

TSXV: KTO | OTCQX: KTGDF INITIATION OF COVERAGE

K2 Gold

A permitted 14,000m drill programme into a high-grade oxide gold system in California, funded in cash, run by the team that built Great Bear and Kaminak

* Priced off the last verified close of C\$0.84 and a market capitalisation of C\$203.5m, 14 September 2026. Target struck on 263.3m fully diluted shares.

RATING
SPEC. BUY
initiating

PRICE TARGET
C\$1.25*
~49% upside

THE CASE

On 18 August 2026 K2 Gold reported the first three holes of the largest drill programme ever run at its 100%-owned Mojave Project in Inyo County, California: **39.62m at 5.35 g/t Au including 25.91m at 7.14 g/t** in DF26-020, **10.67m at 7.75 g/t Au from 16.76m** in DF26-019, and 18.29m at 3.77 g/t including 7.62m at 7.48 g/t in DF26-018. All three were drilled from a single pad 40 metres north of the 2020 discovery hole, into ground that had never been tested. On 9 September four holes from a second pad 40m west of the discovery hole followed: **27.43m at 4.08 g/t Au including 15.24m at 5.30 g/t** in DF26-023, **3.05m at 17.55 g/t Au** then 28.95m at 2.03 g/t in DF26-024, 32.01m at 2.02 g/t in DF26-021 and 33.53m at 1.63 g/t in DF26-022. **Seven of seven holes reported in 2026 have hit high-grade oxide gold**, and the system is open in all directions.

Twenty-three holes for 4,182m are complete out of a 14,000m campaign that K2 describes as fully permitted and fully funded for exploration drilling, sixteen holes are pending assay and the rig is now drilling the Newmont Zone. Mineralisation at Dragonfly is confirmed over 400m of drilled strike and remains open along strike and at depth. Dragonfly is one target on a trend that runs more than 6.5km, midway between the undrilled Gold Valley target where selective rock chips have returned up to 375 g/t Au and the Newmont Zone drilled by Newmont and BHP. K2 reported over C\$27m of cash as at 18 August 2026, no warrants, and a C\$176m enterprise value.

OUR READ

- Grade, oxide, and from surface, in a jurisdiction that has just started issuing permits again.** The gold at Dragonfly is completely oxidised, begins within metres of the collar and, in our opinion, grades at a level where relatively small tonnages could be economic; that is an analyst view, not a K2 conclusion, and no economic study exists. Across the 39.62m interval in DF26-020, twenty-three of twenty-six consecutive samples exceeded 1 g/t, sixteen exceeded 5 g/t and seven exceeded 7 g/t, peaking at 14.9 g/t. The Bureau of Land Management issued a Record of Decision authorising drilling from up to 22 sites, after years of baseline work; that permit, not the geology, was the binding constraint on this company for five years.
- The programme is 30% drilled and the news flow is mechanical from here.** Sixteen holes are pending assay, eight of them at Dragonfly from pads DF-G, DF-M and DF-A and eight at the Newmont Zone where NM20-011 returned 1.64 g/t Au over 41.15m; sixteen more are permitted at Dragonfly for a second phase. Every hole drilled to date has intersected the silicification, carbonate veining and iron-oxide enrichment that defines the system. K2 will be releasing results continuously into a market paying up for oxide gold ounces.
- The market is paying for 1.2Moz. The trend frames to 2.0Moz and is being drilled in a record gold market.** Our C\$1.25 target is struck on where a 2.0Moz oxide system would trade on peer enterprise value per ounce once a maiden estimate exists, spread across 263.3m fully diluted shares. It is a scenario valuation, not a probability-weighted one, and it is before any credit for Si2, Wels, Wolf or takeover interest. With gold near US\$4,300, ETF holders returning and central banks recording their strongest second quarter since 2010, the backdrop for an oxide gold discovery in a Tier 1 jurisdiction is as strong as we have seen. The absence of a resource is the reason the shares are available at this price.

SNAPSHOT

Last close*	C\$0.84
Price target	C\$1.25
Implied upside	~49%
52-wk range	0.36–0.93
Shares / FD	242.2m / 263.3m
Warrants	nil
Market cap	C\$203.5m
Cash, 18 Aug 2026	>C\$27m
Enterprise value	~C\$176m
2026 budget, company	C\$9.8m
Resource / risk	none / High

TSXV: KTO

C\$0.84

12M • DAILY CLOSE

-0.02 (-2.3%)



Reconstructed daily closes to published anchor points. Indicative.

KTO appreciated 515% in 2025 on permitting and the exercise of the Mojave option, then spent 2026 range-bound between C\$0.70 and C\$0.93 while the drill was mobilised. The re-rating to date has been paid for by permits. The next one has to be paid for by ounces.

NEXT CATALYSTS

Assays, 8 Dragonfly holes, pads DF-G, DF-M, DF-A	pending
Si2 follow-up, from 18 June results	not guided
Newmont Zone assays, 8 holes drilled	pending
Dragonfly phase 2, 16 permitted holes	2H 2026
First drilling at Gold Valley, chips to 375 g/t	not guided

Mojave: One Trend, Five Targets, 6,000 Hectares

A 100%-owned oxide gold project in Inyo County, California, on the Walker Lane trend. Gold sits in steeply west-dipping, silicified structures cutting conglomerate, siltstone and limestone, exposed at surface, along a mineralised corridor mapped by K2 over more than 6.5 kilometres.

EASTSIDE GOLD TREND – TARGET INVENTORY

TARGET	STATUS AND BEST RESULT	POSITION ON TREND
Dragonfly	15 holes drilled, 7 reported. Open in all directions; structures widen at depth. 2026: 39.62m @ 5.35 g/t, 27.43m @ 4.08 g/t. 2020: 45.72m @ 6.68 g/t from surface. Rock chips to 22.53 g/t.	centre
Gold Valley	Never drilled. Selective surface rock samples to 375 g/t Au; grab samples are not necessarily representative of grade or extent.	1.5km N of Dragonfly
Newmont	Drilling now, 8 holes complete, assays pending. NM20-011 returned 1.64 g/t Au over 41.15m. Limited historical drilling by Newmont Exploration (1990–1991) and BHP Minerals (1997).	2km S of Dragonfly
Flores	Surface target, undrilled by K2.	1.6km E of Newmont
Morningstar	Polymetallic corridor, 2km by 800m. 26 Aug 2026: 613 grab and chip samples, to 2,737 g/t Ag with 4.37 g/t Au and 2.42% Cu (Ignacio) and 23.2% Cu (R Zone); grabs are selective and not necessarily representative. ~15,000m of historical drilling, best 9.19 g/t Au over 18.29m (H Zone, unverified by K2). Not part of our valuation.	7km off trend

WHAT THE ROCK IS DOING

Dragonfly is a corridor of stacked, subparallel, steeply west-dipping structures observed over a width of 400 metres, the majority of it undrilled. Ribs of silicified and strongly oxidised conglomerate, siltstone and limestone are exposed in the core of the target and carry gold to 22.53 g/t at surface. The mineralisation sits inside a broad alteration envelope of silicification and oxidation, and the 2026 holes all collared into a previously unknown near-surface gold zone before reaching the main structures. The DF-F holes cut an upper high-grade structure about 50m below surface (gold to 19.00 g/t in DF26-024) that may correlate with that zone, and K2 reports the main corridor widening at depth in DF26-023 and DF26-024.

Two features matter for what this could become. The first is that the system is oxide: DF26-020 is described as completely oxidised through the high-grade interval, with goethite and hematite replacing sulphides. In our view oxide gold at these grades is a candidate for heap leaching, which would be the difference between a deposit that needs a mill and one that does not; K2 has published no metallurgical testwork, recoveries or processing route, and this is an analyst inference only. The second is that the structures repeat. Grade is not confined to a single vein that can be drilled out and exhausted; K2 has mapped parallel structures by rock sampling across the corridor and along the trend, and true widths remain unknown.

PROGRAMME STATUS

Approved plan	~14,000m
Initial programme	5,650m
Drilled to date	4,182m
Holes complete	23
Holes reported	7
Holes pending	16
Permitted sites	up to 22

30% of the 14,000m programme is drilled. K2 describes the full campaign as fully permitted and fully funded; the BLM authorisation covers up to 76 RC holes from 22 sites.

THE PERMIT

The BLM Record of Decision, issued early 2026, authorises drilling from up to 22 sites under a Plan of Operations built on years of baseline work. Pads are timber-framed in steep terrain to avoid excavation, with equipment placed directly on the ground where topography permits; every site is pre-cleared by biologists and archaeologists; and the programme includes Tribal monitoring, with Consulting Tribes provided the opportunity to have up to one Tribal Monitor present at each active drill site during ground-disturbing work, in accordance with the MOA and BLM conditions. The authorisation covers exploration drilling only, not mine construction or operation. This is the piece competitors in California do not have, and it took K2 five years to obtain.

OWNERSHIP

K2 exercised its option in 2025 and holds Mojave 100%. There is no earn-in and no joint-venture partner. The vendor retains a 3.0% NSR royalty on all production, subject to buy-down rights in K2's favour; K2 pays US\$275,000 a year pre-production, and the royalty carries a US\$300,000 minimum annual payment once in commercial production.

Seven Holes, Two Pads, Either Side of the Discovery

DF26-018, 019 and 020 were drilled as an angled fan from site DF-A, 40m north of the 2020 discovery hole, at a 070° azimuth and dips of -70°, -50° and -85°. DF26-021 to 024 were drilled from site DF-F, 40m west of it: two undercutting the 2020 drilling at 070°, two at 035° testing for northwest-plunging shoots. Reported widths are drilled widths; true widths are not yet known.

HOLE	FROM	TO	WIDTH*	AU G/T
DF26-018	27.43	45.72	18.29	3.77
<i>including</i>	32.00	39.62	7.62	7.48
DF26-019	16.76	27.43	10.67	7.75
	77.72	85.34	7.62	1.85
	94.49	97.54	3.05	2.27
DF26-020	51.82	91.44	39.62	5.35
<i>including</i>	62.48	88.39	25.91	7.14

*Drilled widths; true thickness unknown. As reported by K2 Gold, 18 August 2026, Table 1; sub-intervals shown as reported.

SITE DF-F, 40M WEST OF THE DISCOVERY HOLE – REPORTED 9 SEPTEMBER 2026

HOLE	FROM	TO	WIDTH*	AU G/T
DF26-021	50.29	82.30	32.01	2.02
<i>including</i>	50.29	54.86	4.57	8.80
DF26-022	102.11	135.64	33.53	1.63
<i>including</i>	109.73	115.82	6.09	4.97
DF26-023	57.91	70.10	12.19	2.29
	82.30	109.73	27.43	4.08
<i>including</i>	94.49	109.73	15.24	5.30
DF26-024	62.48	65.53	3.05	17.55
	97.54	126.49	28.95	2.03
<i>including</i>	105.16	121.92	16.76	3.03

*Drilled widths; true thickness unknown. Principal intervals only, as reported by K2 Gold, 9 September 2026, Table 1. All four holes 192.02m.

WHAT THE SAMPLE STRING SHOWS

Averaged intercepts hide the shape of a grade distribution, so it is worth reading DF26-020 sample by sample. From 51.82m to 91.44m the hole returned twenty-six consecutive 1.52m samples of which twenty-three exceeded 1 g/t Au, sixteen exceeded 5 g/t and seven exceeded 7 g/t, peaking at **14.9 g/t over 77.72–79.25m** and 11.4 g/t immediately below it. The interval closes at both ends into sub-0.2 g/t material rather than being cut off by the end of hole. That is a continuous mineralised structure, not a set of isolated assays smeared across a wide interval.

DF26-019 behaves the same way over a shorter interval: five consecutive samples between 18.29m and 25.91m returned 8.42, 12.65, 13.3, 12.3 and 2.93 g/t Au. DF26-018 carries five consecutive samples between 5.07 and 9.73 g/t. The high grade is where the silicification and quartz veining is, in three holes from one pad, at three different dips.

DF26-020 – PEAK SAMPLES

77.72–79.25	14.90
76.20–77.72	11.35
79.25–80.77	11.40
64.01–65.53	8.95
83.82–85.34	7.23
70.10–71.63	7.25

Metres down hole, gold in g/t, 1.52m sample intervals. Full sample-by-sample tables are in the 18 August release.

ASSAY PROTOCOL

ALS Reno prepared, ALS North Vancouver assayed. 30g fire assay with ICP-AES finish; anything above 10 g/t re-run gravimetrically. Coarse blanks and certified standards inserted at roughly 10% of the sample string. QP is Eric Buitenhuis, M.Sc., P.Geo., VP Exploration. Standard, and appropriate for the grades involved.

WHAT WE ARE WATCHING

Whether the eight pending Dragonfly holes from pads DF-G, DF-M and DF-A carry grade further from the discovery, and what the first eight Newmont holes return. Two pads 80m apart do not make 400m of strike economic. The company reports all holes to date have hit the alteration; grade is the open question.

Valuation: C\$1.25 on the Base Case, C\$2.10 on the Bull

Mojave is pre-resource, so we value it the way the market will once a maiden estimate is published: size the system K2 is drilling, apply the enterprise value per ounce that comparable North American gold juniors command at that stage, and spread the result over the fully diluted share count. The output is a scenario valuation with no explicit probability weighting. Every scenario above the bear case sits above the current share price.

STEP 1 – CONCEPTUAL SCALE OF THE SYSTEM

Dragonfly has 400m of confirmed drilled strike within a 400m-wide corridor of stacked structures, drilled to roughly 190m of hole depth. On three structures of 10m average width over 400m of strike and 200m of depth at 2.5 g/t and a bulk density of 2.5, Dragonfly alone frames, on Cashu Research's conceptual assumptions, to roughly 0.5Moz, and that is on less than a fifth of the permitted metreage. The Eastside Gold Trend runs more than 6.5km and carries at least four further targets of similar surface expression, two of them with historical drill intercepts and one, Gold Valley, never drilled and carrying selective rock chips to 375 g/t. A trend that repeats Dragonfly four times frames to about 2.0Moz. That is our base case, and we regard it as conservative given the grades reported to date. The 0.5Moz, 1.2Moz and 2.0Moz figures are Cashu Research scenario assumptions, not K2 disclosures: Mojave has no Mineral Resource Estimate and nothing here is reported under NI 43-101.

STEP 2 – SCENARIOS

CASE	BASIS	OUNCES	EV/OZ	EQUITY	PER SH.
Bear	Dragonfly only, grade thins away from DF-A	1.0Moz	C\$100	C\$127m	C\$0.48
Base	Dragonfly plus three trend repeats	2.0Moz	C\$150	C\$327m	C\$1.24
Bull	Trend delivers plus Gold Valley converts	3.0Moz	C\$175	C\$552m	C\$2.10
Blue sky	District-scale case, takeover interest	4.0Moz	C\$200	C\$827m	C\$3.14

Equity value is EV plus C\$27m of cash (18 Aug 2026). Per share on 263.3m fully diluted shares (242.2m issued plus ~21.1m options); no credit taken for option exercise proceeds. All ounce scenarios and values are Cashu Research estimates, not K2 disclosures.

STEP 3 – SENSITIVITY, C\$ PER SHARE

Ounces \ EV/oz	C\$100	C\$130	C\$150	C\$175	C\$200
1.0Moz	0.48	0.60	0.67	0.77	0.86
1.5Moz	0.67	0.84	0.96	1.10	1.24
2.0Moz	0.86	1.09	1.24	1.43	1.62
2.5Moz	1.05	1.34	1.53	1.76	2.00
3.0Moz	1.24	1.58	1.81	2.10	2.38

TARGET

C\$1.25

~49% upside to C\$0.84

Struck at the base case of 2.0Moz at C\$150 per ounce on 263.3m fully diluted shares, C\$1.24 rounded to C\$1.25. A scenario valuation with the dilution adjustment made explicit through the share count; no probability weighting is applied. Twelve-month view.

WHAT THE MARKET PAYS TODAY

At C\$0.84 the enterprise value is C\$176m. On our C\$150 per ounce benchmark that is approximately **1.2Moz already in the price**. The trade is not whether K2 finds gold; it plainly has. It is whether the trend delivers more than 1.2Moz of it, and on the evidence of seven holes and 6.5km of trend we think it will.

WHY C\$150 PER OUNCE

Pre-development North American gold juniors have historically traded at C\$30–70 per resource ounce. Spot gold at US\$4,297 has lifted that band materially, and oxide, near-surface ounces in a Tier 1 jurisdiction sit at the top of it. C\$150 is our benchmark for a maiden estimate of this character, net of the 3% NSR on the project; C\$100 is the sceptical mark and C\$200 the takeover mark.

ON CONSENSUS

The published consensus target of C\$2.25 sits between our bull and blue sky cases. On 263.3m fully diluted shares it requires 3.0Moz at C\$190 per ounce or better. We do not underwrite that before the next sixteen holes are reported, but our bull case of C\$2.10 shows the path to it if Dragonfly-style grade repeats along the trend.

The Cohort, and the Gold Price Paying For It

K2 trades in the lower half of a band of C\$135–290m junior gold explorers on the TSX and TSXV. Most of that cohort has a resource. K2 has a permit, a rig, and seven holes.

MARKET CAPITALISATION COHORT, C\$M

Orogen Royalties	290.6
STLLR Gold	242.7
1911 Gold	230.0
Eloro Resources	211.0
Maple Gold Mines	204.0
K2 Gold	203.5
Abitibi Metals	180.2
Prospector Metals	134.6

Market capitalisations as at 14 September 2026; K2 Gold at C\$0.84. Selected as the immediate market-capitalisation neighbours of K2 in the junior gold universe; not matched for resource stage, commodity mix or jurisdiction.

THE RE-RATING PATH

Juniors in this band re-rate on one of three events: a maiden resource, a metallurgical result that shows the ounces are recoverable cheaply, or a bid. K2 has a credible line to all three inside eighteen months. The maiden estimate is a function of how many of the remaining ~9,800 permitted metres return Dragonfly-style grade. Metallurgy is the shortest lever: the mineralisation is described as fully oxidised, which in our view points to bottle-roll and column leach testwork rather than a flotation programme, and cyanide-soluble recoveries on oxide gold are typically established in months, not years. No testwork has been disclosed. The third event is not in the company’s control, but a permitted, high-grade oxide project in California held 100% by a C\$203m explorer with the Discovery Group on the register is exactly the asset a mid-tier producer with a Nevada heap-leach plant looks at.

GOLD

We are bullish on gold. Our house deck runs US\$4,000 bear, US\$4,500 base, US\$5,000 bull and US\$5,500 blue sky; spot at US\$4,297 on 14 September 2026 sits between bear and base. Both legs of demand are pulling in the same direction. Physically backed ETFs took in roughly US\$3bn in July, reversing two months of redemptions, and added about 1.3Moz between 20 July and 13 August, the fastest accumulation since April. Central banks bought 289 tonnes in the second quarter, the strongest second quarter on record since 2010, led by Poland and China, and the ECB now records gold as a larger share of global reserves than US Treasuries. At our base case a 2.0Moz oxide system in California, if it proved amenable to heap leaching, would carry a very large margin per ounce, and that is what supports EV per ounce benchmarks well above the historical band. The risk cuts the other way too: a return to US\$3,000 gold would compress junior EV per ounce, and our bear case of C\$0.48 does not model that.

GOLD DECK, US\$/OZ	
Spot, 14 Sep	4,297
Bear	4,000
Base	4,500
Bull	5,000
Blue sky	5,500

Cashu Research house assumptions, unchanged since June 2026. Flow data per World Gold Council and Bloomberg, August 2026.

TSXV: KTO

C\$0.84

12M · DAILY CLOSE · CAD

-0.02 (-2.3%)



Reconstructed daily closes to published anchor points. Indicative.

LIQUIDITY

KTO was one of the fifty best performers on the TSXV in 2025, up 515% on the year. It moved to the OTCQX Best Market on 29 April 2026, which widens the accessible US retail and institutional base. Trading remains thin by absolute standards; size positions accordingly.

The Balance Sheet, the People, and Three Free Options

Over C\$27m of cash (18 Aug 2026) against a C\$9.8m company-wide 2026 budget, no warrants outstanding, and three further projects we ascribe nothing to.

FUNDING

K2 approved a C\$9.8m company-wide exploration budget for 2026 in January and reported C\$34.1m of cash and equivalents at 31 March and, notably, **no warrants outstanding**. Treasury stood at over C\$27m as at the 18 August release. On the current burn the company is funded through 2027 without returning to market, and the 14,000m drill programme is described by the company as fully permitted and fully funded. For an explorer that is the difference between reporting results and pre-announcing a placement: K2 can let the drill results price the next raise rather than the reverse.

The absence of warrants matters more than it sounds. A junior emerging from a permitting cycle usually carries an overhang of cheap paper struck through the quiet years, and that paper caps the re-rating. K2's has been exercised: 9.3 million warrants were exercised in August 2025 and the company reported none outstanding by March 2026. Beyond the 242.2m shares on issue there are approximately 21.1m options outstanding, for a fully diluted count of roughly 263.3m. Our valuation is struck on the fully diluted figure and takes no credit for option exercise proceeds.

THE PEOPLE

K2 is a Discovery Group company. That group's record includes Great Bear Resources, sold to Kinross for C\$1.8bn, Great Bear Royalties, Kaminak Gold, whose Coffee project was sold to Goldcorp, and Northern Empire. John Robins is Executive Chairman, Anthony Margarit is President and CEO, and Eric Buitenhuis, M.Sc., P.Geo., is VP Exploration and the QP on the Mojave results. Robins has been a buyer of KTO stock on market.

The relevance is not reputation. It is that this team has taken structurally controlled, intrusion-related gold in remote jurisdictions from soil anomaly to sale twice, and the pattern at Dragonfly, stacked structures inside a broad alteration envelope on a multi-kilometre trend, is the pattern they have drilled before.

THREE PROJECTS AT ZERO

- Si2

Low-sulphidation epithermal gold, Nevada, Walker Lane. Mapping, geochemistry, geophysics, alteration mineralogy, fluid inclusion work and age dating together indicate historical drilling never tested the boiling zone where epithermal grade concentrates. K2 drilled 8 holes for 3,871m in early 2026 to test it and reported on 18 June 2026. No economic grades were cut: SR26006 at AOI4 returned 210.31m at 0.123 g/t Au to end of hole, and a vuggy quartz vein in SR26008 at AOI3 gave 1.52m at 2.37 g/t Au and 8.13 g/t Ag. The system is confirmed over 1.6km by 1km, gold-bearing from about 150m depth and open in all directions. A large, low-grade system with blind veins to follow up; not a discovery.
- We1s

Tintina Gold Belt, Yukon, 60km south of the Coffee project. K2's drilling has returned 3.53 g/t Au over 19.5m and 10.38 g/t Au over 6.0m; the 2023 RC programme hit gold in all 12 holes and found a new corridor at Saddle South.
- Wolf

21,887 hectares staked in May 2026, 80km south of the 3.0Moz Coffee deposit. Wolf South carries a gold-in-soil anomaly over more than 10km, consolidated by K2 from multiple prior operators.

CAPITAL AND FUNDING	
Shares on issue	242.2m
Options	~21.1m
Fully diluted	~263.3m
Warrants	nil
Cash, 31 Mar 2026	C\$34.1m
Cash, 18 Aug 2026	>C\$27m
2026 budget, company	C\$9.8m
Debt	nil disclosed
Funded to	beyond 2027

DISCOVERY GROUP RECORD	
Great Bear Resources	sold, Kinross
Kaminak Gold	sold, Goldcorp
Great Bear Royalties	sold
Northern Empire	sold, Coeur

ON THE FREE OPTIONS

Our C\$1.25 target carries the Eastside Gold Trend only. Morningstar, 7km away on the same project, carries a polymetallic corridor with ~15,000m of historical drilling and fresh silver-copper-gold surface results that K2 says it will advance to drill targets. Si2 has a drill-confirmed epithermal system with blind gold-silver veins still to be followed up, and Wolf covers 21,887 hectares next to a 3Moz deposit. Neither is in the number. If a follow-up hole at Si2 returns vein grade over width, the framework on this page has to be rebuilt, upward.

What Breaks This

RISKS

No resource, and possibly never one

Every figure in our valuation rests on a conceptual exploration target. There is no certainty further drilling will support a mineral resource estimate. Seven holes from two pads 80m apart is not a deposit.

True widths are unknown

The company states plainly that true widths at Dragonfly are not yet established. Steeply dipping structures drilled at -50° to -85° can overstate width materially, which would cut tonnes at any given grade.

The pending sixteen could be poor

Eight Dragonfly holes from pads DF-G, DF-M and DF-A and eight Newmont holes are pending. DF-F already averaged lower grade than DF-A over wider widths. If grade drops further away from the discovery, the 400m of strike does not carry the ounce count our base case needs and the shares de-rate against a C\$176m enterprise value that already prices 1.2Moz.

Metallurgy is untested

The mineralisation is described as oxidised, which is favourable, but no leach recovery data has been published. Oxide gold is not automatically heap-leachable; clays, carbonate and preg-robbing carbon all cost recovery.

California

Exploration is permitted from up to 22 sites. A mine is a different application, in a state where that process is long and contestable, and cultural and biological constraints on this ground are real enough that the MOA provides for Tribal Monitors at active drill sites.

Gold and liquidity

Our EV per ounce benchmarks assume gold holds above US\$4,000. A sustained fall would compress them faster than K2 can add ounces. KTO is a thinly traded TSXV explorer and the shares can gap in both directions.

OPPORTUNITIES

~9,800 permitted metres to come

The approved plan runs to about 14,000m and 4,182m is drilled. The remaining metreage is permitted and funded, so the news flow requires no further approvals and no further capital.

Gold Valley is undrilled

Selective rock samples to 375 g/t Au (not necessarily representative of grade or extent), 1.5km from a zone now confirmed over 400m of strike, and never drilled. This is the single highest-leverage hole in the portfolio and it has not been guided.

Si2 is a confirmed system with untested veins

Eight holes for 3,871m confirmed a gold-bearing epithermal system over 1.6km by 1km and cut blind gold-silver quartz veins at two targets, the best 1.52m at 2.37 g/t Au. Low grade so far, but single pierce points; nothing for it in our target.

A clean register

No warrants, no debt, over C\$27m of cash (18 Aug 2026) and a C\$9.8m 2026 budget. Good news accrues to existing holders rather than funding the next placement.

A group that sells things

Discovery Group has taken four companies to exit. A permitted, 100%-owned, high-grade oxide gold project in California is a strategically scarce asset for any producer running a Nevada leach pad.

RATING DEFINITIONS

Spec . Buy	Total return potential above 30% over 12 months, at above-average risk of permanent capital loss.
Hold	Total return potential between -10% and 30% .
Sell	Total return potential below -10% .

CONCLUSION

Seven holes, seven hits of high-grade oxide gold from surface, and a system open in all directions. K2 has the permit it waited five years for, the cash to drill all 14,000 metres without returning to market, no warrants, and sixteen holes at the laboratory including the first eight at Newmont. At C\$0.84 the market pays for roughly 1.2Moz; the trend frames to 2.0Moz. No resource exists, true widths are unknown and metallurgy is untested, but the news flow from here is mechanical, funded and permitted, into the strongest gold market on record. We initiate at **Spec. Buy** with a **C\$1.25 target**, and we expect to revisit it upward if Newmont delivers.

RATING

SPEC. BUY

TARGET

C\$1.25

UPSIDE TO C\$0.84

~49%

DISCLOSURE AND DISCLAIMER

Commissioned research. This report was commissioned and paid for by K2 Gold Corporation. Cashu Research received a fee for its preparation and distribution. The fee was agreed in advance and was not contingent on the conclusions, rating or price target reached. K2 Gold reviewed a draft for factual accuracy only and had no editorial control over the rating, valuation or opinions expressed.

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Speculative security. K2 Gold is a pre-resource mineral exploration company. It generates no revenue, holds no mineral resource or reserve, and its securities carry a high risk of total loss of capital.

Exploration targets. Ounce ranges in this report are conceptual exploration targets prepared by Cashu Research from publicly disclosed drilling, mapping and sampling. They are not mineral resources or reserves and are not reported under NI 43-101 or the JORC Code. The potential quantity and grade is conceptual in nature, there has been insufficient exploration to define a mineral resource, and it is uncertain whether further exploration will result in the estimation of a mineral resource.

Market data. Priced off a close of C\$0.84 on 14 September 2026, a market capitalisation of C\$203.5m on 242.2m shares and an enterprise value of C\$176m after over C\$27m of cash as reported by K2 on 18 August 2026 (C\$34.1m at 31 March 2026 per filed statements). Per-share valuations use 263.3m fully diluted shares. Spot gold US\$4,297 on 14 September 2026. Peer market capitalisations are as at 14 September 2026. Share price series shown are reconstructed to published anchor points and are indicative only.

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