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FOR IMMEDIATE RELEASE

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2002 Exploration review; Purcell basin, southern British Columbia

In 2002, Klondike Gold Corp. continued aggressively exploring in the Aldridge Formation in southeastern British Columbia for a Sullivan-type deposit. Sullivan is a world-class, sediment-hosted lead-zinc-silver deposit that produced, until its closure in 2001, more than \$20 billion worth of metals. In May, 2001, Klondike Gold contracted Trygve Höy, a geologist with more than 20 years experience in these deposit types, to oversee and help direct the program. Actual field work is being contracted largely to personnel of SuperGroup Holdings Ltd., a Cranbrook company that includes several geologists and prospectors with extensive knowledge, experience and success in Sullivan host rocks.

Klondike Gold owns or has under option approximately 4000 claim units covering a large part of the prospective Aldridge Formation in Canada. The objective of the first phase of exploration program is to define sub-basins or grabens within the Aldridge that have the potential for sulphide accumulations and to attempt to recognize distal indicators of mineralization in these basins. Recent work in the Aldridge, and in other similar basins world-wide, has shown clearly that sedex deposits invariably occur in these small sub-basins, most commonly near their intersection with cross faults. Once these sub-basins have been identified and evaluated, a follow-up exploration phase will target the source of sulphides in individual basins.

Based on 2002 exploration, and on previous work by other operators including Sedex Mining Corp., Klondike Gold now recognizes approximately six sub-basins within the Aldridge. These trend north-south, and are typically several kilometers in width and up to 10 km in length. Six relatively deep holes were drilled during the 2002 season; all of these were exploratory holes meant to test the potential for Sullivan age stratiform mineralization in individual basins. Three of these, in the Davent-Fors (north), Panda (north), and Sullivan-North Star basins, intersected significant sulphides and mineralization at the Sullivan horizon, and will be further evaluated by step-out drilling. Two holes, one at the south end of the Davent-Fors basin and a second near the south end of the Panda basin, were stopped above Sullivan time and will be either re-drilled or extended. Finally, a drill extension in the Cold Creek area did penetrate to Sullivan time but was located west of the basin axis.

Exploration in 2003 will concentrate on untested target areas as well as drilling to locate sources of sulphides discovered during the 2002 season. It will include several new target areas located in the St. Mary Lakes area west of Sullivan where preliminary drilling by Cominco and Rio Algom has identified a sub-basin parallel to the Sullivan basin that contains anomalous sulphide accumulations, fragmentals and alteration. Other new target areas are located in the McNeil Creek area west of the Fors deposit where surface work and shallow drilling has outlined numerous mineral occurrences and favourable structures. A large, completely untested area, the Payday basin, will be explored initially by two drill holes. Other drill targets include the Irishman Creek area at the south end of the Panda basin, the northeastern extension of the Fors-Davent basin, the axis of the Cold Creek basin, the Ash claims at the south end of the Sullivan-North Star basin, and Quartz Mountain located 4 km farther south. This initial exploration phase will begin in late May and continue through the fall. Based on the results of this exploratory work, additional drilling will focus on individual sulphide occurrences, including evaluation of the Ash claims prospect. The results of the 2002 exploration program are outlined below and will be expanded on in a subsequent release.

The **Sullivan-North Star** graben contains the Sullivan deposit at its north end and the Pit/Ash claims at its extrapolated south end. Exploratory drilling by Klondike Gold on the Ash claims, just completed, intersected one of the highest grade stratiform sulphide intersections ever recorded in the Aldridge basin outside the immediate Sullivan mine area. Continued drilling, scheduled for early summer, 2003, will concentrate on discovering the source of this mineralization and determining its grade and extent.

The south end of the **Fors-Davent** basin has been fairly extensively drilled, with discovery of the Fors deposit in 1966 and the Vine massive sulphide vein in 1976. Several widely spaced drill holes near the north end of the basin have shown that it contains a thickened Sullivan horizon with elevated base metal content. Hole DA 02-1 intersected a 20-metre Sullivan intersection that included 4 meters containing 352 ppm Zn and 151 ppm Pb. Furthermore, this drilling indicates that the axis of the basin may be to the east, a target that will be drilled during this initial exploration phase.

The **Panda graben** farther southwest is considered to be one of the more exciting exploration targets in the Aldridge Formation. It is well defined on surface by numerous cross-cutting fragmental units, tourmalinites, lead-zinc veins, and cross-cutting gabbro dikes. Although covering an area of nearly 20 square km, only 3 holes are known to have extended to the Sullivan horizon. Two holes at the north end of the basin, 1.5 km apart, show the presence there of minor stratabound mineralization with total sulphides, lead/zinc ratios and intensity of alteration increasing to the northeast. Hence, step-out drilling in the northern Panda basin will be directed farther northeast, closer to an intersection of the basin with the east-trending Moyie River fault. A 1997 hole in the Irishman Creek area near the south end of the Panda basin (K97-3) is also believed to have drilled to Sullivan time. It intersected semi-massive, probable concordant vein sulphides in Middle Aldridge rocks above the Sullivan horizon. Two other holes in the immediate area, K97-4 and I 99-1, appear to have been stopped above Sullivan time, and a third hole (K97-2) that was extended in late September, 2002, was also stopped before reaching the Sullivan horizon. Further drilling in the south Panda basin will include a new hole located approximately 1 km south of K97-3, near the intersection with the Moyie fault, and extension of K97-2 to the Sullivan horizon.

The **Payday** basin immediately to the west contains the Gerry vent and an exciting new gold prospect, Thea Gold, that was trenched by Klondike Gold late last fall. This basin has not been drilled and therefore remains a highly favourable prospect area. Exploration near the north end of the Payday basin is planned to include two drill holes to the Sullivan horizon as well as drilling Thea Gold.

Farther south, the **Cold Creek** sub-basin has had considerable past exploration and drilling to test occurrences and deposits discovered at surface in Middle Aldridge rocks. The extension of a previously drilled hole (CC 02-1), completed last August, is the only definitive test to the level of the Sullivan horizon in this area. The hole intersected basin margin facies at the Sullivan horizon, referred to as the Ramparts facies; hence, a drill site farther east is planned to test for sedex mineralization within the axis of the basin.

In summary, Klondike Gold considers the initial phase of exploration drilling in the Aldridge basin to be successful, with discovery of three areas that warrant step-out drilling. Most other target areas defined at the outset of the project are yet to be drill-tested.

On behalf of the Board of Directors

KLONDIKE GOLD CORP.

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release