

Klondike Gold Corp.: Drilling Intersects 155 Meters of 'Sullivan Horizon' at Irishman Project

VANCOUVER, BRITISH COLUMBIA-- May 21, 2009 -- Klondike Gold Corp. (CDNX:[KG.V](#) - [News](#)) (the 'Company') is pleased to announce highly encouraging results from a recently drilled hole that intersected 155 meters of the prospective Sullivan horizon at the Irishman Property in southwestern British Columbia. The project is a joint venture with Sedex Mining Corp. (CDNX:[SDN.V](#) - [News](#)).

The drilling by operator Klondike Gold was part of an ongoing exploration effort focused on the search for sedimentary exhalative (SEDEX) deposits similar to the world-class Sullivan Mine near Kimberley, which closed in 2001 after producing more than 150 million tonnes averaging 6.9% lead, 5.1% zinc and 67 g/t silver.

Along with partner Sedex Mining Corp., the 'Company' is encouraged by the results of the recently drilled hole, which represents the thickest Sullivan-time interval intersected to date. The work programs are under the direction of Trygve Hoy, Ph.D. P. Eng., a former provincial government geologist who is now a world-recognized expert on the setting and controls for Sullivan type deposits in the Proterozoic Purcell Basin of southern BC. "This is an exciting drill hole, the best we have ever done and probably the best that has ever been drilled in the Purcell basin outside of the Sullivan area," stated Dr. Hoy.

The Irishman hole, completed to a depth of 1,520 meters in late October of 2008, tested the Sullivan horizon at the south end of the Panda basin, a north-trending structural basin similar to the Sullivan basin hosting the past-producing Sullivan Mine, 40 km to the north. The 155 meters of Sullivan horizon intersected by the Irishman drill-hole exhibit many characteristics of exhalative activity, typical of the distal fringes of SEDEX mineralization in a basin setting. This favourable horizon comprises mainly massive sulphide fragmentals with zones of alteration and visible sulphides - pyrrhotite, sphalerite and galena - mineralization.

Selected assays of the mineralized intervals are given below. More complete analyses will be posted on Klondike Gold's website, www.klondikegoldcorp.com.

Sample	Depth (m)	Interval (m)	Zn ppm	Pb ppm	Ag ppm	Cd ppm
866328	1414.4 m	0.6 m	785	4137	1.2	9.4

866331	1417.3 m	0.33 m	2168	6861	4.7	24.5
866337	1424.0 m	1.0 m	2511	3286	6.7	11.7
866339	1426.0 m	1.0 m	3923	4769	9.1	14.7
866340	1427.0 m	1.0 m	2764	5167	7.3	17.2
866348	1451.2 m	1.0 m	161.1	2325	0.5	7.6
866358	1466.0 m	1.0 m	65.1	4649	0.8	26.3
866364	1505.7 m	1.8 m	775	3376	0.8	7.8

The initial exploration programs led by Dr. Hoy were designed to identify Proterozoic-age structural basins similar to the Sullivan basin. These programs successfully identified six structural basins, which were each drill-tested by one or more widely spaced holes. Initial drilling within the favorable Panda basin intersected distal base metal sulphide mineralization at the right Sullivan time horizon and was followed by additional holes to help define the limits of the basin. These six previously drilled holes also showed that the sulphide content is increasing to the south, near the intersection of the basin axis with a northeast-trending Proterozoic-age fault.

Drilling of the Irishman Target began in 2007, but stopped short of the target depth because of heavy winter snow conditions. Completing the drill hole was a priority project in 2008. The newly released intercepts from this target, with combined lead and zinc grades up to 0.9%, represent one of the highest - if not the highest - grades of Sullivan horizon mineralization drilled in the Purcell Supergroup outside of the Sullivan basin itself. Furthermore, the relatively high metal values and the thick Sullivan horizon suggest that the hole is near the center of the Panda basin on possibly the fringes of more massive mineralization. The nearest two drill holes to Sullivan time are located about 2 to 3 km to the east and northeast respectively.

Based on these encouraging results, the partners believe that further exploration for Sullivan-type massive sulphide mineralization in the Panda basin is warranted. Down-hole geophysics, followed by step-out drilling to the north-northwest is proposed toward a surface exposure of a small exhalite vent (the Gerry vent).

The Panda basin is one of several small basins (including Sullivan) that developed on an ocean floor nearly 1.6 billion years ago as a result of regional extension and/or rifting. Detailed studies of the Sullivan basin over many years have led to the recognition of the controls of sulphide accumulation in this and other basins. Klondike Gold recognized similar features in the Panda Basin, which allowed it to systematically target the projected source of sulphide accumulation. The Company has also defined several other less-tested basins that remain exciting exploration targets.

Exploration for massive sulphide mineralization at projected depths of 1,000 to 1,500 meters is both difficult and expensive. However the success of previous exploration programs in first defining Proterozoic structural basins, then evaluating these basins, and finally vectoring toward a sulphide source area with limited, widely spaced deep drill-holes bodes well for future exploration success in this prospective region.

The Qualified Person for the purpose of National Instrument 43-101 is Trygve Hoy, who has read and agreed with the contents of this news release.

About Klondike Gold Corp

Klondike Gold is a large landholder in the Klondike District of the Yukon Territory, an area which produced between six and twelve million ounces of gold during its historic gold rush. The Company also holds a 50% interest with partner Chalice Diamond Corp in approximately 78,000 acres of diamond properties located in the Chapleau-Wawa region of Ontario and a number of properties in southeastern British Columbia.

Please visit the Company's website: www.klondikegoldcorp.com for more information on the diamond properties in Ontario, our holdings in the Klondike and our properties in southeastern BC. You will also find Smartstox interviews with company President, Richard Hughes located on the website.

The statements made in this Press Release may contain forward-looking statements that may involve a number of risks and uncertainties. Actual events or results could differ materially from the Company's expectations and projections.

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Contact:

Contacts:
Hughes Exploration Group
Kevin Hull
Investor Relations
(604) 685-2222
info@klondikegoldcorp.com
<http://www.klondikegoldcorp.com>