



TSX-V: KTO

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## NEWS RELEASE

# **K2 Gold Drills 185.57m of Anomalous Gold in New Epithermal System at Si2 Project, Nevada**

Vancouver, B.C. – August 29, 2023 – K2 Gold Corporation (“**K2**” or the “**Company**”) (TSX-V: KTO; OTCQB: KTGDF; FRANKFURT: 23K) today announced results from its inaugural diamond drilling program at the Si2 Project, located in the Walker Lane trend of south-central Nevada. The program successfully intersected anomalous gold in all four holes, including a peak assay of 0.520 g/t Au over 3.2m in hole SD-23-001. The program confirms that the barren steam-heated alteration observed at surface is the product of a gold-bearing epithermal system.

## **Highlights**

- K2’s drilling has successfully identified a blind-to-surface gold-bearing epithermal system at Si2.
- Gold mineralization is hosted within a major NE-trending fault zone focused along the margin of a rhyolite dome.
- Assay highlights include:
  - SD-23-001: 3.2 metres of 0.520 g/t gold from 344.58m to end of hole.
  - SD-23-002: 185.57 metres of 0.053 g/t gold from 200m to end of hole.
  - Both holes were drilled into the NE-trending fault zone and ended in mineralization and increasing arsenic anomalism.
- A 6.4m thick quartz vein intersected in the immediate footwall of the controlling fault is gold-bearing, exhibits high-level textures, and indicates the epithermal system is capable of forming large veins.

- Drilling was conducted at a single target area within an 8km<sup>2</sup> alteration cell. Additional target areas with identical surficial alteration, structural control, and geochemistry are ready for future drill testing.

“Our 2023 drill program at Si2 was designed with one goal in mind: determine if the steam-heated alteration identified at surface might hide a gold-bearing epithermal system below.” stated Anthony Margarit, CEO of K2 Gold.

“Our diamond drilling has successfully demonstrated that the Si2 epithermal system is gold bearing. The 185m gold bearing intercept we drilled indicates that the hydrothermal system that created the extensive property-wide steam-heated alteration at surface mobilized a tremendous amount of gold-bearing fluid. The next step will be to identify where that fluid was trapped, concentrated, and potentially deposited higher grades of gold. This first drilling program tested only one of the fault-controlled alteration cells on the property, all of which share similar characteristics and are just as prospective.”

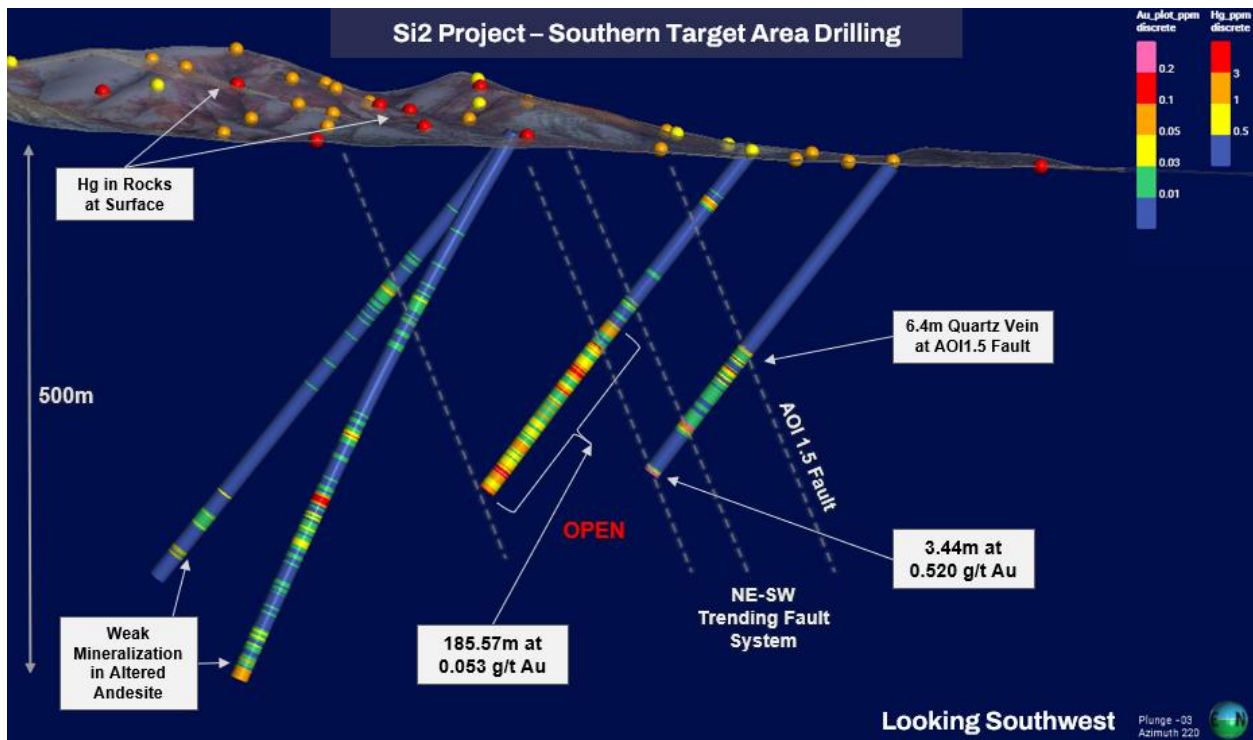


Figure 1: Cross section view of the 2023 drilling at the Southern Rhyolite Dome target at Si2. Looking southwest.

## Program Objective

K2’s drilling at the Si2 Project was designed to test the Southern Rhyolite Dome target area, which consists of an extensive blanket of near-surface steam-heated alunite-kaolinite alteration. No gold is found at surface, though high levels of mercury in rock samples at surface and the strong acid-leached alteration indicate that the system represents the near-surface environment of an

epithermal system. In modern epithermal deposit models this alteration is formed by the boiling of a hydrothermal fluid at depth.

The 2023 program consisted of four diamond drill holes for a total of 1,777.3m. The four holes were oriented to the southeast, aligned in a fence-style pattern, and drilled at angles of 50 to 60 degrees from horizontal to cut across a prominent set of NE-trending faults observed at surface at the margin of the rhyolite dome. The objective of the drilling was to test beneath the steam-heated alteration to determine if the epithermal system is gold bearing. A diamond drill was utilized to obtain core samples to observe textures of alteration and mineralization to guide future exploration.

## **Discussion of Results**

All four drill holes intersected anomalous gold beginning at a depth of approximately 125-150m below present surface, beneath the steam-heated alteration cap. Drillholes SD-23-001 (347.78m total depth ("TD")) and SD-23-002 (385.57m TD) successfully drilled across a prominent set of NE-trending, moderate to steeply NW-dipping normal faults which control gold mineralization (Figure 1). In SD-23-001, a fault mapped at surface as the "AOI1.5 fault" acts as a hard boundary, with anomalous gold beginning in the immediate footwall in association with a 6.4m thick interval of quartz veining. The vein exhibits high-level textures and represents a high-priority target for follow up drilling down-dip and along strike to the northeast and southwest. The drillhole ended in mineralization, cutting a sulphide-bearing fault breccia which returned 0.520 g/t Au over 3.2m.

Hole SD-23-002 drilled through the same fault system cut by hole SD-23-001, with barren steam-heated alteration intersected from surface to 62m where a fault zone cutting oxidized and silicified rhyolite returned 0.067 g/t Au over 4m. Consistently elevated gold values begin at a prominent fault at 200m down hole, with an intersection of 0.053 g/t Au over 185.57m, including an interval of 0.179 g/t Au over 5.50m at 361m down hole with a sub interval of 0.228 g/t Au over 1.50m. The drill hole ended in mineralization and increasing arsenic anomalism. The broad intercept is interpreted as "leakage" of hot, mineralizing hydrothermal fluids adjacent to the controlling fault structures.

Minor gold was intersected in several fault zones with associated silicification deeper in the rhyolite dome in holes SD-23-003 and SD-23-004, including an interval of fractured and silicified rhyolite which returned 0.118 g/t Au over 6m in SD-23-003. Both holes drilled through the dome into andesitic rocks in the footwall. Notably, the andesite was weakly mineralized where intersected, including program-high arsenic anomalism in hole SD-23-003 associated with gold values in the 0.050 – 0.100 g/t Au range.

**Table 1:** Assay summary table from the 2023 Si2 drilling program.

Hole ID	From (m)	To (m)	Width (m)	Au (g/t)
SD-23-001	209.82	216.26	6.44	0.032
	232.00	233.50	1.50	0.118
	292.61	299.00	6.39	0.158
	<i>incl.</i> 292.61	<i>297.07</i>	<i>4.46</i>	<i>0.201</i>
	<b>344.58</b>	<b>347.78</b>	<b>3.20</b>	<b>0.52</b>
SD-23-002	62.00	66.00	4.00	0.067
	<b>200.00</b>	<b>385.57</b>	<b>185.57</b>	<b>0.053</b>
	<i>incl.</i> 200.00	<i>211.07</i>	<i>11.07</i>	<i>0.067</i>
	223.50	225.00	1.50	0.193
	249.40	256.00	6.60	0.133
	270.50	276.50	6.00	0.106
	332.00	340.50	8.50	0.082
361.00	366.50	5.50	0.179	
SD-23-003	302.00	303.00	1.00	0.103
	362.00	368.00	6.00	0.118
	520.00	538.58	18.58	0.051
	<i>incl.</i> 527.61	<i>538.58</i>	<i>10.97</i>	<i>0.068</i>
SD-23-004	171.15	183.00	11.85	0.031
	472.00	474.27	2.27	0.066
	477.16	479.00	1.84	0.093

## Interpretation and Next Steps

The results of the 2023 program indicate that the Si2 Project hosts a blind-to-surface, fault controlled, gold-bearing epithermal system. Results from the drilling, which are spatially limited to one of ten target areas, indicate the potential for significant mineralization within the system based on:

- Presence of thick fault-hosted gold-bearing quartz veins in hole SD-23-001. Vein textures suggest the vein is high in the epithermal system indicating drill targets down-dip and along strike.
- Broad intervals of low-grade gold mineralization peripheral to a controlling fault structure interpreted as “leakage” from the main structure. Extensive fluid flow, alteration, and low-grade mineralization indicates the potential for economic grades in a focused conduit.
- The AOI1.5 fault system at the margin of the rhyolite dome is interpreted to trend to the northeast and is demarcated by a prominent magnetic low. This structural corridor is observed to extend for up to 1,600m on K2’s property, and has now been shown to host gold mineralization where pierced by drilling.
- Multiple steam-heated alteration cells on the property remain untested and are now considered high-priority targets for follow up.

K2 intends to submit all samples from the 2023 drilling for alteration mapping using ALS Laboratories' TerraSpec in order to further define the alteration system where drilled to date.

## **About the Si2 Project**

The Si2 Gold Project is located in Esmeralda County, 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 118 BLM lode claims covering 986 Ha, 65 of which are under option from Orogen Royalties Inc. The claims cover an 8 km<sup>2</sup> area of steam heated alunite-kaolinite-buddingtonite alteration within a sequence of felsic to intermediate volcanic rocks displaying 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 4.22 Moz Au Silicon project<sup>1</sup> near Beatty, Nevada, and was staked based on its strong geological similarities to Silicon.

1. <https://reports.anglogoldashanti.com/22/wp-content/uploads/2023/04/AGA-RR22.pdf>

## **Qualified Person (“QP”) and QA/QC**

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, M.Sc., P.Geo., K2's QP and Vice President of Exploration.

The analytical work for the 2023 drilling program was performed by ALS Laboratories (“ALS”), an internationally recognized and accredited analytical services provider. All samples were submitted to ALS's Reno, Nevada facility where they were prepared using procedure PREP-31 (crush, split, and pulverize 250g to better than 85% passing 75 microns). Pulp samples were then analysed for gold by method Au-AA23, a 30-gram Fire Assay fusion with an atomic absorption finish (AAS). A 0.5g pulp was analysed by aqua-regia acid digestion and inductively coupled plasma-atomic emission spectrometry (ICP-AES) for 35 elements using method ME-ICP41. An additional 0.5g pulp was then analysed by ICP-mass spectrometry (MS) for mercury.

Quality Assurance and Quality Control procedures include the insertion of coarse blanks and certified assay standards into the sample string at a rate of approximately 1/20 (5%). Samples are placed in sealed bags and delivered directly to ALS's preparation facility in Reno by K2 Gold or ALS personnel.

## **About K2 Gold**

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

K2 is currently permitted and planning to drill the Wels Project located in Western Yukon in late summer 2023. The property lies 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. The 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 arsenic, and antimony, with visible gold locally. Five discrete mineralized trends are currently known, with only one trend drilled to date, which delivered 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.

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 and indigenous engagement.

On behalf of the Board of Directors  
Anthony Margarit  
President and CEO

For further information about K2 Gold Corporation or this news release, please visit our website at [k2gold.com](http://k2gold.com), contact our office at 778-266-1456, or by email at [info@k2gold.com](mailto:info@k2gold.com).

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