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Klondike Gold Commences Yukon Drilling at Lone Star

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Vancouver, British Columbia, August 18, 2015, Klondike Gold Corp. (“Klondike Gold” or the “Company”) (TSX.V:KG) is pleased to announce metallic screen assay results of chip sampling from the Nugget Zone (“Nugget”) and that diamond drilling has commenced at its 100% owned Lone Star property located 20 km south of Dawson City, Yukon. The Company has contracted Kluane Drilling of Whitehorse, Yukon to drill approximately 12 holes totaling 1000m as a first pass test of various areas of quartz veining containing visible gold within the Lone Star property including at Nugget.

Summary

- Nugget Zone chip samples from the most continuous exposure of outcrop on Line 36 returned a weighted gold assay of 8.0 g/t Au over 4.3 meter interval.
- A ~1000m diamond drilling program, contracted to Kluane Drilling, has commenced.

Nugget Zone Results

Bulldozer trenching in the early 1990’s and additional excavator trenching in 2005 uncovered quartz veins containing visible gold at Nugget. Limited follow-up included three diamond drill holes in 2007 which missed the target because they were drilled precisely parallel (down-dip) to the veining. No further substantive work has been conducted until now.

The Company contracted Ground Truth Exploration Ltd (“GroundTruth”) of Dawson, YT who completed ~1000 meters of detailed induced polarization (“IP”) along three lines spaced 50 meters apart across this target. The survey was designed to allow direct detection of 0.75 to 5.0+ meter wide quartz vein arrays. The outcropping quartz vein array at Nugget is associated with a northeast striking shear fault. IP results show features attributable to southwest dipping bedrock as well as to northeast dipping quartz veining and associated fault structures along the 100 meter strike length surveyed.

The Company completed detailed representative chip sampling perpendicular to veining across 14 individual lines over 38 meters strike length of outcropping quartz veins and adjacent host rock. A total of 38 chip samples were collected and analyzed by metallic screen assaying. Thirteen samples were of wall rock and twenty five samples were of quartz veins. Only six samples had gold values under 0.1 g/t Au (detection limit is 0.01) suggesting gold enriched wall rock. Thirteen samples had values between 5 g/t Au and 30.5 g/t Au. A summary of results is shown in the Table below.

The intent of the survey was to assess the variability of gold content along the strike of the veining, the distribution of gold in light of potential coarse-gold ‘nugget’ effects, and the gold content (if any) of the adjacent host rock. The reader is cautioned that the results herein, while methodically collected, should be regarded as an estimate only with potentially high variability.

The table below presents results of sampling the Nugget vein array which is comprised of a series of semi-parallel, anastomosing 0.1 to 1.0 meter individual quartz veins over a width of ~5.0 meters. Individual chip lines are across areas only where outcrop occurs on that line, and so sample lines only partially cover the full width of the veining-plus-host rock on any line. The most continuous exposure of outcrop on Line 36 returned a weighted gold assay of 8.0 g/t Au over 4.3 meter interval. ([CLICK HERE](#) for a plan map of Nugget chip sample results.)

Table: Summary of Nugget Zone Weighted Average Gold Assays from Chip Samples

Line (m)	Type	g/t Au	Width (m)
Line 4	QV	6.1	0.2
Line 9	QV	16.0	0.3
Line 11	QV+host rock	5.2	1.2
Line 14	QV	18.4	0.6
Line 16	QV	2.5	0.3
Line 18.5	QV	20.8	0.8
Line 20	QV	1.3	0.4
Line 22	QV	1.5	0.4
Line 26	QV	2.2	0.6
Line 27	QV	16.6	0.7
Line 29	QV	17.4	1.4
Line 33	QV	8.3	1.0
Line 36	QV+host rock	8.0	4.3
Line 38	QV	12.4	0.9

Diamond Drilling

The Company has contracted Kluane Drilling of Whitehorse, YT to diamond drill approximately 1000 meters as a first pass program testing various areas of quartz veining containing visible gold within the Lone Star property including at Nugget. The drill program has commenced and is currently on schedule to be completed by the end of August.

The Company has so far identified four drill targets on the Lone Star property which exhibit quartz veining containing visible gold which are associated with fault features identified by recently completed IP and magnetic surveying. Two other targets are of interest contingent upon receipt of positive prospecting grab sample assays, and others are being developed.

Geotechnical Information

Klondike Gold samples described herein are systematic chip samples across measured widths of bedrock material collected to test for the presence or absence of gold and other ‘economic’ minerals. Due to an evident nugget effect, additional test results may vary significantly. Samples are usually 0.5 kg to 2.0 kg in weight. The Company’s samples are assigned a unique assay tag, described, photographed using a GPS-enabled camera, then placed in a plastic bag and sealed. Groups of sealed sample bags are aggregated in large fiber bags then security sealed for shipment. The fiber bags were retained in locked storage in the Company’s Dawson office before being delivered by Company personnel directly to the lab. Samples were submitted 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 rock sample is crushed to 80% 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. Samples were also analyzed for multi-element chemistry by ICP-MS analysis (AQ200+U code). Samples over-limit in lead are rerun by a high-detection limit ICP-ES procedure (Acme code MA370). QA/QC includes the insertion and continual monitoring of numerous standards, blanks, and duplicates within each batch.

The technical and scientific information contained within this news release has been reviewed and approved by Peter Tallman, P.Geo, President 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 its road accessible Yukon gold projects located outside Dawson, YT in the historic Klondike region covering 25,000 hectares of hard rock and 2,000 hectares of placer claims including “McKinnon Creek” leased to Todd Hoffman/Jerusalem Mining LLC and featured on the Discovery Channel show “Gold Rush”.

On behalf of Klondike Gold Corp.

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