

Vancouver, British Columbia (FSCwire) - [Klondike Gold Corp.](#) (TSX.V:KG; FRA: LBDP) (“Klondike Gold” or the “Company”) provides an interim update on diamond drilling, geophysical surveying, and soils surveying and includes an important new geological interpretation of its mineralized zone at Lone Star within the Company’s Klondike district property, Yukon Territory.

Summary:

- Visible gold is identified in each of the first four drill holes at the Lone Star target that have been logged in detail. Thirteen diamond drill holes have intersected the prospective target horizon adjacent to the newly recognized “Bonanza Fault”. Drilling is ongoing, averaging one complete hole per day.
- The newly recognized Bonanza Fault is interpreted to be a significant locus for orogenic gold mineralization. Drilling has now intersected the Bonanza Fault over a 750 meter strike length. Recent mapping and geophysical surveys indicate a 7,500 meter potential strike length.
- 3D induced polarization (“3D IP”) surveying is underway. Approximately 15 line kilometers have been surveyed out of 40 line kilometers in total.
- Soil sampling has commenced. 2,057 samples have been submitted for analysis; up to an additional 5,000 are planned for collection.

Visible gold is identified in each of the first four 2017 drill holes at the Lone Star target that have been logged in detail. A total of thirteen holes drilled so far have intersected the prospective target horizon adjacent to the newly recognized “Bonanza Fault”.

At the Lone Star target gold occurs within a recently defined “laminated schist” field unit that is the prospective gold mineralized target horizon. This unit is associated with a major second-order “D4” high-angle fault termed the “Bonanza Fault” which is variably silicified, carbonate altered, and mineralized with pyrite. Recent mapping and geophysical surveys indicate a 7,500 meter potential strike length. The newly recognized Bonanza Fault is interpreted to be a significant locus for orogenic gold mineralization.

The working model interprets the Lone Star area as having potential for multiple structural zones of parallel, linked mineralization and builds on drilling results achieved in late 2016 where broad intercepts of disseminated gold mineralization along the Bonanza Fault of up to 2.4 g/t Au over 37.0 meters in “laminated schist” were intersected across “a strike length of 700 meters… open in all directions” (see NR’s November 1, 2016 and January 19, 2017).

The start of the ongoing 2017 Phase 1 drill program has targeted at-surface gold mineralization along the 700 meter mineralized strike length identified in 2016 with thirteen 50 meter-spaced step-out and infill holes so far. The first four holes of 2017 contain visible gold, and these holes are step-outs from last year’s intersection of 2.4 g/t Au over 37.0 meters in LS16-58. A plan map of 2017 drill locations is available on our website [HERE](#).

Drilling is ongoing. Approximately 20 drill holes are planned in Phase 1. A total of 50 to 60 holes are anticipated in three to four drilling phases through the season, with Phase 2 drilling planned to begin in mid-July.

3D induced polarization (“3D IP”) surveying is in progress. A total of approximately 15 line kilometers have been surveyed thus far. Approximately 40 line kilometers of survey is planned. Preliminary results from this survey will be used to target Phase 2 drilling. A total of 2,057 soil samples have been submitted for analysis. These soil samples were collected from predominantly “ridge and spur” reconnaissance directed at discovering anomalous new areas for follow up. Additional reconnaissance and detailed soil surveying is planned.

Work is focussing on advancing the multi-kilometer long Lone Star exploration target, the first significant sizeable gold-bearing bulk-tonnage type target area outlined within the district. More broadly across the district, the working geologic model is generating other quality targets that are taking shape throughout the Company’s expanded claim holdings (see NR August 8, 2016).

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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