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TSX-V: KTO

NEWS RELEASE

K2 Gold Announces High Grade Samples from New Target at Mojave

Vancouver, B.C. – July 2, 2020 – K2 Gold Corporation (“K2” or the “Company”) (TSX-V: KTO; OTCQB: KTGDF; FRANKFURT: 23K) is pleased to report additional exploration results from its Mojave project (“Mojave”) located in Inyo County, California. The results are from the Soda Ridge and Stega targets on the western side of the property (“Western Target Area”) and comprise soil and rock chip sampling.

Highlights include:

- **Stega – 5.14 g/t Au over 11.6m from rock chip sampling**
- **Soda Ridge – Rock samples up to 3.28 g/t Au, up to 909 g/t Ag, up to 2% Pb, and up to 3.9% Cu**
- **Soda Ridge – Significant, 600m x 700m, open, gold in soil anomaly with 51 samples returning >100 ppb Au**

“These preliminary results from the Western Target Area highlight the mineral potential of the entire Mojave property not just for gold, but base metals as well,” stated Stephen Swatton, President and CEO of K2. “We have now identified twelve gold and base metal targets on the 5,800ha property and look forward to drilling the Eastern Target Area with a helicopter supported program in the near future.”

Please [CLICK HERE](#) to view all figures related to this news release.

The main focus of exploration by BHP and Newmont in the 1980’s and 1990’s was on the gold potential of the eastern side of the Mojave property (“Eastern Target Area”). This news release reports K2’s exploration results from the Western Target Area, which is separated from the Eastern Target Area by several kilometers of predominantly colluvium filled valley floor (“Upland Valley”).

The Company’s exploration results from the Western Target underline the importance of reviewing the potential of the property in its entirety. K2’s current geologic interpretation implies a distinct geologic relationship exists between the predominantly base metal rich west and the gold rich east. The distinct zonation of base metals in the west to gold in east strongly suggests the possibility of intrusive related mineralization within a highly tectonized regime akin to the multi-million ounce Beatty gold district 150km to the north east. Unlike Beatty, Mojave has exposed more of the deeper base metal rich rock units therefore the Company has also been

keen to follow up on the reported porphyry copper potential as mentioned in historical documents from BHP (BHP Minerals internal report, Reidel 2014).

Western Target Area

Numerous historic mines, prospect pits, shafts, and adits occur in the general area dating back to the mid 1800's – 1950's. The most notable past producers include Cerro Gordo (4.4 million oz Ag, 37,000 tons Pb, and 12,000 tons Zn), and Morning Star (4,130 tons at an average grade of 10.3 g/t Au, 1,062 g/t Ag, 5% Pb, 1% Cu, and 3% Zn) which occur just outside of the property boundary. Within the property boundary the Pete Smith adits exploited narrow lead-zinc veins in the 1920's and the Keeler mine produced gold-silver-lead-copper from a series of narrow veins (production grade and tonnage unknown) and was the most recently operating precious/base metal mine in the district and closed in 1961.

Stega

The Stega target covers approximately 3km x 2km in the southwestern portion of Mojave and is located 3km west of the Newmont Zone, with approximately 1,600 historic rock grab and chip samples. Numerous, subparallel, thrust faults and later normal faults are mapped in the area along with a series of intermediate to mafic Jurassic intrusive rocks ranging from andesite to diorite porphyry, and showing varying degrees of alteration. There is significant geochemical zonation on the target based on historic rock sampling consisting of a core of strongly elevated copper over a >1km trend flanked by dominant Au-As on the east and Ag-Pb-Zn mineralization on the west, indicative of a porphyry type setting. To date, exploration by the Company has focused on the Au-As trend and a full assessment of the target area, including the Cu and Ag-Pb-Zn trends is ongoing.

The initial sampling program by K2 focused on the northeastern portion of the Stega target and was following up on historic rock chip samples in the area up to 10.8 g/t Au. A total of 115 samples were collected over 11 lines of continuous rock chip sampling from outcrop and covered a 415m east-west area. Individual assays for the samples ranged from trace to 12.68 g/t Au. An additional 36 prospecting grab samples were collected from the area, with samples returning from trace to 0.61 g/t Au. Highlights from the chip/channel sampling are presented in Table 1, below.

Table 1 – Summary of Chip & Channel Samples from the Stega target

| Line ID | Target | From (m) | To (m) | Interval (m) | Au (g/t) |
|--------------|--------|----------|--------|--------------|----------|
| 20-MOC-024 | Stega | 0 | 8 | 8 | 0.95 |
| 20-MOC-025** | | 0 | 19 | 19 | 0.64 |
| Incl. | | 10 | 14 | 4 | 1.59 |
| 20-MOC-026 | | 0 | 8 | 8 | 0.28 |
| 20-MOC-027 | | 0 | 9 | 9 | 0.20 |
| 20-MOC-028 | | NSV | | | |
| 20-MOC-029 | | 2 | 2.5 | 0.5 | 0.67 |
| 20-MOC-030 | | NSV | | | |
| 20-MOC-031* | | 13.8 | 22.3 | 8.5 | 0.24 |
| 20-MOC-032** | | 0 | 17.4 | 17.4 | 0.56 |

| | | | | |
|------------|-----|------|------|------|
| 20-MOC-033 | NSV | | | |
| 20-MOC-034 | 0 | 11.6 | 11.6 | 5.14 |
| Incl. | 4 | 9.6 | 5.6 | 9.68 |

*Ended in mineralization

**Started & ended in mineralization

The most significant results were obtained from strongly silicified limestone and quartz-sericite altered siltstone units immediately adjacent to three NNW trending, steeply west dipping, normal faults with proximal andesite to diorite porphyry dikes and sills. Alteration and mineralization was noted in all rock units, including intrusive units, but appears to be best developed within limestone and occurs with quartz-carbonate veining and disseminated to fracture controlled iron oxides and a geochemical signature of Au with elevated As-Sb-Tl, similar to the Newmont and East Zone targets. All three zones are open along strike in both directions and extend a minimum of 750m south based on historic rock sampling and recent WorldView-3 alteration imagery.

Soda Ridge

The Soda Ridge target is located in the northwest corner of Mojave, approximately 4.5km NW of Stega. The target occurs immediately south of the historic Morning Star Mine which produced an estimated 4,130 tons at an average grade of 10.3 g/t Au, 1,062 g/t Ag, 5% Pb, 1% Cu, and 3% Zn (Merriam, 1963, Geology of the Cerro Gordo Mining District, Inyo County, California. USGS Professional Paper 408). Historic exploration on the target by Mobil-Asamera included 34 drill holes (2,686m) in the Soda Ridge-Morningstar area. Highlights of the historic drilling include:

- SR-09: 5.21 g/t Au over 6.10m from 76.20m depth
- SR-15: 5.73 g/t Au over 4.57m from 45.72m depth
- SR87-C-03: 8.67 g/t Au and 227 g/t Ag over 6.64m from 78.64m depth

A total of 138 grid soil samples were collected on the Soda Ridge target with samples collected every 50m along E-W oriented lines spaced 100m apart. The soil sampling returned significantly anomalous gold in soils over a 600m x 700m area that is open to the north, south, and west. Individual samples ranged from trace to 1040 ppb Au. Overall, 51 of the samples returned >100 ppb Au and are associated with elevated As, Bi, Cu, Pb, and Zn (+/- Sb).

Limited rock sampling was also conducted on the target, with 18 rock grab and chip samples collected from the Soda Ridge target as part of initial geologic mapping efforts. Assays for the sampling ranged from trace to 3.28 g/t Au. Several of the samples also contained elevated silver and base metals with values ranging from 0.16 – 909 g/t Ag, trace – 3.9% Cu, trace – 2.01% Pb, and trace – 2.17% Zn. The mineralized samples also displayed varying enrichment in Bi, Mo, Sb, Te, & W, mirroring soil samples collected on the target.

Samples with higher values of precious and base metals correspond to a series of NW trending, west dipping, thrust contacts between bioclastic limestone and shale/siltstone. Pervasive bleaching associated with argillic – phyllic alteration occurs over the target with fracturing, quartz-carbonate veining, and localised silicification, brecciation, and strong Fe-oxide development. Overall, the alteration, mineralization, and geochemistry indicate an intrusive association with the mineralization and the target occurs approximately 1.5km, and on trend, of

Jurassic monzonite intrusive associated with Ag-Pb-Zn skarn and carbonate replacement mineralization in the Cerro Gordo Mines.

History of the Mojave Project

Gold mineralization was first discovered at Soda Ridge on the Northwest corner of Mojave by Mobil in 1984. Prior to K2's recently completed work at least eight other gold rich areas on the property had been recorded and partially investigated by exploration and mining companies, most notably Newmont and BHP. To date 145 drill holes have been completed by three companies: Newmont in 1985 (25 RC holes), Asamera in 1986 (113 RC and diamond drill holes), and BHP in 1997 (10 RC holes) on three of the nine gold targets. Other companies that have explored Mojave include Great Bear Resources and SSR Mining but the recent work by K2 is the most extensive and comprehensive since 1997. There are now twelve gold and base metal exploration targets at Mojave.

Historical drill programs focused on three different target areas of Mojave: Newmont, East Zone and Dragonfly. Highlights of historical drill results include 16.8m of 2.1 g/t Au, 24.4m of 1.54g/t Au, and 12.2m of 3.8 g/t Au (see Table 2, below). The best trench result to date is an undrilled section of the Dragonfly area where BHP reported 42.7m of 4.2 g/t Au (Great Bear Resources news release October 2013). A compilation of K2's Dragonfly rock and soil sampling results will be released as and when available.

Table 2. – Highlights of historical drilling results from Newmont, East Zone and Dragonfly

| Target | Hole ID | From (m) | To (m) | Int (m) | Au (g/t) |
|-----------|---------|----------|--------|---------|----------|
| Newmont | CGL-1 | 8.23 | 11.28 | 1.52 | 8.23 |
| | CGL-3 | 38.40 | 55.17 | 16.76 | 2.08 |
| | CGL-12 | 208.79 | 225.55 | 16.76 | 1.09 |
| | CGL-19 | 74.68 | 99.06 | 24.38 | 0.91 |
| | Incl. | 74.68 | 80.78 | 6.10 | 3.07 |
| | CM97-9 | 120.40 | 135.64 | 15.24 | 1.00 |
| East | CGL-8 | 51.816 | 56.388 | 4.572 | 1.82 |
| Dragonfly | CM97-3 | 47.24 | 53.34 | 6.10 | 2.00 |
| | And | 163.07 | 172.20 | 9.13 | 1.17 |
| | CM97-4 | 0.00 | 24.38 | 24.38 | 1.54 |
| | Incl. | 16.76 | 22.86 | 4.95 | 6.10 |
| | And | 42.67 | 54.86 | 12.19 | 3.84 |
| | And | 88.59 | 97.54 | 9.14 | 1.55 |
| | CM97-5 | 146.30 | 158.50 | 12.20 | 1.48 |

Geology of the Mojave Project

Mojave is underlain by a Palaeozoic, carbonate-dominated stratigraphic sequence of siltstone, shale, limestone, and conglomeratic units that have been subjected to multiple deformational events. The units are commonly folded and thrust and are cut by late, steeply dipping, normal to strike-slip faults. Jurassic intrusive plug, dikes, and sills also locally disrupted the units.

Gold mineralization at Mojave is typically oxide, sediment hosted, and structurally controlled by steeply dipping faults and lithologic contacts. The alteration, mineralization, and geochemistry have similarities to both Carlin and epithermal type gold systems. Polymetallic Au-Ag, Cu, and/or base-metal occurrences are also recognised on the property and typically form proximal to Jurassic intrusive units indicating the potential for porphyry and other intrusion-related mineralization.

Assay Methodology & QA/QC

The analytical work on Mojave was performed by MSALABS an internationally recognized analytical services provider, at its Langley, British Columbia laboratory. All rock samples were prepared using procedure PRP-910 (Dry, crush to 70% passing 2mm, riffle split off 250g, pulverize split to better than 85% passing 75 microns) and analyzed by method FAS-111 (30g fire assay with AAS finish) and IMS-130 (0.5g, aqua regia digestion and ICP-AES/MS analysis). Samples containing >10g/t Au were reanalyzed using method FAS-415 (30g Fire Assay with gravimetric finish). Samples containing >100 ppm Ag and/or >1% Cu, Pb, & Zn were reanalyzed using method ICF-6 (0.2g, 4-acid digest and ore grade ICP-AES analysis). Samples containing >1000 g/t Ag were reanalyzed using method FAS-418 (30g Fire Assay with gravimetric finish). All soil samples were prepared using procedure PRP-757 (Dry, screen to - 80 mesh) and analyzed using method IMS-131 (20g, aqua regia digestion and ICP-AES/MS analysis).

The reported work was completed using industry standard procedures, including a quality assurance/quality control ("QA/QC") program consisting of the insertion of certified standard, blanks and duplicates into the sample stream. The Qualified Person has reviewed the data and detected no significant QA/QC issues.

Option Grant

The Company granted 150,000 incentive stock options (the "Options") to two consultants of the Company. The Options are exercisable at \$0.42 per share for a period of 5 years from the date of grant and expire July 2, 2025. The Options were granted pursuant to the Company's shareholder-approved stock option plan and are subject to the policies of the TSX Venture Exchange and any applicable regulatory hold periods.

Qualified Person

Jodie Gibson, Vice President of Exploration and a Qualified Person under National Instrument 43-101, has reviewed and approved the technical information on this release.

About K2

K2 is a well financed gold and silver exploration company with approximately \$1.6M cash and projects in SW USA, Yukon and Alaska. The Company has turned its focus to its recently acquired Mojave project in California, a 5,830 hectare oxide gold project with base metal targets. The location of Mojave enables the Company to have year-round news flow on multiple previously recognized surface gold targets that have been successfully drilled in the past by majors BHP and Newmont. Besides affording immediate drill targets from recent sampling, the

property also includes high priority locations in the vicinity of historical trench results such as 4.2 g/t gold over 42.7m that have not been drilled to date.

On behalf of the Board of Directors,

“Stephen Swatton”

President and CEO

K2 Gold Corporation.

For further information about K2 Gold Corporation or this news release, please visit our website at www.k2gold.com or contact Investor Relations at 604-354-2491, or by email at info@k2gold.com.

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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 Mojave, including results of drilling, and future exploration plans at 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.

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