Kaminak Reports Maiden Inferred Mineral Resource Estimate of 3,236,000 Ounces of Gold at the Coffee Project, Yukon

13.12.2012 | Marketwired

VANCOUVER, 12/13/12 - Kaminak Gold Corporation (TSX VENTURE: KAM) today announced the maiden National Instrument 43-101 Mineral Resource Estimate on the Coffee Gold Project, Yukon, Canada, of 64 million tonnes grading at 1.56 grams per tonne gold ("g/t Au") for 3,236,000 ounces of gold at a base case cut-off of 0.5g/t Au for Oxide and Transitional material and a 1g/t Au cut-off for Sulphide material. The Company presently has C$16 million in cash and no debt and is fully funded for its planned 2013 exploration program. Images of the block model at various cut-off grades are available on the Kaminak website at www.kaminak.com.

Table 1: Coffee Gold Project NI 43-101 Inferred Mineral Resource Statement at Base Case Cut-Off, and for comparative purposes the 1g/t Au and 1.5g/t Au cut-off is also shown.

	Gold Cut Off (g/t Au)	Tonnage (tonnes)	Gold Grade (g/t Au)	Total Gold (Ounces)
Base Case Cut Off:				
Oxide	0.5	28,078,000	1.64	1,481,000
Transitional	0.5	31,313,000	1.41	1,418,000
Sulphide	1.0	5,030,000	2.08	337,000
TOTAL Base Case Cut Off		64,421,000	1.56	3,236,000
1.0g/t Au Cut Off:				
Oxide	1.0	15,553,000	2.39	1,193,000
Transitional	1.0	15,936,000	2.08	1,065,000
Sulphide	1.0	5,030,000	2.08	337,000
TOTAL		36,519,000	2.21	2,595,000
1.5g/t Au Cut Off:				
Oxide	1.5	9,343,000	3.16	949,000
Transitional	1.5	8,842,000	2.77	787,000
Sulphide	1.5	2,889,000	2.71	252,000
TOTAL		21,074,000	2.93	1,988,000

"This resource estimate represents a major milestone for Kaminak and highlights the deposit quality and ongoing exploration potential of the Coffee Gold Project," stated Rob Carpenter, Kaminak President & CEO. "At a discovery cost of approximately $15 per ounce gold, we have advanced Coffee from initial discovery to a +3 million ounce inferred resource in a little more than 2.5 years. The drilling strike rate and continuity of the mineralized structures at shallow depths show that our strategy and targeting technique, that is drilling gold-in-soil anomalies, is highly effective in this geological terrain. Based on the surface footprints of currently known gold in soil anomalies, Kaminak geologists see considerable expansion potential along strike from the current resource and elsewhere on the 150,000 acre Coffee Project. We are preparing to continue with our aggressive pace of exploration in March 2013 and, given that the initial column leach metallurgical results suggest that the oxide mineralization may be amenable to heap leach processing, plans are also being made to undertake a comprehensive metallurgical testing program and commence preliminary economic studies in 2013."

DEPTH PROFILE OF OXIDE & TRANSITIONAL RESOURCES

The Company's drill strategy from 2010-2012 has been primarily to target near-surface gold mineralization to

approximately 200 metres below surface, thus the maiden Inferred Mineral Resource Estimate is comprised of approximately 90% of Oxide and Transitional mineralization. Table 2 below details the breakdown of the Oxide and Transitional resource domains by depth profile. Approximately 55% of the Oxide and Transitional resource occurs within 100 metres below surface, and 87% occurs from 0-150 metres below surface. For reference, 'Transitional' mineralization is defined as comprising between 5-95% sulphide/oxide material.

Table 2: Coffee Gold Project Inferred Mineral Resource Estimate Summary of Oxide and Transitional Resources at 0.5g/t Au cut-off in 50m increments below surface

Depth (metres below surface)	Tonnage (tonnes)	Gold Grade (grams per tonne Au)	Total Gold (Ounces)
0-50	15,206,000	1.65	807,000
50-100	17,097,000	1.44	794,000
100-150	19,050,000	1.50	918,000
150-200	6,031,000	1.51	292,000
200-250	1,635,000	1.37	72,000
250-300	287,000	1.40	13,000
greater than 300	85,000	1.06	3,000
Total	59,391,000	1.52	2,899,000

METALLURGICAL GOLD RECOVERY

Previously completed metallurgical analyses comprised 72 hour bottle-roll cyanidation, carbon in leach ('CIL') and carbon in pulp ('CIP') testwork on oxide samples from Supremo and Latte, which returned gold recoveries ranging from 96.3% to 98.5% (News Release March 8, 2011). Remaining diamond core corresponding to these two samples was then composited and crushed to 0.5" for simulated heap leaching via column leach testwork, which returned 90.4% recovery over 80 days and included 83.2% recovery over the first fifteen days of leaching (News Release April 2, 2012).

Three additional samples were submitted to Inspectorate Exploration & Mining Services Ltd. in October 2012, for cyanide leach testwork, including 72 hour bottle-roll cyanidation, CIL and CIP to the same parameters as the previous testwork. Samples were selected from Double Double, Supremo and Latte. Gold recovery results are detailed below in Table 3. The Double Double sample which returned gold recoveries of 96.0% to 96.9% was taken from drill core at depths of 30 to 100 metres below surface comprising 95% or greater oxidized material. The Supremo sample which returned gold recoveries of 90.7% to 92.4% was taken from drill core intercepts in the T3 mineralized structure from depths of approximately 180 to 200 metres below surface and contains 5-10% sulphide material; therefore, it is classified as Deep Oxide / Transitional.

The Latte sample, which demonstrated poor gold recoveries from sulphide material, was taken from drill core at a depth of greater than 300 metres below surface. Due to the poor gold recovery, the sample is currently undergoing diagnostic leach testwork to determine the mineralogical association of gold. Given that the Latte sample was taken from a single drill hole, work is also underway to provide an indication of whether the style of mineralization sampled is limited spatially or is typical of Sulphide mineralization at Coffee. Further testwork will then be determined to assess possible processing options for gold recovery from this type of mineralization.

Table 3: Coffee Gold Project Metallurgical Testwork

Zone	Classification	Laboratory Method	Gold Recovery %
PREVIOUS TESTWORK RESULTS:			
Supremo	Oxide	Bottle Roll	96.3
		CIL	96.6
		CIP	96.7
Latte	Oxide	Bottle Roll	97.9
		CIL	98.5
		CIP	97.4
Supremo/Latte Composite	Oxide	0.5" Column Leach	90.4
NEW TESTWORK RESULTS:			
Supremo	Transitional / Deep Oxide(i)	Bottle Roll	92.4
		CIL	90.7
		CIP	91.5
Double Double	Oxide	Bottle Roll	96.9
		CIL	96.0
		CIP	96.5
Latte	Sulphide (Fresh)	Cyanidation (bottle roll)	4.4
		CIL 90 micron grind	2.0
		CIL 35 micron grind	2.8
		CIL 20 micron grind	5.3

(i) The Supremo Transitional/Deep Oxide sample is visually representative of gold mineralization at Supremo in the range of 150 to 250 metres below surface; however, it should not be considered representative of all Transitional mineralized rocks at Coffee. It is assumed that the Transition zone recoveries will vary based on the relative proportion of oxide and sulphide material in the sample.

COFFEE GOLD PROJECT INFERRED MINERAL RESOURCE ESTIMATE MODEL PARAMETERS

The Coffee Gold Project maiden Inferred Mineral Resource Estimate was completed by independent Qualified Person Robert Sim, P.Geo., of SIM Geological Inc. and is reported in accordance with the guidelines of the Canadian Securities Administrators National Instrument 43-101. The estimate is derived from 659 diamond core and reverse circulation drill holes drilled from 2010 to 2012 for a total of 130,000 metres. The majority of the resource comprises the Latte - Supremo - Double Double deposits, which occur within close proximity to one another over an area measuring approximately 2km x 2km. The Kona deposit lies approximately 2.5 kilometres west of Latte. See Table 4 below for a full breakdown of the Coffee Gold Project Mineral Resource Estimate by deposit, oxidation profile and at a range of cut-off grades for comparison purposes. The base case cut-off grade is highlighted.

The base case cut-off grade of 0.5 g/t Au for Oxide and Transitional zones was determined based on assumptions that these are amenable to open pit mining methods and lower-cost extraction of the contained gold through heap leaching. The 1.0 g/t Au base case cut-off limit for Sulphide zone resources is based on assumptions that this type of material will require underground mining methods and higher processing costs.

Table 4: Coffee Gold Project Inferred Mineral Resources by Zone.

Zone	Oxide			Transition		
Cut-off Grade (g/t Au)	Tonnage (tonnes)	Gold Grade (g/t Au)	Total Gold (Ounces)	Tonnage (tonnes)	Gold Grade (g/t Au)	Total Gold (Ounces)
Supremo						
0.4	22,884,000	1.46	1,071,000	19,644,000	1.19	749,000
0.5	19,860,000	1.61	1,027,000	16,545,000	1.32	704,000
0.8	13,432,000	2.07	896,000	10,241,000	1.75	576,000
1.0	10,648,000	2.38	816,000	7,774,000	2.02	505,000
1.5	6,426,000	3.15	650,000	4,111,000	2.74	362,000
Latte						
0.4	6,655,000	1.39	296,000	12,589,000	1.37	555,000
0.5	6,054,000	1.48	288,000	11,328,000	1.48	537,000
0.8	4,390,000	1.80	254,000	8,034,000	1.82	469,000
1.0	3,501,000	2.02	228,000	6,364,000	2.06	421,000
1.5	1,939,000	2.66	166,000	3,641,000	2.68	313,000
Double Double						
0.4	1,337,000	2.84	122,000	2,262,000	1.71	124,000
0.5	1,175,000	3.16	120,000	1,966,000	1.90	120,000
0.8	928,000	3.84	115,000	1,371,000	2.45	108,000
1.0	839,000	4.15	112,000	1,111,000	2.81	100,000
1.5	634,000	5.09	104,000	714,000	3.70	85,000
Kona						
0.4	1,119,000	1.36	49,000	1,688,000	1.11	60,000
0.5	989,000	1.48	47,000	1,473,000	1.20	57,000
0.8	689,000	1.85	41,000	930,000	1.54	46,000
1.0	565,000	2.06	37,000	687,000	1.76	39,000
1.5	344,000	2.61	29,000	375,000	2.22	27,000
All Zones Combined						
0.4	31,994,000	1.50	1,538,000	36,183,000	1.28	1,489,000
0.5	28,078,000	1.64	1,481,000	31,313,000	1.41	1,418,000
0.8	19,439,000	2.09	1,305,000	20,576,000	1.81	1,199,000
1.0	15,553,000	2.39	1,193,000	15,936,000	2.08	1,065,000
1.5	9,343,000	3.16	949,000	8,842,000	2.77	787,000

Zone	Sulphide		
Cut-off Grade (g/t Au)	Tonnage (tonnes)	Gold Grade (g/t Au)	Total Gold (Ounces)
Supremo			
0.4	1,948,000	1.28	80,000
0.5	1,660,000	1.43	76,000
0.8	1,007,000	1.95	63,000
1.0	828,000	2.18	58,000
1.5	515,000	2.76	46,000
Latte			
0.4	7,824,000	1.35	339,000
0.5	6,885,000	1.47	326,000
0.8	4,753,000	1.85	282,000
1.0	3,771,000	2.09	254,000
1.5	2,159,000	2.73	190,000
Double Double			
0.4	367,000	1.39	16,000
0.5	311,000	1.55	16,000
0.8	219,000	1.94	14,000
1.0	188,000	2.11	13,000
1.5	127,000	2.53	10,000
Kona			
0.4	747,000	0.94	23,000
0.5	605,000	1.06	21,000
0.8	354,000	1.36	15,000
1.0	244,000	1.57	12,000
1.5	88,000	2.23	6,000
All Zones Combined			
0.4	10,886,000	1.31	458,000
0.5	9,461,000	1.44	438,000
0.8	6,332,000	1.84	374,000
1.0	5,030,000	2.08	337,000

1.5	2,889,000	2.71	252,000

Three-dimensional block models were created within structural domain wireframes using commercial mine planning software MineSight® v7.50. Block model parameters are based on geostatistical applications, and

block size varies between deposit areas, ranging from 5 x 5 x 2 metres at Kona and Double Double to 10 x 5 x 3 metres at Latte and Supremo. The long axis of the blocks is aligned with the strike of the structural domain, and the shorter dimension is aligned across the strike direction. Interpolation parameters are defined based on a combination of geology, drill hole spacing and geostatistical analysis of the data. Individual structural zones, interpreted in the various deposit areas, are segregated for modeling purposes and dynamic search orientations are utilized which retain the banded nature of the gold mineralization in the resource model. The effects of anomalous outlier samples are controlled during block grade estimation through a combination of traditional top-cutting and 'outlier limitations' which limits the distance of influence of higher-grade data in the model. Block grade estimates are made using ordinary kriging.

The resources are classified according to their proximity to the sample locations and are reported, as required by NI 43-101, according to the CIM Definition Standards for Mineral Resources and Mineral Reserves. The Coffee Mineral Resource Estimate comprises relatively continuous, sub-vertical zones of gold mineralization that show the potential to be mined from surface or using underground mining methods (or a combination of the two). The reasonable prospects of economic extraction of the four deposit areas has been tested using floating cone pit shells based on reasonable projections of technical and economic parameters. The results show that the majority of the Oxide and Transition resource could be amenable to open pit extraction methods and the deeper Sulphide resources would likely be subject to underground mining methods. These tests are very preliminary in nature and are intended to determine the general projections for reasonable prospects of economic extraction. These results have been used in defining the projected base case cut-off thresholds for Oxide, Transition and Sulphide resources as described previously.

Full details of the modeling parameters and assumptions will be published in the NI 43-101 Coffee Technical Report, which is currently in the final stages of preparation.

Images of the block model at various cut-off grades are available on the Kaminak website at www.kaminak.com.

On behalf of the Board of Directors of Kaminak

Rob Carpenter, Ph.D., P.Geo., President and CEO
Kaminak Gold Corporation

For further information about Kaminak Gold Corporation or this news release, please visit our website at www.kaminak.com.

Kaminak is currently in the final stages of preparing the NI 43-101 Coffee Technical Report, which will contain details of the mineral resource estimate and the recent metallurgical test work. This report is required to be announced and filed on SEDAR and the Kaminak website within 45 days of this news release.

Robert Sim, P.Geo., Senior Consultant to the Company and a Qualified Person as defined by National Instrument 43-101 ("NI 43-101") has reviewed and approved the contents of this news release. The metallurgical testing work was conducted by Inspectorate Exploration & Mining Services Ltd. (Inspectorate) of Richmond, British Columbia under the supervision of John Starkey, P.Eng., of Starkey & Associates Inc. The metallurgical testing results were reviewed by Mr. Starkey, a Qualified Person for the purpose of National Instrument 43-101. All samples were collected in accordance with industry standards. Splits from the drill core and RC percussion samples were submitted to the ALS sample preparation laboratory in Whitehorse, Yukon Territory, Canada, and then transferred to ALS' laboratory in Vancouver, British Columbia, Canada for fire assay and ICP analysis. Accuracy of results is tested through the systematic inclusion of standards, blanks and check assays. The mineral resource estimate referenced in this press release was prepared in November-December 2012 by Robert Sim, P.Geo., an independent Qualified Person as defined by NI 43-101. Kaminak's disclosure of a technical or scientific nature in this press release has been reviewed and approved by Dr. Rob Carpenter, Ph.D., P.Geo., Kaminak's President and CEO, who serves as a Qualified Person under the definition of National Instrument 43-101.

Cautionary Note concerning estimates of Inferred Resources:

This news release uses the term "inferred resources". Inferred resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Resources may not form the basis of feasibility or other economic studies. Kaminak advises U.S. investors that while this term is recognized and required by Canadian

regulations, the U.S. Securities and Exchange Commission does not recognize it. U.S. investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally minable.

Caution Concerning Forward-Looking Statements

Certain disclosures in this release, including management's assessment of plans, projects and intentions with respect to the further development of the Coffee Project and future exploration programs, constitute forward-looking statements that are subject to numerous risks, uncertainties and other factors relating to Kaminak's operations as a mineral exploration company that may cause future results to differ materially from those expressed or implied in such forward-looking statements, including risks as to the completion of the plans and projects. Readers are cautioned not to place undue reliance on forward-looking statements. Except as required by law, Kaminak expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

The mineral resource figures referred to in this press release are estimates and therefore insufficient to allow meaningful application of the technical and economic parameters to enable an evaluation of technical or economic viability and no assurances can be given that mining of the Coffee Project is commercially viable or that the indicated levels of gold will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the resource estimates included in this press release are well established, by their nature, resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Contacts:

Kaminak Gold Corporation
Tony Reda, Vice President of Corporate Development
Directly at 604.646.4534 or Toll Free 1.888.331.2269
info@kaminak.com
www.kaminak.com