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TSX-V: KTO

NEWS RELEASE

K2 Options the GDR Property, Southern Yukon

Vancouver, B.C. –9th January, 2019 – K2 Gold Corporation (“**K2**” or the “**Company**”) (KTO:TSX-V) is pleased to report that it has agreed to option the GDR property from a private prospecting syndicate. GDR is situated within the Traditional Territory of Ross River First Nation (“RRFN”).

The GDR property is a group of three licence blocks covering a total of 3073 ha and are road / dirt track accessible, located just north of the BC-Yukon border approximately 20km east of Rancheria, a settlement at Mile 710 on the Alaska Highway. The southern most licence, Veronica is 10km north east of Coeur D’Alene’s 26.5-million-ounce high grade Silvertip silver-base metal mine. Silvertip was subject of a \$250 million take over in 2017 and is expected to boost Coeur’s silver equivalent output by 22% by full production (Coeur company information). Silvertip has 26.5 million ounces of silver in the measured and indicated category and 5 million ounces in inferred resources. The GDR property is hosted in Paleozoic sediments with excellent potential for high-grade Ag-Pb-Zn carbonate replacement deposits (CRD) similar to the nearby Silvertip Mine.

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

To date, first pass exploration has been conducted on the property including most recently, 342 soil samples and 24 rock samples collected in 2015 and 2016, all returning anomalous results across all 3 blocks, MR, Veronica, and MFW. Highlights of each are the following.

Steve Swatton CEO commented “I am excited that K2 has the opportunity to work on the GDR property, particularly given the very successful development and sale of the nearby Silvertip project. Recent sampling work has revealed multiple high grade silver and base metal target areas on the property. The GDR property has good accessibility 20 km by road from the settlement of Rancheria which will greatly facilitate exploration logistics and allow for modest exploration costs. K2 will work expeditiously toward further defining targets for initial drill testing.”

MR

- From 1981 to 1986 the MR property was explored by Regional Resources Ltd with gridding, mapping and prospecting, soils, gravity, EM and IP geophysics, trenching, pitting, drilling and road building. Recent bedrock grab sampling (2015 and 2016) from a 0.5 m wide vein structure returned up to:

936 g/t Ag (27.3 oz/ton), 1.3 g/t Au, 32% Pb, 0.9% Zn, 0.47% Sn, and 360 ppm In

- In the earlier work (1981 to 1986) South Zone areas 1 to 4 were cat trenched and/or drilled to explore a series of carbonate-hosted, zinc-oxide prospects. The best historic results were:

South Zone Area 2:

Trench 23 3 m @ 6.55% Zn, 4.0% Pb

Trench 11 **20 m @ 5.05% Zn, 1.97% Pb, 3.4 g/t Ag**
Trench 20 0.5 m @ 10.8% Zn, 2% Pb, 6.5 g/t Ag
DDH 86-12 6 m @ 3.4% Zn, 4.4% Pb
DDH 86-15 1.0 m @ 2.4% Zn, 0.56% Pb

South Zone Area 3:

Trench 1.5 m @ 8.8% Pb, 51.4 g/t Ag
Trench 9.0 m @ 5.5% Zn

DDH 86-20 4.0 m @ 4.1% Zn, 0.1% Pb, 6.9 g/t Ag
And 3.0 m @ 4.2% Zn, 25.7 g/t Ag

Veronica

- 2015 and 2016, the Veronica soil anomaly 450 by 450 m in size (open to east) was defined with values of up to **31.1 ppm Ag, 3100 Pb, and 612 ppm Zn**. This anomaly has not been trenched, drilled or explained by prospecting.
- At the Stollery barite prospect, high Ag, Pb and Zn values are associated with quartz veins cutting shales. Soil values range up to **8.67 ppm Ag, 2780 ppm Pb, 2500 ppm Zn, 2080 ppm As, and 17.8 ppm Sb**.

MFW

- The MFW block includes the Meister Farwest target, which was explored by soil sampling in the mid 1980s. A discontinuous, 1500 m-long Ag-Pb-Zn anomaly (**up to 19 ppm Ag, 3600 ppm Pb, 1050 ppm Zn**) was defined. Fe-and Mn-oxide float was located by prospecting, but trenching failed to reach bedrock and the anomalies were not explained.
- 2016 soil sampling confirmed the historic anomaly with 14 of 61 soils returning >2.0 ppm Ag, with a high of **17.95 ppm Ag, 348 ppm Pb, 1060 ppm Zn, 143.5 ppm As and 10.65 ppm Sb**, suggestive of Silvertip-style, argentiferous galena and sulphosalt mineralization that has not been drill tested.

The Option Agreement

Subject to TSX Venture Exchange approval, K2 can earn 100% interest in the GDR Property by making cash payments aggregating \$90,000 staged over 4 years, and issue 1.2M shares staged over 4 years. In addition, the property is subject to a 3% NSR payable to the Vendor Syndicate. K2 may purchase 2 % of the NSR for \$2M at any time.

Qualified Person

Jo Price, P.Geo., VP Exploration of K2 and a Qualified Person under National Instrument 43-101 has reviewed and approved the technical information on this release.

For additional information please contact Stephen Swatton at 604-331-5093.

On behalf of the Board of Directors,

“Stephen Swatton”

President and CEO

K2 Gold Corporation.

Forward-Looking Caution:

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 2017 exploration program at the Wels Gold, Storck, Ladue and Flume Properties (collectively the "Properties"), including results of drilling, and future exploration plans at the Properties. 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 reach satisfactory agreements with First Nations to facilitate its exploration and development plans for the Wels Property, 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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