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Klondike Gold Nugget Zone Assays 1.55 g/t Au over 45.2 meters

August 2, 2018

TSX Venture Exchange Symbol – KG

Vancouver, British Columbia, Canada, August 2, 2018, Klondike Gold Corp. (TSX.V: KG; FRA: LBDP) (“Klondike Gold” or the “Company”) is pleased to provide assays from core resampling of four holes as part of a significant re-evaluation of the Nugget Zone and Nugget Fault area at the Company’s wholly owned Klondike District Property, Yukon Territory.

In 2015, the drill core was selectively sampled for quartz veining which left the majority of each hole unsampled (see news release October 15, 2015).

New assay results from infill sampling of four holes drilled in 2015 have been received as highlighted below with best hole being EC15-03 starting at surface assays 1.55 g/t Au over 45.2 meters from 4.40 to 49.60 meters, including a sub-interval from 4.40 meters of 5.3 g/t Au over 7.6 meters.

SUMMARY:

- Results confirm broad areas of gold mineralization extend beyond narrower higher grade sections of quartz veining.
- The gold mineralized structural trend at Nugget Zone, exemplified by the gold intersection in EC15-03, is interpreted to extend 1.4 kilometers along the Nugget Fault to the area of EC15-15 which assayed 1.0 g/t Au over 51.0 meters reported July 10, 2018. The reader is cautioned this is an interpretation of geology, and that results from additional planned drill holes in 2018 are intended to prove or disprove this interpretation.
- Additional drill core assay results from the ongoing program testing Lone Star and Gold Run, plus the re-evaluation and sampling program Nugget Zone and Gay Gulch (Eldorado Fault) areas are pending.

The Company is re-assessing and further sampling all drill core from 2015 and 2016, following confirmation of disseminated gold in various drill holes in addition to gold-bearing quartz veins which has been the focus of exploration by previous explorers for the prior 120 years. (See news release July 10, 2018).

Re-evaluation of Nugget Zone led to the identification of intervals where disseminated gold is present. In 2015 and 2016, drill core was selectively sampled for quartz veining which left the majority of each hole

unsampled; work then focused solely on the exploration potential of gold-bearing quartz veins in narrow zones.

New assay results from extended and infill sampling of four holes are reported here. Three of the four holes show extended gold assay intervals, different from results reported in 2015. These new results show broad intersections of near-surface gold mineralization, listed in the accompanying table.

TABLE OF NUGGET ZONE DRILL HOLE WEIGHTED AVERAGE ASSAY INTERVALS:

Hole ID	From (m)	To (m)	Au g/t	Interval (m)
EC15-01	3.80	47.40	0.88	43.60
<i>* including</i>	<i>3.80</i>	<i>11.45</i>	<i>4.60</i>	<i>7.65</i>
EC15-02	4.40	50.29	0.59	45.89
<i>* including</i>	<i>4.40</i>	<i>11.60</i>	<i>2.30</i>	<i>7.20</i>
EC15-03	4.40	49.60	1.55	45.20
<i>* including</i>	<i>4.40</i>	<i>12.00</i>	<i>5.30</i>	<i>7.60</i>
EC17-04	18.45	27.60	2.52	9.15
<i>* including</i>	<i>21.10</i>	<i>24.10</i>	<i>5.70</i>	<i>3.00</i>

(* reported in news release October 15, 2015)

All four drill holes contain broad zones of gold mineralization starting at or near surface and all contain subsections of higher grade mineralization.

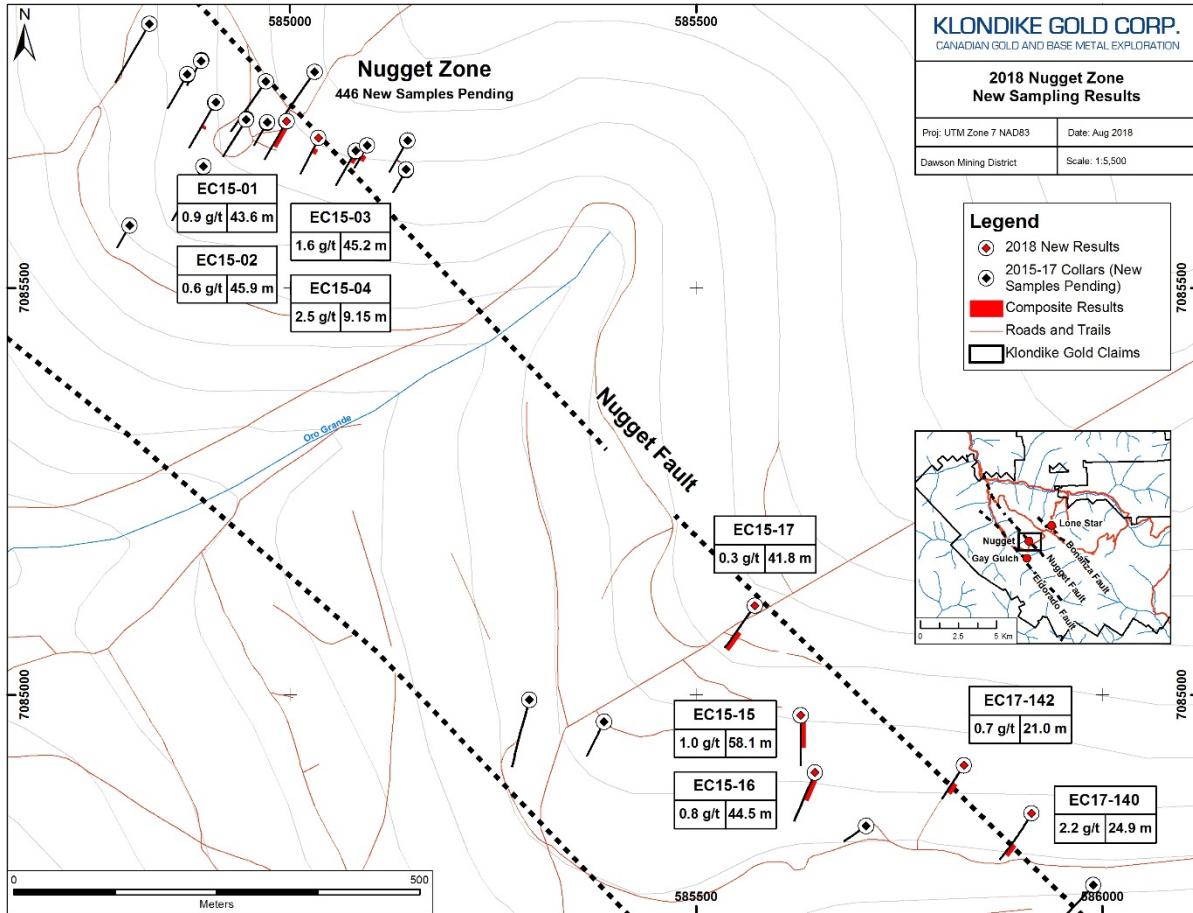
The gold mineralized structural trend at Nugget Zone is interpreted to extend 1.4 kilometers southeast along the Nugget Fault to the area of EC15-15 which assayed 1.0 g/t Au over 51.0 meters reported July 10, 2018.

Following recognition of disseminated gold mineralization over broader intervals, a total of 43 drill holes are being re-examined and continuously sampled.

All four drill holes originally targeted historical surface or trench occurrences of gold-bearing quartz veins at the Nugget Zone. Holes were drilled at 210 azimuth from the same location at -45 and -85 dips (EC15-01, and -02 respectively; EC15-04, and -03 respectively) with 50 meters between adjacent drill pad locations. Assay averages are calculated over drilled core lengths. The reader is cautioned that not enough information is available to correlate lithology or gold mineralization between holes without further drill testing, or to estimate true thicknesses of mineralization with confidence at this time.

These Nugget Zone results reported here follow from recently reported results (news release July 10, 2018) and continue to show a wide zone of gold mineralization starting near surface which warrants follow-up drilling. Re-allocation of drilling in the current 2018 budget is contemplated.

A plan map of drill locations is included below and is available on the Company's website <http://www.klondikegoldcorp.com/photos/gallery/2018-drill-maps>.



QUALITY ASSURANCE AND METHODS

Klondike Gold maintains a rigorous quality assurance / quality control (“QA/QC”) program. Details can be viewed on the Company’s website <http://www.klondikegoldcorp.com/projects/sampling-and-assay-protocols/>.

Drill core samples are submitted by Klondike Gold personnel to Bureau Veritas Mineral Laboratories (“BV Labs”) (formerly Acme Labs) preparation facility in Whitehorse, YT with chemical analysis of sample pulps completed in Vancouver, British Columbia. Bureau Veritas Labs is an accredited ISO 9001:2008 full-service commercial laboratory.

At BV Labs each core sample is crushed to 70% passing 2 mm size. A 500 g subsample is pulverized to 85% passing -75 microns size (Code PRP70-500). The 500 g subsample is then sieved to 106 microns (140 mesh) for “metallic screen” assaying. The plus 140 mesh fraction is then weighed and assayed for gold by fire assay (“FA”) fusion with a gravimetric finish (Code FS631). A 30 g subsample of the minus 140 mesh fraction is assayed for gold by fire assay (“FA”) fusion with an atomic absorption (“AA”) finish (Code FA430). All over-limit results in excess of 10 ppm (10 g/t) for both silver and gold are re-assayed using a 30 g subsample and assayed by FA with a gravimetric finish (Code FA530-Au/Ag). Total gold grade is then calculated using a weighted average of the plus and minus fraction assay results.

The technical and scientific information contained within this news release has been reviewed and approved by Ian Perry, P.Geol., Vice-President Exploration of Klondike Gold Corp. and Qualified Person as defined by National Instrument 43-101 policy.

ABOUT KLONDIKE GOLD CORP.

Klondike Gold Corp. is a Canadian exploration company with offices in Vancouver, British Columbia, and Dawson City, Yukon Territory. The Company is focused on exploration and development of the Lone Star gold target at the confluence of Bonanza and Eldorado Creeks, within a district scale 557 square kilometer property accessible by government maintained roads located on the outskirts of Dawson City, YT within the Tr'ondëk Hwëch'in First Nation traditional territory.

On behalf of KLONDIKE GOLD CORP.

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