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Klondike Gold 2018 Drilling Update

June 11, 2018

TSX Venture Exchange Symbol – KG

Vancouver, British Columbia, Canada, June 11, 2018, Klondike Gold Corp. (TSX.V: KG; FRA: LBDP) (“Klondike Gold” or the “Company”) is pleased to update progress of diamond drilling and core relogging at the Company’s wholly owned Klondike District property, Yukon Territory. Diamond drilling began in late May with initial field work including core relogging underway since March (May 24, 2018 news release). A minimum total of \$2.5 million has been budgeted for 2018 (March 9, 2018 news release).

SUMMARY:

- Nine holes (LS18-151 to -159) totalling 785 meters drilled have been completed testing the Lone Star Gold Zone. The Lone Star drill program is ongoing.
- Four holes (GR18-160 to -163) totalling 450 meters drilled have been completed testing the Gold Run target area. Drill core is still to be logged, sampled, and submitted for analysis.
- Re-evaluation of Nugget Zone has led to the identification of drill core intervals where disseminated gold is present. Work in 2015 and 2016 focussed solely on the exploration potential of gold-bearing quartz veins in narrow zones. A total of 23 drill holes are being re-examined and sampled, which represents all holes drilled in 2015 and 2016 in the vicinity of the Nugget Fault over a strike length of 1,400 meters.

Lone Star Gold Zone Drill Update:

The Lone Star Gold Zone is located 20 kilometers from Dawson City, YT near the northwest end of the Klondike District. Nine NQ diamond drill holes testing the Lone Star Gold Zone have been completed for a total of 785 meters drilled. Holes LS18-151 to -159 tested the western portion of the Lone Star Zone between sections 11650E and 11825E. The ongoing drill program is systematically testing sections across the Lone Star Zone to outline the geometry, continuity, and extent of disseminated gold mineralization and gold-bearing quartz vein mineralization identified in 2016 and 2017 drill programs. Samples from holes LS18-151 to -153 have been submitted to the Bureau Veritas preparation lab in Whitehorse for processing.

Gold Run Target Drill Update:

The Gold Run gold target is located 35 kilometers southeast of the Lone Star Gold Zone at the opposite end of the Klondike District. Four NQ diamond drill holes testing the Gold Run target area have been

completed for a total of 450 meters drilled. Drill holes GR18-160 to -163 tested a 300 by 200 meter area for gold-bearing quartz veins and for disseminated gold mineralization in the host rock adjacent to veining. The Company believes this is the first ever use of diamond drilling to test for gold at the Gold Run target and second-ever drill program including five 1984 percussion holes (which pulverizes rocks to small chips) elsewhere on Gold Run creek.

Visible gold has been identified at the Gold Run target by prospecting in 2017 and 2018 in rock piles adjacent to three turn-of-the-century mine shafts and one adit. These shafts and adit are located in a similar structural position as for Lone Star Zone, in the hangingwall of a major thrust fault and adjacent to an interpreted secondary fault. The current drill program is intended to systematically test for gold-bearing quartz veins and for disseminated gold mineralization in the lithologies hosting those veins.

Nugget Zone Re-evaluation Update:

The Company recently re-evaluated Nugget Zone drilling and holes along strike on the Nugget Fault in light of the recognition of zones of disseminated gold at the Lone Star Gold Zone. Examination, relogging and additional sampling of 2015 and 2016 drill holes along the Nugget Fault trend is underway. Logging has identified lithologies at the Nugget Zone which are present at the Lone Star Gold Zone and host disseminated gold mineralization. A total of 23 drill holes are being re-examined, which represents all holes drilled in 2015 and 2016 in the vicinity of the Nugget Fault over a strike length of 1,400 meters. The Company has identified drill core intervals where disseminated gold is present. The Company has identified approximately 900 meters of unsampled drill core that requires sampling and assaying to infill and fully assess the potential for this style of mineralization.

Based solely on considering gold assay data intercepts in these 23 holes as representing broad zones of gold mineralization, the Company has significantly upgraded the gold exploration potential of the Nugget Target.

The Klondike District property is located 120 kilometers north of Goldcorp's Coffee gold deposit. Work to date suggests the host lithologies and structural setting at Coffee are comparable to Klondike District mineralization.

Planned 2018 Work Summary

The Company plans a \$2,500,000 exploration program for 2018 including plans for: 5,000 to 7,000 meters of drilling between multiple targets; 3,000 to 5,000 new soils, 4,000 line kilometers of airborne magnetics, radiometric, and VLF-M surveying, detailed structural and lithologic mapping and prospecting across the entire district for the first time, and contingency for 2018 follow-up on any new targets generated.

The technical and scientific information contained within this news release has been reviewed and approved by Ian Perry, P.Geo, 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 553 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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