

Klondike Gold Corp.

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Klondike Gold closes \$770,000 private placement to extend drilling at encouraging Yukon project

Klondike Gold Corp (CVE:KG) (OTCMKTS:KDKGF) has closed a non-brokered flow-through private placement, raising \$770,000 which will be used to extend the company's drilling program for the year.

The Vancouver-based company recently reported encouraging drill results from the Nugget zone at its 576 square kilometer Klondike District property in Yukon, where high grade gold has been found.

READ: Klondike Gold reports encouraging high grade gold assays from Yukon project

In a statement on Tuesday, Klondike Gold president Peter Tallman said that following the release of the "excellent drill results" at Nugget Zone, the company felt it was imperative to keep drilling.

"This financing provides funding for an extension of the 2019 drill program," Tallman noted.

"An additional 20+ holes are planned to be drilled to test for extensions of positive results obtained. Drilling and related work will now continue into October," he added.

The Vancouver-based firm said last month that 12 holes had been tested from the Nugget zone, with the results from nine reported so far. Highlights from those tests include one hole which hit new mineralization at a bonanza grade of 1,009 grams per ton (g/t) gold and 1,035 g/t of silver over 1 meter.

This assay was included in a wider interval that graded 404 g/t of the yellow metal with 415 g/t of silver over 2.5 meters. Klondike noted that this represents a new discovery 25 meters below the known Nugget Zone mineralization and, significantly, it remains open.

The company pointed out that the Nugget zone is associated with an 8 kilometer magnetic low named the Nugget Fault which hosts gold-bearing quartz veins at Glacier Gulch, Nugget East, Upper Eldorado and some small mine workings and outcrops over a strike of 2.5 kilometers.

Drilling to target the Nugget fault, including the Nugget zone, began around mid-June this year.

Private placement

The company said the private placement consisted of 1,925,000 units issued at the price of \$0.40 each. Each flow-through unit consists of one share, and one-half of one common share purchase warrant. Each warrant is exercisable to purchase one additional non flow-through company share at a price of \$0.50 for a period of three years expiring on September 3, 2022.

The company said the securities issued in connection with the financing will be subject to a statutory hold period which expires on January 4, 2020.

Price: 0.235

Market Cap: \$26 m

1 Year Share Price Graph



Share Information

Code: KG

Listing: TSX-V

52 week High Low
0.45 0.17

Sector: Gold & silver

Website: www.klondikegoldcorp.com

Company Synopsis:

Klondike Gold Corp. is a Canadian exploration company with offices in Vancouver, British Columbia, and Dawson City, Yukon Territory.

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Klondike wants to bring modern exploration methods to the famous gold fields in the Yukon, the site of the historical 19th century gold rush.

In May, the company kicked off a US\$2 million exploration program to focus on higher grade targets rather than the low-grade widespread material it had been exploring previously.

The bulk of the work, a 60-hole program, will focus on the Gay Gulch and Nugget zones to confirm high-grades, which were identified as part of last year's drilling season.

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