K2 Gold Corporation Drills 2.37g/t Au Over 28.50m and 5.08 g/t Au Over 12.50m at the Wels Gold Property

Vancouver, B.C. – August 10, 2017 – K2 Gold Corporation ("**K2**" or the "**Company**") (KTO:TSX-V) is pleased to announce results from diamond drilling at the Wels Gold Property ("Wels" or "the Property"), located in west-central Yukon Territory in the Traditional Territory of White River First Nation ("WFRN"). A total of 1,232m of NTW size (5.6cm diameter) diamond drill core was recovered from 11 holes at the 'Saddle Zone' location (Figure 1). In addition to drilling K2 undertook a wide spaced regional soil sampling program over the western part of the license and a tighter infill soil sampling program over central parts of the Property close to known mineralization (Figure 2).

All figures related to this news release (drill hole map, soil map and geological sections) are found by clicking here:

http://www.k2gold.com/_resources/news/K2-PR-Aug102017.pdf

The 2017 drilling program included both infill and step out holes and has provided a better understanding of the nature of the gold mineralization discovered in 2014 trenching and the 2015 drill campaign.

Highlights of the 2017 work program:

- Drilling - Several high-grade drill intersections including DDH17-06 – 2.37g/t Au over 28.50m, and DDH17-07 – 5.08 g/t Au over 12.50m (See table 1 below). The best mineralized zone is 10-30m width and open along strike.
- Strike Extent - Mineralization is at least 125m in strike length, and remains open both east and west and at depth.
- Distribution of gold – Discrete high grade gold occurs within a lower grade halo (up to 30 metres wide) with coarse visible gold grains observed in 2 sections (DDH17-06 and DDH17-14).
- Soils – Additional soil sampling confirmed the anomalous nature of the 3 main zones Saddle, North Ridge and Southwest Spur and also identified new target areas in the western portion of the Property.
- Structure - Drilling confirmed that mineralization is structurally controlled within a Reduced Intrusive Related Gold System ("IRGS").

The analytical results from the 2017 drill program confirmed the presence of a shallow, well defined high-grade gold mineralized body starting at shallow depths, located within a broader halo of lower grade gold. The mineralization is hosted by a pervasive east-west trending structural zone within a reduced non-magnetic granite. The widest high-grade gold zone is the "Main Saddle Zone". This mineralized body is subvertical and approximately 10-30m wide, and has a known minimum strike extent of 125m. Visible gold has now been identified in 3 of the 15 holes drilled in the Saddle Zone and therefore combined with the 2014 trenching indicates the presence of significant quantities of coarse gold. Consequently, assay techniques will be re-evaluated to better assess the tenor of the gold mineralization at the Saddle Zone.

In addition, two new higher grade zones have been identified; a new 1.5-4.5m wide high-grade zone (the "South Saddle Zone") parallel to the Main Saddle Zone 75m to the south and also a far less well defined zone 50m to the north (the "North Saddle Zone"). Both the Main and South Saddle Zones remain open along strike and at depth. The mineralization intersected to date starts at shallow depths, is open to depth, with the deepest hole drilled to date terminated at 158.5m.

The 2017 soil sampling program was successful in identifying the surface expression of the 3 three main zones Saddle, North Ridge and Southwest Spur and is interpreted to outline some additional anomalous trends to the west (Figure 2).

Click here to view drill maps, geological sections, and soil maps related to the work completed at Wels.

http://www.k2gold.com/_resources/news/K2-PR-Aug102017.pdf

The Highlights of the 2017 Wels drilling are as follows:

Table 1

Hole #	Zone	Azimuth	Dip		From (m)	To (m)	Width (m)	Au g/t
DDH17-04Ex	Main Zone	360	-45		80.50	82.00	1.50	0.32
DDH-17-06	Main Zone	360	-50		**76.50**	**105.00**	**28.50**	**2.37**
				inc	76.50	93.00	16.50	3.31
				and	88.50	105.00	16.50	1.55
				inc	102.00	105.00	3.00	4.11*
DDH-17-07	South Zone	180	-50		**31.50**	**33.00**	**1.50**	**5.51**
DDH-17-08	Main Zone	360	-50		**9.00**	**21.50**	**12.50**	**5.08**
				inc	9.00	15.00	6.00	10.38
				inc	12.00	15.00	3.00	19.30
DDH-17-09	South Zone	180	-50		**61.50**	**66.00**	**4.50**	**1.86**
DDH-17-10	Main Zone	360	-75		13.50	157.50	144.00	0.28
				inc	**78.00**	**82.50**	**4.50**	**3.07**
				inc	106.50	115.50	9.00	1.25
DDH-17-11	Main Zone	360	-50		24.00	75.00	51.00	0.68
				inc	**60.00**	**72.00**	**12.00**	**1.95**
				inc	60.00	67.50	7.50	2.52
DDH-17-12	Main Zone	360	-70		**1.50**	**6.00**	**4.50**	**0.32**
DDH-17-13	South Zone	180	-50		**60.00**	**64.50**	**4.50**	**1.76**
DDH-17-14	Main Zone	360	-50		**16.50**	**18.00**	**1.50**	**2.58**
				and	54.00	57.00	3.00	0.49
				and	**102.00**	**115.50**	**13.50**	0.42**
DDH-17-15	Main Zone	360	-65		**78.00**	**99.00**	**21.00**	**1.48**
				inc	81.00	93.00	12.00	2.17
				and	111.00	135.00	24.00	0.24

* Denotes intervals where visible gold was identified.

** Denotes intervals where visible gold was identified but not included in the sample for assay.

Summary of K2's Work Program (June – July 2017)

Drilling – 1,232m of diamond core drilling was completed in 11 holes has confirmed the presence of a high grade gold mineralization within a broad halo of low grade gold hosted east-west trending structures open in both directions along strike. Drill hole DDH17-06 was drilled beneath 2015's drill holes DDH 15-01 and DDH-15-03 (please refer to Figure 1 for the drill hole map and Table 2 for the highlights of the 2015 drill campaign).

Soil Sampling (Figure 2) - 181 new grid auger soil samples have been collected over an area of 600 ha. The samples were taken from the western side of the Property ("West Marsh Area") and some infill sampling between the 2014 sample lines. The 2017 soil sampling results range from below detection limit to 68.2 ppb and confirm the exceptional contrast of the Saddle, North Ridge and Southwest Spur from background of below detection limit. The results have shown some unexplained low-level anomalies on the boundaries of the West Marsh Area. The soil sampling around the West Marsh area was incomplete during the current program due to weather conditions. This sampling program is anticipated to be completed in the third quarter of this year. In addition, infill soil samples in the North Ridge-Southwest Spur area will be collected to ensure a complete dataset ahead of defining drill targets for 2018. All soil samples to date have been collected over the unglaciated areas primarily above the 750m elevation level contour elevation.

Prospecting - Additional prospecting and mapping has been completed over the central part of the property close to the Saddle Zone with one area, "North Face" that warrants further follow up. Located about 1.2km south of the Saddle Zone, North Face is an intrusive of similar style to the Saddle Zone. The extent and nature of further investigation will partly depend on the analytical results from rock samples taken but the area has already been slated for trenching.

Comments on the 2017 Work program to date and future targets for investigation

The work to date clearly demonstrates that the Wels discovery is significant. In addition to the Main Saddle Zone location, there are at least four targets, two of which are adjacent to Saddle, North Ridge and Southwest Spur and two that are less well developed, West Marsh Area, and North Face Intrusive.

Additional drilling is warranted along strike of the Main Saddle Zone to locate the boundaries of mineralization. In this respect it is appropriate to mention that at Victoria Gold's Dublin Gulch area higher grades are often evident at the margins of the intrusions. The most recent announcement by Victoria Gold (August 3 2017) outlined - '*4.3 metres of 46.63 g/t Au mineralization proximal to the granodiorite-sedimentary contact zone, just like the close by Olive-Shamrock Deposit*'. At Wels, drilling to date has not intersected any rock boundaries and in addition we have only drilled one of 3 strong soil anomalies evident at surface and investigated only 20% of the 47.5km^2 property in any detail. There is therefore the possibility of discovering additional near-surface gold zones at Saddle and exploring the adjacent North Ridge and Southwest Spur zones.

Stephen Swatton, CEO stated, "We are excited to discover that we have additional multiple, shallow parallel high grade gold zones at the Saddle Zone Area. The discovery of the 'South Saddle Zone' and lesser defined 'North Saddle Zone' increases the potential for the recognition of further additional high-grade zones. The strike potential of the Main Saddle Zone is still unknown as it is open in all directions and is an obvious drill target for a future campaign".

Allan Doherty, K2's Chief Geologist and Qualified Person, with 36 years of experience in the Yukon states "Based on other IRGS deposits I have worked on or followed in the Yukon the gold grades at Wels are high. Results received so far support increased efforts in the Saddle Zone area and the newly reported soil anomalies in the West Marsh area and the recently discovered North Face intrusive are very positive developments. Considering the limited amount of ground we have explored to date at Wels these early stage results are very encouraging".

Summary of the historical work at the Wels property

Highlights of previous work between 2011 and 2015 at the Wels Property include:

- **Drilling** - A five-hole 442 metre diamond drill program in 2015 returned gold mineralization in all holes. Hole DDH01 recorded **0.76 g/t Au over 97.5m**, including **19.50 m of 3.11 g/t Au** starting at 31.5m. The holes were drilled at 90 degrees to the mineralized structure in the Saddle Zone area and the true width is estimated at 80% of intersected intervals. The five holes were drilled in an extremely limited area of approximately 100m x 100m and were located to only test the depth extent of high grade rock samples seen at surface in trenches and by no means tested the full extent of the Au-As soil anomaly which measures approximately 2km east-west by 2km north-south (see Figure 2)**.**

Table 2 – Highlights of the Wels 2015 drilling program

Drill Hole #	From	To	Interval length	Au (g/t)
DDH15-01	0	97.5	**97.5**	**0.76**
DDH15-01	31.5	51.0	19.5	3.11
Includes	31.5	40.5	**9.0**	**5.71 (vg)**
Includes	45.0	51.0	6.0	2.38
DDH15-01	96.0	97.5	1.5	0.73 (EOH)
DDH15-02	49.0	52.0	3.0	1.0
DDH15-02	83.5	88.0	4.5	2.77
includes	83.5	85.5	3.0	2.0
DDH15-03	65.65	65.80	0.15	0.7 (EOH)
DDH15-04	49.5	70.5	**21.0**	**0.74**
DDH15-04	49.5	55.5	6.0	1.61
DDH15-04	63.0	70.5	7.5	0.67
DDH15-05	78.0	81.0	3.0	1.29

- **Trenching** – 155 metres of trenching including T14-01 **4.53 g/t Au over 11.00m**, T14-02 **8.8 g/t Au over 45.00m** and T14-03 **3.04 g/t over 10.50m**.
- **Soil Sampling -** 1,658 soil samples had been collected in 2011 and 2012 over a limited area of approximately 12km^2 and were the most useful exploration tool in identifying 3 prospective areas Saddle, North Ridge and Southwest Spur for further follow-up in 2017.
- **Rock Sampling** – Up until 2015 28 ‘rock grab’ samples from the Saddle zone had been taken from the property. One sample from Trench A ran **149.5 g/t Au** and a composite of nine samples from the same hand-dug trench ran 32.8 g/t Au. In 2017 additional rock sampling has been undertaken and results will be included as results are available.

The company is reviewing options for continuing work at Wels for the remainder of the 2017 field season.

All exploration drill core from the 2017 program was logged and prepared for shipment on-site and then delivered to the Whitehorse, Yukon, sample preparation facility of Bureau Veritas. There, samples were crushed and pulverized and analyzed by 30g Fire Assay with an AA finish. In addition, all samples were analysed using a 36 element Aqua Regia ICP/MS package. A comprehensive system of standards, blanks and field duplicates was implemented for the 2017 Wels drilling program and was routinely monitored as chemical assay data became available**.**

R. Allan Doherty, P.Geo., author of the Technical Report 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.

The Wels Property is located in west-central Yukon Territory approximately 45 kilometers east of Beaver Creek and 185 kilometers south of Dawson City. The camp is serviced from a 3km long airstrip 24km west of Wels. It is a new gold discovery within the highly prolific 'Tintina Gold Belt' and exhibits characteristics of a reduced 'Intrusion Related Gold System' ("IRGS") similar to the multi-million ounce Fort Knox (Kinross) and Dublin Creek deposits (Victoria Gold).

About K2 Gold Corporation

K2 Gold Corporation is a junior mineral exploration company focused on building a portfolio of gold exploration projects in the Yukon, including the Wels Property located approximately 185 km south of Dawson City, Yukon. The Company has assembled an experienced management team and board of directors with a track record of discovery success.

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 Property, including results of drilling, and future exploration plans at the Company's other properties located in the Yukon. 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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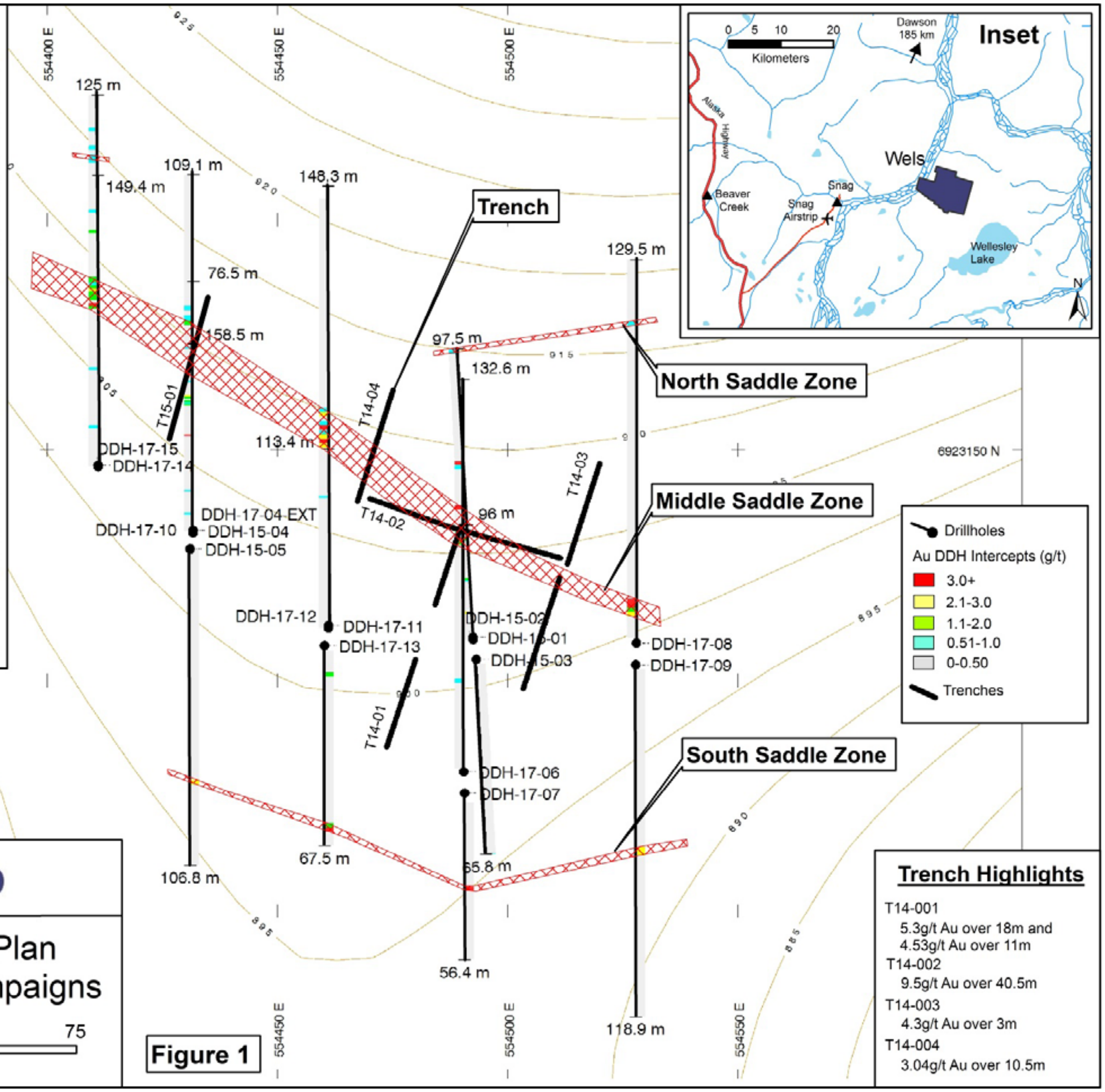

Drill Highlights

2015

DRILL HOLE	From	To	(m)	Au (g/t)	Zone
DDH 15-01	0	97.5	97.5	0.76	Main Zone
DDH 15-01	31.5	51.00	19.50	3.11	
DDH 15-02	49.00	52.00	3	1.0	Main Zone
DDH 15-02	83.50	88.00	4.5	2.77	
DDH15-03	65.65	65.80	0.15	0.7	South Zone
DDH 15-04	49.50	70.50	21.00	0.741	Main Zone
DDH 15-04	63.00	70.50	7.5	0.67	
DDH 15-05	78.00	81.00	3	1.29	South Zone

2017

DRILL HOLE	From	To	(m)	Au (g/t)	Zone
DDH17-04Ex	80.50	82.00	1.50	0.32	Main Zone
DDH-17-06	**76.50**	**105.00**	**28.50**	**2.37**	Main Zone
	76.50	93.00	16.50	3.31	
	88.50	105.00	16.50	1.55	
	102.00	105.00	3.00	4.11	
DDH-17-07	**31.50**	**33.00**	**1.50**	**5.51**	South Zone
	9.00	**21.50**	**12.50**	**5.08**	
	9.00	15.00	6.00	10.38	
DDH-17-08	12.00	15.00	3.00	19.30	Main Zone
DDH-17-09	**61.50**	**66.00**	**4.50**	**1.86**	South Zone
	13.50	157.50	144.00	0.28	
	78.00	**82.50**	**4.50**	**3.07**	
DDH-17-10	106.50	115.50	9.00	1.25	Main Zone
	24.00	75.00	51.00	0.68	
	60.00	**72.00**	**12.00**	**1.95**	
DDH-17-11	60.00	67.50	7.50	2.52	Main Zone
DDH-17-12	**1.50**	**6.00**	**4.50**	**0.32**	Main Zone
DDH-17-13	**60.00**	**64.50**	**4.50**	**1.76**	South Zone
	16.50	**18.00**	**1.50**	**2.58**	
	54.00	57.00	3.00	0.49	
DDH-17-14	102.00	115.50	13.50	0.42	Main Zone
	78.00	**99.00**	**21.00**	**1.48**	
	81.00	93.00	12.00	2.17	
DDH-17-15	111.00	135.00	24.00	0.24	Main Zone

Trench Highlights

T14-001
5.3g/t Au over 18m and
4.53g/t Au over 11m
T14-002
9.5g/t Au over 40.5m
T14-003
4.3g/t Au over 3m
T14-004
3.04g/t Au over 10.5m

Saddle Drillhole Plan
2015 and 2017 Campaigns

0 25 50 75
Metres

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