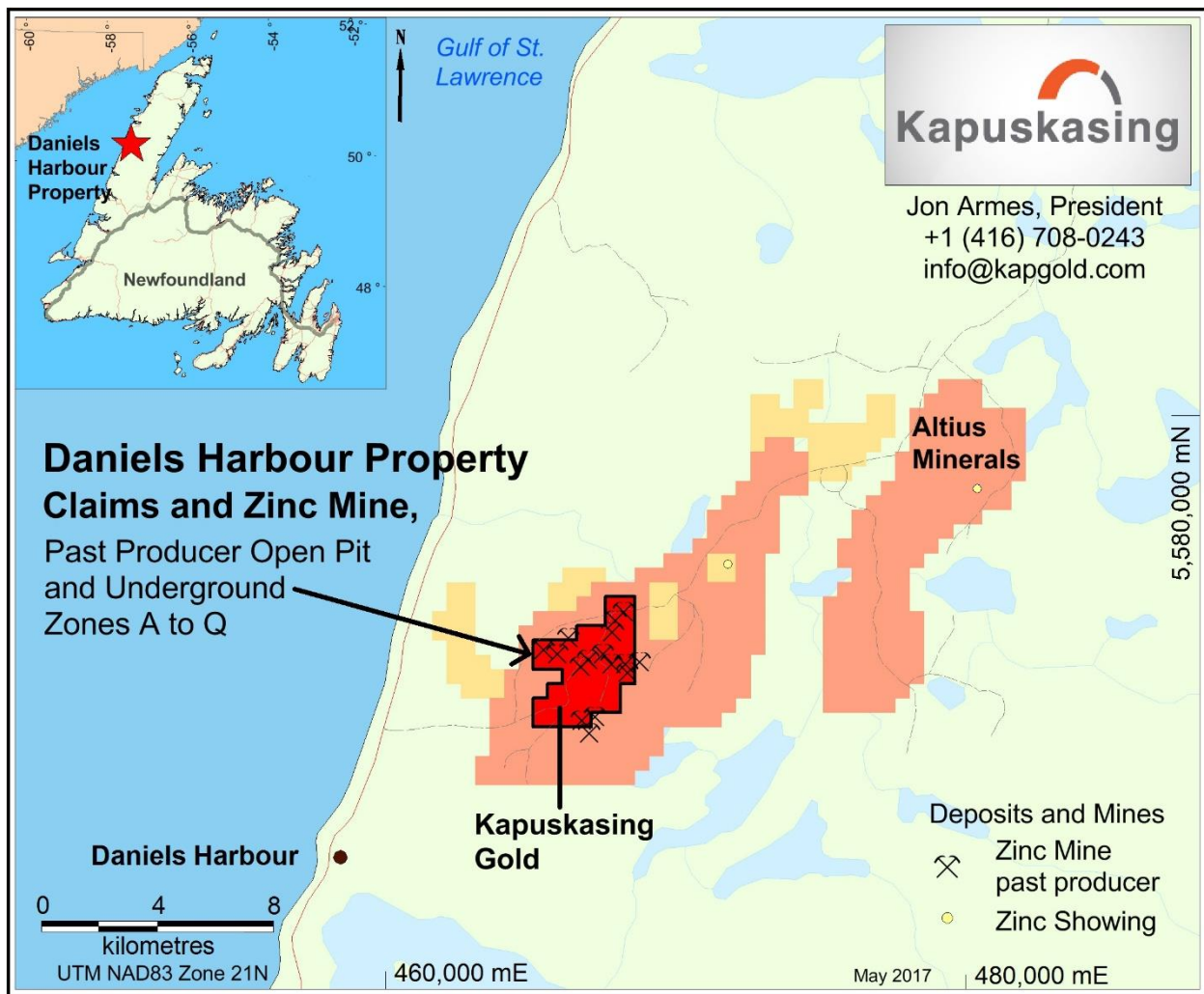


## KapusKasing to Acquire Historic Producing Daniel’s Harbour “Mississippi Valley Type” Zinc Property in Newfoundland

May 18, 2017 – Kapuskasing Gold Corp. (TSX-V: KAP) (the “Company” or “KAP”) announces that the Company has signed a non-binding letter of intent to acquire the Daniel’s Harbour Zinc Property located on the Great Northern Peninsula of Newfoundland, approximately 10 km north east of the community of Daniel’s Harbour. The Property consists of 42 claims (1,050 hectares) and has been explored and developed by one owner (Teck Resources) since zinc mineralized Mississippi Valley Type (“MVT”) carbonates were discovered. Teck Explorations (operating as Newfoundland Zinc Mining Limited) mined approximately 7 million tonnes averaging 7.8% zinc from the Daniel’s Harbour mine between 1975 and 1990. More recently, Altius Minerals Corporation has acquired a significant land position in the immediate area, contiguous and surrounding the Daniel’s Harbour Zinc Property.





## About Daniel's Harbour

Zinc mineralization on the Daniel's Harbour Property generally occurs in long, narrow, NE-trending bodies, parallel to the long axes of dolomite breccia piles and to normal faults. In the mine area, a total of 21 'zones' named alphabetically 'A' to 'W' were recognized. The largest of these was the L Zone ore body, which consisted of at least three parallel bodies ranging in width from 25 to 80 feet separated by narrow areas of low grade mineralization. The L Zone extended over a length of 10,000 feet. The maximum vertical thickness of ore was approximately 100 feet. The majority of the tonnage mined at Daniel's Harbour was sourced from this one zone.

Two types of zinc mineralization were recognized in the L Zone. The first and most common type occurred as cavity fillings in a series of narrow (0.5 to 5 ft.) pseudobreccia beds separated by barren massive 'Grey Dolomite'. Ore contacts were sharp both laterally and vertically, and the grade may change from traces to 30% zinc within a few feet. The second type of mineralization, which was prevalent in the thickest portion of the L Zone, consisted of veins, which cut the sequence of pseudobreccia beds at various angles. The pseudobreccia beds may be barren or mineralized for a distance of 5 to 10 feet from the veins. The sulphide mineralization consisted almost entirely of sphalerite, with local minor quantities of pyrite, marcasite and extremely rare galena. The sphalerite was exceptionally pure and iron deficient. Impurities included only 1.3% iron and 0.18% cadmium. This purity and simple mineralogy enabled good recovery (98%) and production of premium grade concentrate (63%). Supergene alteration was minor, and limited to the top 20 feet of bedrock; it consisted of secondary hematite, limonite and thin films of smithsonite on fractures.

Individual MVT deposits are generally less than 2 million tonnes, are zinc-dominant, and possess grades that rarely exceed 10% (Pb+Zn). The deposits do, however, characteristically occur in clusters, referred to as 'districts'. The Daniel's Harbour Property is prospective for further discoveries of 'Mississippi Valley Type' ("MVT") sulphide zinc deposits. There remains potential in the area of the old mine workings of the historic ore bodies continuing at depth or along the favourable breccia horizon.

"The Daniel's Harbour property may have the potential to host several more high grade zinc lenses within the upper stratigraphy as well as at depth potential within the context of modern exploration methodologies." Stated Jonathan Armes, President of Kapuskasing. "The Company is already looking into employing some modern geophysical techniques to assist in identifying potential MVT lenses and pods yet to be found."

The Company has signed a non-binding letter of intent whereby KAP can earn a 100% interest in the Daniel's Harbour Property for total consideration of 1,750,000 shares, \$60,000 in cash payments and a work commitment of \$100,000 within the first 24 months of TSX-V approval. 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. In the event KAP delineates a 43-101 compliant resource of 5,000,000 tonnes of ore grade zinc (that ore grade to be determined in the final purchase agreement), the vendor will receive a one time bonus payment equating to CDN\$50,000 payable in cash or shares at the election of KAP on the day of which said report is filed on SEDAR. A formal option agreement will follow upon completion of due diligence.

Mr. Garry Clark, P.Ge., (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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*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](http://www.sedar.com). Investors are cautioned not to place undue reliance upon forward-looking statements.*