



Karus Gold drills 80.65 meters of 0.5 g/t gold at Gold Creek Project

Vancouver, BC, January 19, 2022 – Karus Gold Corp. (“**Karus Gold**” or the “**Company**”) is pleased to announce the results from its summer 2021 drill program at its Gold Creek gold project (“**Gold Creek**”) part of the Company’s 1,000 square kilometers (“**km**”) South Cariboo Gold District in British Columbia (**Figure 1**). A total of 1,389 meters (“**m**”) in five diamond drill holes was completed at Gold Creek between mid-June and early July 2021, including hole GC-21-049 that returned 0.74 grams per tonne (“**g/t**”) gold over 46.4 m within a broader envelope of gold mineralization of 0.49 g/t gold over 80.65 m.

Karus Gold Vice President of Exploration, Michael Tucker, comments, “*The Gold Creek program successfully confirmed the orientation and trend of the gold bearing horizon at the Camp Zone. The same mineralized horizon has now been traced for over 1,000 m of strike length, and depths up to 250 m down-dip. The system continues to demonstrate robust scale potential.*”

Highlights:

- Program confirmed the orientation of the broader envelope of gold mineralization in the Camp Zone.
- Higher-grade plunge lines are beginning to be identified within the broader corridor or mineralization.
- Mineralized corridor remains sparsely tested over 1,000m strike length and could be part of a much larger gold mineralizing system that includes the adjacent Spanish Mountain deposit that is 100% owned by Spanish Mountain Gold.

Table of significant drill results

Drill Hole	From	To	Interval	Au Grade ^{1,2}
	(m)	(m)	(m)	(g/t)
GC-21-049	101.6	182.25	80.65	0.49
<i>including</i>	<i>112.9</i>	<i>159.3</i>	<i>46.4</i>	<i>0.74</i>
GC-21-048	193.4	266.75	73.35	0.44
<i>including</i>	<i>223.2</i>	<i>251</i>	<i>27.8</i>	<i>0.83</i>
GC-21-047	180.4	228.5	48.1	0.31
GC-21-046	215.1	261.33	46.21	0.42
<i>including</i>	<i>242.9</i>	<i>257.78</i>	<i>14.88</i>	<i>0.64</i>
GC-21-045	186.7	228	41.35	0.49
	206.6	219.15	12.55	1.06

1. Karus Gold has not been able to determine true width yet due to complexity of the vein structures within the mineralized zones. The 2021 drill program was designed to better understand the geometry and how the mineralized zones are related. The orientation of individual quartz veins within the mineralized zones are quite variable. Reported widths are drill indicated core length and not true width, for the reasons above. Average grades are calculated with un-capped gold assays, as insufficient drilling has been completed to determine capping levels for higher grade gold intercepts.
2. Composites are calculated using a 0.1 g/t Au cutoff, incorporating no more than 7 m downhole dilution. Higher grade composite sections are calculated using a 1 g/t and 3g/t cutoff incorporating no more than 5 m downhole dilution.

Based on this drill program the Company is confident that gold mineralization at the Camp Zone is contained within a corridor that strikes northwest and dips approximately 60-70 degrees to the northeast (**Figure 2**). The Camp Zone has been traced through wide-spaced drilling for ~1,000 m along strike and to a depth of ~280 m below surface, ~250 m down-dip (**Figure 3**). Gold mineralization at the Camp Zone lies to the northwest and along trend of the Spanish Mountain deposit, 100% owned by Spanish Mountain Gold, which hosts measured and indicated resources of 4.7 million ounces of gold grading 0.5 g/t gold (see Spanish Mountain Gold May 11, 2021 press release).

Figure 4 is an inclined long section along this mineralized corridor showing the drill density and quality of drill results. 2021 drill results from the Camp Zone indicate that higher grade plunge lines within this corridor plunge steeply to the west.

The next stage of drilling at the Camp Zone will be to systematically step out along this corridor and search for additional higher-grade zones. Interpretation of multi-element data from 2020 and 2021 is ongoing to search for alteration assemblages and elemental correlations to zones of higher-grade gold.

Next Steps and 2022 work program

The Camp Zone has largely been the focus of work at Gold Creek in the recent past, however, much of the broader land package remains largely under-explored. Karus Gold plans to complete a property wide IP survey to better understand the sub-surface geology in the area as it is largely under tertiary cover. The goal of this survey is to generate near term drill targets as well as identify any potential continuation of the Camp Zone to the northwest across the Poquette Fault. A biogeochemical survey over prospective areas will help further refine areas for drill testing. The next phase of drilling will be ~2,500 m split between the Camp Zone and new exploration targets.

Drill assay results from the 7,142 meter FG Gold drill program continue to be received and Karus Gold expects to be in a position to provide these results in the first quarter of 2022.

Collar Table:

Drill Hole	Length (m)	Azimuth	Dip	Easting	Northing	Elevation
GC-21-045	244.75	238.06	-52.24	599437	5831174	928
GC-21-046	300	237.58	-62.98	599437	5831174	928
GC-21-047	240	253.93	-52.79	599437	5831174	928
GC-21-048	344	254.08	-62.85	599437	5831174	928
GC-21-049	260	239.71	-51.55	599362	5831151	924

About Gold Creek

The 100% owned Gold Creek project consists of 34 claims totalling 9,673 hectares. Access is by all-weather gravel road. The site has well developed infrastructure and is just 70 km northeast of the town of Williams Lake, a major regional centre serviced by an airport and railway. The property has several small roads that will provide easy access for drilling the claims.

Gold Creek is adjacent to and on strike with a large, northwest-southeast trending gold-bearing zone bounded by the Quesnel River ("QR") historic mine and mill owned by Osisko Development Corp (TSX: ODV) to the northwest and the Spanish Mountain project owned by Spanish Mountain Gold Ltd. (TSXV: SPA) to the southeast.

More information on Gold Creek can be found in the NI 43-101 technical report dated November 26, 2021 "Technical Report on the South Cariboo Gold Property" filed under Karus Gold's profile on SEDAR at www.sedar.com and on Karus Gold's website at www.karusgold.com.

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.

QA/QC and Qualified Person

Once the drill core was received from the drill site, individual samples were determined, logged for geological attributes, sawn in half, labelled, and bagged for assay submittal. The remaining drill core was then stored at a secure site in Horsefly, BC. The Company inserted quality control samples at regular intervals within the sample stream which included blanks, preparation duplicates, and standard reference materials with all sample

shipments intended to monitor laboratory performance. Sample shipment was conducted under a chain of custody procedure.

Drill core samples were submitted to Bureau Veritas' analytical facility in Vancouver, BC for preparation and analysis. Sample preparation included drying and weighing the samples, crushing the entire sample, and pulverizing 250 grams. Analysis for gold was by method FA450: 50g fire assay fusion with atomic absorption (AAS) finish with a lower limit of 0.005 ppm and upper limit of 10 ppm. Gold assays greater than 10ppm are automatically analysed by method FA550: 50g fire assay fusion with a gravimetric fusion.

Bureau Veritas is accredited to the ISO/IEC 17025 standard for gold assays, and all analytical methods include quality control materials at set frequencies with established data acceptance criteria. Parameters for Bureau Veritas' internal and Karus Gold's external blind quality control samples were acceptable for the analyses returned.

Technical information with respect to Gold Creek contained in this news release has been reviewed and approved by Andrew Kaip, P.Geo., who is Karus Gold's CEO and is a qualified person under National Instrument 43-101 responsible for the technical matters of this news release.

On behalf of Karus Gold

"Andrew Kaip"

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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 next stage of the drill program and the timing, 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.

Figure 1. Location of the 1,000 square km South Cariboo Gold District

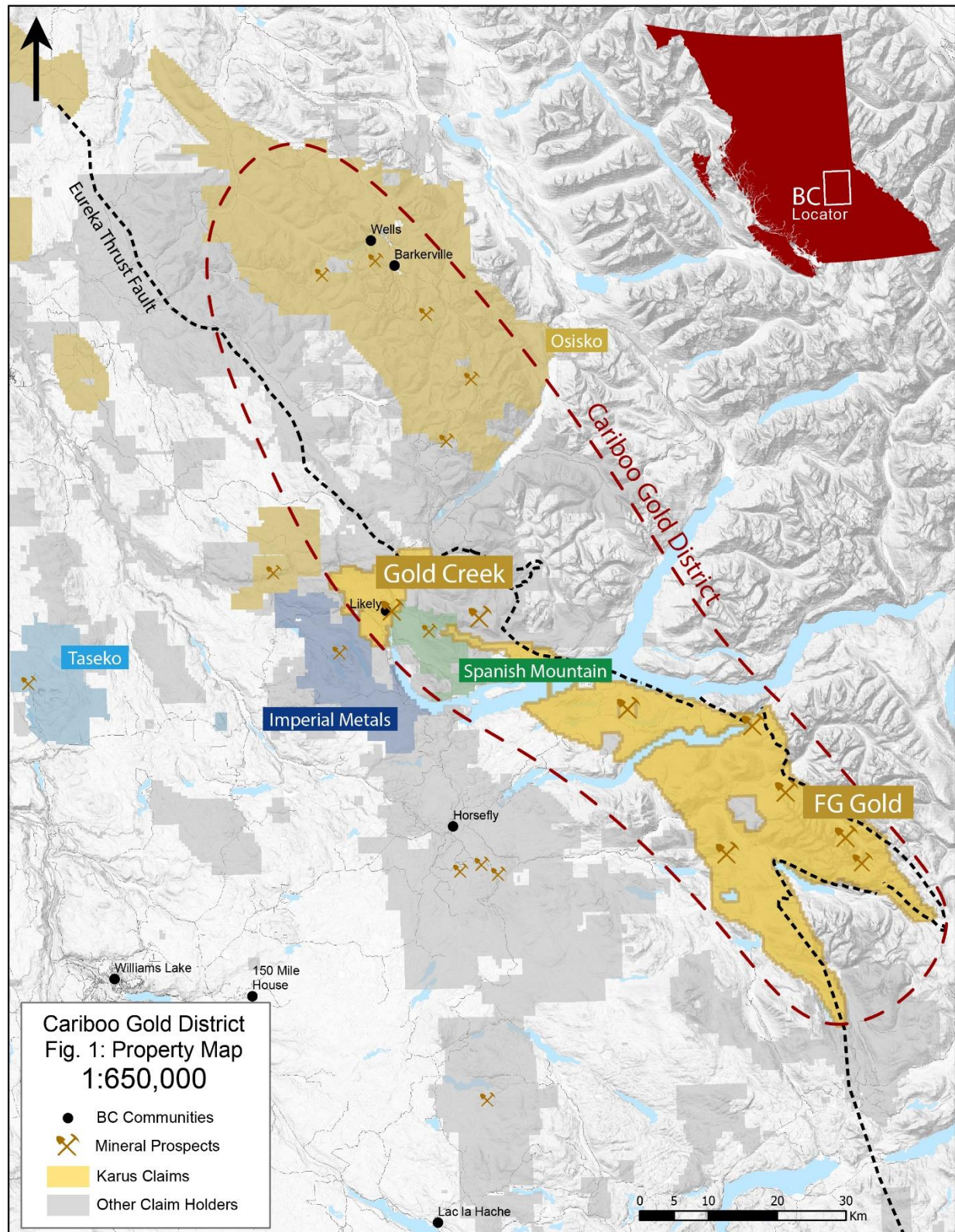


Figure 2. Location of Phase 1 Drill Holes at the Gold Creek Camp Zone

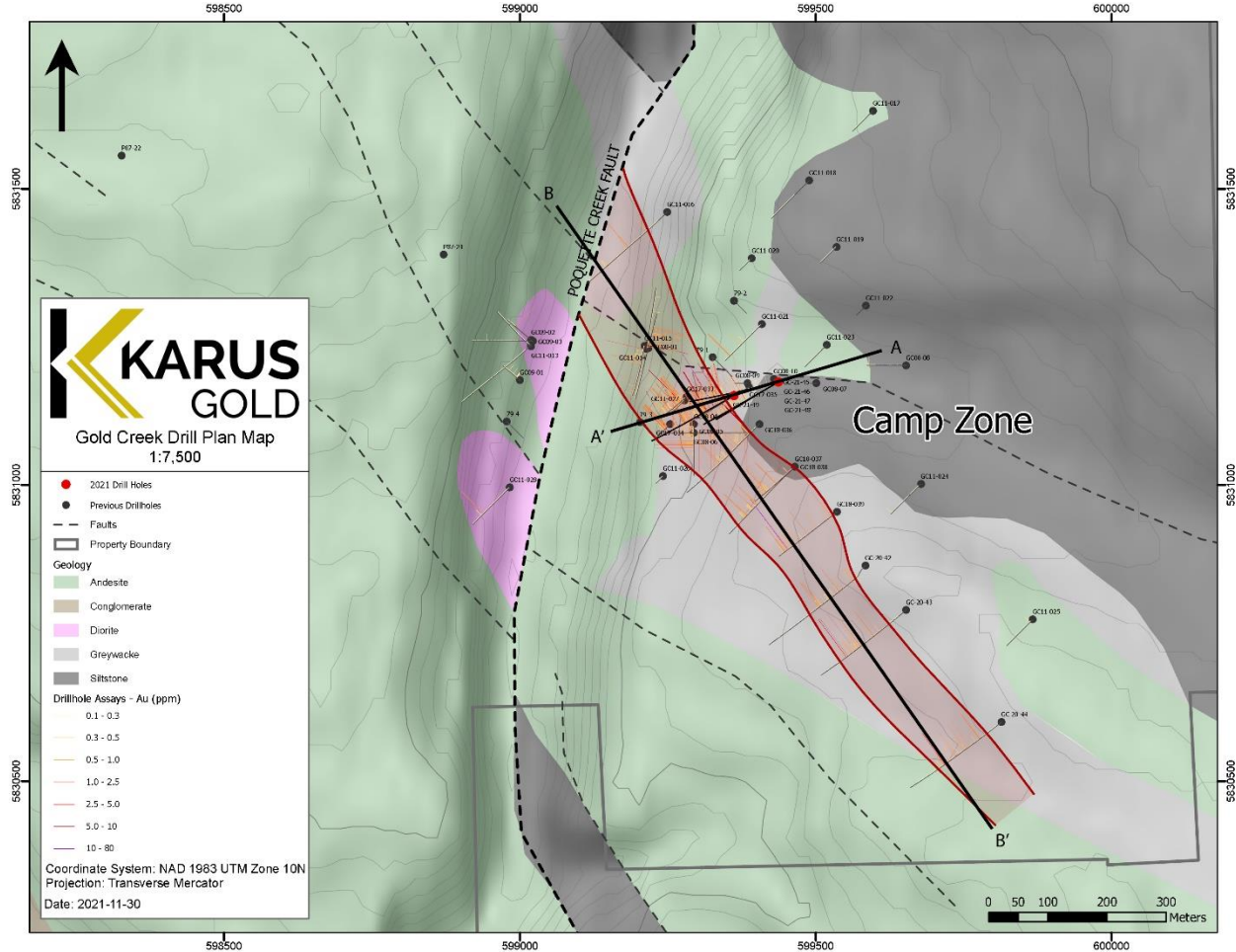


Figure 3: Geologic Cross section with 2021 drill results.

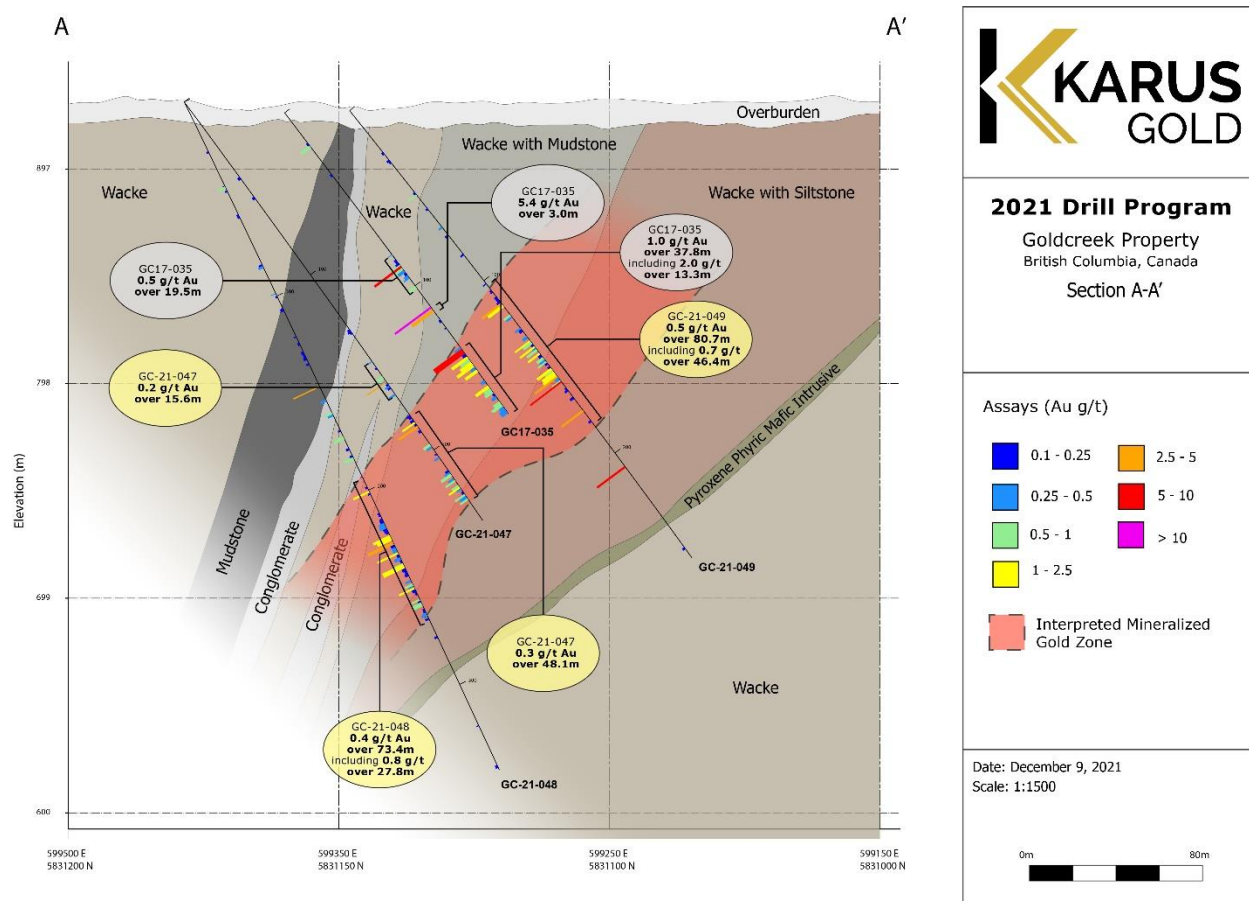




Figure 4. Gold Creek long section with 2021 drill results.

