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TSX-V: KTO

NEWS RELEASE

K2 Enters into Option Agreement to Acquire 100% of the Cerro Gordo Project, California

Vancouver, B.C. – August 11, 2021 – K2 Gold Corporation (“**K2**” or the “**Company**”) (TSX-V: KTO; OTCQB: KTGDF; FRANKFURT: 23K) is pleased to report that it has signed an option agreement (the “**Agreement**”) to acquire a 100% interest in the Cerro Gordo Gold Project or “**Cerro Gordo Project**”, located adjacent to the Company’s Mojave Project in Inyo County, California.

Highlights:

- The Cerro Gordo Project is road accessible and in part adjoins the NW corner K2’s Mojave Gold Project
- Since the mid 1800’s, Cerro Gordo has been worked by several senior, mid-tier and junior companies including Asamera, Coeur, Phelps Dodge and Newgold
- The property has strong potential to host potentially economic polymetallic gold, silver-base metal, and, potentially, copper mineralization and has had two historical resource estimates completed in the mid-1990’s

Steve Swatton, President and CEO of K2 commented: *“The addition of the Cerro Gordo Project complements the work we are doing at Mojave and provides K2 with a road accessible property. As we continue to define additional copper and gold targets at Mojave in anticipation of receipt of the Phase II drill permit, the Company can work in parallel on defining drill targets for immediate access at Cerro Gordo and build on our understanding of the mineral controls of the entire project area.”*

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

Cerro Gordo Project Summary

The Cerro Gordo property consists of 59 lode claims and 5 patented claims covering approximately 360 Ha. The property is road accessible and is located on the NW corner of the Mojave Property, covering numerous historic workings for gold and silver-base metals over a 750m wide x 3km trend extending from the Company’s Soda Ridge target on the southeast to the Sunset-Copper Penny mines on the northwest. Mineralization along the trend consists of skarn,

replacement, and structurally controlled zones adjacent to a quartz monzonite intrusive (Ignacio stock).

The property has seen exploration and mining activity from the mid 1800's to present and forms a portion of the Cerro Gordo district which produced an estimated 4.4 million ounces of silver, 37 tons of lead, and 12,000 tons of zinc with lesser amounts of gold and copper (Merriam 1963). Modern exploration on the property dates to the 1960's and was performed by multiple operators including Asamera Minerals, Coeur Exploration, and Phelps Dodge among others. The work to date has included various geologic, geochemical, and geophysical surveys; over 15,000m of drilling; preliminary metallurgical test work; and historical gold resource estimates. This resulted in the discovery of the "H" and "B" zones; zones of gold skarn and stockwork mineralization on the eastern and western margins of the Ignacio stock; respectively. In addition, several other gold and silver-base metal prospects are known along the trend and warrant follow up exploration.

H Zone

The H Zone occurs in the southeast portion of the property along the eastern margin of the Ignacio stock and was the focus of historic exploration efforts on the property by Asamera and Phelps Dodge in the 1990's. The target consists of a northwest striking, gently southwest dipping, tabular body of gold skarn mineralization defined over 730m of strike length of length and to 120m depth. The zone is open along strike in both directions and at depth. Historic drilling highlights from the target include:

- H87-4: 19.81m of 1.84 g/t Au
- CG 305: 12.19m of 4.54 g/t Au
- CG 93-3: 12.19m of 3.11 g/t Au
- CG 321: 16.76m of 2.92 g/t Au
- CG 326: 16.76m of 9.11 g/t Au

Historical resource estimates were calculated on the H Zone by multiple operators including Asamera, Coeur, Phelps Dodge, New Gold, and Martin Troustr. Of these, only reports referencing the Phelps Dodge and New Gold reports have been located:

Phelps Dodge - A historical exploration target of 8 – 10 million tons at 0.39 opt gold (1.34 g/t Au) was estimated for the target by Greg Meyers in 1994 (Myers 1994)*.

New Gold – A historical estimate of 2,446,700 tons averaging 0.044 opt gold (1.51 g/t Au) at a cut-off grade of 0.01 opt in an Indicated category was estimated for the target by Prochnau-Sutherland Co. in 1996 (Prochnau 1996)*.

**A qualified person has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves. The Company is not treating the historical estimate as current mineral resources or mineral reserves, and it is uncertain if further exploration will result in the exploration target being delineated as a mineral resource.*

B Zone

The B Zone occurs approximately 600m west of the H Zone on the western margin of the Ignacio stock. The target outcrops at the Wheelbarrow Adit, a historic underground working of unknown extent that includes chip samples at surface of 6.10m of 12.44 g/t Au. The zone has been defined through drilling over 200m along strike and up to 100m down dip and is open to the south and at depth. The B Zone was the focus of the most recent work performed on the property in 2009 by Mine Development Corp. and included 1091m of HQ drilling over 3 holes. Highlights from this work include hole CG09DH-1 which returned 3.7 g/t Au over 38m from 67m depth (Wetzel 2009).

Widespread zones of mineralization that average between 0.3 - >1g/t Au have been reported from outcrops and mine workings across the property. Highlights of other known targets/prospects on the property that warrant additional work include:

- Sunset Mine (grab) – 15.6 g/t Au, 41 g/t Ag, 2.1% Cu,
- Paul's Vein (over 3m) – 2.21 g/t Au, 6 g/t Ag, 1155 ppm Cu
- Summit Tunnel (over 30cm)– 6.61 g/t Au, 1.3 g/t Ag, 688 ppm Cu
- Morningstar (grab) – 4.06 g/t Au, 240 g/t Ag, 0.8% Cu

Overall, the Cerro Gordo property has strong potential to host potentially economic polymetallic gold, silver-base metal, and, potentially, copper mineralization. This includes areas with historic production, defined targets through historic drilling, and early-stage targets. Additionally, the trend of alteration, mineralization, and associated workings extends onto/includes the Soda Ridge target on the Mojave property. There is a significant amount of historic data for the project that is currently being assessed and digitized. Initial work on the property is expected to include geologic mapping, prospecting, and grid soil sampling (expanding from current coverage on Soda Ridge). The area was covered by previous WorldView-3 and VTEM surveys, and a portion of the property was covered by LiDAR. Along with this work, efforts need to be undertaken to verify/confirm historic data and associated locations including samples, drill holes, historic prospects/workings, claim posts, etc. An initial program of mapping, prospecting, and soil sampling on the property is estimated at approximately C\$75,000 (US\$60,000).

Terms

K2 can earn a 100% interest in the Cerro Gordo Project by paying an aggregate of US\$625,000 million over a period of five years as follows: (i) US\$10,000 on signing, (ii) US\$40,000 after a 60-day due diligence period (the "Closing Date"), (iii) US\$25,000 on or before the six-month anniversary of the Closing Date, (iv) US\$75,000 on or before the first anniversary of the Closing Date, (v) US\$75,000 on or before the third anniversary of the Closing Date, (vi) US\$75,000 on or before the fourth anniversary of the Closing Date, (vii) US\$250,000 on or before the fifth anniversary of the Closing Date. In addition, a bonus payment of US\$500,000 is payable following the completion of a Bankable Feasibility Study.

K2 has agreed to expend a minimum of US\$25,000 annually on exploration, development, and mining work on the Cerro Gordo claims, for an aggregate amount of at least US\$100,000 over a four-year period. In addition, K2 has granted the vendor a 3% net smelter returns royalty ("NSR") with respect to all mineral produced from the Cerro Gordo Project. K2 can repurchase half of the NSR for US\$1,000,000.

K2 may terminate the Agreement at any time during the option period. The Agreement is subject to the acceptance of the TSXV.

About K2

K2 is a gold exploration company with approximately C\$4M in cash and projects in SW USA and the Yukon. In the USA, the Company is represented by its 100% subsidiary, Mojave Precious Metals Inc. ("MPM"). The Company is focused on the Mojave property 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 based on the Company's soil data integrated with LiDAR and Worldview-3 data, the property also has undrilled locations with gold enriched historical trench results including one at the Flores zone which recorded 8.4 g/t gold over 25.6m (see October 30, 2013 news release from Great Bear Resources Ltd.).

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

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 k2gold.com or contact Investor Relations Offices in Canada 604-653-9464, or in the USA at Lone Pine, California +1 (760) 614-5605 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 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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