

Vancouver, British Columbia (FSCwire) - [Klondike Gold Corp.](#) (TSX.V:KG; FRA: LBDP) (“Klondike Gold” or the “Company”) is pleased to report that the Company has closed the second tranche of its non-brokered private placement financing (the “Financing”) originally announced August 1, 2017 for gross proceeds of \$2,110,040 in flow-through funds.

The Company has issued 6,206,000 flow-through units (“FT Units”) at the price of \$0.34 per FT Unit for gross proceeds of \$2,110,040. Each FT Unit is comprised of one common share (“Share”) which is a “flow-through” share for Canadian income tax purposes and a half-warrant, with each whole warrant exercisable at \$0.45 per share until August 30, 2019 (“Warrant”). Finder’s fees associated with the second tranche closing were paid in the amount of \$126,602.40 cash and 310,300 warrants having an exercise price of \$0.34 per share until August 30, 2019. The securities issued in connection with this Financing will be subject to a statutory hold period which expires on December 31, 2017.

The net proceeds of the funds raised through the Financing will be used for exploration and development of Canadian mineral properties.

In total, 9,824,774 FT Units at a price of \$0.34 per FT Unit for gross proceeds of \$3,340,423, and 5,722,680 non flow through units at a price of \$0.29 per non flow through unit for gross proceeds of \$1,659,577 were issued in two tranches. The total gross proceeds of the private placement financing is \$5,000,000. Medalist Capital Ltd and Eventus Capital Corp. acted as finders for a portion of the offering. Finder’s fees of a total of \$271,336 cash and 701,039 warrants having an exercise price of \$0.34 per share for a period of two years has been paid in connection with the private placement in accordance with the policies of the TSXV.

Peter Tallman, CEO of Klondike remarked, “We are very pleased to have Eric Sprott and other strategic institutional investors participate in this financing. Mr. Sprott brings extensive knowledge of the gold and mining markets and his firm conviction that gold plays an important role in investor’s portfolios fits well with our own. After closing a \$2 million placement on April 4, 2017, this additional \$5 million private placement has allowed the Company to expand this year’s drill program and is anticipated to fund an expanded program through all of 2018.”

As a result of the Financing, Eric Sprott, through 2176423 Ontario Ltd., a corporation which is beneficially owned by him, owns and controls 11,033,000 Shares and 5,516,500 share purchase warrants, representing approximately 12.6% of the issued and outstanding common shares of the Company on a non-diluted basis and 17.8% on a partially diluted basis assuming exercise of the share purchase warrants. Prior to the Financing, Mr. Sprott owned and controlled 4,827,000 Shares and 2,413,500 share purchase warrants, representing approximately 6.0% of the issued and outstanding common shares of the Company on a non-diluted basis and 8.7% on a partially diluted basis assuming exercise of the share purchase warrants.

The common shares and Warrants were acquired by Mr. Sprott, through 2176423 Ontario Ltd. for investment purposes. Mr. Sprott has a long-term view of the investment and may acquire additional securities of the Company either on the open market or through private acquisitions or sell securities of the Company either on the open market or through private dispositions in the future depending on market conditions, reformulation of plans and/or other relevant factors. A copy of 2176423 Ontario Ltd.’s early warning report will appear on the Company's profile on SEDAR.

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 527 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.](#)

“Peter Tallman”

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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.

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