



Karus Gold Clarifies FG Gold Disclosure related to Historical Resource

Vancouver, BC, May 20, 2021 – Karus Gold Corp. (“**Karus Gold**” or the “**Company**”) advises that as a result of a review by the British Columbia Securities Commission (the “**BCSC**”), the Company is issuing this news release to clarify disclosure pursuant to the requirements of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) regarding the historical resource at the FG Gold project, part of the 100% owned South Cariboo Gold District in British Columbia in the Company’s press release dated May 6, 2021 (the “**May 6 Press Release**”) and the Company’s Management Discussion and Analysis for the year-ended December 31, 2020, dated April 29, 2021 (the “**MD&A**”). Specifically, the Company made reference to a historical resource for the FG Gold project without specifically clarifying that the property does not contain any current mineral resources, and making requisite qualifications to the historical estimate.

The historical resource estimate of 15.17 million tonnes grading 0.776g/t gold for 376,000 ounces of gold and inferred resources of 27.49 million tonnes grading 0.718g/t gold for 634,900 ounces of gold is referred to in NI 43-101 technical report dated July 27, 2015 “Campbell, K. V., and Giroux, G. H., 2015, NI 43-101 technical report, Frasergold exploration project, Cariboo Mining Division, B.C.: Technical report for Eureka Resources Inc”. While the resource estimate was prepared in accordance with NI 43-101 standards Karus Gold views the resource as a historical resource as defined in Section 2.4 of NI 43-101 as a qualified person has not done sufficient work to classify the historical estimate as a current mineral resource. Key assumptions used in the estimation include data from the 160 diamond drill holes (28,323 m) and 242 reverse circulation holes (21,368 m) drilled at Frasergold between 1983 and 2008 for assays and a geological model. Capped assay data was composited in 5 m lengths and separated into “Vein Style” (averaging 3.686 g/t Au), “Disseminated Style” (averaging 0.272 g/t Au) and “Low-Grade Envelope” (averaging 0.126 g/t Au) composites. Grades for 10 x 10 x 5 m blocks were interpolated by ordinary kriging. The resource was calculated at a cut-off grade of 0.5 g/t Au.”

The Company plans to start a drill program at FG Gold, subject to financing and permitting, which is anticipated to upgrade and verify the historical estimate as current mineral resources.

As a result of this disclosure in both the MD&A and the May 6 Press Release, the public should not rely on the Company’s previously disclosed mineral resource estimates (or any such estimates) on the FG Gold project until the mineral resource estimates are supported by a current NI 43-101 technical report of Karus Gold.

The Company has accordingly amended the MD&A and re-filed on SEDAR.

The Company's technical report in respect of the South Cariboo Property, entitled "Technical Report on the South Cariboo Property, British Columbia, Canada" has been filed on SEDAR on January 25, 2021, dated effective December 12, 2020, and remains current.

Technical information with respect to the Project contained in this news release has been reviewed and approved by Andrew Kaip, P.Ge, who is Karus Gold's Chief Executive Officer and is a qualified person under NI 43-101 responsible for the technical matters of this news release.

About Karus Gold

Karus Gold is 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 investors Eric Sprott; and insiders, together with the management and Board, own approximately 59% 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.

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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 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.