



## **K2 Gold Options the Flume Property and Stakes a Further 7,000Ha in the Ten Mile River District, Yukon**

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Vancouver, B.C. – March 6, 2017 – K2 Gold Corporation (“**K2**” or the “**Company**”) (KTO:TSX-V) is pleased to announce that it has entered into an agreement with Commander Resources Ltd., (“**Commander**”) to acquire 100% of the 3,680 Ha Flume property in the historical Ten Mile River gold District, 70km south west of Dawson City. K2 has also just completed a staking program of approximately 7,000 Ha to the west and north of the Flume property that covers potential extensions of the regional structures associated with the mineralization at the Flume North and Flume South targets.

“Optioning the Flume property is consistent with the Company’s strategy of being primarily focused on the search for gold in North America and specifically the Yukon Territory,” stated Stephen Swatton, President and CEO of K2 Gold. “Commander’s 30km<sup>2</sup> property is close to White Gold’s Dime property that has high grade gold values in soils and was partially drilled in 2010 and 2011. The proposed option deal with Commander provides that most cash and share payments and are in the latter years of a 7 year exploration earn-in period.”

To earn 60% of the Commander property K2 must spend \$2 million in exploration (\$200,000 firm commitment in year one) and make staged cash and share payments as follows:

- Upon signing K2 will pay Commander \$25,000 and 100,000 shares of K2
- Year one anniversary – \$35,000 and 100,000 shares
- Year two anniversary - \$50,000 and 150,000 shares
- Year three anniversary - \$75,000 and 150,000 shares
- Year four anniversary - \$215,000 and 500,000 shares

Upon fulfillment of the initial option conditions K2 will have the right to a further 40% (total 100%) in the property by making an additional \$3 million in expenditures, making additional cash payments of \$250,000, and issuing a further 2 million shares to Commander. If K2 has acquired 100% interest the property and announces a production decision it will pay Commander either \$10 million in cash or \$5 million cash and \$5 million in shares of K2. The option is subject to certain customary conditions including without limitation to receipt of all necessary regulatory and third party approvals, including the approval of the TSX Venture Exchange (the “TSXV”).

Originally staked by Phelps Dodge in 1999 the Flume property has undergone approximately C\$3.5 million of exploration expenditures by successive groups that culminated in a 9 hole, initial drill test by Ryan Gold in 2012. This work has outlined a



large 10 km by 3 km gold and arsenic soil anomaly covering the headwaters of Ten Mile and Sestak Creeks, both historical placer gold producers. High-resolution airborne geophysics show a coincident northerly trending shear zone array hosted mostly within meta-sediments.

Recent work on the Flume property by Ryan Gold had focused on the southern 2.5 km<sup>2</sup> of the target (Flume South) where reconnaissance drilling at 300 metre to 500 metre drill hole spacing successfully intercepted broad shear zones with anomalous gold values in the 50 ppb range with local higher values in narrow widths including 2.25 g/t over 1m and 5.76 g/t over 2m (see original Ryan Gold press release dated November 6, 2012, filed on Sedar). These intercepts remain to be followed up.

In addition, 6 km to the north of the Flume South drilling there is a stronger arsenic anomaly with accompanying gold geochemistry over 8 km<sup>2</sup> that remains undrilled. Work on this northern target, Flume North, is limited to wide spaced soil sampling and limited rock sampling. This target is adjacent to White Gold's Dime target, which is being prioritized for further investigation and drilling in 2017. According to White Gold's website presentation (Q1, 2017) "historic exploration in the [Dime] area consisted of soil and GT Probe sampling, geophysical surveys, trenching, and 3232m of diamond drilling over 19 holes. A majority of the exploration, particularly the diamond drilling, was focused on the eastern portion of the anomaly and returned narrow intervals of gold mineralization including 5.67 g/t Au over 0.5m from DDH 11-12 & 5.09 g/t Au over 0.4m from DDH 11-19".

Approximately 7,000 hectares of prospective ground has been recently staked to the west and north of the Commander tenements. Structural data has indicated that the Commander tenements may only partially cover the extensions of known mineralization. Integration of historical Freeport data and the results of the recent drilling have indicated that there is a strong likelihood for additional targets to the north and west of the current Commander land package.

K2 intends to focus on advancing the underexplored northern zone to drill stage, further evaluate Flume South, and undertake reconnaissance fieldwork and sampling of the recently staked 7,000 ha claims.

R. Allan Doherty, P.Geo., is the Qualified Person, in accordance with NI 43-101 of the Canadian Securities Administrators, and is responsible for the technical content of this press release.

For additional information please contact Stephen Swatton at 604-343-3530.

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 mineral potential of the Flume Gold Property. 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 Flume 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](http://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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