), an impressive hole. In our view, there are two key takeaways from this hole. First, is that it is ~139% higher grade than the current indicated resource (1.99 g/t Au), despite being drilled down plunge into the Breccia pipe. In our view, this suggests that the resource grade could be understated. Secondly, there was a significant intercept (21.59m at 1.66 g/t Au) in the monzodiorite hosting the deposit, which is important, since it implies that mineralization may extend outside the pipe itself. According to

management, this rock type has not been historically systematically sampled, suggesting re-logging assaying the existing drilling could grow the resource and would likely materially reduce the strip ratio of an open-pit. While additional work is required, it appears that the Breccia deposit has room to grow.

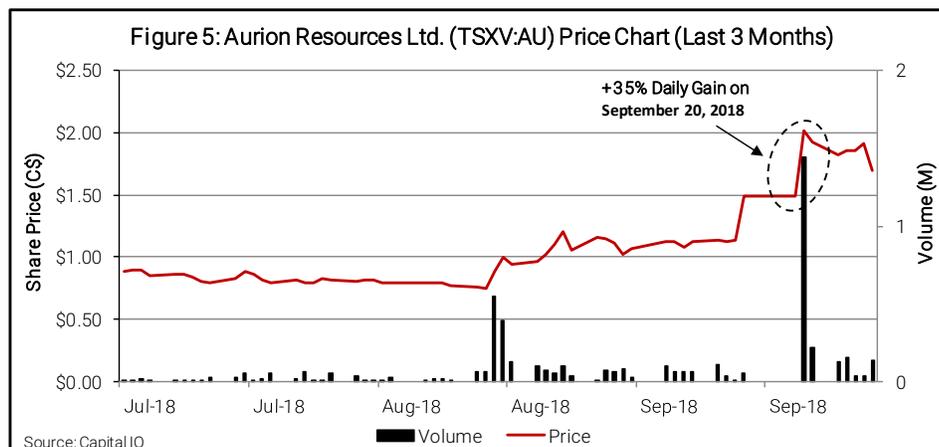
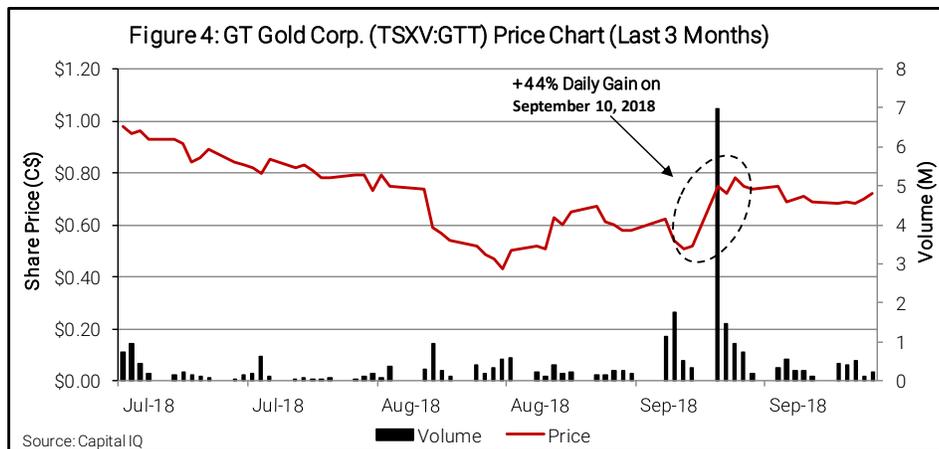
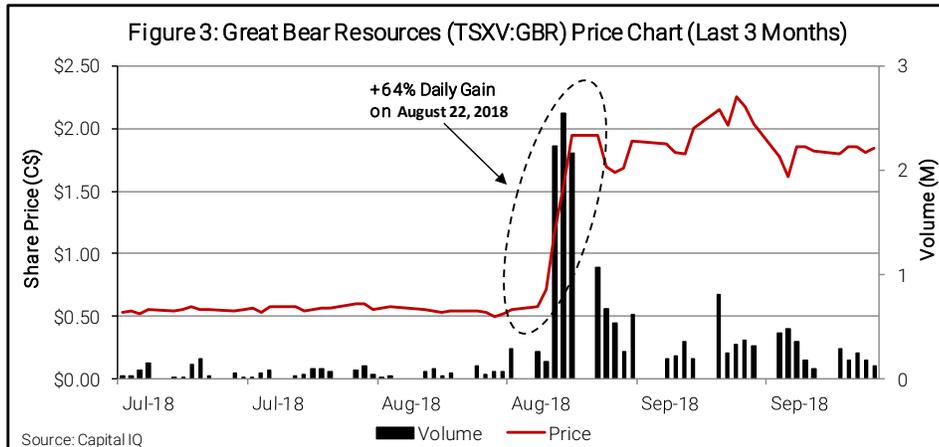
Mayflower trend strike length extended over 400m; open at depth. Holes GZ18-01 through GZ18-03 were drilled into the Mayflower trend, extending the strike to 400m. Results were highlighted by 17.7m at 2.12 g/t Au (GZ18-02). This extension to 400m over an average mineralized width of 5.9m and a weighted average grade of 1.72 g/t Au (inclusive of 2017 drilling), suggests that a meaningful resource could develop here with additional drilling. As well, it is important to note that hole GZ18-02 ended in mineralization (3.0m at 2.6 g/t Au), highlighting that this area could be open at depth. Previously, we were more focused on the porphyry targets; however, the results from both the Mayflower Trend and Breccia zone suggest that a meaningful gold resource could be developed with additional drilling, underpinning the current valuation.

Pending holes from the Long Creek and Copper King Au-Cu porphyry targets could be game-changing. In the press release the company noted that results from 6 holes from its high-potential Long Creek and Copper King Au-Cu porphyry targets are coming in the near future. Initial indications (Figure 2) suggest that porphyry-style mineralization has already been intersected. We would expect that should one of these holes return an ore-grade intercept, the stock could see significant re-rating similar to its peers who have seen recent exploration success (Great Bear Resources – Figure 3, GT Gold – Figure 4, Aurion Resources – Figure 5).

Figure 2: Hole CK18-2 intersected altered stock work porphyry at 25 m



Source: Company Reports



Current valuation partially reflects the Breccia Deposit and Mayflower Trend potential; drilling success at the Long Creek-Copper King areas should drive re-rating. In our view, the current resource does not properly reflect the exploration potential of the gold zones and provides no credit for the option on exploration success provided by the porphyry targets. Based on peers which trade between C\$20-40/oz, Avidian's current EV points a resource in the gold zone of ~620k to 1.24M oz Au, while a tripling of the existing resource; we view this as very possible. However, this does not account for porphyry targets, and as we have seen with our recent exploration success, this could drive a significant re-rating of the stock.

Company Information: Avidian Gold Corp (TSXV:AVG)																																											
Avidian Gold is an mineral exploration company focused on the acquisition and development of world-class mineral deposits in North America. The company's current focus is its Golden Zone property in Alaska in addition to its projects in Nevada (Dome Hill and Jungo). The company is led by a highly experienced management team that have a history of multiple discoveries.																																											
 <p>TSXV.AVG - Stock Chart</p>	<table border="1"> <thead> <tr> <th colspan="4">Key Project</th> </tr> <tr> <th>Project</th> <th>Stage</th> <th>Current Resources (+)</th> <th>Notes</th> </tr> </thead> <tbody> <tr> <td>Golden Zone (Alaska)</td> <td>Resource (2016)</td> <td>304koz AuEq (5.54Mt @ 1.82g/t AuEq)</td> <td>District scale property, > 8 km gold mineralized corridors.</td> </tr> <tr> <td>Amanita (Alaska)</td> <td>Exploration</td> <td>NA</td> <td>Directly on trend to the south of the 380,000 oz Au/year (0.45 g/t Au) producing Fort Knox</td> </tr> <tr> <td>Jungo (Nevada)</td> <td>Exploration</td> <td>NA</td> <td>5 km long Au-Cu system with mineralization in a magmatic-hydrothermal environment</td> </tr> </tbody> </table>			Key Project				Project	Stage	Current Resources (+)	Notes	Golden Zone (Alaska)	Resource (2016)	304koz AuEq (5.54Mt @ 1.82g/t AuEq)	District scale property, > 8 km gold mineralized corridors.	Amanita (Alaska)	Exploration	NA	Directly on trend to the south of the 380,000 oz Au/year (0.45 g/t Au) producing Fort Knox	Jungo (Nevada)	Exploration	NA	5 km long Au-Cu system with mineralization in a magmatic-hydrothermal environment																				
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Company Name	Ticker Symbol	Disclosures
Avidian Gold Corp.	TSXV:AVG	2,3,4

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