



Management's Discussion and Analysis

For the Six Months Ended June 30, 2024

Dated August 19, 2024

NOTE TO THE READER

This management's discussion and analysis ("MD&A") for the six months ended June 30, 2024 was prepared by management and approved and authorized for issue on August 19, 2024 for K2 Gold Corporation ("K2 Gold" or "K2" or the "Company") in accordance with International Financial Reporting Standards ("IFRS"). The MD&A supplements but do not form part of the condensed interim consolidated financial statements of K2 and the notes thereto for the six months ended June 30, 2024. Consequently, the MD&A should be read in conjunction with the Company's annual audited consolidated financial statements and related notes for the year ended December 31, 2023.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the MD&A, is complete and reliable.

The Company's management is responsible for presentation and preparation of the financial statements and the MD&A. The consolidated financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

All amounts are in Canadian dollars unless otherwise specified. Additional information is available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR+") at www.sedarplus.ca, and on the Company's website at www.k2gold.com.

FORWARD LOOKING STATEMENTS

This MD&A provides management's analysis of K2's historical financial and operating results and provides estimates of K2 Gold's future financial and operating performance based on information currently available. Actual results will vary from estimates and the variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance.

Certain information set forth in this MD&A, including management's assessments of the Company's future plans and operations, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Company's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of resource and reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be inaccurate and, as such, undue reliance should not be placed on forward-looking statements. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do so, what benefits the Company will derive therefrom. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

OVERVIEW

K2 Gold is a junior mineral exploration company focused on building a portfolio of gold exploration projects in North America with particular emphasis in California on the Mojave Gold Project ("Mojave Project"), and the SI2 Gold Project ("SI2 Project") in Nevada. In addition to the Mojave and SI2 Projects, the Company is conducting exploration at the Wels Property ("Wels") 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. The Company is actively pursuing other gold exploration properties in North America.

The Company is a reporting issuer in British Columbia, Alberta, and Ontario. The Company trades on the TSX Venture Exchange under the symbol KTO, and KTGDF on the OTC.

Mojave Project is the Company's flagship project. The Mojave Project is located 230km northwest of Las Vegas and 100km west of the Nevada-California border. It covers an area of approximately 5,780 hectares of land under the jurisdiction of the Bureau of Land Management (BLM).

For further details on the Mineral Properties, see *Highlights and Recent Developments and Mineral Properties* sections below for exploration program update for the year ended December 31, 2023.

HIGHLIGHTS AND RECENT DEVELOPMENTS

For more details on the following highlights, please refer to news releases available on SEDAR+:
www.sedarplus.ca.

- On January 17, 2024, the Company announced results from rock grab and chip sampling at the Mojave Project. Highlights include a 208 g/t Au grab sample from the Gold Valley target, which is located 1.5km north-northwest along the same structure as the Dragonfly target. Additional sampling was completed in the western regions of the property at the Soda Canyon target, with a sample returning 1.87% copper.
- On February 15, 2024, the Company completed a private placement financing by issuing a total of 10,450,000 units at a price of \$0.10 per unit, for aggregate gross proceeds of \$1,045,000. Each unit consists of one common share and one non-transferable common share purchase warrant. Each warrant will be exercisable to acquire one share at a price of \$0.30 per share for a period of 12 months. The Company paid finders fees to arm's length finders totaling \$56,340 and issued 563,400 warrants exercisable for 12 months from the date of issuance to acquire common shares of the Company at an exercise price of \$0.30 per share. Finders warrants have the same terms as the unit warrants.
- On June 18, 2024, the Company announced a non-brokered private placement whereby the Company will issue up to 15,000,000 units at a price of \$0.10 per Share for total gross proceeds of up to \$1,500,000. Each unit will consist of one common share in the capital of the Company and one non-transferable common share purchase warrant. Each warrant will be exercisable to acquire one share at a price of \$0.30 per share for a period of 12 months from the date of issuance subject to an acceleration clause. K2 intends to use the net proceeds raised from the Offering for exploration and the final permitting stages at the Mojave Project, as well as for general working capital.
- On August 15, 2024, the Company closed the first tranche of the announced on June 18, 2024 non-brokered private placement. Under the first tranche, the Company has issued 9,500,000 units for gross proceeds of \$950,000.

MINERAL PROPERTIES

Mojave Gold Project

On July 12, 2019, K2 signed an option agreement to acquire a 100% interest in the Mojave Gold Project ("Mojave Project").

The Mojave Project is located 230km northwest of Las Vegas and 100km west of the Nevada-California border. It covers an area of approximately 5,780 hectares of land under the jurisdiction of the Bureau of Land Management (BLM). Exxon Mobil Corp. (formerly Mobil Exploration & Producing U.S.) first discovered mineralization in the district in 1984. Since the mid 1980's, Mojave Project has been worked by several senior, mid-tier and junior companies

including BHP, Newmont and more recently SSR. Each subsequent company that has explored the property since discovery has endorsed the geological model and improved the overall potential by finding further distinct locations of gold bearing rocks at surface over a 7km by 5km area. Newmont, BHP and Asamara Minerals have drilled the project, and each program was successful in discovering mineralization from different locations several kilometers apart. Approximately 150 historic drill holes were drilled covering an area of 7km by 5km and testing 8 targets (Dragonfly, Remi, Newmont, South, Flores, Soda Ridge, Soda Canyon, and Stega).

The Company acquired the project in 2019 and completed database compilation and surficial work on the project including geologic mapping, soil and rock sampling, ground magnetics, LiDAR, and a World View 3 remote sensing survey. In the fall of 2020, the Company completed an initial drill program on Mojave Project focused on the Dragonfly and Newmont targets. A total of 2,540m was drilled over 17 holes from four drill sites. The program intercepted broad zones of alteration and gold mineralization on both targets with highlights including:

- DF20-001 – 51.8 meters of 1.2 g/t gold from surface, including 18.3 meters of 3.1 g/t gold
- DF20-002 – 86.9 meters of 4.0 g/t gold from surface, including 45.7 meters of 6.7 g/t gold
- DF20-003 – 62.5 meters of 1.4 g/t gold from 3.1 meters, including 18.3 meters for 3.2 g/t gold
- DF20-004 - 30.5m of 7.2 g/t gold from surface; including 15.2m of 11.1 g/t gold.
- NM20-011 – 41.15m of 1.64 g/t gold from 44.20m depth; including 16.76m of 2.03 g/t gold
- NM20-016 – 22.86m of 1.00 g/t gold from 42.67m depth; including 10.67m of 2.01 g/t gold

All mineralization at Mojave Project is interpreted to be part of an intrusion related polymetallic system(s). The gold mineralization in the Eastern Area (Dragonfly, Newmont, Flores) is sediment-hosted and structurally controlled with similarities to both low sulfidation epithermal and Carlin type systems and may represent the distal expression of a much larger intrusion-related hydrothermal system. Whereas targets on the Western target area including Stega, Boland, Belshaw, Soda Canyon/Soda Ridge, and, potentially, Owens are likely proximal to causative intrusions and demonstrate the potential for sediment-hosted, polymetallic, skarn, epithermal, and, potentially, porphyry styles of mineralization. To date 14 distinct target areas are recognized on the property.

To earn 100% of the Mojave Project, the Company must make staged cash and share payments as listed below:

		Cash option payments	Common shares issuance
July 12, 2019 (Effective date)	US\$	112,500 (paid)	480,000 (issued)
6-months from the effective date		112,500 (paid)	
12-months from the effective date		125,000 (paid)	480,000 (issued)
18-months from the effective date		125,000 (paid)	
24-months from the effective date		150,000 (paid)	480,000 (issued)
30-months from the effective date		150,000 (paid)	
August 31, 2023*		175,000	480,000 (issued)
February 29, 2024*		175,000	
August 31, 2024*		275,000	480,000
Total	US\$	1,400,000	2,400,000

* On August 18, 2023, the vendor agreed to defer the remaining three cash option payments until certain milestones are achieved.

In addition, following the exercise of its option, K2 has agreed to make an annual pre-production payment of US\$275,000 per year until the achievement of commercial production and to grant a 3% net smelter returns royalty with respect to all mineral produced from the Mojave Project, subject to a minimum annual royalty payment following commercial production of US\$300,000. The royalty will be subject to certain buy-down rights in K2's favour. K2 may terminate the Agreement at any time during the option period.

The Company is currently advancing through the National Environmental Policy Act (NEPA) permitting process through the preparation of an Environmental Impact Statement (EIS). The Proposed Action includes the re-activation of historically utilized drill access roads to complete up to 112 drill holes from 28 drill sites within the

exploration area, which extends from Dragonfly in the north to Newmont in the south. At present time, a Draft EIS (DEIS) is being prepared by the BLM which will be subject to a public comment period upon completion and release.

Cerro Gordo Gold Project

On August 11, 2021, the Company signed an option agreement to acquire a 100% interest in the Cerro Gordo Gold Project ("Cerro Gordo Project"), located adjacent to the Company's Mojave Project property in Inyo County, California. The option agreement was subsequently amended, with an effective date of May 27, 2022. Subsequent to the May 27, 2022 amendment, the option agreement was amended again with an effective date of May 25, 2023. All outstanding payments from the May 27, 2022 amendment were extended by one year. On April 24, 2024, the option agreement was amended again. The next payment is now due by December 31, 2024 and the subsequent payments are due as per the updated table below.

The Cerro Gordo Project 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 Project, 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 Project 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.

To earn 100% of the Cerro Gordo Project as per the April 24, 2024 Amendment Agreement, the Company must make staged cash payments as listed below:

		Cash option payments		Work commitment
July 30 2021 (Effective date)	US\$	10,000	(paid)	-
60 days from the effective date (Closing date)		40,000	(paid)	-
December 31, 2024		25,000		-
July 30, 2025		75,000	US\$	25,000
July 30, 2026		75,000		25,000
July 30, 2027		75,000		25,000
July 30, 2028		75,000		25,000
July 30, 2029		250,000		
Total	US\$	625,000	US\$	100,000

In addition, the Company has agreed to a bonus payment of US\$500,000 following the completion of a Bankable Feasibility Study ("BFS").

Commencing in the year following the first anniversary of the Closing date and continuing for four years thereafter, the Company has agreed to expend a minimum of US\$25,000 annually on exploration, development, and mining work on the Cerro Gordo Project claims, for an aggregate amount of at least US\$100,000 over the 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. The Company can repurchase half of the NSR for US\$1,000,000.

The Company may terminate the Agreement at any time during the option period.

Si2 Gold Project

On January 19, 2022, the Company announced that it had signed an option agreement with Orogen Royalties Inc. to acquire a 100% interest in the Si2 Gold Project ("Si2 Project") located in Esmeralda County, Nevada.

The Si2 Project is located in Esmeralda County, Nevada, 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. The claims cover an 8 km² area of steam heated alunite-kaolinite-buddingtonite alteration within a sequence of felsic to intermediate volcanic rocks with brecciation and strongly anomalous mercury. The alteration appears to be focused along an arcuate set of structures within a series of strongly altered rhyolitic domes and 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). Si2 Project was initially identified by the same exploration team that identified AngloGold Ashanti's Silicon project near Beatty, Nevada, and was staked based on its strong geological similarities to Silicon. The property is currently surrounded by claims held by AngloGold Ashanti, with exception to a small block of claims held by Hecla Mining immediately southwest of the Project.

There is limited historic exploration in the project area including minor geologic mapping, rock sampling, alteration studies, and 22 historic RC holes drilled in 1988-89. The bulk of the drilling was focused to the southwest of the Si2 Project on claims currently held by Hecla Mining and targeted silicified ribs cutting andesite. Only three of the historic holes are located on the Si2 Project and reach a maximum depth of 115.82m (380 ft) and reportedly encountered narrow intervals of anomalous mercury and gold (up to 0.3 g/t Au); supporting the current geologic interpretation.

To earn 100% of the Si2 Project the Company must make staged cash payments and incur exploration expenditures as listed below:

	Cash		Work Commitment (Cumulative)
Signing Date (January 18, 2022)	US\$	\$ 50,000 (paid)	\$
January 18, 2023	\$	100,000 (paid)	\$ 150,000 (Incurred)
January 18, 2024**	\$	100,000	\$ 650,000 (Incurred)
January 18, 2025	\$	250,000	\$ 1,250,000
January 18, 2026	\$	500,000	\$ 1,750,000
January 18, 2027	\$	1,500,000	\$ 2,500,000
Total	US\$	\$ 2,500,000	\$ \$2,500,000

Orogen will retain a 2% NSR royalty once the Company has exercised the option. The Company has agreed to make \$50,000 annual payments, commencing on the first anniversary of the exercise of the option.

** During the period ended June 30, 2024, the Company has paid \$50,000 of the \$100,000 owed and is currently negotiating with the vendor to settle the remaining \$50,000 in the coming months.

The Company continues to review and analyze the results of the Spring 2023 diamond drilling program and is actively exploring non-dilutive financing opportunities to expand work at the project.

Wels Property

The Wels Property ("Wels") is located in the southwestern Yukon, approximately 50km east of Beaver Creek, YT, and consists of 350 contiguous quartz claims covering 7200 hectares. The Wels was identified by regional geochemical surveys in 2002 and initially staked in 2011. The project was subsequently optioned to Gorilla Minerals in 2011 and this led to the discovery of mineralization within a granitic stock at the Saddle Zone with results including grabs up to 149 g/t Au and trench samples of 8.8 g/t Au over 45m. Subsequent drilling on the Saddle by Gorilla include results of 3.53 g/t Au over 19.5m. The Company acquired the project from Gorilla in 2016 and conducted additional drilling on Saddle returning highlights of 2.37 g/t Au over 28.5m and 10.38 g/t Au over 6m. To date, the Saddle has 1674m of drilling over 15 holes and has been defined over 135m along strike and to 150m depth; and is open in both directions along strike and at depth.

The style of alteration, mineralization, and granitic host rock at Saddle led previous operators to interpret the mineralization as an intrusion-related gold system (IRGD). However, more recent work by the company has identified mineralization extending into surrounding metavolcanic, metasedimentary, and gabbroic rocks on the property forming a series of WNW trending zones including:

Pekoe Trend: Gabbro host, rock samples up to 4.1 g/t Au, & 2.15 g/t Au over 8m in trenching.

Saddle Trend: Intrusive host, rock samples up to 149 g/t Au, defined by drilling over 135m strike length and to 150m depth. Open along strike and at depth. Potential for subparallel zones of mineralization.

Chai Trends: Gabbro, intrusive, & metasedimentary host, rock samples up to 28.2 g/t Au, and 1.15 g/t Au over 15m in trenching.

All zones are associated with quartz veining, brecciation, quartz-sericite alteration, and anomalous As-Sb along WNW trending structural zones.

The Company signed a definitive option agreement with Go Metals Corp. ("Go Metals") on August 11, 2016, subsequently amended October 21, 2016 option, to acquire a 90% joint venture interest (subject an existing 3% net smelter return) in certain mineral property interests located in the Yukon Territory, known as the "Wels Property". According to the agreement, to earn its interest, the Company made cash payments aggregating \$350,000 staged over 24 months and issued 3 million common shares staged over a 30-month period.

The Company and Go Metals are proceeding under the terms of a joint venture agreement (the "Joint Venture"). Under the Joint Venture, the Company will fund the project fully through completion of a preliminary economic assessment, following which project expenditures will be funded on a 90/10 proportionate basis between the Company and Go Metals, respectively, with the Company acting as project manager and holding voting control of the Joint Venture project committee. If, at any time, either party's Joint Venture interest is diluted to less than 1.0% that diluted party's interest will be cancelled, and the Joint Venture will terminate.

The Wels Property is subject to 3% net smelter return ("NSR") governed by a 2011 agreement between Go Metals and two arm's length holders. The royalty agreement provides that 2% of the 3% NSR may be purchased from the royalty holders for cash payment of \$1,500,000. Pursuant to the Option Agreement, the Company will pay the \$20,000 annual advance royalty due under the 2011 agreement.

At the Wels Property, results from the Fall 2023 drill program (see News Releases dated November 6, 2023 and December 13, 2023) indicate the potential for mineralization along significant northwest-trending structures. Target generation work, with an emphasis on the underexplored western half of the property, is ongoing.

SELECTED ANNUAL INFORMATION

The following table summarizes selected financial data for the three recent fiscal years, ended December 31, 2023, 2022 and 2021, and should be read in conjunction with such financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS") and the related notes thereon:

	As at and year ended December 31, 2023	As at and year ended December 31, 2022	As at and year ended December 31, 2021
Revenue	Nil	Nil	Nil
Loss for the year	\$(1,079,001)	\$(1,237,349)	\$(1,816,111)
Comprehensive loss for the year	\$(1,079,001)	\$(1,237,349)	\$(1,816,111)
Loss per common share, basic and diluted	\$ (0.012)	\$ (0.02)	\$ (0.03)
Weighted Average number of common shares outstanding	89,865,888	64,848,634	64,595,319
Working capital	\$ (4,611)	\$196,846	\$2,577,711
Total assets	\$ 16,767,054	\$13,027,352	\$14,123,055

RESULTS OF OPERATIONS

For the six months ended June 30, 2024

During the six months ended June 30, 2024, the Company reported a net loss of \$356,668, or \$0.004 per common share, compared to \$682,368 or \$0.008 per common share in 2023. The main contributors to this variance were:

- Personnel fees: \$151,593 (2023: \$180,052), including management, accounting, and corporate compliance fees.
- Travel and conferences: \$78,037 (2023: \$90,001), covering conference fees and various travel expenses.
- Advertising, marketing, and promotion fees: \$78,571 (2023: \$117,183), encompassing marketing and promotional expenses.
- Office and administration fees: \$60,913 (2023: \$72,457), including market development expenses.
- Share-based compensation: \$8,946 (2023: \$176,431), including options granted to management, directors, and consultants of the Company.
- Recovery regarding the amortization of flow-through liability: \$82,500 (2023: \$Nil).

SUMMARY OF QUARTERLY RESULTS

Quarterly results fluctuate depending on the timing of the granting and vesting of stock options and the incurrence of project evaluation expenses and write-off of exploration and evaluation assets.

The following table summarizes selected financial data reported by the Company for the quarter ended June 30, 2024 and the previous seven quarters.

	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sept 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sept 30, 2022
Current assets	204,524	773,955	293,210	1,100,136	1,542,203	2,968,212	373,381	829,488
Exploration and evaluation assets	17,100,303	16,714,133	16,407,714	16,012,860	14,566,850	13,062,386	12,586,251	12,500,543
Total assets	17,373,262	17,555,838	16,767,054	17,180,596	16,175,253	16,098,263	13,027,352	13,398,566

K2 GOLD CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS
For the six months ended June 30, 2024

	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sept 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sept 30, 2022
Current liabilities	263,091	291,671	297,821	372,608	445,324	173,930	176,535	337,329
Share capital	31,353,885	31,353,885	30,506,688	30,450,588	29,458,016	29,458,016	26,761,673	26,761,673
Net income (loss)	(153,996)	(202,672)	(232,160)	(164,473)	(358,562)	(323,806)	(253,886)	(325,716)
Comprehensive income (loss)	(153,996)	(202,672)	(232,160)	(164,473)	(358,562)	(323,806)	(253,886)	(325,716)
Basic income (loss) per share	(0.002)	(0.002)	(0.002)	(0.002)	(0.004)	(0.004)	(0.003)	(0.005)

For the three months ended June 30, 2024

During the three months ended June 30, 2024, the Company reported a net loss of \$153,996, or \$0.002 per common share, compared to \$358,562 or \$0.004 per common share in 2023. The main contributors to this variance were:

- Travel and conferences: \$69,916 (2023: \$25,211), which includes conference fees and various travel expenses.
- Share-based compensation: \$Nil (2023: \$164,158), including options granted to management, directors, and consultants of the Company in the prior year.
- Recovery regarding the amortization of flow-through liability: \$82,500 (2023: \$Nil).

LIQUIDITY AND CAPITAL RESOURCES

At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. See "Risks and Uncertainties".

In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company intends to raise money through the sale of equity instruments and may consider the optioning of its mineral property interests. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term but recognizes there will be risks involved that may be beyond their control.

Working Capital

As at June 30, 2024, the Company had negative working capital of \$58,567 (December 31, 2023: (\$4,611)).

Cash and cash equivalents

Cash and cash equivalents decreased by \$93,855 during the six months ended June 30, 2024, from \$195,160 at December 31, 2023 to \$101,305 at June 30, 2024.

Cash used in operating activities

Net cash used in operating activities during the six months ended June 30, 2024, was \$371,926 (2023: \$562,107). The majority of this cash was spent on personnel fees, advertising, marketing and promotion, corporate listing and filing fees, as well as office and administration expenses.

Cash used in investing activities

Total cash used in investing activities during the six months ended June 30, 2024, was \$692,589 (2023: \$1,737,011). These expenditures were primarily for exploration and evaluation activities.

Cash generated by financing activities

Total cash generated from financing activities during the six months ended June 30, 2024, was \$970,660 (2023: \$3,385,049). This was primarily due to the sale of shares in a private placement, the receipt of a loan, and the repayment of the CEBA loan.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Overview

The Company has exposure to credit risk, liquidity risk and market risk from its use of financial instruments.

The following presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents, GST recoverable, and reclamation bond. Cash is held with a major Canadian financial institution, a US bank, GST recoverable are from Government entities, and the reclamation bond is held with a US government organization. Management is of the view that all amounts are fully collectible.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations and commitments as they become due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash and cash equivalents. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at June 30, 2024, the Company has cash and cash equivalents of \$101,305 to cover current liabilities of \$263,091.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Foreign currency risk

In the normal course of business, the Company enters into transactions for the purchase of supplies and services and acquisition of mineral properties, denominated in a currency other than the functional currency of the Company. As a result, the Company is subject to foreign exchange risk from fluctuations in foreign exchange rates, however the Management estimates the risk to be insignificant. The Company has not entered into any derivative or other

financial instruments to mitigate this foreign exchange risk. The Company does not have any significant currency risks associated with its financial instruments at June 30, 2024.

FINANCIAL INSTRUMENTS

Financial assets are classified at initial recognition as either: measured at amortized cost, Fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

Fair value through profit or loss ("FVTPL") – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income statement. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the income statement in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

Fair value through other comprehensive income ("FVTOCI") – Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost – A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or the Company has opted to measure at FVTPL.

Under IFRS 9, the Company classifies its financial instruments as follows:

Cash and cash equivalents	Amortized cost
Amounts receivable	Amortized cost
Reclamation bond	Amortized cost
CEBA loan	Amortized cost
Accounts payable, Accrued liabilities	Amortized cost

NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

The accounting policies in preparation of these consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2023.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2024. The Company does not expect the adoption of this new amendment to have a significant impact on the consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES

Our significant accounting policies are presented in Note 3 of the audited financial statements for the year ended December 31, 2023. Note 3 provides that the preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of

assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are noted below.

KEY SOURCES OF ESTIMATION UNCERTAINTY

Exploration and evaluation assets

Exploration and evaluation costs are initially capitalized as intangible exploration assets with the intent to establish commercially viable reserves. The Company is required to make estimates and judgments about the future events and circumstances regarding whether the carrying amount of intangible exploration assets exceeds its recoverable amount. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Deferred tax assets and liabilities

The measurement of a deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected.

Share-based compensation

The Company measures share-based payments expense by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures.

RISKS AND UNCERTAINTIES

Exploration Stage Company

K2 Gold is engaged in the business of acquiring and exploring mineral properties with the desire of locating and developing economic deposits of minerals. Development of any future properties will only follow upon obtaining satisfactory exploration results. There can be no assurance that K2 Gold's existing or future exploration programs

will result in the discovery of commercially viable mineral deposits. Further, there can be no assurance that even if an economic deposit of minerals is located, it can be commercially mined.

Mineral Exploration and Development

The exploration and development of minerals is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of a mineral deposit or ore body may result in significant rewards, few properties which are explored are ultimately developed into producing mines. Substantial expenses are required to establish ore reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on K2 Gold.

No Operating History and Financial Resources

K2 Gold has not achieved profitable operations and has no operating revenues and is unlikely to generate any in the foreseeable future. The Company has sufficient financing to cover its projected funding requirements for the ensuing year. Additional funds will be required for K2 Gold to acquire and explore new mineral interests. K2 Gold has limited financial resources and there is no assurance that sufficient additional funding will be available to fulfill its future obligations or for further exploration and development, on acceptable terms or at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause K2 Gold to forfeit its interests in some or all of its properties or to reduce or terminate its operations.

Government Regulation

The current or future operations of K2 Gold, including exploration and development activities and the commencement and continuation of commercial production, require licenses, permits or other approvals from various foreign federal, provincial and local governmental authorities and such operations are or will be governed by laws and regulations relating to prospecting, development, mining, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use, water use, environmental protection, land claims of indigenous people and other matters. There can be no assurance, however, that K2 Gold will obtain on reasonable terms, or at all, the permits and approvals, and the renewals thereof, which it may require for the conduct of its current or future operations or that compliance with applicable laws, regulations, permits and approvals will not have an adverse effect on any mining project which K2 Gold may undertake. Possible future environmental and mineral tax legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays to K2 Gold's planned exploration and operations, the extent of which cannot be predicted.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Competition

The mineral exploration and mining business is competitive in all of its phases. K2 Gold will compete with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive mineral properties. K2 Gold's ability to acquire properties in the future

will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable prospects for mineral exploration or development. There is no assurance that K2 Gold will be able to compete successfully with others in acquiring such prospects.

Environmental Risks and Hazards

All phases of K2 Gold's operations will be subject to environmental regulation in the jurisdictions in which it intends to operate. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of such regulation may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which K2 Gold holds interests or on properties that will be acquired which are unknown to K2 Gold at present and which have been caused by previous or existing owners or operators of the properties.

Commodity Prices

The price of K2 Gold's securities, its financial results and exploration, development and mining activities may in the future be significantly adversely affected by declines in the price of gold and base metals. Gold and base metals prices fluctuate widely and are affected by numerous factors beyond K2 Gold's control such as the sale or purchase of precious or base metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand; production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection and international political and economic trends, conditions and events. The price of gold and base metals has fluctuated widely in recent years, and future serious price declines could cause continued development of K2 Gold's properties to be impracticable.

Further, reserve calculations and life-of-mine plans using significantly lower gold or base minerals prices could result in material write-downs of K2 Gold's investment in mining properties and increased amortization, reclamation and closure charges.

In addition to adversely affecting reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Price Volatility and Lack of Active Market

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market for K2 Gold's securities will be subject to such market trends and that the value of such securities may be affected accordingly.

Key Executives

K2 Gold will be dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel, whose contributions to the immediate future operations of K2 Gold are likely to be of

importance. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Due to the relatively small size of K2 Gold, the loss of these persons or K2 Gold's inability to attract and retain additional highly skilled employees or consultants may adversely affect its business and future operations. K2 Gold does not currently carry any key man life insurance on any of its executives. The directors and certain officers of K2 Gold will devote part of their time to the affairs of K2 Gold.

Potential Conflicts of Interest

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

Dividends

K2 Gold has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of K2 Gold and will depend on K2 Gold's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of K2 Gold deem relevant.

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

PROPOSED TRANSACTIONS

There are no proposed transactions that should be disclosed.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's statement of loss and comprehensive loss contained in its consolidated financial statements for the six months ended June 30, 2024 and its audited annual financials for December 31, 2023, which are available on www.sedarplus.ca, and on the Company's website at www.k2gold.com.

COMMITMENTS

Lease

The Company entered into a lease agreement with a company related to key management to rent an office space in Vancouver, BC, commencing May 1, 2024 to April 30, 2026 for \$4,846 per month. In addition to the monthly rental payments, the Company is charged for the applicable GST costs.

The future rental payments are required as follows:

2024	\$29,080
2025	\$58,160
2026	\$19,387

Flow-through premium liability

During the year ended December 31, 2023, the Company completed a non-brokered private placement financing by issuing a total of 8,756,666 charity flow-through shares at a price of \$0.16 per charity flow-through share, for aggregate gross proceeds of \$1,401,067. A flow-through share premium liability of \$350,267 was recognized upon issuance. As eligible exploration expenditures are incurred the liability will be amortized to profit or loss.

At June 30, 2024 there was \$107,840 (December 31, 2023 - \$437,841) remaining flow-through to be spent.

During the period ended June 30, 2024, the Company recognized \$82,500 (December 31, 2023 - \$240,807) as income on reduction of the flow-through premium liability.

Balance at December 31, 2022	\$	-
Liability incurred on flow-through shares		350,267
Settlement of flow-through share liability on incurring expenditures		(240,807)
Balance at December 31, 2023	\$	109,460
Settlement of flow-through share liability on incurring expenditures		(82,500)
Balance at June 30, 2024	\$	26,960

OUTSTANDING SHARE DATA

As at June 30, 2024, the Company had \$31,353,885 in share capital representing 108,511,800 common shares outstanding.

K2 Gold's authorized capital is unlimited common shares without par value. As at August 19, 2024, the following common shares, share purchase warrants and options were outstanding:

	# of Shares	Exercise Price	Expiry Date
Issued and outstanding common shares	108,511,800		
Share purchase warrants	11,988,250	\$ 0.30	February 01, 2025
Finders warrants	1,256,530	\$ 0.30	February 01, 2025
Share purchase warrants	10,450,000	\$ 0.30	February 15, 2025
Finders warrants	563,400	\$ 0.30	February 15, 2025
Share purchase options	1,400,000	\$ 0.27	October 30, 2024
	100,000	\$ 0.23	February 20, 2025
	400,000	\$ 0.71	September 28, 2025
	945,000	\$ 0.32	May 13, 2026
	2,850,000	\$ 0.15	May 16, 2027
	2,775,000*	\$ 0.15	May 01, 2028
Fully Diluted at August 19, 2024	141,239,980		

*25% vest on the date of grant and thereafter 25% every three months until fully vested.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Key management compensation

Key management consists of the Company's directors and officers. In addition to management and consulting fees paid to these individuals, or companies controlled by these individuals, the Company provides non-cash benefits. Total key management compensation are as follows:

Related Party	Nature of Relationship
Fissile Management	Company, controlled by CEO
GSBC Financial Management Inc.	Company, controlled by CFO
FT Management Ltd.	Company related to CFO
Corex Management Inc.	Company, controlled by CFO

Payee	Nature of the transaction	Six months ended June 30, 2024	Six months ended June 30, 2023
CEO	Management fees	\$ 102,582	\$ 100,000
CFO	Management fees	6,000	6,000
Company related to CFO*	Consulting fees	30,400	30,000
VP of Exploration	Management and consulting fees	18,000	9,000
	Deferred exploration costs	72,000	81,000
CEO	Share-based compensation	1,612	32,808
CFO	Share-based compensation	322	5,916
VP of Exploration	Share-based compensation	1,290	26,461
Director (John Robins)	Share-based compensation	887	16,268
Director (Jim Paterson)	Share-based compensation	725	15,463
Director (Steven Swatton)	Share-based compensation	725	13,310
Director (Steven Krause)	Share-based compensation	725	13,310
Director (Carolyn Loder)	Share-based compensation	725	13,310
Total		\$ 235,993	\$ 362,846

(*) Related to accounting and compliance services.

Related party transactions and balances not disclosed elsewhere in the Company's consolidated financial statements are as follows:

Payee	Nature of the transaction	Six months ended June 30, 2024	Six months ended June 30, 2023
Company related to CFO	Reimburse office rent (Vancouver, BC)	\$ 15,270	\$ 22,905
Company, controlled by CFO	Reimburse office rent (Vancouver, BC)	4,042	-
Company owned by a key management person	Office rent (Squamish, BC)	15,739	10,800
Total		\$ 35,052	\$ 16,853

The balance payable to related parties at June 30, 2024 was \$25,644 (June 30, 2023 - \$Nil). These payables are generally unsecured, non-interest bearing and are expected to be repaid under normal trade terms.

The amounts charged to the Company for the services provided have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

OUTLOOK

The Company expects to obtain financing in the future primarily through further equity financing, as well as through joint venturing and/or the optioning of the Company's properties to qualified mineral exploration companies. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations.

The Company's business objectives are to secure financing, fund its general and administrative expenses for the ensuing year, to search for a new property, and fund its working capital requirements.

APPROVAL

The Board of Directors of K2 Gold has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone upon request.

ADDITIONAL INFORMATION

Additional Information relating to K2 Gold is on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR+") at www.sedarplus.ca or by contacting:

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