



KARUS GOLD CLOSES OVERSUBSCRIBED RIGHTS OFFERING

Vancouver, BC March 24, 2021 - Karus Gold Corp. (“**Karus Gold**”) is pleased to announce that the rights offering previously announced February 1, 2021 for 26,556,228 common shares with gross proceeds of CDN\$3,983,434 (the “**Rights Offering**”) has closed. Karus Gold remains on track for a TSX Venture exchange listing in Q2 2021.

Karus Gold CEO Andrew Kaip commented, “The rights offering saw strong support from our shareholders including Mr. Eric Sprott and other insiders. Karus is actively ramping up for a strong 2021 field season. Drilling is planned to follow up on the lower zone discovery where hole FG-20-377 intersected 31.35m of 3.22 g/t Au including 14.35 m of 6.34 g/t gold, as well as expanding drill targets and prospecting for new discoveries on the 1,000 square kilometer of South Cariboo Gold District claims.”

The Rights Offering was undertaken to provide funds for exploration, development and social programs related to Karus Gold’s exploration interests, as well as for working capital and general corporate purposes.

Karus shareholders subscribed for a total of 21,263,385 shares under the basic subscription privilege, and an additional 24,365,942 shares under the overallotment subscription, resulting in a total of 172% of rights subscribed and no shares were left for exercise under the Backstop Agreements entered into on February 1, 2021. Due to strong demand, only 5,292,843 shares were available for the overallotment and were allocated on a pro-rata basis, pursuant to the terms and conditions set forth in the Rights Offering materials.

Mr. Sprott, through 2176423 Ontario Ltd., acquired an aggregate of 6,829,611 shares, through the exercise of the basic subscription privilege in the Rights Offering and the purchase of an additional 1,965,484 shares through the overallotment subscription in the Rights Offering, for an aggregate purchase price of approximately \$1,319,264. As of closing of the Rights Offering, 2176423 Ontario Ltd beneficially owns an aggregate of 22,454,317 shares, representing approximately 27.39% of the issued and outstanding shares on a non-diluted basis, and 28.91% of the issued and outstanding shares on a partially diluted basis, as of the closing date of the Rights Offering.

1130447 BC Ltd. acquired an aggregate of 5,600,121 shares, through the exercise of the basic subscription privilege in the Rights Offering and the purchase of an additional 1,545,433 shares through the overallotment subscription in the Rights Offering, for an aggregate purchase price of \$1,017,833. As of closing of the Rights Offering, 1130447 BC Ltd beneficially owns an aggregate of 18,345,796 shares, representing approximately 22.38% of the issued and outstanding as of the closing date of the Rights Offering.

About Karus Gold

Karus Gold controls 1,000 kilometers square of the Cariboo Gold District (“**District**”) in British Columbia. The FG Gold and Gold Creek projects are set for growth and the District is wide open for additional discovery. Karus Gold is supported by strategic investor Eric Sprott who owns 27% of Karus’ basic shares. Management and the Board are aligned with shareholders, owning an additional 32% of the basic shares outstanding. Karus Gold has drill results from 2020 pending and has plans to continue aggressive exploration in 2021.

Further information on Karus Gold can be found on the Company's website at www.karusgold.com.

On behalf of Karus Gold Corp

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Technical information with respect to FG and Gold Creek projects contained in this news release has been reviewed and approved by Michael Tucker, P. Geo, who is Karus' VP Exploration and is the qualified person under National Instrument 43-101 responsible for the technical matters of this news release.

Cautionary Statement Regarding Forward-Looking Information

This press release contains forward-looking information based on current expectations, including but not limited to the use of proceeds and events which are proposed to occur on closing. Forward-looking information is often, but not always, identified by the use of the words "plan" "contemplate", "estimate", "expect" and "anticipate" and statements that an event or result "may", "will", "should", "could" or "might" occur and any similar expressions or negative variations thereof.

In providing forward-looking information in this press release, Karus Gold has made numerous assumptions regarding the Rights Offering, which Karus Gold believes to be reasonable, including assumptions relating to the expected use of proceeds. Forward-looking information entails various risks and uncertainties however that could cause actual results to differ materially from those reflected in the forward-looking information. Specific risks that could cause actual results to differ materially from those anticipated or disclosed in this press release include, but are not limited to: (i) no assurance as to the ability to trade of any Rights; (ii) the use of funds may differ from that set out by Karus Gold; (iii) the ongoing COVID-19 pandemic and government and market responses to the pandemic may potentially have materially adverse effects on Karus Gold and its business, operations, liquidity, cash flows and ability to close the Rights Offering. In addition to the above summary, additional risks and uncertainties inherent to the Company and the Rights Offering are described in the "Risk Factors" section of the Rights Offering Circular dated February 1, 2021 available on www.sedar.com. Forward-looking information are not guarantees of future performance, and management's assumptions upon which such forward-looking information are based may prove to be incorrect.

Accordingly, there can be no assurance that actual events or results will be consistent with the forward-looking information disclosed herein. In light of the significant uncertainties inherent in forward-looking information, any such forward-looking information should not be regarded as representations by us that our objectives or plans relating to the rights offering or standby commitment or otherwise will be achieved. Investors are cautioned not to place undue reliance on any forward-looking information contained herein and that such forward-looking information are provided solely for the purpose of providing information about our current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. In addition, forward-looking information relates to the date on which they are made.

Karus Gold disclaims any intention or obligation to update or revise any forward-looking information contained in this press release, whether as a result of new information, future events or otherwise, except to the extent required by law.