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Klondike Gold Closes $1.17M Private Placement; Tara Christie Joins Board

September 13, 2016 **TSX Venture Exchange Symbol – KG**

Vancouver, British Columbia, Canada, September 13, 2016, Klondike Gold Corp. (TSX.V:KG; FRA: LBDP) ("Klondike Gold" or the "Company") is pleased to report that the Company has closed its non-brokered private placement financing (the "Financing") announced August 19, 2016 for total proceeds of $1.17M. In addition, Ms. Tara Christie has been formally appointed to the Board of Directors of the Company.

Financing:

The Company has issued 2,883,335 flow-through units (each a "FT Unit") at the price of $0.30 for gross proceeds of $865,000.50 and 840,001 non-flow-through units (each a "NFT Unit") at the price of $0.30 for gross proceeds of $252,000.30. Each FT Unit is comprised of one common share which is a "flow-through" share for Canadian income tax purposes and one-half of a share purchase warrant (a "Warrant") exercisable to purchase one additional non flow-through common share at the price of $0.35 until 13-March-2019. Each NFT Unit is comprised of one non flow-through common share and one half of a Warrant exercisable to purchase one additional non flow-through common at the price of $0.35 until 13-March-2019. The securities issued in connection with this Financing will be subject to a statutory hold period which expires on January 14, 2017. Cash finders' fees of $10,800 have been paid in connection with the private placement in accordance with the policies of the TSXV.

The Company has also recently received $227,113 from the early exercise of 1,135,565 warrants at $0.20 which were set to expire in November and December 2017.

The net proceeds of ~$1.4M raised through the Financing and concurrent warrant exercise will be used for exploration and development of Canadian mineral properties including an expanded drilling program at the Company's Klondike gold property and for general working capital purposes.

Frank Giustra – Early Warning:

Mr. Frank Giustra acquired 1,000,000 FT Units pursuant to the Financing, representing 1.85% of the outstanding shares and 2.38% of the outstanding warrants. Prior to the Financing Mr. Giustra owned 1,959,536 common shares representing 3.9% of the outstanding shares and 1,714,286 warrants representing 8.96% of the outstanding warrants. On completion of the financing Mr. Giustra owns 2,959,536 common shares, representing 5.48% of the outstanding shares and 2,214,286 warrants, representing 10.55% of the outstanding warrants.

The Company has been advised that Mr. Giustra acquired these securities for investment purposes and as disclosed in the Early Warning Report accompanying this news release may in the future, acquire or dispose of securities of the Company, through the market, privately or otherwise, as circumstances or market conditions warrants.

Board of Directors Appointment:
Ms. Tara Christie, P.Eng has formally been appointed Director of Klondike Gold under the terms of the Company's agreement with Gimlex Enterprises Ltd ("Gimlex") to purchase a 100% interest in Gimlex's 1,125 mining claims covering 223 square kilometers located in the Dawson mining district, Yukon Territory announced August 8, 2016. Ms. Christie has over 20 years' experience in the exploration and mining business. Ms. Christie is currently President of KECM Services and is past president of privately owned Gimlex Gold Mines Ltd. (2006-2016), one the Yukon's largest placer mining operations. Ms Christie currently is President of TSXV listed Banyan Gold Corp, Director of Constantine Metal Resources Ltd, and Director of the Prospector & Developers Association of Canada. She was a founding board member of the Yukon Environmental and Socio-Economic Assessment Board (2004-2016) and past president of the Klondike Placer Miners Association. Ms. Christie has a Masters Degree in geotechnical engineering from the University of British Columbia and is a registered professional engineer in BC and Yukon.

Peter Tallman states "*The formal appointment of Tara Christie to Klondike's Board of Directors is complete. Tara has a wealth of Yukon-related mining, permitting, and community and social involvement. We welcome her vision and experience to the Board and I personally look forward to her insights on Yukon geology and practice.*"

Pursuant to the Company's Stock Option Plan a total of 400,000 incentive stock options have been granted to a director of the Company. The options are exercisable at a price of $0.30 per share for a period of 10 years, subject to regulatory approval.

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.

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Risks and uncertainties that may cause actual results to vary include but are not limited to the availability of financing; fluctuations in commodity prices; changes to and compliance with applicable laws and regulations, including environmental laws and obtaining requisite permits; political, economic and other risks; as well as other risks and uncertainties which are more fully described in our annual and quarterly Management's Discussion and Analysis and in other filings made by us with Canadian securities regulatory authorities and available at *www.sedar.com. Klondike disclaims any obligation to update or revise any forward-looking information or statements except as may be required."*