

Vancouver, British Columbia (FSCwire) - [Klondike Gold Corp.](#) (TSX.V:KG; FRA: LBDP) (“Klondike Gold” or the “Company”) has received assay results from prospecting rock samples collected on the Lone Star property near Dawson City, Yukon Territory. In addition, the expanded drilling program previously announced “to begin in June” (see News Releases April 14, 2016 and March 18, 2016) is now underway one month ahead of schedule.

The Company’s exploration of the Klondike district to date supports a Jurassic age orogenic gold deposit model of mineralization with similarities including age and veining style to the nearby Golden Saddle deposit discovered by Underworld Resources and acquired by Kinross Gold in 2011. The recent [Goldcorp Inc.](#) \$520 million bid for [Kaminak Gold Corp.](#) has renewed interest in the gold potential of the region.

Drilling Commences

For the 2016 season the Company plans to drill at least 50 shallow holes to test at-surface gold-bearing quartz vein outcrops hosted by different host rocks in a diversity of structural settings. Most of the holes will test outcropping gold-bearing quartz veins that have never been drilled. The drill program is a direct application of an orogenic gold model of mineralization which predicts a >2 km vertical range of gold-bearing veining.

The drill program is now underway, one month ahead of schedule. The majority of the program is expected to be complete in July. Time will remain for follow up of significant intercepts from early holes, or for testing new prospecting discoveries, or for expanding the currently planned program.

A similar drill program last year which tested easily accessible visible gold-bearing outcrops with 19 holes adjacent to the road along Eldorado Creek yielded new discoveries at Nugget Zone of 5.3 g/t Au over 7.6 meters (see news release dated October 15, 2015) and Gay Gulch of 75.6 g/t Au over 2.8 meters (see news release dated October 26, 2015).

Prospecting Results

Prospecting results reported here are part of a methodical ongoing sampling program of outcrop and subcrop gold-bearing quartz veining which is helping to define and prioritize targets prior to drilling. A total of 88 rock grab samples were assayed thus far. (Prospecting samples are selective in nature; systematic test results may vary significantly.) Results bearing on 2016 drill targets are reported here.

Early this season prospecting work concentrated on the Violet Ridge target. This is an extensive target area totalling 3.5 kilometers in length which includes the Violet Mine, a turn of the century operation, and the Violet Ridge area where c.1901 trenches, pits, and outcrops have been located and sampled. Gold-bearing quartz veins in outcrop have been identified over 600 meters at Violet Ridge. Individual veins are between 0.5 meters to 2.0 meters wide. There are multiple veins, some overprinting, including barren early pegmatic veins. Importantly this vein paragenesis is observed and reported at the Golden Saddle gold deposit. A total of 25 samples collected over a 200 meter length at Violet Ridge assayed between 0.5 g/t Au and 59.2 g/t Au out of 37 samples. Three samples contained visible gold. Assays from additional samples are pending.

Brief prospecting in April at the ‘284’ target yielded six prospecting samples collected from two trenches completed in 1988. Reported 1988 assays from these trenches reached 284 g/t Au. One 2016 prospecting sample of quartz veining assayed 13.0 g/t Au. Another contained visible gold but assayed 0.86 g/t Au. The trenches contain the only outcrop and gold-bearing quartz vein exposures along a prominent fault with over 2.5 km of strike length.

In addition, a new zone of quartz veining was identified by prospecting from an isolated 1988 trench which is the only exposure of a prominent fault with over 2.0 km length. Two samples of quartz veining assayed 7.7 g/t Au and 8.8 g/t Au respectively.

Other Activities

Klondike Gold President and CEO Peter Tallman recently presented the Company at the Metals Investor Forum (May 14 to 15, 2016) organized by Eric Coffin (HRA Advisories newsletter) and participated in the wrap-up panel discussion with Eira Thomas (CEO, [Kaminak Gold Corp.](#)) and Scott Trebilcock (CDO, Nevsun Resources) moderated by Brent Cook (Exploration Insights newsletter).

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. See previous news releases for prospecting grab sample assay procedures and protocols.

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 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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