Klondike Gold 2020 Lone Star Zone Drilling Results

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VANCOUVER, July 30, 2020 - Klondike Gold Corp. (TSXV:KG)(FRA:LBDP)(OTC PINK:KDKGF) ("Klondike Gold" or the "Company") is pleased to announce results of Phase 1 diamond drilling at the Lone Star Zone (described in News Releases June 1, 2020 and July 7, 2020) on the Company's wholly owned 586 square kilometer Klondike District Property, Yukon Territory. Phase 1 drilling tested for consistency in grade of gold mineralization and was designed to constrain the geometry and boundaries of gold mineralization. Information obtained from results will be used to prioritize next phases of drilling scheduled to commence in August.

SUMMARY:

- The Company has received assays from the Phase 1 diamond drilling program targeting a 125-meter length by 75-meter width at the western end of the known 3.0 kilometer gold-mineralized length of the Lone Star Zone along the Bonanza Fault.
- A total of 13 new holes were drilled at Lone Star on four sections totaling 748.24 meters.
- The drilling was designed to provide 25 by 25-meter hole spacing within a 125-meter by 75-meter area as shown in Figure 1. The Lone Star Zone is gold mineralized from surface over a 60-meter width across the 125-meter length tested in detail, with lateral and vertical grade continuity.
- This Phase 1 program extended gold mineralization 25-meters further southward, expanding the Lone Star Zone in this direction and opening a significant area with gold potential to test further to the east along the 3.0 km length.
- Core logging the Lone Star Zone Phase 1 drill holes documented the Bonanza Fault as a major 60+ meter wide "D3" thrust fault which was re-activated during a 4th deformation event "D4" and was accompanied by gold mineralization. (see NR dated December 10, 2019)
- Assays from Phase 2 and Phase 3 diamond drill holes targeting respectively the Stander Zone and potential Stander Zone extensions are still pending.

Peter Tallman, President and CEO of Klondike Gold stated "Positive results from the Lone Star Zone continue to solidify the Company's guiding geologic theory of gold mineralization in the Klondike. The grade and consistency of the drill results reported here at Lone Star and other areas allow the Company to move away from exploration and towards resource delineation".

PHASE 1 LONE STAR ZONE DRILLING RESULTS

Thirteen drill holes at the western end of the Lone Star Zone on four drill ‘Sections' tested a sub-area where gold mineralization outcrops over a 125 meter by 75-meter area shown in Figure 1. A total of 748.24 meters of core was drilled. All holes had 200-degree azimuth. The collar dip is -85 or -55 degrees angle from surface as noted in the following Drill Summary Table.

Drill Hole Summary Table, Phase 1 Lone Star, 2020

Hole ID	Easting	Northing	Azimuth	Dip	Depth (m)
LS20-336	586558	7086361	200	85	67.06
LS20-337	586551	7086344	200	85	79.25
LS20-338	586550	7086345	200	55	51.82
LS20-339					

586536

7086319

200

85

54.82

LS20-340	586536	7086319	200	55	30.48
LS20-341	586558	7086320	200	85	65.53
LS20-342	586573	7086316	200	85	53.34
LS20-343	586573	7086316	200	55	60.96
LS20-344	586620	7086316	200	85	50.29
LS20-345	586620	7086316	200	55	48.77
LS20-346	586613	7086296	200	85	39.62
LS20-347	586623	7086331	200	85	65.53
LS20-348	586580	7086338	200	85	80.77
Total 2020 Phase 1					748.24

The width of the Lone Star Zone gold mineralization has been extended southward by 25-meters to the south, wider than previously mapped, opening a large area with gold potential to test further to the east along the known 3.0 km mineralized strike length.

Core logging of the Lone Star Zone Phase 1 drill holes documented the Bonanza Fault as a major 60+ meter wide "D3" thrust fault (the "Bonanza Fault") exhibiting significant progressive alteration (silicification, fuchsite alteration, chlorite-magnetite, and epidote) and deformation (laminar D3 shear fabric, and D4 intense z-folds, kink-foliation fabrics, and extensional quartz fracture veins). Gold mineralization within the Lone Star Zone occurs as disseminations within the laminar shear portions hosted along later kink-foliation planes, and as extensional gold-bearing quartz veinlets within more brittle portions of the deformation zone. The Company's mapping supports earlier interpretations that the Bonanza Fault cuts a regional recumbent anticline that folds Klondike district rocks and this is an important potential gold-fluid focus and trap for gold-bearing fluids and a high priority exploration target.

Figure 1: Plan Map of location of Phase 1 Drilling at Lone Star Zone.

Section 1

On Section 1, both LS20-339 and LS20-340 intersected gold mineralization from surface; LS20-339 intersected 0.94 g/t au over 34.0 meters and LS20-340 intersected 5.82 g/t Au over 5.0 meters. Both intersections were unexpected and positive by extending gold mineralization to the south. LS20-337 and LS20-338 intersected typical broad widths of Lone Star Zone with gold mineralization disseminated and as thin sheeted veins which assayed 1.07 g/t Au over 61.1 meters and 0.8 g/t Au over 49.07 meters respectively, starting from surface.

Section	Hole ID	Dip	From_m	To_m	Au g/t	Interval_m
1	LS20-336	-85	53.00	58.00	2.78	5.00
1	LS20-337	-85	5.00	66.00	1.07	61.10
1	including		15.00	37.00	2.01	22.00
1	LS20-338	-55	2.75	51.82	0.80	49.07
1	including		18.00	51.00	1.00	33.00

1	LS20-339	-85	5.00	39.00	0.94	34.00
1	LS20-340	-55	6.00	11.00	5.82	5.00
1	including		7.00	8.00	25.92	1.00

Figure 2: Section 1 Schematic with geology and mineralized Lone Star Zone.

Section 1.5

On Section 1.5, LS20-341 drilled to confirm the edge of mineralization also unexpectedly intersected gold further southward and assayed 0.53 g/t Au over 14.1 meters typical of Lone Star Zone mineralization. LS17-82 and LS16-58 (reported previously in 2016 and 2017 and included here for reference) each intersected typical Lone Star Zone mineralization north of LS20-341 and assayed 2.41 g/t Au over 41.2 meters and 2.37 g/t Au over 37.0 meters respectively.

Section	Hole ID	Dip	From_m	To_m	Au g/t	Interval_m
1.5	LS17-82	-50	10.42	51.63	2.41	41.20
1.5	LS16-58	-55	6.50	43.50	2.37	37.00
1.5	LS20-341	-85	28.00	42.10	0.53	14.10
	including		51.00	52.00	0.74	1.00

Figure 3: Section 1.5 Schematic with geology and mineralized Lone Star Zone.

Section 2

On Section 2, LS20-348 intersected Lone Star Zone gold mineralization from surface assaying 0.69 g/t Au over 42.2 meters. LS20-342, 25 meters in front of LS20-348, also intersected Lone Star Zone gold mineralization from surface assaying 0.71 g/t Au over 38.0 meters. LS20-343, drilled to test for the southern extent of Lone Star Zone, passed out of the Zone at the start of the hole somewhat as predicted.

Section	Hole ID	Dip	From_m	To_m	Au g/t	Interval_m
2	LS20-348	-85	2.80	45.00	0.69	42.20
2	LS20-342	-85	4.00	42.00	0.71	38.00
2	including		32.00	33.00	10.11	1.00
2	LS20-343	-55	21.00	22.00	3.12	1.00
2	including		40.00	41.00	1.58	1.00

Figure 4: Section 2 Schematic with geology and mineralized Lone Star Zone.

Section 3

On Section 3, LS20-347 and LS20-340 intersected gold mineralization from surface; LS20-339 intersected 0.94 g/t Au over 34.0 meters and LS20-340 intersected 5.82 g/t Au over 5.0 meters. Both intersections were unexpected and positive by extending gold mineralization to the south. LS20-337 and LS20-338 intersected

typical broad widths of Lone Star Zone with gold mineralization which assayed 1.07 g/t Au over 61.1 meters and 0.8 g/t Au over 49.07 meters respectively, starting from surface.

Section	Hole ID	Dip	From_m	To_m	Au g/t	Interval_m
3	LS20-347	-85	24.00	56.00	0.59	32.00
3	including		37.00	48.00	1.23	11.00
3	LS20-344	-85	3.05	45.00	0.59	41.95
3	including		3.05	23.00	1.07	19.95
3	LS20-345	-55	4.50	37.00	0.33	32.50
3	including		4.50	8.00	1.61	3.50
3	LS20-346	-55	3.05	16.70	0.50	13.65
3	including		3.05	8.30	0.81	5.25

Figure 5: Section 3 Schematic with geology and mineralized Lone Star Zone.

Results from the Phase 1 program are anticipated to provide data to allow consideration of a resource volume leading to evaluation as a potential ‘starter open pit'.

Results from Phase 2 diamond drilling program targeting Stander Zone and Phase 3 program targeting Stander Zone extensions in conjunction with mapping, prospecting and trenching programs, are pending.

Figure 6: Location Map of Phase 1 Lone Star Zone 2020 Drilling

COVID-19 UPDATE

Regarding COVID-19, Yukon has remained virus-free since late April and has relaxed civil and travel restrictions, however the Company is continuing protocols and measures that mitigates the risks of COVID-19 infection and transmission to protect our local host community, our contractors and our employees.

ASSAY PROTOCOLS

All 2020 drill holes referenced in this release produced NTW (5.71cm dia.) drill core. Assay samples from drill core are cut using a diamond saw. Half the core sample interval is bagged, tagged, and sealed; the other half is returned to the core box with a corresponding tag and retained for reference. Two gold reference standards, two blank samples (a coarse and a fine), and a coarse sample duplicate per 100 samples, are routinely inserted as part of Klondike Gold's quality assurance / quality control ("QA/QC") program, independent of and additional to the laboratory QA/QC program.

Sample bags are aggregated into rice bags, sealed, and submitted by Klondike Gold personnel to Bureau Veritas Mineral Laboratories ("BV Labs") preparation facility in Whitehorse, YT with chemical analysis of sample pulps completed in Vancouver, British Columbia. Bureau Veritas Labs is an accredited ISO 9001:2008 full-service commercial laboratory.

At BV Labs each drill core sample is crushed to 70% passing 2 mm size. A 400 g subsample is pulverized to 85% passing 75 microns size (200 mesh)(Code PRP70-500). All samples of 400 g were sieved to 106 microns (140 mesh) for "metallic screen" assaying. The +140 mesh fraction is weighed and assayed for gold

by fire assay ("FA") fusion with a gravimetric finish (Code FS631). A 30 g subsample of the -140 mesh fraction is assayed for gold by fire assay ("FA") fusion with an atomic absorption ("AA") finish (Code FA430). All over-limit results in excess of 10 ppm (10 g/t) for both silver and gold are re-assayed using a 30 g subsample and assayed by FA with a gravimetric finish (Code FA530-Au/Ag). Total gold grade is then calculated using a weighted average of the plus and minus fraction assay results.

QUALIFIED PERSONS REVIEW

The technical and scientific information contained within this news release has been reviewed and approved by Ian Perry, P.Geo., Vice-President Exploration of Klondike Gold Corp. and Qualified Person as defined by National Instrument 43-101 policy.

ABOUT KLONDIKE GOLD CORP.

Klondike Gold Corp. is a Vancouver based gold exploration company advancing its 100%-owned Klondike District Gold Project located at Dawson City, Yukon Territory, one of the top mining jurisdictions in the world. The Klondike District Gold Project targets gold associated with district scale orogenic faults along the 55-kilometer length of the famous Klondike Goldfields placer district. To date, multi-kilometer gold mineralization has been identified at both the Lone Star Zone and Stander Zone, among other targets. The Company is focused on exploration and development of its 586 square kilometer property accessible by scheduled airline and 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.

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