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## Klondike Gold Update: Drilling Completed at Lone Star, Assays Pending

October 14, 2016

TSX Venture Exchange Symbol – KG

Vancouver, British Columbia, Canada, October 14, 2016, Klondike Gold Corp. (TSX.V:KG; FRA: LBDP) (“Klondike Gold” or the “Company”) announces completion of drilling at the Lone Star target and provides a drilling update at the Company’s Klondike Project located near Dawson City, Yukon Territory.

The 71<sup>st</sup> drill hole of the 2016 Klondike Project exploration campaign, and the 23<sup>rd</sup> hole of the third and last phase of 2016 exploration, is complete. Geological, geotechnical and sampling work will continue until approximately end of October. Assay results from the first holes of the third phase program are anticipated to be received from the lab around November 1, and the assays from samples of completed holes yet to be processed are projected to be received in December.

### Lone Star Target

Seventeen drill holes across a 700-meter strike length at Lone Star target tested the western, central, and eastern portions of the area respectively (see NR September 28, 2016). Four of four holes drilled at the western end of the Lone Star target each contain one or more specks of visible gold. So far, four of seven holes testing the central portion of the Lone Star target also contain one or more specks of visible gold. The six remaining holes, two in the central portion and four in the eastern portion, have yet to be examined in detail. Visible gold, both with quartz veins and disseminated in the host schist, has been intersected at depths predicted by the Company’s geological staff across the Lone Star target and results so far suggest continuity to a potential gold-enriched zone. All assays are pending.

The geology of Lone Star gold mineralization and veining is interpreted to be lithologically and structurally similar to the Nugget Zone target. The objective of this initial drill program is to test the 700 meter Lone Star corridor for consistent gold mineralization at shallow depths, and also to apply a working model of mineralization from Nugget Zone to the Lone Star area with the intention, if successful, of applying this model on a district scale.

### Christie Target

Three short holes tested the Christie target which is an outcropping quartz vein containing anomalous gold with similar geological characteristics to the Violet target veins (see NR August 10, 2016). The Christie target is minimally exposed on the road to Lone Star and was tested to determine geological relationships. These completed holes have yet to be examined in detail. All assays are pending.

### Nugget Zone

Three holes were drilled at the Nugget Zone designed primarily to prospect to the east (2 holes) and west (1 hole) testing both for mineralization and for favourable structural/lithological controls. These completed holes have yet to be examined in detail. All assays are pending.

A total of 71 drill holes totalling 5,365 meters were completed on the Company's Klondike Project during 2016, exceeding the planned 50+ holes for the year because of the continued positive results obtained. This follows the Company's initial exploration effort in 2015 of 19 holes drilled totalling 1,369 meters. In two years, the Company has discovered economically interesting gold mineralization at Gay Gulch (75.6 g/t Au over 2.8 meters) and Nugget (5.1 g/t Au over 14.3 meters). Assays are pending from the Lone Star target and the Company is encouraged by the continuity and visual results to date. The Company's initial objective of demonstrating in-place bedrock gold mineralization, as the source for the historic rich Klondike placer production has been achieved in multiple locations within the district, and provides the potential for resource discovery going forward.

Drilling is the most time and cost effective discovery tool for use within the district because of the close proximity to services in Dawson. The drill used during 2016 remains on the property available for use when required in 2017. At this time the Company has \$1.4 million in treasury.

### **Corporate Activities**

Klondike Gold will be featured on the science TV show *Daily Planet* episode airing on October 25, 2016. ***Daily Planet*** is a television program shown on Discovery Channel Canada which features daily news, discussion and commentary on the scientific aspects of current events and discoveries. The Klondike Gold segment will focus on exploration technologies used in mineral exploration. *Daily Planet* airs on Discovery Channel Canada, Monday through Friday at 7 pm EST (Monday through Friday at 4 pm PST).

Klondike Gold has also been invited to speak at the Metals Investor Forum on November 12 and November 13, 2016 hosted by Joe Mazumdar (*Exploration Insights*), Gwen Preston (*Resource Maven*), Eric Coffin (*HRA Advisories*), John Kaiser (*KaiserResearch.com*), Jay Taylor (*Jay Taylor's Gold, Energy and Tech Stocks*) and Jordan Roy Byrne (*TheDailyGold.com*).

For 2016 drill core sampling and assay protocols, see news release dated July 14, 2016 or the company's website.

Peter Tallman, Klondike Gold's President and CEO, a Qualified Person as defined by NI43-101, has supervised, reviewed and approved the scientific and technical information contained within this news release.

### **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 its Yukon gold projects, accessible by government maintained roads located on the outskirts of Dawson City, YT, covering a district-scale 527 square kilometers of hard rock and 20 square kilometers of placer claims including "McKinnon Creek" featured on the Discovery Channel show "Gold Rush".

### **On behalf of Klondike Gold Corp.**

"Peter Tallman"

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