Vancouver, British Columbia (FSCwire) - Klondike Gold Corp. (TSX.V:KG; FRA: LBDP) (“Klondike Gold” or the “Company”) is pleased to announce that it has entered into a Property Acquisition Agreement with Gimlex Enterprises Ltd. (“Gimlex”) for the purchase by Klondike Gold of a 100% interest in Gimlex’s 1,125 mining claims covering 223 square kilometers located in the Dawson mining district, Yukon Territory. Gimlex Enterprises Ltd. is a privately owned Dawson area exploration and mining business operated by the Christie family since 1984.

Upon completion of this transaction, Klondike Gold will have effectively doubled its land position covering the prospective Klondike goldfields district with direct ownership of a total of 2,780 quartz claims forming one 50 km long district-scale continuous property covering 527 square kilometers area.

Peter Tallman states “This acquisition consolidates ownership of the Klondike district into one contiguous district-spanning claim group for the first time. The claim package will allow systematic exploration, evaluation and ranking of targets across the district with geological understanding of variations and potential zonation. Klondike Gold believes there is significant potential for multiple discoveries and this consolidation will allow the greatest opportunity for testing the best possible targets. Historically a total of 20 million placer ounces of gold has been extracted from gravels derived from the bedrock of the Klondike district.”

In return for the acquisition by Klondike Gold of a 100% interest in the Gimlex mining claims plus 24 years of exploration data, the terms of the Property Acquisition Agreement are as follows:

- Payment of $500,000 in cash to Gimlex.
- Issuance to Gimlex of 3,000,000 common shares without par value in the capital of Klondike Gold
- Granting to Gimlex of a 2% net smelter returns royalty in respect of the Gimlex Property, of which Klondike Gold may purchase one-half of the NSR Royalty (being a 1% NSR Royalty) from Gimlex for cash in the amount of $1,500,000 at any time.
- Gimlex shall have the right to nominate one individual for election to the board of directors of Klondike Gold for so long as Gimlex continues to own, directly or indirectly, more than 5% of the issued and outstanding common shares of Klondike.

Dr. James Christie, President of Gimlex states “Gimlex has been exploring our Klondike quartz claims since 1992, and placer mining in the area since 1984. This opportunity will allow these quartz properties to be advanced to the next stage. Gimlex will become a significant shareholder of Klondike Gold and Tara Christie will be joining the Klondike Gold Board of Directors.”

Peter Tallman states “We welcome Tara Christie to our Board, and the Christie family as supportive and knowledgeable shareholders. The opportunity to draw upon their multi-generational experience in the Klondike district will be a strategic asset to help guide the next phases of exploration.”

Merger and compilation of exploration data is in progress. A comprehensive work program and budget for district-wide exploration is being planned. Field examination of selected targets has begun.

A map of the combined quartz claim land position is shown HERE. The map shows the extent of Klondike Gold’s claims, the location of the property on the outskirts of Dawson, the location of the Goldcorp haul road to its Coffee gold deposit through the center of Klondike Gold’s property, and the location of the historic Klondike goldfields producing creeks.

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.

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 a district-scale 527 square kilometers of hard rock and 20 square kilometers of placer claims including “McKinnon Creek” featured on the Discovery Channel show “Gold Rush”.

On behalf of Klondike Gold Corp.

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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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