

K2 Gold Identifies New Targets from VLF-EM Survey Completed at Wels Project, Yukon

Vancouver, British Columbia--(Newsfile Corp. - August 31, 2022) - K2 Gold Corporation (TSXV: KTO) (OTCQB: KTGDF) (FSE: 23K) ("K2" or the "Company") is pleased to announce that a ground-based Magnetic and Very Low Frequency ("VLF") electromagnetic ("EM") geophysical survey was successfully completed at its 100% owned Wels Project ("Wels") located in Yukon, Canada. The survey was designed to collect geophysical data over previously drilled mineralization at the Saddle Zone. In addition, the survey covered three high priority gold-in-soil and rock anomalies on the property to identify possible controlling structures in areas of extensive surficial cover. A total of 60.73 line-km of ground was surveyed, with multiple VLF-EM anomalies successfully delineated including several previously unidentified trends with coincident rock and soil geochemical anomalism, an entirely new exploration target in the southwest of the property was also identified over the course of the survey.

Key Point Summary

- A west-northwest trending VLF anomaly interpreted as a controlling structure or contact is observed immediately adjacent to high-grade gold historically drilled at the Saddle Zone. The anomaly has not been tested by drilling, extends for 850m, and is coincident with high-tenor gold-in-soil results.
- Compelling VLF-EM anomalies generally trending northwest have also been identified at all currently known target areas, including the Pekoe, Chai, and Gunpowder targets.
- A new target area, Matcha, was identified 2km to the southwest of the Saddle Zone. Northwest-trending VLF anomalies in the Matcha area are coincident with high-tenor gold-in-soil results of up to 202 ppb Au.
- Annotated maps depicting the 2022 VLF survey area and results are available [here](#).

Anthony Margarit, K2's President and CEO stated, "*Summer 2022 was planned as a season of drill target generation for K2 at our Wels project. The VLF survey has produced the results we hoped it would, with the survey successfully identifying what we interpret as controlling structures at each of our known target areas. Additionally, the survey also delivered a welcome surprise - identifying a VLF anomaly at a previously unexplored target 2km southwest of the Saddle Target which we have named Matcha.*

We have confirmed our previous interpretation of a general northwest structural control to mineralization at Wels, and the survey delivered a level of resolution beyond our expectations, outlining multiple new targets for 2023 in areas that have never been drilled, as shown in Figure 1.

We now have geophysical anomalies corresponding with highly anomalous soil and rock geochemical responses at multiple locations on the property. This new geophysical data brings an additional level of confidence in drill target selection and will assist in refining final collar locations when it comes time to drill these exciting targets."

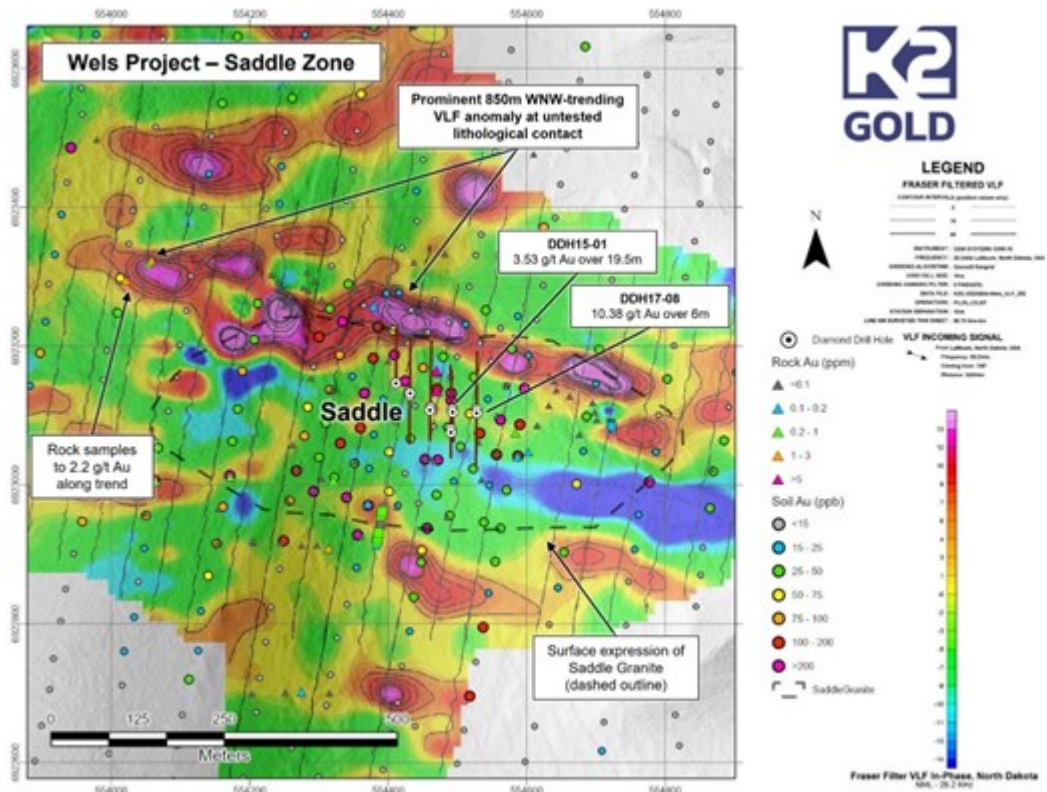


Figure 1: Saddle Zone: Coincident VLF, and Geochemical Anomalies

To view an enhanced version of Figure 1, please visit:

https://images.newsfilecorp.com/files/6578/135499_e33d6357d438c82c_002full.jpg

The 2022 Mag-VLF survey was designed to collect baseline data over the Company's previously drilled (2017) Saddle target, where WNW-trending structurally controlled gold mineralization is observed within faults in a granodiorite host, before collecting similar tightly spaced data over the Chai, Pekoe, and Gunpowder targets, which have never been drilled.

The Mag-VLF survey methodology excels at identifying conductive bodies, structures, or geological contacts, with a strong response indicating an anomaly. The survey method was chosen based on observed similarities in mineralization style between Wels and Newmont's Coffee Gold Project, where the Mag-VLF method has been previously employed with great success. Mineralization at both projects is controlled by high-angle structures with strong sericite alteration and common fault gouge, within resistive gneissic and granitic host rocks.

The survey successfully identified prominent anomalies at all targets, including a significant WNW-trending anomaly located immediately north of the extent of K2's previous diamond drilling at the Saddle target. The newly identified VLF anomaly has never been drill-tested and is coincident with significant gold-in-soil anomalism. VLF anomalies that may represent structures which control the distribution of surficial gold found at the Pekoe, Chai, Gunpowder, and a newly identified target area were also observed.

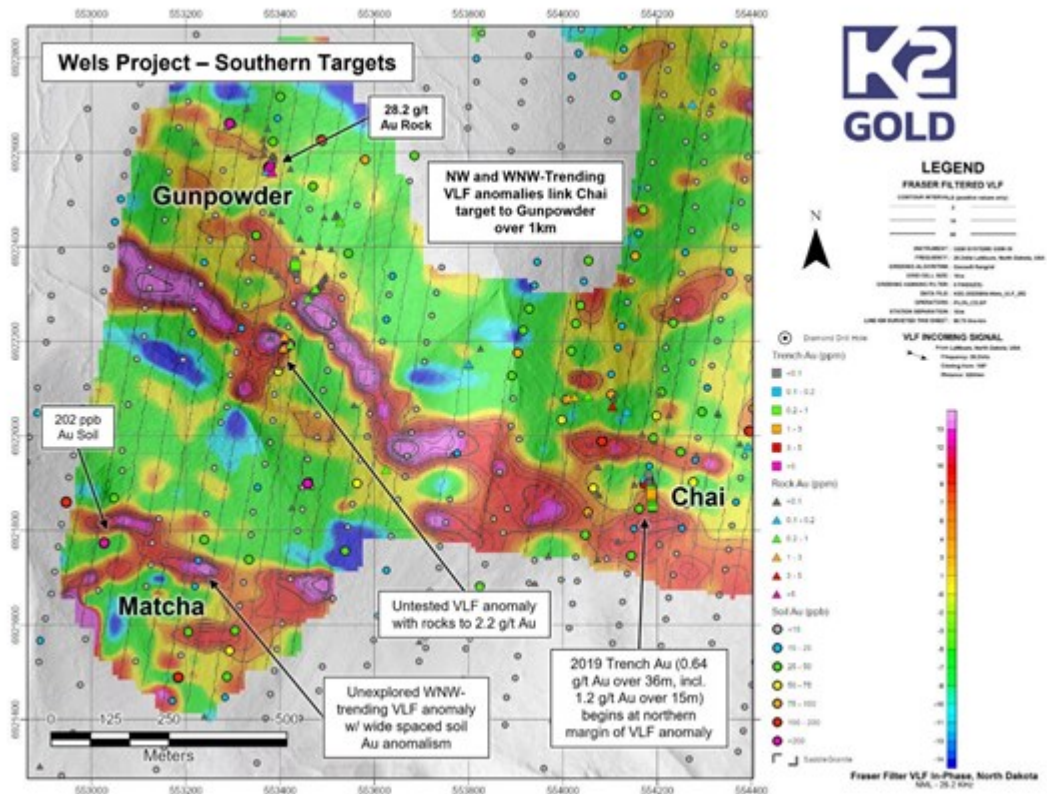


Figure 2: Gunpowder, Chai, and Matcha Zones: Coincident VLF, and Geochemical Anomalies

To view an enhanced version of Figure 2, please visit:

https://images.newsfilecorp.com/files/6578/135499_e33d6357d438c82c_003full.jpg

Next Steps

Based on the encouraging results of the 2022 Mag-VLF survey, the Company intends to prepare and submit a Class 3 exploration permit for further advanced exploration at the Wels Project in the 2023 season. The Company plans on completing additional surface work to prepare for a drill program to test targets identified by the 2022 Mag-VLF survey and previous exploration work.

About the Wels Project

The Wels Project is located in Western Yukon, approximately 40km east of the community of Beaver Creek and 60km south of Newmont Goldcorp's 4Moz Coffee deposit, within the traditional territory of White River First Nation. The land position consists of 350 contiguous Quartz Claims covering 7,200 hectares. Wels is underlain by metasedimentary and metavolcanic rocks of the White River Formation that have been intruded by a series of Triassic gabbroic sills and Cretaceous granitic plugs. This package has been cut by a series of WNW trending high-angle structures that host alteration and gold mineralization. Mineralization is noted in all rock types observed on the property to date and is associated with quartz veining, brecciation, and sericite alteration with anomalous As, Sb, and, locally, visible gold. Four discrete mineralized trends are currently known, with only one trend drilled to date, delivering encouraging assay results of 2.37 g/t Au over 28.5m and 10.38 g/t Au over 6.0m. All mineralized trends remain open along strike and approximately 80% of the property is currently unexplored.

Qualified Person ("QP")

The technical information in this news release has been prepared in accordance with Canadian regulatory requirements set out in NI 43-101 and reviewed and approved by Eric Buitenhuis, P.Geo., K2's QP and Vice President of Exploration.

About K2 Gold

K2 is a proud member of Discovery Group and currently has projects in Southwest USA and the Yukon.

The Si2 Gold Project is located in Esmeralda County, Nevada, approximately 60km northwest of Tonopah, Nevada, and 20km northwest of Allegiant Gold's Eastside deposit (1.4Moz Au, 8.8 Moz Ag). The project is road accessible and consists of 65 BLM lode claims covering 543 Ha. The claims cover an 8 km² area of steam heated alunite-kaolinite-buddingtonite alteration within a sequence of felsic to intermediate volcanic rocks with brecciation and strongly anomalous mercury. The alteration is interpreted to represent a high-level setting within a low-sulfidation epithermal gold-silver system. In this type of geologic setting there is typically minimal anomalous gold mineralization at surface, however, gold grades may increase at depth along controlling structures at critical locations in the hydrothermal system (i.e. boiling zones). The Si2 Gold Project was initially identified by the same exploration team that identified AngloGold Ashanti's Silicon project near Beatty, Nevada, and was staked based on its strong geological similarities to Silicon. The property is currently surrounded by claims held by AngloGold Ashanti, with the exception of a small block of claims held by Hecla Mining immediately southwest of the Si2 Gold Project.

The Mojave project is a 5,830-hectare oxide gold project with base metal targets located in California. Multiple previously recognized surface gold targets have been successfully drilled in the past most notably by Newmont and BHP. Since acquiring the property, K2 has completed geochemical and geophysical surveys, geologic mapping, LiDAR, a WorldView 3 alteration survey, and successfully completed a 17-hole RC drill program focused on the Dragonfly and Newmont Zones. Highlights from K2's drilling program include 6.68 g/t Au over 45.72m from surface at the Dragonfly Zone, and 1.69 g/t Au over 41.15m from 44.20m depth at the Newmont Zone.

K2 is committed to transparency, accountability, environmental stewardship, safety, diversity, inclusion, and community engagement.

K2 Gold is a member of Discovery Group, an alliance of public companies focused on the advancement of mineral exploration and mining projects with a proven track record of generating shareholder value through responsible, sustainable, and innovative development. Discovery Group companies have generated over \$500 million in direct and indirect expenditures resulting in over three billion dollars in M&A activity, with notable recent successes being the sale of Great Bear Resources Ltd. to Kinross Gold Corporation, the sale of Northern Empire Resources Corp. to Coeur Mining Inc. and the sale of Kaminak Gold Corp. to Goldcorp Inc.

Current Discovery Group member companies include: Baroyeca Gold & Silver Inc., Elemental Altus Royalties Corp., Fireweed Metals Corp., Gold Basin Resources Corp., Great Bear Royalties Corp., Kodiak Copper Corp., K2 Gold Corp., Prospector Metals Corp., and ValOre Metals Corp.

On behalf of the Board of Directors,

"Anthony Margarit"
President and CEO K2 Gold Corporation.

For further information about K2 Gold Corporation or this news release, please visit our website at k2gold.com or contact our Office in Canada at 778-266-1456 or by email at info@k2gold.com.

K2 Gold Corporation is a member of Discovery Group based in Vancouver, Canada. For more information please visit: discoverygroup.ca.

Cautionary Statement on Forward-Looking Statements

This news release contains forward-looking statements that are not historical facts. Forward-looking statements involve risks, uncertainties and other factors that could cause actual results, performance,

prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements, including statements regarding the exploration program at Si2, Wels, and Mojave, including results of drilling, and future exploration plans at Si2, Wels, and Mojave. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, variations in the nature, quality and quantity of any mineral deposits that may be located, the Company's inability to obtain any necessary permits, consents or authorizations required for its planned activities, and the Company's inability to raise the necessary capital or to be fully able to implement its business strategies. The reader is referred to the Company's public disclosure record which is available on SEDAR (www.sedar.com). Although the Company believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except as required by securities laws and the policies of the TSX Venture Exchange, the Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

This news release does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the securities in the United States of America. No securities of the Company have been or will, in the foreseeable future, be registered under the United States Securities Act of 1933 (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.

NEITHER TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE



To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/135499>