Karus Gold Drills 12.4 m of 4.3 g/t Gold at FG Gold Confirming Continuity of the Lower Zone Discovery with Widely Spaced Holes

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Assays Pending on 9 Additional Holes in which 4 Intersected Visible Gold Over a 1.8-kilometer Strike

Vancouver, April 22, 2021 - Karus Gold Corp. ("Karus Gold" or the "Company") announces additional high-grade gold drill results including 12.4 meters ("m") of 4.3 g/t gold in hole FG-20-376, starting at 239.4 m downhole in the Lower Zone of the FG Gold Project ("Project" or "FG Gold"), part of the 1,000 square kilometer ("km") South Cariboo Gold Property in British Columbia.

Additionally, hole FG-20-376 which intercepted 62.3 m of 1.7 g/t gold, confirms broad mineralization and higher-grade potential within the Upper Zone which hosts an at surface historical resource. All five holes included in this news release successfully expanded the footprint of gold mineralization beyond the historical resource area.

These results suggest the Lower Zone now hosts a mineralized footprint of approximately 650 m of strike and over 300 m down dip of historical drilling, while the remaining nine holes to be released over a 1.8 km strike could substantially increase this mineralized footprint of the FG Gold project.

Highlights

- FG-20-376, 100 m from the discovery hole FG-20-377 (14.3m of 6.4 g/t gold) returned 20.9m of 2.9 g/t gold, confirming the continuity of gold mineralization within the Lower Zone discovery and includes:
-- 12.4 m of 4.3 g/t gold at 239.4 m downhole, including:
-- 1 m of 38.0 g/t gold at 240.3 m downhole

- FG-20-378 returning 62.3 m of 1.7 g/t gold confirms higher grades than those previously reported in FG-20-368 including:
-- 6.6 m of 9.7g/t gold at 195.9 m.

- Drilling further strengthens the understanding of the geology and highlights underground potential for FG Gold with 3.6 km of mineralized strike and unconstrained depth potential.

- Assays pending for nine additional holes over 1,800 m of lateral strike length in which all have intersected quartz veining in the Lower Zone in which four of these holes showed visible gold.

- Project remains vastly underexplored along a >20-km trend, providing many opportunities for resource expansion and new discoveries on-strike and down dip.

Karus Gold CEO, Andrew Kaip, comments, "To date, the results from the 2020 drilling program support our belief that FG Gold is a large orogenic gold system many times larger than the historical resource area. Results indicate that the Company is finding further, high grade mineralized zones well outside of historical drilling, providing greater confidence in the structural interpretation and geologic model of the FG Gold deposit."

Mr. Kaip continues, "Karus Gold is well advanced in planning an exploration program for 2021 that is expected to include a minimum 15,000 m of drilling at FG Gold to demonstrate continuity of high-grade gold mineralization; and continue to expand the footprint of gold mineralization along strike and down dip of historical drilling. We will provide more details on the 2021 exploration program in the coming weeks and as we get closer to listing on a stock exchange later in Q2 2021."

Karus Gold was formed in January 2021 pursuant to a spin-out transaction from KORE Mining Ltd ("KORE"), whereby KORE transferred ownership of its Canadian exploration properties, including FG Gold (see Karus Gold's news release dated January 25, 2021 for more information).

Exploration Program Details

Fifteen large diameter (HQ) oriented core drill holes for a total of 5,830 m were completed from June to October 2020. The drill program was designed to step-out up to 200 m downdip and test nearly 2 km along strike. The program is targeting the continuation of known gold-mineralized [orogenic] quartz veins further down-dip and along strike within prospective and un-tested regions of the targeted [phyllite] host rock.

Assays from holes FG-20-376, and holes FG-20-378 to FG-20-381 are reported in this release with all other hole assays pending. A plan map of the drill collars and traces is included in Figure 1, including the location of the cross section, Figures 2 and 3. A long section showing the location of the drill results released in relation to historical drilling is shown in Figure 4. The full table of results are included below.

Due to coarse visible gold, metallic screening assays provide a much more representative sample versus conventional fire assays. Historical drilling and assays had limited and sporadic metallic screen analyses which may have underestimated historical gold grades. See below for more details on metallic screens.

Detailed Discussion of Results

Structural analysis and re-interpretation of historical drilling carried out prior to initiation of 2020 drilling by Karus Gold highlighted significant potential for expanding high grade gold zones below the extents of historical drilling. 2020 drilling was designed to test the hypothesis that high grade gold zones correlating to plunge lines within both limb and hinge zones and are extendable both at depth and along strike. Gold-bearing quartz vein swarms appear to be correlated with high-deformation areas and hinge/limb areas of locally folded strata. The orientation [azimuth] of the drilling was intended to delineate potential continuous 'mineral-shoots' within the mineralized zones.

The cross-section in Figure 2 (Section line A to A' on Figure 1) shows the location of FG-20-376, 185 m up-dip from the 14.3 m of 6.4 g/t gold at 386 m downhole as previously reported by KORE in hole FG-20-377 (see KORE's news release dated November 11, 2020). The 20.9 m of 2.9 g/t gold at 239.4 m, including 12.4 m of 4.3 g/t gold at 239.4 m downhole in FG-20-367 demonstrates continuity of gold mineralization for 330m along the Lower Zone down-dip from historical drilling.

The Figure 3 (cross-section B to B' on Figure 1) shows the location of the 62.3 m of 1.7 g/t gold, including 6.6 m of 9.7 g/t gold in FG-20-378. Results from FG-20-378 improve upon the anomalous gold mineralization encountered in FG-20-373, which was terminated in gold mineralization and highlights the potential of the Upper Zone to contain broad intervals of better than predicted gold mineralization based on past drilling. FG-20-379, drilled along the same section line as FG-20-378, successfully tested both the Upper and Lower Zones down dip of previous drilling. The hole intersected 11.5 m of 2.4 g/t gold, extending Upper Zone gold mineralization a further 160 m down dip. The Lower Zone was successfully tested a further 210 m down dip where FG-20-379 intersected a 50.5 m wide interval of anomalous gold mineralization including 3 m of 5.8 g/t gold.

FG-20-380 (located in Figure 4) is located 300 m southeast of Section B to B' (Figure 3) encountered both Upper and Lower Zone mineralization. The Lower Zone returned a broad interval of anomalous gold mineralization beginning at 346.7 m of 1.1 g/t gold over 49.9 m, including 15.5 m of 1.9 g/t gold 330m down dip of historical drilling.

FG-20-381 (located in Figure 4) is located 100 m southeast of FG-20-280 and was drilled along the fourth section line to test the continuity of gold mineralization down dip of historical drilling. The 24 m of 1.3 g/t gold, including 7 m of 3.1 g/t gold in FG-20-381 successfully extends the Lower Zone for 330 m down dip of historical drilling. Assay results for FG-20-381 along with FG-20-382 and 383 are awaiting metallic screen assay results and will be reported in the coming weeks.

2020 drill holes FG-20-376 to FG-20-386 are drilled across four complete cross sections over a strike of ~650 m designed to cross both upper and lower zones to allow for correlation both down dip and along strike of both the Upper and Lower Zones. Holes FG-20-387 to FG-20-390 test for lateral and down-dip mineralization in areas below sparse historical drilling. Drilling in 2020 tests over 1,780 m of strike length below the limits of historical drilling. Hole location data for drill holes FG-20-376 to FG-20-381 are included at the end of this news release.

To date, the results from the 2020 drilling program are very encouraging to Karus Gold. Early results indicate that the Company is finding further, high grade mineralized zones well outside of historical drilling, providing greater confidence in the structural interpretation and geologic model of the FG Gold deposit.

Table of drill results

Drill Hole	Zone	From (m)	To (m)	Length1,2 ()	Gold Grade3 (g/t)
FG-20-376	Lower	239.4	287.3	47.9	1.6
incl.					
	239.4	260.3	20.9	2.9	
incl.					
	239.4	251.8	12.4	4.3	
FG-20-378	Upper	174.1	177.0	2.9	7.7
and	Upper	195.9	258.3	62.3	1.7
incl.					
	195.9	202.5	6.6	9.7	
incl.					
	214.0	224.6	10.6	1.8	
	236.4	250.3	13.9	1.0	
FG-20-379	Upper	286.0	297.5	11.5	2.4
and	Lower	430.1	480.5	50.5	0.8
inc					
	432.0	449.0	17.0	1.7	
inc					
	445.0	448.0	3.0	5.8	
FG-20-380	Lower	346.7	396.5	49.9	1.1
inc					
	349.5	378.5	29.0	1.5	
inc					
	363.0	378.5	15.5	1.9	
FG-20-3814	Upper	272.5	287.1	14.6	0.6
	Lower	333.0	357.0	24.0	1.1
inc					
	344.0	351.0	7.0	3.1	

1. Karus Gold has not been able to determine true width yet due to complexity of the vein structures within the mineralized zones. The 2020 drill program was designed to better understand the geometry and how the mineralized zones are related. The orientation of individual quartz veins within the mineralized zones are quite variable. Reported widths are drill indicated core length and not true width, for the reasons above. Average grades are calculated with un-capped gold assays, as insufficient drilling has been completed to determine capping levels for higher grade gold intercepts.

2. Drilling data on the Lower Zone is currently limited and the true thickness and orientation of the zone is not firmly known. However, based on current data, it is estimated that intercept represents ~50%-65% of the true thickness of the zone.

3. Composites are calculated using a 0.3 g/t Au cutoff, incorporating no more than 7m downhole dilution. Higher grade composite sections are calculated using a 1 g/t and 3g/t cutoff incorporating no more than 5 m downhole dilution. Where screen metallic data is present, it is used preferentially for composites over Fire Assay data as it is more representative of the true sample value due to the increased sample volume processed and the multiple gold size fractions analyzed.
4. Pending screen analysis.

Details of Metallic Screen Assaying

Metallic screen assays are often used in exploration when coarse or visible gold is present in the core as is the case at the FG Gold Project. Traditionally, fire assays are undertaken on 30-50 grams of pulverised sample. The metallic screen fire assay uses a larger sample (1 kilogram in Karus Gold's case), with screening (to -106 micron) to separate coarse gold particles from fine material. After screening, two samples of the fine fraction are analyzed using the traditional fire assay method. The fine fraction is expected to be reasonably homogenous. The entire coarse fraction is assayed to determine the contribution of the coarse gold. This method helps reduce the erratic assay results often seen in the higher-grade zones found in "nuggety" gold deposits such as the FG Gold Project. All assays are performed at accredited independent commercial assay labs.

Regional Geology

The FG Gold property straddles the boundary between the Omineca and Intermontane tectonics belts of the Canadian Cordillera. The eastward emplacement of the Intermontane Belt onto the Omineca Belt along the Eureka Thrust Fault caused widespread regional metamorphism and structural deformation of both Belts. The regional scale, northwest trending, shallowly plunging, Eureka Syncline is the dominant resulting structure in the project area. Rocks in the core of the Eureka Syncline are comprised of basalt, augite porphyry flows, tuffs and volcanic breccias metamorphosed to a low grade; they are structurally emplaced onto metavolcanic and sedimentary rocks of the Quesnel Terrane. The Quesnel Terrane is recognized for its prevalence of copper, gold and molybdenum mines and showings such as those at Highland Valley, Boss Mountain, QR and Mount Polley.

Property Geology

The FG Gold property is centrally located over the Eureka Syncline, strategically encompassing two limbs and the hinge zone of a gold-bearing meta-sedimentary rock unit of the Quesnel Terrane. The gold-bearing rock, a 'knotted' phyllite, is the host rock for gold mineralization over the 3 km strike length of the Resource Area (see Figure 1). Surface mapping and geophysical inversion of airborne electromagnetic (EM) data suggests the knotted phyllite has a strike length of over 20 km with potentially thickened regions occurring in the Eureka Syncline hinge zone (Kusk Zone Target) (see Figure 1).

Gold mineralization occurs in and is associated with development of quartz - Fe carbonate - muscovite - pyrite vein stockwork. The stockwork is best developed in the knotted phyllite unit. Stockwork zones locally concentrate in zones greater than 10 m wide and are dominantly stratabound. Fe-carbonate alteration and carbonate porphyroblasts development within the knotted phyllite unit is observed to extend well outside immediate areas of veining.

About the FG Gold Project

The FG Gold project consists of 35 claims, totaling 13,008 hectares, in the eastern Cariboo region of central British Columbia, approximately 100 km east of Williams Lake. The project is at low elevation and accessible by forestry roads. FG Gold hosts an orogenic gold deposit on the northeast limb of the Eureka syncline. The southwest limb and hinge zone are underexplored. The Project also hosts copper-gold porphyry mineralization at the Nova Zone, discovered in 2018. Figure 4 highlights the 20 km trend of host rock expression at surface.

The 20 km trend is defined by gold in soils and geophysics that traces the mineralized rock group around the regional syncline. The Project has only been shallowly drilled where the mineralized rock group comes to surface. Past drilling averages only 93 m deep into a steeply plunging sedimentary host rock. Mineralization is open at depth and along almost the entire trend. Figure 5 is a regional view to the northwest of the host rock potential of the Eureka syncline and that extends through Eureka Ridge and highlighting the tens of kilometers of exploration potential relative to the area of historical drilling.

FG Gold is part of Karus Gold's 1,000 km2 South Cariboo Gold District which hosts 110 km of the Eureka thrust structural trend ("Trend") that drives gold mineralization in the District. The Trend is highly prospective for orogenic gold deposits, some of largest in the world, and includes the Company's Gold Creek Project. The Cariboo region is accessible with local power, well developed road network and skilled local labour from multiple current and past operating mines.

The previous drilling targeted stratigraphic controls on mineralization and did not penetrate into the bulk of the host-rock structure. Drilling was largely done with reverse circulation ("RC") drilling and narrow core to generate shallow bulk-disseminated gold intercept models. Within the current resource there appears to be mineralized corridors or chutes that are open at depth in the host rock.

More information on the NI 43-101 technical report dated December 16, 2020 "Technical Report on the South Cariboo Gold Property" filed under Karus Gold's profile on SEDAR at www.sedar.com and on Karus Gold's website at www.karusgold.com.

About Karus Gold

Karus Gold is 100% owner of the 1,000 km2 South Caribou Gold Project that includes the drill-stage FG Gold and Gold Creek projects in British Columbia. Karus Gold is supported by strategic investors Eric Sprott; and insiders, together with the management and Board, own approximately 59% of the basic shares outstanding.

Further information on Karus Gold and its assets can be found on the Company's updated website at www.karusgold.com and at www.sedar.com, or by contacting us as info@karusgold.com or by telephone at (888) 455-7620.

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Once the drill core was received from the drill site, individual samples were determined, logged for geological attributes, sawn in half, labelled, and bagged for assay submittal. The remaining drill core was then stored at a secure site in Horsefly, BC. The Company inserted quality control samples at regular intervals within the sample stream which included blanks, preparation duplicates, and standard reference materials with all sample shipments intended to monitor laboratory performance. Sample shipment was conducted under a chain of custody procedure.

Drill core samples were submitted to Bureau Veritas' analytical facility in Vancouver, BC for preparation and analysis. Sample preparation included drying and weighing the samples, crushing the entire sample, and pulverizing 250 grams. Analysis for gold was by method FA450: 50g fire assay fusion with atomic absorption (AAS) finish with a lower limit of 0.005 ppm and upper limit of 10 ppm. Gold assays greater than 10ppm are automatically analysed by method FA550: 50g fire assay fusion with a gravimetric fusion. Metallic screen techniques were employed to assay gold mineralized zones thought to contain coarse gold. Approximately 1000 grams of coarse reject material are pulverized and screened. Two splits of the fine fraction are assayed, as well as all material that does not pass through the screen (the coarse fraction). The final gold assay reported is a weighted average of the coarse and fine fractions.

Bureau Veritas is accredited to the ISO/IEC 17025 standard for gold assays, and all analytical methods include quality control materials at set frequencies with established data acceptance criteria. Parameters for Bureau Veritas' internal and Karus Gold's external blind quality control samples were acceptable for the analyses returned.

Technical information with respect to the Project contained in this news release has been reviewed and approved by Michael J. Tucker, P.Geo., who is Karus Gold's VP Exploration and is a qualified person under National Instrument 43-101 responsible for the technical matters of this news release.

Cautionary Statement Regarding Forward-Looking Information

This news release contains forward-looking statements relating to the future operations of the Company and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects", "suggests" and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding the future plans and objectives of the Company are forward-looking statements. Such forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business. Management believes that these assumptions are reasonable. Forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information.

Such factors include, among others: risks related to exploration and development activities at the Company's projects, and factors relating to whether or not mineralization extraction will be commercially viable; risks related to mining operations and the hazards and risks normally encountered in the exploration, development and production of minerals, such as unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction and removal of materials; uncertainties

regarding regulatory matters, including obtaining permits and complying with laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters, and the potential for existing laws and regulations to be amended or more stringently implemented by the relevant authorities; uncertainties regarding estimating mineral resources, which estimates may require revision (either up or down) based on actual production experience; risks relating to fluctuating metals prices and the ability to operate the Company's projects at a profit in the event of declining metals prices and the need to reassess feasibility of a particular project that estimated resources will be recovered or that they will be recovered at the rates estimated; risks related to title to the Company's properties, including the risk that the Company's title may be challenged or impugned by third parties; the ability of the Company to access necessary resources, including mining equipment and crews, on a timely basis and at reasonable cost; competition within the mining industry for the discovery and acquisition of properties from other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel; access to suitable infrastructure, such as roads, energy and water supplies in the vicinity of the Company's properties; and risks related to the stage of the Company's development, including risks relating to limited financial resources, limited availability of additional financing and potential dilution to existing shareholders; reliance on its management and key personnel; inability to obtain adequate or any insurance; exposure to litigation or similar claims; currently unprofitable operations; risks regarding the ability of the Company and its management to manage growth; and potential conflicts of interest.

Forward-looking statements contained herein are made as of the date of this news release and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

There is no certainty that all or any part of the mineral resource will be converted into mineral reserve. It is uncertain if further exploration will allow improving the classification of the Indicated or Inferred mineral resource. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Figure 1. Location of Diamond Drill Holes and Section Lines
To view an enhanced version of Figure 1, please visit:
https://orders.newsfilecorp.com/files/7720/81349_e4ad52fd346b3a06_001full.jpg

Figure 2. Cross Section A to A' showing FG-20-376 (View to Northwest)
To view an enhanced version of Figure 2, please visit:
https://orders.newsfilecorp.com/files/7720/81349_e4ad52fd346b3a06_002full.jpg

Figure 3. Cross Section B to B' showing FG-20-378 and 379 (View to Northwest)
To view an enhanced version of Figure 3, please visit:
https://orders.newsfilecorp.com/files/7720/81349_e4ad52fd346b3a06_003full.jpg

Figure 4. Long Section of FG Gold Main Zone Showing Lower Zone Intersections and Visible Gold (View to Northwest)
To view an enhanced version of Figure 4, please visit:
https://orders.newsfilecorp.com/files/7720/81349_e4ad52fd346b3a06_004full.jpg

Figure 5. View to the Northwest of the Eureka Syncline showing the Property-scale Potential to Expand Gold Mineralization Potential at FG Gold
To view an enhanced version of Figure 5, please visit:
https://orders.newsfilecorp.com/files/7720/81349_e4ad52fd346b3a06_005full.jpg

Table of Drill Hole Collar Locations

Drill Hole	Length (m)	Azimuth	Dip	Easting	Northing	(m)
FG-20-376	361.5	225	-75	665103	5797713	1563
FG-20-377	439.5	229	-55	665102	5797706	1561
FG-20-378	331.5	220	-80	665212	5797567	1546
FG-20-379	507	225	-55	665212	5797567	1546
FG-20-380	503	227	-55	665437	5797279	1555
FG-20-381	406.5	245	-55	665497	5797234	1561