Kapuskasing Finalizes Agreement to Acquire Previous Producing Daniels Harbour "Mississippi Valley Type" Zinc Property in Newfoundland and Plans Geophysical Program

September 14, 2017 – Kapuskasing Gold Corp. (TSX-V: KAP) (the "Company" or "KAP") announces that it has executed and finalized, subject to TSX Venture Exchange approval, the formal option agreement (the Agreement) to earn a 100% interest in the Daniels Harbour Zinc Property located on the Great Northern Peninsula of Newfoundland, approximately 10 km's north east of the community of Daniels Harbour.

Pursuant to the Agreement, KAP may earn a 100% interest in the Daniels Harbour Property for total consideration of 1,750,000 shares, $60,000 in cash payments and a work commitment of $100,000 within the 24 months following TSX-V approval. The Vendor shall retain a 3% net smelter royalty ("NSR") interest. The Company retains the option to buy back 2% of the NSR for $2,000,000. In the event KAP delineates a 43-101 compliant resource of 5,000,000 tonnes of ore grade zinc (Grade of at least 7% Zn), the vendor will receive a one-time bonus payment equating to CDN$50,000 payable in cash or shares at the election of KAP on the day of which said report is filed on SEDAR.

About Daniels Harbour

The Property consists of 42 claims (1,050 hectares) and has been explored and developed by one owner (Teck) since zinc mineralization (Mississippi Valley Type ("MVT") carbonates) were discovered. Teck Explorations (operating as Newfoundland Zinc Mining Limited) mined approximately 7 million tonnes averaging 7.8% zinc from the Daniels Harbour mine between 1975 and 1990. More recently, Altius Minerals Corporation has acquired a significant land position in the immediate area, contiguous and surrounding the Daniels Harbour Zinc Property.

Mineralization in the Daniels Harbour zinc deposits occurs in generally long, narrow, NE-trending bodies, parallel to the long axes of dolomite breccia piles and to normal faults. In the mine area, a total of 21 'zones' named alphabetically 'A' to 'W' were recognized. The largest of these was the L Zone ore body, which consisted of at least three parallel bodies ranging in width from 25 to 80 feet separated by narrow areas of low grade mineralization. The L Zone extends over a length of 10,000 feet. The maximum vertical thickness of ore is approximately 100 feet. The majority of the tonnage mined at Daniels Harbour was sourced from this one zone.

Two types of zinc mineralization are recognized in the L Zone. The first and most common type occurs as cavity fillings in a series of narrow (0.5 to 5 ft.) pseudobreccia beds separated by barren massive 'Grey Dolomite'. Ore contacts are sharp both laterally and vertically, and the grade may change from traces to 30% zinc within a few feet. The second type of mineralization, which is prevalent in the thickest portion of the L Zone, consists of veins, which cut the sequence of pseudobreccia beds at various angles. The pseudobreccia beds may be barren or mineralized for a distance of 5 to 10 feet from the veins. The sulphide mineralization consists almost entirely of sphalerite, with local minor quantities of pyrite, marcasite and extremely rare galena. The sphalerite is exceptionally pure and iron deficient. Impurities include only 1.3% iron and 0.18% cadmium. This purity and simple mineralogy enables good recovery (98%) and production

of premium grade concentrate (63%). Supergene alteration is minor, and is limited to the top 20 feet of bedrock; it consists of secondary hematite, limonite and thin films of smithsonite on fractures.

Individual MVT deposits are generally less than 2 million tonnes, are zinc-dominant, and possess grades that rarely exceed 10% (Pb+Zn). The deposits do, however, characteristically occur in clusters, referred to as 'districts'. The Daniels Harbour Property is prospective for further discoveries of MVT sulphide zinc deposits. There remains potential in the area of the old mine workings of the historic ore bodies continuing at depth or along the favourable breccia horizon.

The Company is consulting with a geophysical consultant to determine the most effective geophysical program to be completed immediately, providing additional potential zinc targets for diamond drilling.

Mr. Garry Clark, P.Geo, (Exploration Manager and a director of the Company) a Qualified Person ("QP") as defined by National Instrument 43-101, has reviewed the technical content of this release. The content of the geological data presented has been derived from the Provincial Mineral Deposit Database and exploration assessment files and are believed to be accurate and correct.

On behalf of the Board of Directors

Kapuskasing Gold Corp.

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This press release contains forward-looking statements within the meaning of applicable Canadian and U.S. securities laws and regulations, including statements regarding the future activities of the Company. Forward looking statements reflect the current beliefs and expectations of management and are identified by the use of words including "will", "anticipates", "expected to", "plans", "planned" and other similar words. Actual results may differ significantly. The achievement of the results expressed in forward-looking statements is subject to a number of risks, including those described in the Company's management discussion and analysis as filed with the Canadian securities regulatory authorities which are available at www.sedar.com. Investors are cautioned not to place undue reliance upon forward-looking statements.