



**KapusKasing Announces
Significant Copper Mineralization Intersected At Lady Pond Property,
Newfoundland**

Highlights Include:

- **5.69% Cu over 0.80 meters in Hole KSP17-03**
- **1.48% Cu over 3.00 meters in Hole KTP17-02**
- **12.03% Cu over 0.13 meters in Hole KSP17-04**

January 11, 2018 – Kapuskasing Gold Corp. (TSX-V: KAP) (the “Company” or “KAP”) announces that it has intersected copper mineralization on its 100% owned Lady Pond VMS Property, located adjacent to the town of Springdale, Newfoundland. The initial Phase I drill program consisted of 780 metres of NQ drilling in 8 holes. The drill program was undertaken to confirm reported copper mineralization on the property associated with historic showings including the Twin Pond and Sterling Prospects. These Prospects occur along strike from one another and are separated by a distance of one kilometer. Drilling confirmed the presence of both narrow high grade and broad zones of copper mineralization with significant intervals of up to 5.69% Cu over 0.80 metres and 0.69% Cu over 16.39 metres. Results from both areas are summarized in the following tables:

Drill Results from The Sterling Prospect:

Hole #	Dip	Azimuth	From (m)	To (m)	Interval (m)	Copper %
KSP17-01	-60	155	62.23	64.52	2.29	0.86
			116.05	122.52	6.47	0.40
			118.37	119.00	0.63	0.80
			141.64	142.15	0.51	1.32
KSP17-02	-70	155	Intersected underground workings – Drill Hole Lost at 56m			
KSP17-03	-70	155	18.87	18.85	0.68	0.83
			30.41	31.57	1.16	0.55
			71.00	74.56	3.56	1.54
			Incl.	73.76	74.56	0.80
KSP17-04	-70	140	26.00	27.20	1.20	1.70
			Incl.	26.00	26.13	0.13

Drill Results from The Twin Pond Prospect:

Hole #	Dip	Azimuth	From (m)	To (m)	Interval (m)	Copper %
KTP17-01	-65	160	56.96	66.00	9.04	0.31
			Incl.	58.25	58.73	0.48



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"			59.39	59.92	0.53	0.86
"			64.00	65.00	1.00	0.98
			68.00	74.32	5.32	0.56
Incl.			73.00	74.32	1.32	1.44
KTP17-02	-45	160	31.72	33.33	1.61	1.03
			35.61	52.00	16.39	0.69
Incl.			39.67	41.00	1.33	1.06
Incl.			43.00	51.00	8.00	0.98
Incl.			48.00	51.00	3.00	1.48
			63.00	65.00	2.00	1.66
Incl.			64.00	65.00	1.00	2.28
KTP17-03	-45	150	78.88	89.85	10.97	0.39
Incl.			82.02	83.00	0.98	1.09
			100.16	103.00	2.84	0.46
KTP17-04	-60	150	Abandoned			

- Reported widths are core length not true width

The Phase 1 drill program was the first significant drill program undertaken in the area since the late 1960's and valuable new information was obtained about the historical drilling. Drilling at the Sterling Mine area encountered an approximate 5 foot void in KSP17-02 where a wooden pillar was intersected at 56 meters depth. Although the hole had to be abandoned and the results of the drilling not anticipated, it indicates that much more significant work was performed historically than is documented in the previous databases. In addition, the drilling program at Twin Pond was centered around the results from historical data gleaned from Government databases. It was not until hole KTP17-03 was collared that it became clear the historical holes were plotted approximately 50 meters away from their proper locations. Given this new information, the best grades noted historically were not duplicated during this drill program.

The Phase 1 drill program illustrates that significant high-grade copper mineralization occurs at both localities. Several priority targets remain untested on both the Sterling and Twin Pond Prospects, as well as all targets located on the Lady Pond Prospect. A Phase II program is being designed to both drill the remaining high priority targets not tested during the Phase 1 program and to better target high grade zones at depth and along strike.

KAP's QA/QC program includes insertion of blanks, duplicates and standard samples in regular intervals. Analytical control measures for the drilling program involve both internal and external laboratory check samples to ensure that data received and used are accurate and reliable.

All core samples were assayed by Eastern Analytical Limited located at Springdale, Newfoundland. Eastern Analytical Limited is an ISO 17025 accredited laboratory and is independent of KAP.



The Lady Pond Property

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. The 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. The 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.

The content of the background geological data presented above has been derived from the Provinces Mineral Deposit Database and exploration assessment files and are believed to be accurate and correct.

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 and approved the technical content of this release.



On behalf of the Board of Directors

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