



KapusKasing Finalizes Agreement to Acquire Sterling Copper Deposit in Newfoundland & Labrador

August 22, 2017 – Kapuskasing Gold Corp. (TSX-V: KAP) (the “Company” or “KAP”) announces that it has executed and finalized, subject to TSX Venture Exchange approval, the formal option agreement (the Agreement) to earn a 100% interest in the Sterling Property, contiguous to the Lady Pond Property, located in the province of Newfoundland and Labrador (NL) as announced May 9, 2017. The Lady Pond Property consists of 98 claims totaling 2450 hectares in size and covers a number of historic shafts, mine workings and areas of economic historical drilling.

Pursuant to the Agreement, KAP may earn a 100 percent interest in the Sterling Property for total consideration of 1,800,000 shares, \$25,000 in cash payments and a work commitment of \$250,000 over four years. The Vendor shall retain a 3% net smelter royalty (“NSR”) interest. The Company retains the option to buy back 2% of the NSR for \$2,000,000.

The Lady Pond Property lies immediately adjacent to the town of Springdale and can be accessed via numerous logging roads and ATV trails throughout the property. Rambler Mining and Metals PLC operate a base metal mill at Baie Verte and currently own the historic Little Deer and Whalesback copper deposits (approximately 7 million tonnes of 2.25% Cu). Both of these projects are situated on contiguous claims to the west of the Lady Pond Property.

The geology underlying the Lady Pond Property consists entirely of the Lush Bight group of rocks, which is the same lithology which hosts the nearby Little Deer and Whalesback copper deposits. The Lady Pond Property is host to several historic copper occurrences (Cyprus Type VMS deposits), the most notable of which include the Sterling Mine, the Twin Pond prospect and the Lady Pond Mine, all of which have exploration histories dating back to the late 1800’s. The Sterling Mine hosts a NI 43-101 non-compliant, historic resource of approximately 1,000,000 tonnes of 1% copper, and is open in all directions. This non-compliant resource was calculated from drilling and evaluations performed during the late 1960’s. The Sterling Mine is situated approximately 1.5 km to the southwest of the Twin Pond Prospect where an additional 32 holes has been drilled but no calculation of any kind has been made. Lady Pond Mine is located approximately 3 km’s to the northeast of Twin Pond.

The Company is treating the tonnage and grade estimates above as historical estimates. The historical estimates do not use categories that conform to current CIM Definition Standards on Mineral Resources and Mineral Reserves as outlined in National Instrument 43-101, *Standards of Disclosure for Mineral Projects* (“NI 43-101”) and have not been redefined to conform to current CIM Definition Standards. A qualified person has not done sufficient work to classify the historical estimates as current mineral resources and the Company is not treating the historical estimates as current mineral resources. More work, including, but not limited to, drilling, will be required to confirm the estimates to current CIM Definition Standards. Investors are cautioned that the historical estimates do not mean or imply that economic deposits exist on the Property. Other than as provided for in this press release, the Company has



not undertaken any independent investigation of the historical estimates or other information contained in this press release nor has it independently analyzed the results of the previous exploration work in order to verify the accuracy of the information. The Company believes that the historical estimates and other information contained in this press release are relevant to continuing exploration on the Property because they identify significant mineralization that will be the target of the Company's exploration programs.

There are over 50 historic drill holes on the property, the most notable intersections include:

Sterling Deposit

- 4.42m – 5.50% Cu from 38.10 to 42.52m
- 6.10m – 2.32% Cu from 106.68 to 112.78m
- 4.57m – 1.45% Cu from 50.29 to 54.86m

Twin Pond Prospect

- 3.35m – 4.20% Cu from 82.30 -85.65m
- 3.05m – 2.16% Cu from 33.53 to 36.58m
- 3.05m – 3.20% Cu from 70.14 -72.54m

Lady Pond Prospect

- 8.10m - 2.61% Cu

A preliminary three dimensional geological modeling of the historic drilling results for Sterling and Twin Pond has been performed and will prove to be a useful and highly effective tool to better understand the Sterling and Twin Pond potential. Based on the initial results, significant gaps in drilling between high grade intersections have been identified. A detailed compilation of the historical data is currently underway and a phase I drill program is being planned to commence in September, 2017, upon receipt of permits. An Induced Polarization Survey is also being planned for the area in between the Sterling and Twin Pond Prospects.

Mr. Garry Clark P.Geo, (Exploration Manager and a director of the Company) a Qualified Person ("QP") as defined by National Instrument 43-101, has reviewed the technical content of this release. The content of the geological data presented has been derived from the Provinces Mineral Deposit Database and exploration assessment files and are believed to be accurate and correct.

On behalf of the Board of Directors

KapusKasing Gold Corp.

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

This press release contains forward-looking statements within the meaning of applicable Canadian and U.S. securities laws and regulations, including statements regarding the future activities of the Company. Forward looking statements reflect the current beliefs and expectations of management and are identified by the use of words including “will”, “anticipates”, “expected to”, “plans”, “planned” and other similar words. Actual results may differ significantly. The achievement of the results expressed in forward-looking statements is subject to a number of risks, including those described in the Company’s management discussion and analysis as filed with the Canadian securities regulatory authorities which are available at www.sedar.com. Investors are cautioned not to place undue reliance upon forward-looking statements.