



**K2 Gold Corporation**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

**(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)**

### **Notice of Non-review of Condensed Interim Consolidated Financial Statements**

In accordance with National Instrument 51-102, the Company discloses that the accompanying condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company's management. They have been reviewed and approved by the Company's Audit Committee and the Board of Directors.

The attached condensed interim consolidated financial statements for the nine months ended September 30, 2025, have not been reviewed by the Company's auditors.

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**K2 Gold Corporation****Condensed Interim Consolidated Statements of Financial Position****For the Nine Months Ended September 30, 2025 and 2024***(Expressed in Canadian Dollars)**(Unaudited – Prepared by Management)*

	Note	September 30, 2025	December 31, 2024
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 9,721,556	\$ 132,792
Amounts receivable		17,047	19,836
Prepaid expenses		103,081	51,396
		9,841,684	204,024
Exploration and evaluation assets	4	21,873,119	18,153,880
Reclamation bond		69,605	71,945
<b>TOTAL ASSETS</b>		<b>\$ 31,784,408</b>	<b>\$ 18,429,849</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 831,945	\$ 110,436
		831,945	110,436
<b>Shareholders' Equity</b>			
Share capital	5	45,690,236	32,740,093
Obligation to issue shares	5	799,490	-
Reserves	5	8,128,635	7,844,532
Subscription receivable		-	(30,000)
Deficit		(23,665,898)	(22,235,212)
		30,952,463	18,319,413
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 31,784,408</b>	<b>\$ 18,429,849</b>

Nature of operations and going concern (Note 1)

Commitments (Note 10)

Subsequent events (Note 13)

Approved on behalf of the Board of Directors on November 26, 2025.

"Jim Paterson", Director"Carolyn Loder", Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**K2 Gold Corporation**  
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
**For the Nine Months Ended September 30, 2025 and 2024**

*(Expressed in Canadian Dollars)*

*(Unaudited – Prepared by Management)*

	Note	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
<b>Expenses</b>					
Advertising, marketing and promotion		\$ 68,477	\$ 29,040	\$ 158,311	\$ 107,611
Corporate listing and filing fees		9,990	13,872	42,309	48,131
Office and administration		11,189	17,171	91,154	78,084
Personnel	9	171,251	78,067	333,155	229,660
Professional fees		16,368	11,751	44,897	32,186
Rent	9,10	20,173	19,940	60,519	54,992
Share-based compensation	5,9	549,732	-	588,568	8,946
Travel and conferences		19,685	4,334	137,809	82,371
		(866,865)	(174,175)	(1,456,722)	(641,981)
<b>Other income (expenses)</b>					
Other income		-	-	-	9,925
Interest income		18,804	1,104	43,691	9,461
Amortization of FT premium liability		-	19,761	-	102,261
CEBA loan income	8	-	-	-	10,000
Foreign exchange gain (loss)		567	(3,120)	(17,655)	(2,764)
<b>Loss and comprehensive loss for the period</b>		<b>(847,494)</b>	<b>(156,430)</b>	<b>(1,430,686)</b>	<b>(513,098)</b>
<b>Loss per share – basic and diluted</b>		<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>		<b>157,852,179</b>	<b>113,261,800</b>	<b>147,032,603</b>	<b>108,352,311</b>

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**K2 Gold Corporation**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**For the Nine Months Ended September 30, 2025 and 2024**  
*(Expressed in Canadian Dollars)*  
*(Unaudited – Prepared by Management)*

<b>Cash provided by (used in):</b>	<b>Nine months ended September 30, 2025</b>		<b>Nine months ended September 30, 2024</b>	
<b>Operating activities:</b>				
Loss for the period	\$	(1,430,686)	\$	(513,098)
Items not involving cash:				
Amortization of FT premium liability		-		(102,261)
Share-based compensation		588,568		8,946
Foreign exchange		2,339		(1,365)
Change in non-cash working capital items:				
Accounts receivable		2,789		(4,204)
Prepaid expenses		(51,685)		(4,825)
Accounts payable and accrued liabilities		60,610		116,203
		(828,065)		(500,604)
<b>Investing activities:</b>				
Exploration and evaluation expenditures		(3,058,339)		(1,373,024)
		(3,058,339)		(1,373,024)
<b>Financing activities:</b>				
Proceeds from issuance of shares		3,658,004		1,995,000
Share issue costs		(181,395)		(100,665)
Proceeds from warrants exercised		9,922,060		-
Proceeds from stock options exercised		46,500		-
Subscription received		30,000		-
Repayment of CEBA loan		-		(40,000)
		13,475,168		1,854,335
Change in cash and cash equivalents		9,588,764		(19,293)
Cash and cash equivalents, beginning of the period		132,792		195,160
Cash and cash equivalents, end of the period	\$	9,721,556	\$	175,867

During the period ended September 30, 2025, the Company paid \$Nil (2024 - \$Nil) in interest, and \$Nil (2024 - \$Nil) in taxes.

**Cash and cash equivalents consist of:**

Cash	\$	9,632,364	\$	91,371
Cash equivalents	\$	89,191	\$	84,496

**Supplemental Schedule of Non-Cash Investing and Financing Activities**

Fair value of finders warrants	\$	32,426	\$	-
Fair value allocation of unit warrants	\$	436,686	\$	-
Reclassification on warrant extension (incremental fair value)	\$	233,893	\$	-
Adjustment of FV for stock options exercised	\$	34,372	\$	-
Adjustment of mineral property expenditures included in accounts payable	\$	660,900	\$	-

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**K2 Gold Corporation**  
**Condensed Interim Consolidated Statement of Changes in Shareholders' Equity**  
**For the Nine Months Ended September 30, 2025 and 2024**  
*(Expressed in Canadian Dollars)*  
*(Unaudited – Prepared by Management)*

	Share Capital (Note 5)		Obligation to issue shares	Reserves	Subscription receivable	Deficit	Total
	Number of Shares	Amount					
<b>Balance December 31, 2023</b>	<b>98,061,800</b>	<b>\$ 30,506,689</b>	<b>\$ -</b>	<b>\$ 7,396,855</b>	<b>\$ -</b>	<b>\$(21,434,311)</b>	<b>\$16,469,233</b>
Private placement – non-flow-through	19,950,000	1,727,492	-	267,507	-	-	1,995,000
Share issuance costs – cash	-	(100,665)	-	-	-	-	(100,665)
Share issuance costs - finders fees	-	(14,541)	-	14,541	-	-	-
Share-based compensation	-	-	-	8,946	-	-	8,946
Loss for the period	-	-	-	-	-	(513,098)	(513,098)
<b>Balance, September 30, 2024</b>	<b>118,011,800</b>	<b>\$ 32,118,976</b>	<b>\$ -</b>	<b>\$ 7,687,849</b>	<b>\$ -</b>	<b>\$(21,947,409)</b>	<b>\$17,859,416</b>
<b>Balance December 31, 2024</b>	<b>126,416,800</b>	<b>\$ 32,740,093</b>	<b>\$ -</b>	<b>\$ 7,844,532</b>	<b>\$ (30,000)</b>	<b>\$(22,235,212)</b>	<b>18,319,413</b>
Private placement – non flow-through	24,386,691	3,219,430	-	438,573	30,000	-	3,688,004
Warrants exercised	30,408,567	9,122,570	799,490	-	-	-	9,922,060
Stock options exercised	225,000	46,500	-	-	-	-	46,500
Adjustment of fair value for warrants & options exercised	-	1,009,357	-	(1,009,357)	-	-	-
Reclassification on warrant extension (incremental fair value)	-	(233,893)	-	233,893	-	-	-
Share issuance costs – cash	-	(181,395)	-	-	-	-	(181,395)
Share issuance costs - finders fees	-	(32,426)	-	32,426	-	-	-
Share-based compensation	-	-	-	588,568	-	-	588,568
Loss for the period	-	-	-	-	-	(1,430,686)	(1,430,686)
<b>Balance, September 30, 2025</b>	<b>181,437,058</b>	<b>\$ 45,690,236</b>	<b>\$ 799,490</b>	<b>\$ 8,128,635</b>	<b>\$ -</b>	<b>\$(23,665,898)</b>	<b>\$30,952,463</b>

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

# **K2 Gold Corporation**

**(An Exploration Stage Company)**

## **Notes to the Condensed Interim Consolidated Financial Statements**

**For the Nine Months Ended September 30, 2025 and 2024**

*(Expressed in Canadian Dollars)*

*(Unaudited – Prepared by Management)*

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### **1. Nature of operations and going concern**

K2 Gold Corporation (“K2 Gold”, “K2” or the “Company”) was incorporated on May 3, 2011, pursuant to the Business Corporations Act of British Columbia, Canada. The Company’s head office and registered and records office is located at Suite 1020 – 800 West Pender St., Vancouver, BC, V6C 2V6. The Company’s common shares are publicly listed on the Toronto Stock Exchange’s Venture Exchange (the “Exchange”) under the symbol “KTO”.

K2 Gold is an exploration stage company with its primary focus being the exploration of mineral properties in California, the Yukon Territory, and Alaska.

The recoverability of amounts shown as mineral property interests is dependent upon the discovery of economically recoverable reserves, the Company’s ability to obtain financing to develop its property and the ultimate realization of profits through future production or sale of its property. Realized values may be substantially different than carrying values as recorded in these consolidated financial statements.

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operation as a going concern for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2025, the Company had not achieved profitable operations and had an accumulated deficit of \$23,665,898. The Company’s continuation as a going concern is dependent upon the successful results from its exploration activities and raise equity capital or borrowings sufficient to meet current and future obligations. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

Although the Company has been successful in the past in obtaining financing, there can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows from its future operations. If the Company is unable to obtain adequate additional financing, the Company would be required to curtail its planned operations, exploration and development activities.

### **2. Basis of presentation**

#### **a) Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) for interim information, specifically International Accounting Standards (“IAS”) 34 - Interim Financial Reporting. In addition, these condensed interim consolidated financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”) in effect at September 30, 2025 and the same accounting policies and methods of their application as the most recent annual financial statements of the Company. These condensed interim consolidated financial

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statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2024.

In management's opinion, all adjustments necessary for fair presentation have been included in these condensed interim consolidated financial statements. Interim results are not necessarily indicative of the results expected for the year ending December 31, 2025.

### **b) Approval of the consolidated financial statements**

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on November 26, 2025.

### **c) Functional and presentation currency**

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its consolidated financial statements. These condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company's presentation and functional currency.

Transactions in foreign currencies are translated into the functional currency at exchange rates as at the date of the transaction. Foreign currency monetary assets and liabilities are translated at the functional currency exchange rate at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date of acquisition. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

### **d) Basis of consolidation:**

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries K2 Gold Alaska, Inc. ("K2 Gold Alaska") and Mojave Precious Metals Inc. ("Mojave Precious Metals"). The financial statements of K2 Gold Alaska and Mojave Precious Metals are included in the condensed interim consolidated financial statements from the date on which control was transferred to the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant intercompany accounts and transactions have been eliminated on consolidation.



# K2 Gold Corporation

(An Exploration Stage Company)

## Notes to the Condensed Interim Consolidated Financial Statements

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### 3. Significant accounting policies

The Company's accounting policies are described in Note 3 to the consolidated financial statements for the year ended December 31, 2024. Management considers the following to be the most critical in understanding the judgments that are involved in preparing the Company's financial statements and the uncertainties that could impact its results of operations, financial condition and future cash flow.

#### **Critical accounting judgments, estimates and assumptions : 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, permitting 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's deferred tax assets and tax provisions could be affected.

##### *Share-based compensation*

Share-based compensation expense is measured 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

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(An Exploration Stage Company)

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expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the share-based compensation expense for the nine months ended September 30, 2025 and year ended December 31, 2024 are disclosed in Note 5.

### 4. Exploration and evaluation assets

<b>Mojave Gold Project:</b>	<b>Acquisition Costs</b>	<b>Deferred Exploration</b>	<b>Total</b>
<b>Balance, December 31, 2023</b>	<b>\$ 2,180,760</b>	<b>\$ 7,555,086</b>	<b>\$ 9,735,846</b>
Shares issued	43,200	-	43,200
Cash payment	34,635	-	34,635
Geology	-	443,923	443,923
Aviation	-	287	287
Land use and licenses	-	518,022	518,022
Legal and permitting	-	19,298	19,298
Travel	-	25,880	25,880
<b>Balance, December 31, 2024</b>	<b>\$ 2,258,595</b>	<b>\$ 8,562,496</b>	<b>\$ 10,821,091</b>
Cash payment & advance royalty payments	1,494,866	-	1,494,866
Geology	-	466,577	466,577
Land use and licenses	-	505,950	505,950
Legal and permitting	-	871,168	871,168
Travel	-	7,248	7,248
<b>Balance, September 30, 2025</b>	<b>\$ 3,753,461</b>	<b>\$ 10,413,440</b>	<b>\$14,166,901</b>

  

<b>Cerro Gordo Gold Project:</b>	<b>Acquisition Costs</b>	<b>Deferred Exploration</b>	<b>Total</b>
<b>Balance, December 31, 2023</b>	<b>\$ 62,344</b>	<b>\$ 13,242</b>	<b>\$ 75,586</b>
Geology	-	44,195	44,195
Land use and licenses	-	16,604	16,604
Travel	-	10,778	10,778
<b>Balance, December 31, 2024</b>	<b>\$ 62,344</b>	<b>\$ 84,819</b>	<b>\$ 147,163</b>
Cash payment	137,500	-	137,500
Geology	-	7,794	7,794
Land use and licenses	-	29,899	29,899
Travel	-	7,682	7,682
<b>Balance, September 30, 2025</b>	<b>\$ 199,844</b>	<b>\$ 130,193</b>	<b>\$ 330,037</b>

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### Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025 and 2024

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<b>Si2 Gold Project:</b>	<b>Acquisition Costs</b>	<b>Deferred Exploration</b>	<b>Total</b>
<b>Balance, December 31, 2023</b>	<b>\$ 195,580</b>	<b>\$ 2,260,796</b>	<b>\$ 2,456,376</b>
Cash payment	68,820	-	68,820
Geology	-	36,218	36,218
Aviation	-	96	96
Travel	-	46,370	46,370
<b>Balance, December 31, 2024</b>	<b>\$ 264,400</b>	<b>\$ 2,343,480</b>	<b>\$ 2,607,880</b>
Geology	-	77,013	77,013
Land use and licenses	-	47,790	47,790
Travel	-	28,392	28,392
<b>Balance, September 30, 2025</b>	<b>\$ 264,400</b>	<b>\$2,496,674</b>	<b>\$2,761,074</b>
<b>Wels Property:</b>	<b>Acquisition Costs</b>	<b>Deferred Exploration</b>	<b>Total</b>
<b>Balance, December 31, 2023</b>	<b>\$ 1,537,557</b>	<b>\$ 2,602,349</b>	<b>\$ 4,139,906</b>
Advanced royalty payment	20,000	-	20,000
Geology	-	376,208	376,208
Aviation	-	29,177	29,177
Legal and permitting	-	6,669	6,669
Travel	-	5,787	5,787
<b>Balance, December 31, 2024</b>	<b>\$ 1,557,557</b>	<b>\$ 3,020,190</b>	<b>\$ 4,577,747</b>
Advanced royalty payment	20,000	-	20,000
Geology	-	7,759	7,759
Land use and licenses	-	5,338	5,338
Travel	-	4,263	4,263
<b>Balance, September 30, 2025</b>	<b>\$ 1,577,557</b>	<b>\$ 3,037,550</b>	<b>\$ 4,615,107</b>
<b>Total exploration and evaluation:</b>	<b>Acquisition Costs</b>	<b>Deferred Exploration</b>	<b>Total</b>
<b>Balance, December 31, 2024</b>	<b>\$ 4,142,896</b>	<b>\$ 14,010,985</b>	<b>\$ 18,153,881</b>
<b>Balance, September 30, 2025</b>	<b>\$ 5,795,262</b>	<b>\$ 16,077,857</b>	<b>\$ 21,873,119</b>

### Mojave Gold Project

In July 2019, the Company signed an option agreement to acquire a 100% interest in the Mojave Gold Project (“Mojave Project”), with the option agreement subsequently amended in June 2022 and exercised in full in 2025.

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The Company earned its 100% of the Mojave Project, by making the following 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		25,000	paid	480,000	issued
August 31, 2023*		150,000	paid		
February 29, 2024*		175,000	paid		
August 31, 2024*		275,000	paid	480,000	issued
<b>Total</b>	<b>US\$</b>	<b>1,400,000</b>		<b>2,400,000</b>	

\* During the period ended September 30, 2025, the Company paid all outstanding amounts, previously agreed to be deferred by the vendor, plus an additional US\$200,000 to complete the exercise of the option.

Pursuant to the agreement, the Company must make an annual pre-production payment of US\$275,000 per year beginning on August 31, 2025\*(paid August 2025), and continuing annually until the achievement of commercial production, and to grant a 3% net smelter returns royalty ("NSR") 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 the Company's favour.

\* All pre-production payments payments will be adjusted for inflation starting August 31, 2028 using the CPI for the month of August 2025, as published by the U.S. Department of Labor, Bureau of Labor Statistics, as the basis for calculating all future increases.

In August 2020, the Company was required to post a bond in the amount of \$71,880 (\$50,000 USD), (2024 - \$71,945 - (\$50,000 USD)) with the Bureau of Land Management for reclamation work associated with the Mojave Property.

### Cerro Gordo Gold Project

In August 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 in Inyo County, California. The option agreement was subsequently amended, extending all outstanding payments with the most recent amendment executed in 2024.

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To earn 100% of the Cerro Gordo Project the Company must make staged cash payments as listed below:

	Cash option			Work	
		payments		commitment	
July 30, 2021 (Effective date)	US\$	10,000	(paid)	-	
60 days from the effective date		40,000	(paid)	-	
December 31, 2024		25,000	(paid)	-	
July 30, 2025		75,000	(paid)	US\$ 25,000	(incurred)
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		-	
<b>Total</b>	<b>US\$</b>	<b>625,000</b>		<b>US\$ 100,000</b>	

In addition, a bonus payment of US\$500,000 is payable following the completion of a bankable feasibility study.

Commencing in the year following the second 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, the Company has granted the vendor a 3% NSR royalty with respect to all minerals 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

In January 2022 and subsequently amended, the Company signed an option agreement with Orogen Royalties Inc. ("Orogen"), to earn a 100% interest, subject to a 2% NSR, in Orogen's Si2 Gold Project, formerly known as the Elba project, in Nevada, USA (the "Si2 Gold project" or "Si2"), pursuant to which the Company was to make staged cash payments totalling US\$2,500,000 (US\$200,000 paid as of September 30, 2025) and incur total work commitment of \$2,500,000.

In January 2025, the Company entered into an agreement with Orogen to acquire a 100% interest in the Si2 Project, by paying \$250,000 in cash or common shares of the Company, at the discretion of the Company. Orogen will retain a 2% net smelter return ("NSR") royalty. The agreement is subject to regulatory approval and is expected to close in December 2025.

### Wels Property

The Company signed a definitive option agreement with Go Metals Corp. "Go Metals" (formerly "Go Cobalt Mining Corp.") in August 2016, subsequently amended, to acquire a 90% joint venture interest in certain mineral property interests located in the Yukon Territory, known as the "Wels Property". To earn its interest, the Company made cash payments aggregating \$350,000 staged over 24 months and issued 3,000,000 common shares staged over a 30-month period.

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Upon completion of the payments and share issuances, the Company and Go Metals will proceed 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% that diluted party’s interest will be cancelled, and the Joint Venture will terminate.

The Wels Property is subject to 3% NSR royalty 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. Pursuant to the option agreement a \$20,000 annual advance royalty was paid in 2025 (2024 - \$20,000).

### **5. Share Capital**

#### **a) Authorized Share Capital**

As at September 30, 2025, the authorized share capital comprised an unlimited number of common shares without par value. As at September 30, 2025, the Company has 181,437,058 (December 31, 2024 – 126,416,800) common shares outstanding.

#### **b) Issued Share Capital**

##### Transactions for the nine months ended September 30, 2025

On March 10, 2025, the Company completed a private placement financing by issuing a total of 24,486,691 units at a price of \$0.15 per unit, for aggregate gross proceeds of \$3,673,004. During the period ended September 30, 2025, \$15,000 was removed from the share capital balances as a result of 100,000 units being cancelled and returned to treasury due to a duplicate subscription identified. The 50,000 warrants associated with these cancelled units were also cancelled.

Each unit consists of one common share in the capital of the Company and one half of 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.

In connection with this private placement, the Company paid \$155,010 in finders fees and \$26,385 for share issuance costs and issued 1,033,402 finders warrants which were valued at \$32,426 at the time of issuance. Each finders’ warrant is exercisable into one common share at a price of \$0.30 per share for a period of 12 months.

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As at September 30, 2025, there was \$799,490 in proceeds received by the Company relating to the exercise of 2,664,967 warrants. These common shares were issued on October 1, 2025. Refer to note 13 for subsequent events.

#### Transactions for the year ended December 31, 2024

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.

In connection with this private placement, the Company paid \$56,340 for share issuance costs 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. These warrants were valued at \$133,475 at grant date. The fair value of warrants was determined using the Black-Scholes pricing model with an average risk-free rate of 4.24%, expected stock price volatility of 116.73% and average expected life of 1 year.

On August 15, 2024, the Company closed the first tranche of the non-brokered private placement whereby the Company has issued 9,500,000 units at a price of \$0.10 per share for total gross proceeds of \$950,000. Each unit consisted of one common share and one non-transferable common share purchase warrant. Each warrant is 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. These warrants were valued at \$134,032 at grant date, net of issuance costs allocated. The fair value of warrants was determined using the Black-Scholes pricing model with an average risk-free rate of 3.31%, expected stock price volatility of 121.78% and average expected life of one year.

In connection with this private placement, the Company paid finders fees to arm's length finders totalling \$41,700, share issuance costs in cash of \$2,625, and issued 417,000 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. These warrants had a fair value of \$6,552 and were included as non-cash share issuance costs.

On October 24, 2024, the Company closed the second and final tranche of the non-brokered private placement, issuing 7,925,000 units for gross proceeds of \$792,500. Each unit consisted of one common share and one non-transferable common share purchase warrant. Each warrant is 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. These warrants were valued at \$143,690 at grant date, net of issuance costs allocated. The fair value of warrants was determined using the Black-Scholes pricing model with an average risk-free rate of 3.07%, expected stock price volatility of 126.88% and average expected life of 1 year.

In connection with this private placement, the Company paid finders fees to arm's length finders totalling \$57,900 and issued 463,500 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. These warrants had a fair value of \$12,993 and were included as non-cash share issuance costs.

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#### c) Warrants

The warrants activity is summarized below:

Details of outstanding warrants are as follows:	Number of Warrants	Weighted Average Exercise Price
Outstanding warrants, December 31, 2023	13,244,780	\$ 0.30
Issued	29,318,900	\$ 0.30
Outstanding warrants, December 31, 2024	42,563,680	\$ 0.30
Issued	13,276,747	\$ 0.30
Exercised	(30,408,567)	\$ 0.30
Cancelled	(50,000)	\$ 0.30
Expired	(2,508,014)	\$ 0.30
Outstanding warrants, September 30, 2025	22,873,846	\$ 0.30

At September 30, 2025, the Company had outstanding warrants enabling the holders to acquire common shares as follows:

Expiry Date	Weighted Average Exercise Price	Number of Warrants	Weighted Remaining Contractual Life (in Years)
October 1, 2025*	\$0.30	3,609,333	0.00
October 24, 2025	\$0.30	6,234,116	0.07
March 10, 2026	\$0.30	13,030,397	0.44
Weighted average exercise price and remaining contractual life	\$0.30	22,873,846	0.27

\*During the period ended September 30, 2025, the Company extended the expiry dates of 22,438,251 warrants to October 1, 2025, while 1,256,530 finders' warrants expired on February 1, 2025, and 563,400 finders' warrants expired on February 11, 2025. As a result of the extension, the Company reassessed the relative fair value allocation between the warrant and equity components using the Black-Scholes option pricing model. This resulted in an adjustment of \$233,893 to the previously recorded values. The impact of the fair value reallocation has been recognized in the current period's financial statements.

#### d) Stock Options

Under the Company's stock option plan, the board of directors may grant options for the purchase of up to 10% of the total number of issued and outstanding common shares of the Company. Options granted under the plan vest over time at the discretion of the board of directors and expire no later than ten years from the date of issuance. Exercise prices on options granted under the plan cannot be lower than the market price of one common share on the last trading day immediately preceding the day on which the option is granted, less the maximum applicable discount permitted by the Exchange.



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There were no stock options granted during the year ended December 31, 2024.

On June 9, 2025, the Company announced the granting of 7,100,000 incentive stock options (the “Options”) to certain Directors, Officers, Employees and Advisors of the Company. The Options are exercisable at \$0.36 per share for a period of five years from the date of grant with 25% vesting in 6 months, and 25% vesting on the anniversary every year thereafter. The Options were granted pursuant to the Company’s shareholder-approved stock option plan and are subject to the policies of the TSX Venture Exchange and any applicable regulatory hold periods.

In September 2025, the Company announced the granting of 500,000 incentive stock options which are exercisable at \$0.36 per share for a period of five years from the date of grant with 25% vesting in 6 months, and 25% vesting on the anniversary every year thereafter. The options were granted pursuant to the Company’s shareholder-approved stock option plan and are subject to the policies of the TSX Venture Exchange and any applicable regulatory hold periods.

The changes in stock options issued are as follows:

	Number of stock options	Weighted Average Exercise Price
Outstanding December 31, 2023	8,620,000	\$0.22
Expired	(1,550,000)	\$0.27
Outstanding December 31, 2024	7,070,000	\$0.21
Granted	7,600,000	\$0.36
Exercised	(225,000)	\$0.21
Expired	(500,000)	\$0.61
Outstanding September 30, 2025	13,945,000	\$0.28

Share-based compensation relating to options vested during the nine months ended September 30, 2025 using the Black-Scholes option pricing model was \$327,483 (2024 –\$8,946). This amount was recorded in equity, within reserves, in the statement of financial position and recognized as an expense in the statement of loss and comprehensive loss.

The estimated grant date fair value of the options granted during 2025 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2025 Stock Options	2024 Stock Options
Number of options granted	7,600,000	N/A
Risk-free interest rate	3.68%	N/A
Expected annual volatility	108%	N/A
Expected life	5 years	N/A
Expected dividend yield	0%	N/A
Grant date fair value per option	\$0.28	N/A
Share price at grant date	\$0.35	N/A

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As at September 30, 2025, the Company had outstanding options enabling the holders to acquire common shares as follows:

Expiry Date	Options outstanding	Options exercisable	Exercise price	Weighted Remaining Contractual Life (in Years)
May 13, 2026	870,000	870,000	\$0.32	0.62
May 13, 2027	2,850,000	2,850,000	\$0.15	1.62
May 1, 2028	2,625,000	2,625,000	\$0.15	2.59
June 9, 2030	7,100,000	-	\$0.36	4.69
September 8, 2030	500,000	-	\$0.42	4.94
	13,945,000	6,345,000	\$0.28	3.50

## 6. Financial Instruments

### a) Fair values

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The fair value of cash and cash equivalents, amounts receivable and accounts payables and accrued liabilities approximates their carrying value due to their short-term maturity. The fair value of the Company's reclamation bond approximate carrying value due to the use of market rates, which is the amount recorded on the statements of financial position.

### b) 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 and amounts receivable. The Company's maximum exposure to credit risk is the carrying amount of its cash and receivables.

Cash and cash equivalents are held with major Canadian financial institutions and amounts receivable primarily consist of GST recoverable are from Government entities. Management is of the view that all amounts are fully collectible.

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### **c) 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. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at September 30, 2025, the Company has cash and cash equivalents of \$9,721,556 to cover its current liabilities of \$831,945.

### **d) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and commodity 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.

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 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. A 10% fluctuation in the US\$ against the Canadian dollar would affect profit or loss by approximately \$53,921 (2024 - \$8,634).

### **e) Price risk**

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of resources, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

## **7. Capital management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern so that it can provide returns and benefits for shareholders and advance the exploration of its mineral properties.

The Company's policy is to maintain a strong capital base to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves, net of accumulated deficit.

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The Company depends on external financing to fund its activities and may issue new equity instruments to maintain its capital structure. The Company manages its capital structure through the preparation of operating budgets, which are approved by the Board of Directors.

There were no changes in the Company's approach to capital management during the nine months ended September 30, 2025. The Company is not subject to any externally imposed capital requirements.

#### **8. CEBA loan**

In June 2020, the Company secured a \$40,000 interest-free operating line of credit after applying for the government-sponsored Canada Emergency Business Account ("CEBA") under the Government of Canada COVID-19 relief program.

##### Terms of the CEBA agreement:

- i. The CEBA funds are intended for non-deferrable operating expenses, including but not limited to payroll, rent and insurance,
- ii. If there is a balance outstanding after December 31, 2020, the remaining outstanding amount will be converted into a 3-year interest-free term loan effective January 1st, 2021,
- iii. If \$30,000 is repaid by January 18, 2024, \$10,000 of the operating line will be forgiven,
- iv. On December 31, 2023, the Company may choose to exercise an option to extend the term loan for another 3 years at the rate of 5% per annum on any balance remaining.

As at September 30, 2025, the balance owing was \$Nil (December 31, 2024 - \$Nil). In the period ending December 31, 2024, the Company repaid the \$30,000 due on January 18, 2024, and obtained \$10,000 in loan forgiveness.

#### **9. 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:

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	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Exploration and evaluation assets	\$ 90,000	\$ 135,000
Personnel	292,015	216,070
Share-based compensation	515,161	7,736
Total	\$ 897,176	\$ 358,806

Related party transactions and balances not disclosed elsewhere in these consolidated financial statements are as follows:

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Office rent (Vancouver, BC) <sup>1</sup>	\$ -	\$ 24,159
Office rent (Squamish, BC) <sup>2</sup>	16,898	21,139
Total	\$ 16,898	\$ 45,298

(<sup>1</sup>) Cost recovery payments made to a company related to key management.

(<sup>2</sup>) Rental payments made to a company owned by a key management person.

The balance payable to related parties at September 30, 2025 was \$33,895 (December 31, 2024 - \$326). 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.

#### 10. Commitments

The Company entered into a lease agreement with a company owned by a key management person for office space in Squamish, BC, commencing August 1, 2025, and expiring on July 31, 2026 for \$1,916 per month.

#### 11. Flow-through premium liability

Flow-through share premium liabilities include the liability portion of the flow-through shares issued.

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-

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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.

The flow-through premium liability is summarized below:

<b>Balance at December 31, 2022</b>	<b>\$</b>	<b>-</b>
Liability incurred on flow-through shares		350,267
Settlement of flow-through share liability on incurring expenditures		(240,807)
<b>Balance at December 31, 2023</b>	<b>\$</b>	<b>109,460</b>
Settlement of flow-through share liability on incurring expenditures		(109,460)
<b>Balance at December 31, 2024 and September 30, 2025</b>	<b>\$</b>	<b>-</b>

## 12. Segment Information

The Company operates in one reportable segment, being the acquisition, exploration and evaluation of mineral resources. The Company's exploration and evaluation assets are located in Canada and the United States as follows:

	September 30, 2025	December 31, 2024
Exploration and evaluation assets		
Canada	4,615,107	4,577,747
United States	17,258,012	13,576,133
	<b>\$ 21,873,119</b>	<b>\$ 18,153,880</b>

## 13. Subsequent Events

Subsequent to the period ended September 30, 2025, the following events took place:

- A total of 9,366,533 warrants were exercised, generating gross proceeds of \$2,809,960 (of which \$799,490 was included as obligation to issue shares as at September 30, 2025 – Note 5), while 3,262,346 warrants expired unexercised.