K9 GOLD RECEIVES INTERPRETATION OF VTEM SURVEY ON STONY LAKE PROJECT, NEWFOUNDLAND; NEW HIGH PRIORITY TARGETS IDENTIFIED

January 7, 2021 – K9 Gold Corp. (KNC: TSX-V) (WDFCF: OTC) (5GP:GR: FSE) (**"K9"** or the **"Company"**) is pleased to report that the Company has received a report interpreting the data from the airborne geophysical survey carried out on its Stony Lake project, Newfoundland. The objective of the VTEM (Versatile Time Domain Electromagnetic) survey was to outline linear trends that demonstrate changes in resistivity due to faulting, alteration, sulphide mineralization and intrusive activity. This objective has been met, and a number of linear trends have been identified. The interpretation shows two highly significant areas of interest that are coincident with various anomalies from earlier work, and will improve our understanding of the geological setting of these areas. The two areas are the Jumper's Pond zone and Island Pond. Additionally, there are numerous indications of potential narrow vertical conductive zones in the basement rocks beneath the Botwood sediments. This new information will be used to refine plans for the upcoming 2021 field season which includes drilling.

The interpretation of the VTEM data was contracted out to Campbell & Walker Geophysics Ltd, of North Vancouver BC. The main interpretive tool used was resistivity depth imaging (RDI) which converts the EM profile decay data into an equivalent resistivity versus depth cross section, by deconvolving the measured time domain EM data. RDIs provide reasonable indications of conductor relative depth and vertical extent, as well as accurate 1D layered-earth apparent conductivity /resistivity structure across flight lines.

It is apparent that resistivity low (or conductivity high) zones can be mapped at all depths (to at least 600 m below surface), with locally stacked anomalies which correlate well with interpretations from the 2019 airborne magnetic survey. These stacked anomalies also correlate well with areas of known gold anomalies in lake sediments, till samples, rock samples from outcrop and boulders.

In the Jumper's Pond area, which is contiguous to Sokoman's Moosehead property, there is a highly conductive zone that is interpreted to be in the basement rocks, beneath the Botwood sediments, at a depth of approximately 200m below surface. Interpretation of the 2019 airborne magnetic survey indicates that this structural zone extends from the Moosehead discovery through the northern property boundary and for approximately 1 km to the south. Exploration work carried out by Cornerstone Resources in this area in 2001 and 2002, which included ground geophysics (IP/Resistivity and magnetometer), identified various areas of interest in the same zone. That work identified numerous northwest trends which are interpreted to represent cross faulting. Work on adjacent properties has shown these cross-cutting structural trends as highly significant in the localization of gold mineralization. Eight diamond drill holes were completed by Cornerstone in 2002, four of which intersected multistage quartz veining and brecciation with associated sulphide and sulphosalt mineralization hosted by late, northwest trending structures.

At Island Pond, there is a large (3000 by 500 m) relatively shallow conductive zone, possibly within the Botwood sediments, with indications of several deeper vertical conductive structures directly beneath. Historic work in this area has resulted in numerous overburden gold bearing till anomalies with coincident highly anomalous lake

sediment samples, as well as a cluster of mineralized boulders. This area also correlates with quartz feldspar intrusive activity. Prospecting over this area was carried out in the fall of 2020 for which analytical results are pending.

News Releases from other companies active in the Central Newfoundland Gold Belt continue to increase the profile of this newly emerging gold district. For example, on November 19, 2020 Sokoman Minerals announced drill results which included two zones in hole MH-20-115, 47.2 g/t Au over 4.60m and 68.7 g/t Au over 8.10m at their Moosehead project, immediately adjacent to K9's Stony Lake property. On December 15, 2020, New Found Gold announced intercepts of 45.3 g/t Au over 13.1m in hole NFGC-20-32 and 25.0 g/t Au over 16.9m in hole NFGC-20-29 at their nearby Queensway property.

K9 CEO Jeff Poloni states **"With the VTEM and Mag surveys we continue to define both lithological trends and structure. The importance of these structures cannot be overstated as they are the conduits for auriferous fluids. Over the next few weeks we will be compiling the information from additional surveys and will be better able to define high priority targets for ground geophysics, trenching and drilling."**

About Stony Lake Project

The Stony Lake project lies within the Cape Ray/Valentine Lake structural trend in Central Newfoundland, lying parallel to that of New Found Gold's Queensway project, along the prolific Dog Bay Line. The project covers 13,625 ha and 27 kilometers of favorable trend between Sokoman's Moosehead discovery to the northeast and Marathon's Valentine Lake deposit to the southwest.

At Stony Lake, large areas of significant gold mineralization occur primarily in altered Botwood sediments and quartz-feldspar porphyry intrusives associated with intense silicification, sericite-chlorite-carbonate alteration and a strong pyrite-arsenopyrite mineralogical association. These features indicate epizonal/mesozonal temperatures for the hydrothermal fluids and support the exploration model of hydrothermal fluids leaking upwards into the Botwood sediments from a deeper igneous intrusive source. This area is now referred to as the Exploits Subzone gold district which essentially covers the Silurian-age clastic sediments surrounding the Mount Peyton intrusive.

Prior to the 2020 field season, airborne geophysical coverage, with follow-up ground prospecting and sampling, has led to the identification of eight area of highly anomalous to high grade gold mineralization. The gold mineralization is hosted in a variety of environments, including quartz-feldspar porphyries, reduced sandstones, quartz stockworks and quartz veins. The property hosts both widespread low grade mineralization (up to 4.0 g/t Au) within the Botwood Formation and high grade veins (>4.0 g/t Au) in the basement rocks below the Botwood, similar to the nearby New Found Gold Queensway project, and the immediately adjacent Sokoman Minerals Moosehead discovery.

On-going interpretive work on the Stony Lake property has yielded several direct comparisons with the Sokoman Minerals Corp Moosehead discovery, immediately to the northeast of Stony Lake's Jumper's Pond area (note - this area was previously named **"Flyers Grid,"** and since significant portions of the historic Flyers Grid lie off K9's property, K9 has renamed the area to avoid confusion).

Published information on the Moosehead discovery indicates that the mineralization is spatially related to reworking of a major basement structure which is likely the main pathway for the mineralizing fluids. The spatial association of

the faulting with mafic intrusives appears to be highly significant. The Moosehead mineralization is hosted by N to NW trending and east dipping faults, which appear to be related to meso-scale anticlinal folding. These types of mineralizing systems typically have great lateral and depth extents (measured in kilometers).

Recent (2019) and historic (2001) geophysical work on the Jumper's Pond area strongly suggests the presence of a large fold structure that plunges to the NE towards Moosehead, as well as several NW-trending structural features. The presence of mafic rocks is also indicated for this area. The major fault structure related to the Mooseheads discovery can clearly be traced by regional magnetics for 5 – 6 km onto the Stony Lake property. These similarities increase K9's confidence in the prospectivity of the Jumper's Pond area.

About K9 Gold Corp

K9 Gold Corp has assembled a highly-experienced and dynamic team to explore its Stony Lake Project. The project has been acquired District Copper Corp by an option agreement, whereby K9 can earn up to a 100% interest in the project (see Company release dated July 30, 2020). The Company also owns a 100% interest in the Desert Eagle Vanadium project located in the historic Henry Mountains Mining District in SE Utah. The area has seen extensive historic vanadium and uranium mining and is close to Anfield Energy Inc's Shootaring Canyon mill.

To ensure a safe workplace environment that protects the health and safety of employees and contractors, K9 Gold follows all federally and provincially mandated and recommended guidelines regarding Covid 19.

Chris M. Healey, P.Geo, Consulting Geologist, is the qualified person under NI 43-101 guidelines who is responsible for the technical content of this release, and consents to its release.

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