



Karus Gold Completes C\$237,270 Financings

Vancouver, BC, December 28, 2021 – Karus Gold Corp. (“**Karus Gold**” or the “**Company**”) is pleased to announce that it has closed two financings with total gross proceeds of \$237,270 (the “**Offering**”). The first offering was by way of a private placement issuing 281,400 units (a “**Unit**”) at a price of C\$0.55 per Unit for gross proceeds of C\$154,770 in connection with an Offering Memorandum (“**OM**”) that was filed on SEDAR under the profile of the Company, which can be viewed or downloaded at www.sedar.com. The second financing was a private placement for 150,000 Units at a price of C\$0.55 per Unit for gross proceeds of \$82,500. Each Unit consists of one common share and one-half of one common share purchase warrant, where each whole warrant entitles the holder to acquire one additional common share for a period of 24 months at a price of \$0.85 per common share.

In addition, the common share component of the Units includes an anti-dilution provision (the “**Anti-Dilution Adjustment**”) whereby if at any time after the issue date until such date as the Company is listed on the TSX Venture Exchange (“**TSXV**”) (or other suitable exchange), the Company issues additional common shares for consideration per common share (the “**Future Issuance Price**”) less than C\$0.55, then the price per Unit shall be reduced concurrently with such issuance and the Company will issue additional common shares to the shareholder. The share warrant terms will not be impacted by the Anti-Dilution Adjustment.

Proceeds from the Offering will be used towards the Company’s ongoing listing application with the TSXV and for general working capital purposes.

All securities issued in the Offering are subject to a statutory hold period of four months and a day from the closing date of the Offering. The Offering constituted a related party transaction within the meaning of Multilateral Instrument 61-101 (“**MI-61-101**”) as insiders of the Company (consisting of directors and officers of the Company) subscribed for an aggregate C\$90,750 (165,000 Units) pursuant to the Offering. The Company is relying on exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in section 5.5(b) and 5.7(a) of MI 61-101, as the Company is not listed on a specified market and the fair market value of the participation in the Offering by insiders does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering, which the Company deems reasonable in the circumstances in order to complete the Offering.

In addition to providing additional capital, the OM is expected to allow the Company to fulfill one of its requirements to be a “public company” as defined under subsection 89(1) of the Income Tax Act (Canada).

Listing Update

As previously disclosed in the September 23, 2021 news release, Karus Gold has filed an updated listing application in October 2021 and continues to work with the TSXV to complete the listing process.

About Karus Gold

Karus Gold is the 100% owner of the 1,000 km² South Caribou Gold District that includes the drill-stage FG Gold and Gold Creek projects in British Columbia. Karus Gold is supported by strategic investor Eric Sprott; and insiders, together with the management and Board, own approximately 57% of the basic shares outstanding.

Further information on Karus Gold and its assets can be found on the Company's website at www.karusgold.com and at www.sedar.com, or by contacting us as info@karusgold.com or by telephone at (888) 455-7620.

On behalf of Karus Gold

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Cautionary Statement Regarding Forward-Looking Information

This news release contains forward-looking statements relating to the future operations of the Company and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects", "suggests" and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding the future plans and objectives of the Company, the successful listing on the TSXV, are forward-looking statements. Such forward-looking statements, and any assumptions upon which they are based, are made in good faith, and reflect our current judgment regarding the direction of our business. Management believes that these assumptions are reasonable. Forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information.

Such factors include, among others: risks related to exploration and development activities at the Company's projects, and factors relating to whether or not mineralization extraction will be commercially viable; risks related to the hazards and risks normally encountered in the exploration of minerals, such as unusual and unexpected geological formations;

uncertainties regarding regulatory matters, including obtaining permits and complying with laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters, and the potential for existing laws and regulations to be amended or more stringently implemented by the relevant authorities; risks related to title to the Company's properties, including the risk that the Company's title may be challenged or impugned by third parties; the ability of the Company to access necessary resources, including mining equipment and crews, on a timely basis and at reasonable cost; competition within the mining industry for the discovery and acquisition of properties from other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel; access to suitable infrastructure, such as roads, energy and water supplies in the vicinity of the Company's properties; and risks related to the stage of the Company's development, including risks relating to limited financial resources, limited availability of additional financing and potential dilution to existing shareholders; reliance on its management and key personnel; inability to obtain adequate or any insurance; exposure to litigation or similar claims; currently unprofitable operations; risks regarding the ability of the Company and its management to manage growth; and potential conflicts of interest.

Forward-looking statements contained herein are made as of the date of this news release and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events, or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.