3123 – 595 BURRARD STREET
VANCOUVER, B.C. CANADA V7X 1J1
TELEPHONE: 604-609-6138
FAX: 604-609-6145
WWW.KLONDIKEGOLDCORP.COM

Klondike Gold 2020 Exploration Underway, Drilling Commences

June 1, 2020 **TSX Venture Exchange Symbol – KG**

Vancouver, British Columbia, Canada, June 1, 2020, Klondike Gold Corp. (TSX.V: KG; FRA: LBDP; OTC: KDKGF) ("Klondike Gold" or the "Company") is pleased to report that the 2020 exploration program has commenced on the Company's wholly owned 586 square kilometer Klondike District Property, Yukon Territory. Importantly, the Company is implementing protocols and measures to mitigate the risk of COVID-19 transmission that protects our local host community, our contractors and our employees.

SUMMARY:

- Diamond drilling is underway with approximately 9 holes targeting the Lone Star Zone in Phase 1.
- A Phase 2 program targeting Stander Zone and a Phase 3 program targeting Stander Zone extensions are also planned.
- A total of 1210 soils have been collected and submitted for analysis from east of Lone Star Zone and east and west of Stander Zone.
- A total of 65 prospecting rock samples have been collected and submitted for analysis from Stander Zone.
- Dulac Mining has commenced placer mining on ground leased from the Company on the Upper Eldorado placer property. The Company retains a 10% production royalty payable in placer gold.

Peter Tallman, President and CEO of Klondike Gold stated *"We are excited after 5 years to transition from district-scale geoscience surveys and exploration documenting gold and structural controls towards detailed testing of spatial and economic parameters of segments within both Lone Star and Stander Zones during 2020. Along with our exploration directed at finding new targets and production from our placer lease holder, there is a lot to look forward to in what is shaping up to be a busy season."*

DRILLING IS UNDERWAY:

Phase 1 drilling is underway. Approximately 9 infill drill holes are planned to test a sub-area at the western end of the Lone Star Zone where gold mineralization outcrops over a 200 meter by 50 meter area, shown in Figure 1. Drill holes will test for consistency in grade of gold mineralization and constrain the geometry and boundaries of mineralization. Results from the Phase 1 program are anticipated to provide data to allow consideration of a resource volume leading to evaluation as a potential 'starter open pit'.

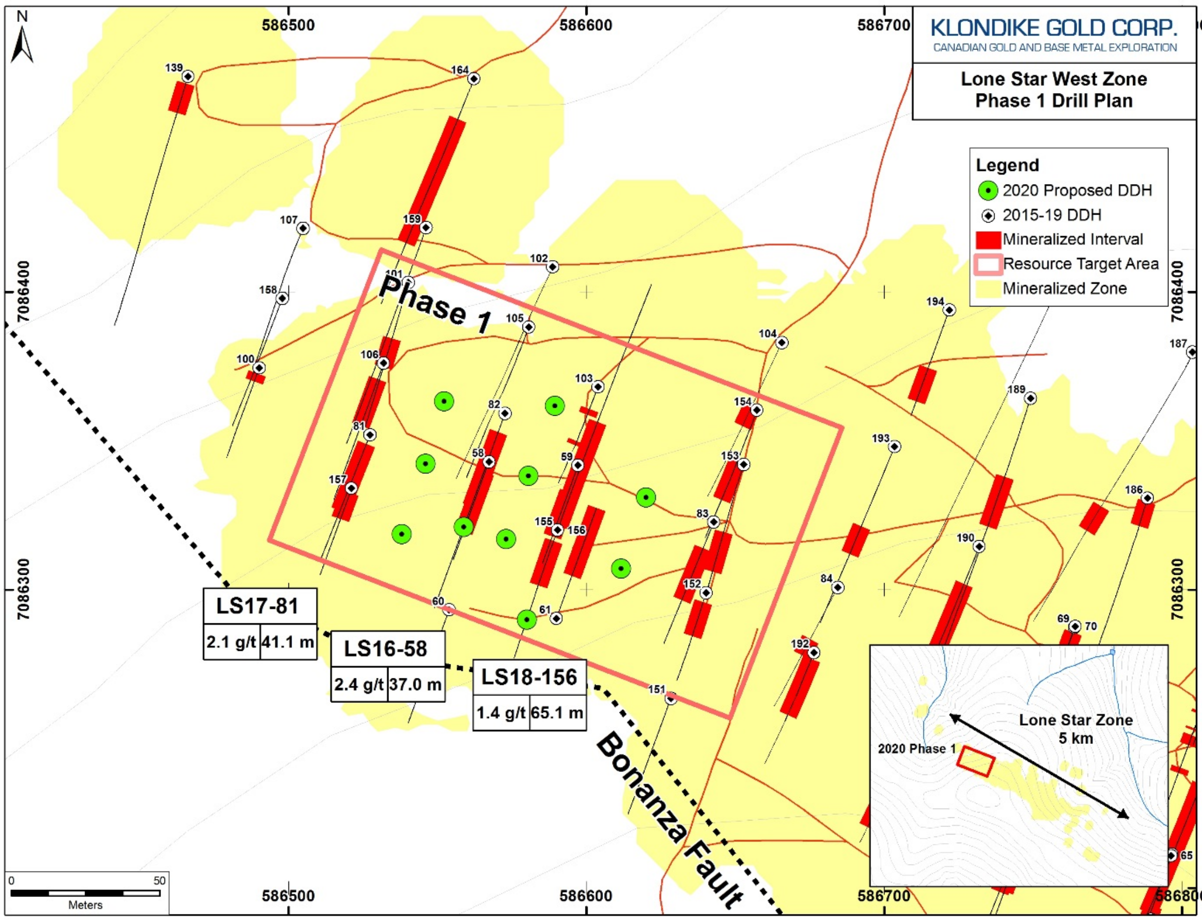

Figure 1: Plan Map of location of Phase 1 Drilling at Lone Star Zone.

Phase 2 drilling will follow later in the season and will comprise of five infill drill holes to test the main area of outcropping gold mineralization identified along the Stander Zone (the area known as the Nugget Showing) shown in Figure 2. Holes will test for consistency in grade of gold mineralization and confirm the geometry and boundaries of Stander Zone gold mineralization designed to allow consideration of a resource volume leading to evaluation of a second area for potential 'starter open pit'.

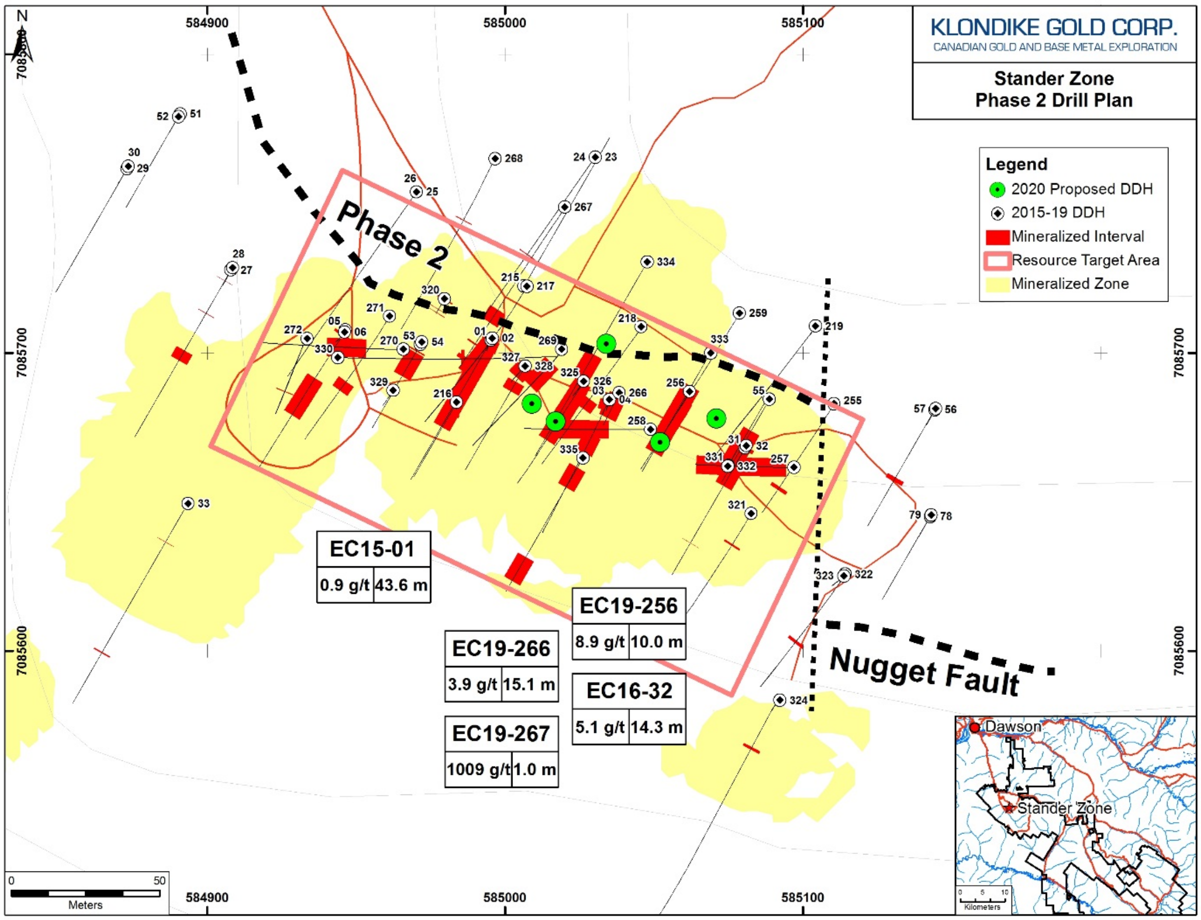

Figure 2: Plan Map of location of Phase 2 Drilling at Stander Zone.

Phase 3 drilling is planned to drill test targets in the vicinity of Stander Zone Phase 2 drilling for extensions or parallel new areas of gold mineralization including three areas identified by 2019 GT-Probe deep overburden sampling system. Detailed prospecting to qualify targets in advance of Phase 3 drilling has discovered outcropping and subcropping quartz veining containing visible gold; rock samples from these areas have assays pending. Phase 3 drilling may expand in scope contingent upon positive rock sample results.

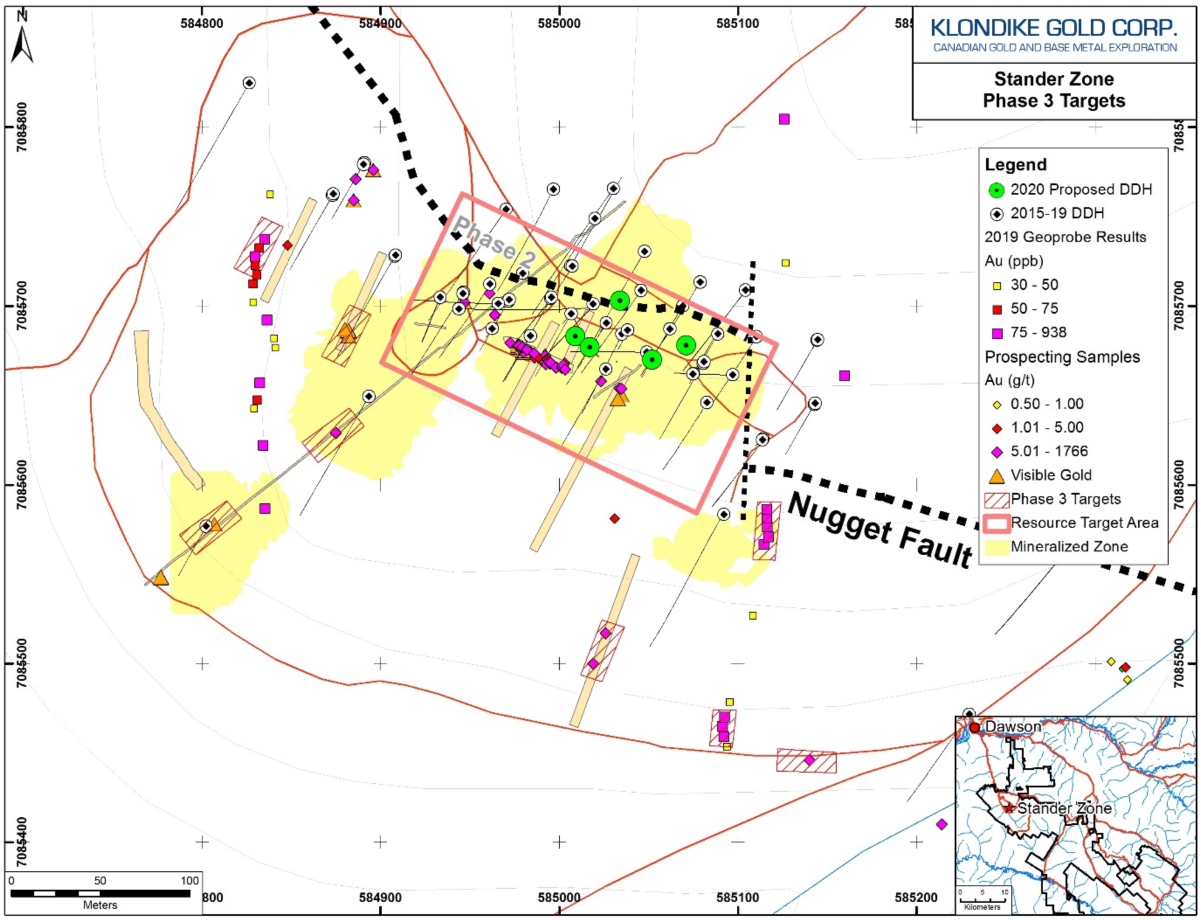

Figure 3: Plan Map of Location of Phase 3 Drilling at Stander Zone Extensions.

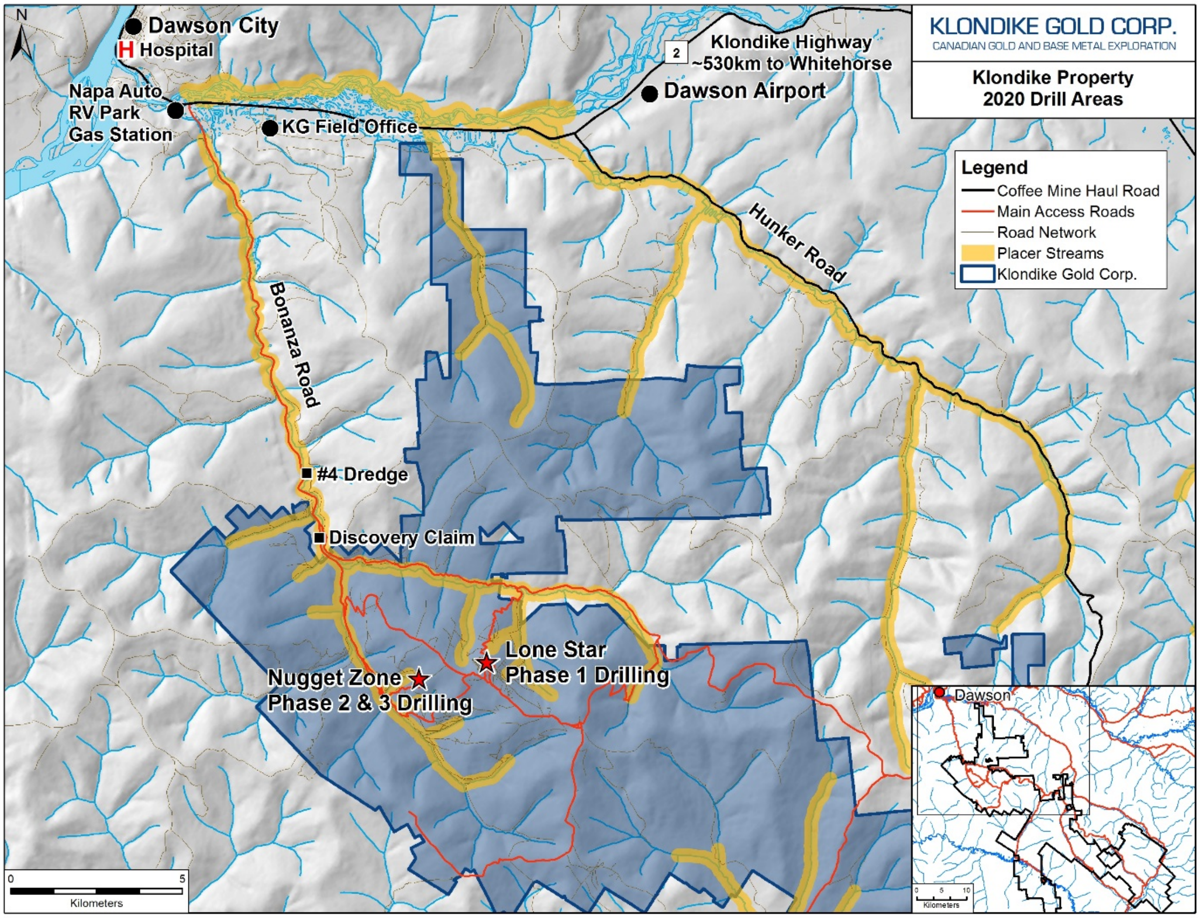

Figure 4: Location Map of Three Phases of Planned Drilling

SOIL SURVEYS COMPLETED:

1210 soils have been collected from beyond the known eastern end of Lone Star Zone mineralization to potentially provide new targets along strike. Additionally, 70 soils have been collected from three areas identified by GT-Probe surveying in 2019 which identified potential extensions to Stander Zone gold mineralization, as a further effort to qualify the extent of gold mineralization in advance of drilling.

PROSPECTING AND TARGET QUALIFICATION:

A total of 65 prospecting rocks have been collected from three high-priority drill target areas identified by 2019 GT-Probe surveying along the Stander Zone as potential extensions to Stander Zone mineralization. Positive results will help prioritize Phase 3 drilling.

MINING UNDERWAY ON PLACER LEASE BY DULAC MINING:

Dulac Mining is placer mining on the Company's Upper Eldorado placer property following pre-mining activities including upgrading and repairing the Eldorado road access. Limited information is available regarding the potential size of remaining placer gold deposit(s), which are highly variable by nature. Initial early recoveries are exceeding low expectation. The Company retains a 10% production royalty payable in placer gold.

QUALIFIED PERSONS REVIEW

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 Vancouver based gold exploration company advancing its 100%-owned Klondike District Gold Project located at Dawson City, Yukon Territory, one of the top mining jurisdictions in the world. The Klondike District Gold Project targets gold associated with district scale orogenic faults along the 55-kilometer length of the famous Klondike Goldfields placer district. To date, multi-kilometer gold mineralization has been identified at both the Lone Star Zone and Stander Zone, among other targets. The Company is focused on exploration and development of its 586 square kilometer property accessible by scheduled airline and 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.

"Peter Tallman"

President and CEO
(604) 609-6138
E-mail: info@klondikegoldcorp.com
Website: www.klondikegoldcorp.com

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