Vancouver, British Columbia (FSCwire) - [Klondike Gold Corp.] (TSX.V:KG; FRA: LBDP) (“Klondike Gold” or the “Company”) provides an update of ongoing drilling currently at the Lone Star target, plus reports diamond drill assay results from the Dominion target and the Nugget Zone at the Company’s Klondike Project located near Dawson City, Yukon Territory.

SUMMARY

- Drilling is underway testing the newly remapped and sampled Lone Star target. Six drill holes are complete; the first four have been examined and contain visible gold. A total of 15 holes are planned across a 700 meter strike length. Surface grab samples with visible gold and assays outside the Lone Star area extend the target to both east and west.

- Nugget drilling yields 3.3 g/t Au over 11.93 meters including 8.2 g/t Au over 3.3 meters in EC16-55; a 20 meter step-down behind EC16-32 which intersected 5.1 g/t Au over 14.34 meters. Also, EC16-54 intersected 336.6 g/t Au over 0.22 meters.

- Dominion drilling intersects 15.4 g/t Au over 0.34 meters in DM16-01, and 1.7 g/t Au with 162 g/t Ag over 1.5 meters in DM16-08.

Drilling Update

Drilling is underway at the western end of the Company’s 50 km long property at the Lone Star target, in the vicinity of Eldorado Creek, following completion of the recent financing (see news release September 13, 2016). The Company plans to drill approximately 15 holes totalling 1,500 meters at Lone Star.

About Lone Star Target

The Lone Star target is a broad 300 by 400 meter area of historical trenching and mostly reverse circulation drilling surrounding the Klondike-era Lone Star mine (c.1910-1912). The Company has recently completed mapping, sampling, and re-interpretation of historical results and identified a prospective east-west trending gold-mineralized quartz vein array corridor through the Lone Star target area. Sampling outside the historically known area of surface mineralization to both the west and east has expanded the length of gold-bearing veins to a total of 700 meters strike length. At the western end, four new non-representative grab samples of quartz veins had gold with silver assaying from 1.8 g/t Au to 46.9 g/t Au with 5 to 21 g/t Ag. At the eastern end, five new non-representative grab samples of quartz veins had gold with silver assaying from 2.8 g/t Au to 12.4 g/t gold with 18 to 39 g/t silver. In the middle of the Lone Star target area, a quartz vein discovered by the Company in 2015 had gold assays of 1,766 g/t Au, 1,007 g/t Au, and 831 g/t Au with corresponding silver assays of 400 g/t Ag, 237 g/t Ag, and 205 g/t Ag respectively. (See news release dated January 14, 2015.) Prospecting grab samples are selective in nature; systematic test results may vary significantly.

The geology of Lone Star gold mineralization and veining is interpreted to be lithologically and structurally similar to the Nugget Zone target. The objective of this initial drill program is to test the 700 meter Lone Star corridor for consistent gold mineralization at shallow depths, and also to apply a working model of mineralization from Nugget Zone to the Lone Star area with the intention, if successful, of applying this model on a district scale.

Nugget Zone Drilling Assays

Assays have been received for 7 shallow holes from new drilling recently completed around the Nugget Zone. Significant results include:

Eastern End of Nugget Zone

- Drill hole EC16-55 intersected 3.3 g/t Au over 11.93 meters, including 8.2 g/t Au over 3.3 meters. EC16-55 is a 20 meter step-down behind EC16-32, drilled previously, which intersected 5.1 g/t Au over 14.34 meters (see news release July 14, 2016).

Central Nugget Zone

- Hole EC16-54 tested an apparent flexure or 25 meter fault offset in the Nugget vein array and intersected 336.6 g/t Au over 0.22 meters and also 2.0 g/t Au over 5.29 meters. EC16-53, drilled 25 meters above EC16-54, intersected 2.1 g/t Au over 0.85 meters in similar veining.

Gold mineralization in quartz vein arrays has been intersected at shallow depths over a strike length of 125 meters at Nugget Zone between holes EC16-54 in the center and holes EC16-32 and EC16-55 in the east. The geometry outlined to date is one of an elongate tube, outcropping in part, that has true widths of 5 meters to 15 meters. Detailed mapping has revealed centimeter to 10-meter scale northeast late faults which simply offset the continuous northwesterly trending gold mineralization; the ‘flexure’ or ‘fault’ tested by EC16-54 is a probable example.

A summary table of all drilling intersections is tabulated on our website HERE. A plan map, plus section maps, of Nugget Zone drilling and interpreted geology highlighting the recent drill holes is on our website HERE. All intersections approximately represent the true width of the zone.

Dominion Drilling Assays

Assays have been received for all 10 holes from reconnaissance drilling the Dominion area (see News Releases July 14, 2016 and August 10, 2016) which in general returned sporadic high gold results similar to the Violet Ridge area. Two holes had interesting results:

- 15.4 g/t Au over 0.34 meters intersected in DM16-01. This hole drilled under the main historic shaft.
- 1.7 g/t Au with 162 g/t Ag over 1.5 meters in DM16-08 drilled under a second shaft 450 meters away from the first.

Holes generally intersected quartz veining with anomalous lead-silver values but, like at Violet, gold contents in these were present but low. A summary table of all drilling intersections is tabulated on our website HERE.

Regional Targets

District-scale exploration beginning with regional mapping and prospecting has commenced with initial efforts directed at the newly acquired claims at the eastern end of the Company’s 50 km long property, focussing on documenting the distribution and character of lithologies, metamorphism, and gold mineralization. This work is expected to generate drill targets which will be prioritized for future drilling.

Corporate Activities

Klondike Gold has been invited to speak at the Subscriber Investment Summit in Vancouver on October 11, 2016 sponsored by Eric Coffin (*HRA Advisories*), Keith Schaeffer (*Oil and Gas Investments Bulletin*) and Tommy Humphreys (*CEO.ca*). Klondike Gold has also been invited to speak at the Metals Investor Forum on November 12 and November 13, 2016 hosted by Joe Mazumdar (*Exploration Insights*), Gwen Preston (*Resource Maven*), Eric Coffin (*HRA Advisories*), John Kaiser (*KaiserResearch.com*), Jay Taylor (*Jay Taylor’s Gold, Energy and Tech Stocks*) and Jordan Roy Byrne (*TheDailyGold.com*).

For 2016 drill core sampling and assay protocols, see news release dated July 14, 2016 or the company’s website.

Peter Tallman, Klondike Gold’s President and CEO, a Qualified Person as defined by NI43-101, has supervised, reviewed and approved the scientific and technical information contained within this news release.

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.

“Peter Tallman”
President and CEO
(604) 609-6110
E-mail: info@klondikegoldcorp.com
Website: www.klondikegoldcorp.com

Disclaimer for Forward-Looking Information

“This press release contains “forward-looking information” and “forward-looking statements” within the meaning of applicable securities laws. This information and statements address future activities,

events, plans, developments and projections. All statements, other than statements of historical fact, constitute forward-looking statements or forward-looking information. Such forward-looking information and statements are frequently identified by words such as “may,” “will,” “should,” “anticipate,” “plan,” “expect,” “believe,” “estimate,” “intend” and similar terminology, and reflect assumptions, estimates, opinions and analysis made by management of Klondike in light of its experience, current conditions, expectations of future developments and other factors which it believes to be reasonable and relevant. Forward-looking information and statements involve known and unknown risks and uncertainties that may cause Klondike’s actual results, performance and achievements to differ materially from those expressed or implied by the forward-looking information and statements and accordingly, undue reliance should not be placed thereon.

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.”

To view this press release as a PDF file, click onto the following link:
public://news_release_pdf/klondikegold09282016_0.pdf

Source: Klondike Gold Corp. (TSX Venture:KG)

To follow Klondike Gold Corp. on your favorite social media platform or financial websites, please click on the icons below.