

Kodiak Copper proves that what shareholders want is leadership, copper – and gold

On September 14 it was announced that Teck Resources has agreed to make a strategic investment of a 9.9% interest in Kodiak Copper (TSXV: KDK) ('Kodiak'), at C\$1.95 per share raising C\$10.5m.

Add in drill results on September 3rd that included **0.70% copper and 0.49 g/t gold (1.16% CuEq)** at Kodiak's advanced MPD copper-gold porphyry project in British Columbia, shareholders have responded positively. In fact, **Kodiak Copper's stock price has risen from C\$0.50 on August 24th to C\$2.80 as of September 28th for a 460% increase in the last month.**



Source

Today I take a deeper look at Kodiak's MPD porphyry project.

As most resource investors know copper porphyry projects can be enormous in size and contain valuable by-products (gold, silver, molybdenum) which can make them economical even at lower grades than other projects.

MPD Copper-Gold Porphyry Project

The MPD Project is located in the prolific Quesnel Trough in southern British Columbia, Canada. Kodiak amalgamated 3 projects into one – Man, Prime, Dillard – hence the name MPD. The region is mining friendly with good access to infrastructure.

The MPD Project has road access and is close to infrastructure

MPD – Road Access and Close to Infrastructure



- ◆ Property adjacent to highways and with excellent road and trail access
- ◆ Close to nearby mines, transmission corridor and towns of Merritt, Princeton and Kelowna

Source

Previous drilling by Newmont Corporation and Rio Tinto was

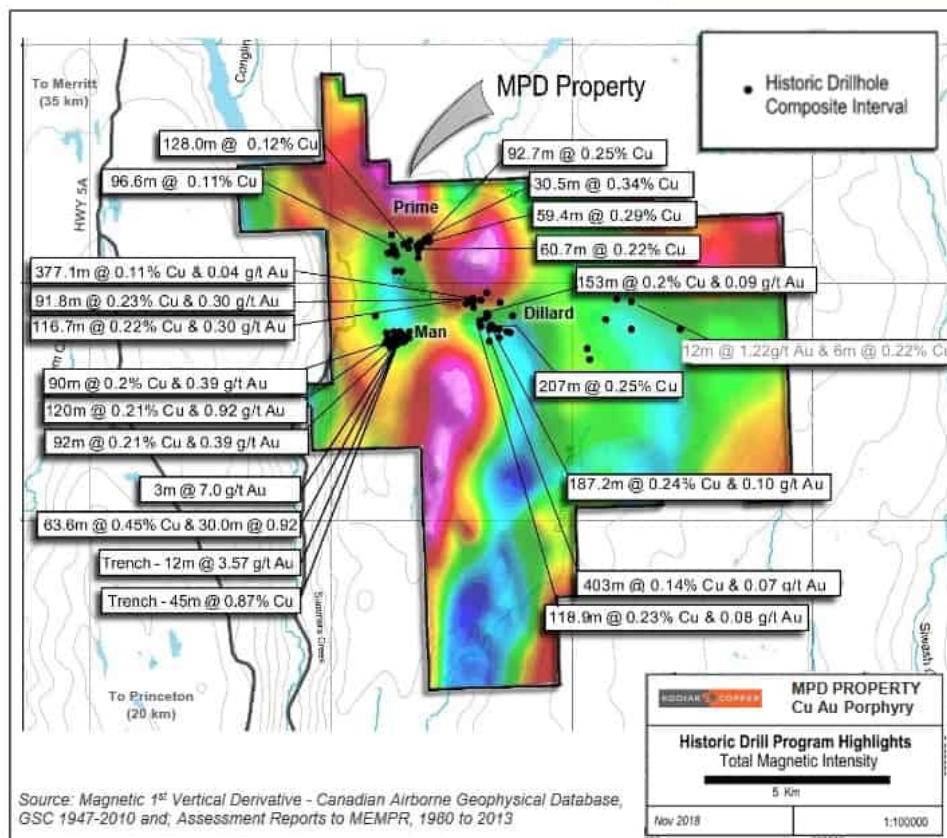
focused on depths up to 200 meters below the surface. Kodiak's strategy is to use modern mining methods and to drill deeper. So far it is paying off. In November 2019, Kodiak (then known as Dunnedin Ventures) started its first drill campaign at MPD and discovered the Gate Zone, including several promising drill results that followed. The key was they were drilling deeper than before. The January 2020 announcement included the following:

- **"The new discovery underlies a large copper-in-soil anomaly with over one kilometre of strike at the 'Prime' area of the project. Over 100 historical drill holes containing copper and gold mineralization define a large, likely multi-centre porphyry system across 10 square kilometres of the MPD project.**
- The Gate Zone includes intervals of higher grade copper-gold within a broad lower grade interval, with mineralization present from **near surface to a vertical depth of 800 metres**, and remains open at depth.
- Higher grade intervals include: 74.9 metres of 0.54% CuEq (0.43% copper and 0.11 g/t gold) from 297.0 metres to 371.9 metres. 102.0 metres of 0.68% CuEq (0.53% copper and 0.16 g/t gold) from 404.9 metres to 507.0 metres.
- Broad moderate grade intervals include: 763.6 metres of 0.28% CuEq (0.21% copper and 0.07 g/t gold) from 52.3 metres to 816.0 metres (entire bedrock drill hole length). 340.7 metres of 0.42% CuEq (0.33% copper and 0.09 g/t gold) from 219.0 metres to 559.7 metres."

Combining this with the September 2020 result of 282 m of 0.70% copper and 0.49 g/t gold (1.16% CuEq), with further assays results pending, and further drilling in 2020; you can start to see why investors (including mining giant Teck Resources) are getting excited.

Kodiak Copper's MPD project historic drill results, strong discovery potential at depths below 200m

MPD – Good Historic Drill Results, Most Drilling Very Shallow



- ◆ 129 drill holes (25,780 m) completed from 1966 to 2014. Previous operators include Rio Tinto PLC (LSE:RIO) and Newmont Mining Corp (NYSE: NEM)
- ◆ Numerous showings; copper and gold confirmed across a large, 10km² area
- ◆ Mineralization from surface, historic drill holes rarely tested below 200m vertical depth
- ◆ Discovery potential with deeper drilling

Source

Closing remarks

Kodiak Copper was founded by Chris Taylor who is well-known for his gold discovery success with Great Bear Resources, Kodiak is lead by President, CEO and Director Claudia Tornquist, the former General Manager at Rio Tinto. Kodiak is also part of the Discovery Group led by one of the most successful mining entrepreneurs in Canada John Robins and added to this, we now have Teck Resources (market cap US\$7.4b) taking a 9.9% interest.

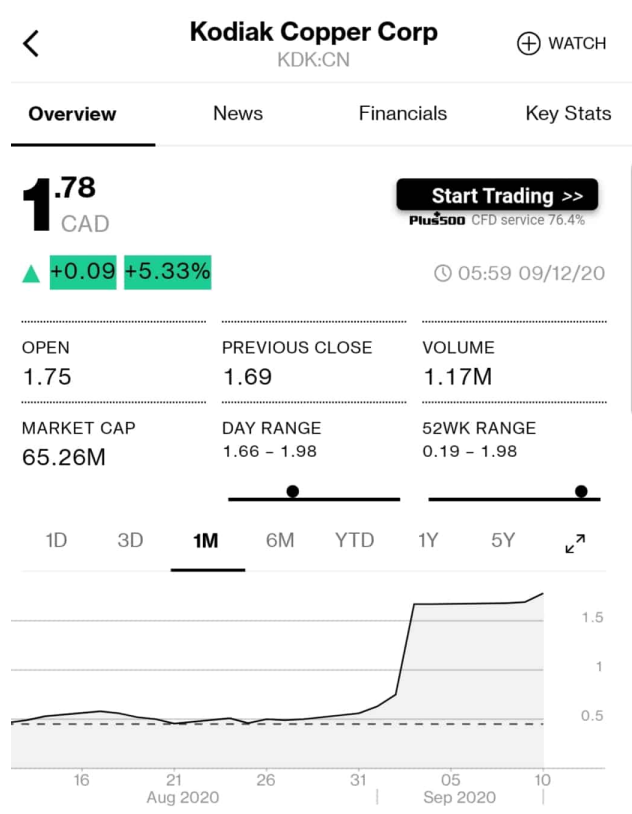
More assay results (drill hole MPD-20-005) are due out soon and then there will be further drill results in Q4, 2020. With a current market cap of C\$102m means, Kodiak now has plenty of cash and plans to drill their US located Mohave porphyry project next.

Kodiak Copper sees its stock almost triple on drill results

Discovery viewed as “transformative”

Today I take a look at junior copper miner, Kodiak Copper (TSXV: KDK | OTC: KDKCF). Kodiak saw its stock price almost triple in the past week after announcing drill results, including **282 m of 0.70% Copper and 0.49 g/t Gold (1.16% CuEq)** at their advanced MPD copper-gold porphyry project in British Columbia, Canada.

Kodiak Copper almost triples on a drill result last week



The copper price, currently at US\$2.98/lb, has started to recover lately as global activity comes back from the initial shock of COVID-19. Looking further ahead, in the next 10 years there is a clear demand surge about to hit from the coming booms in electric vehicles and renewable energy.

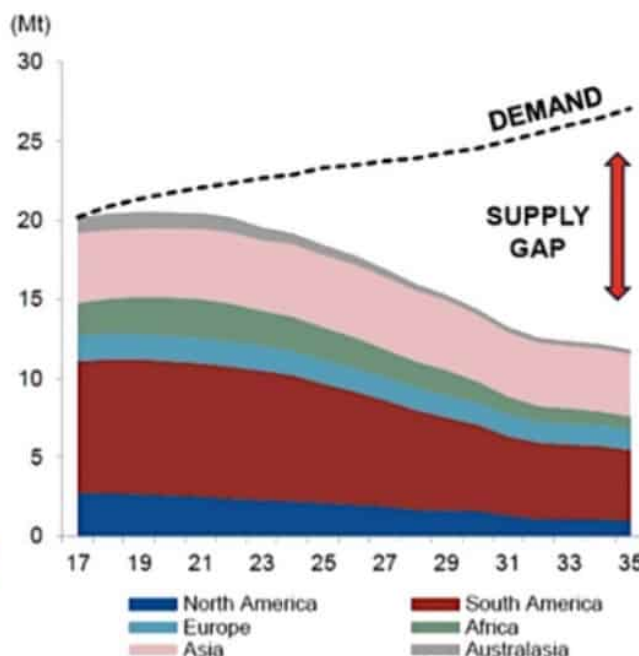
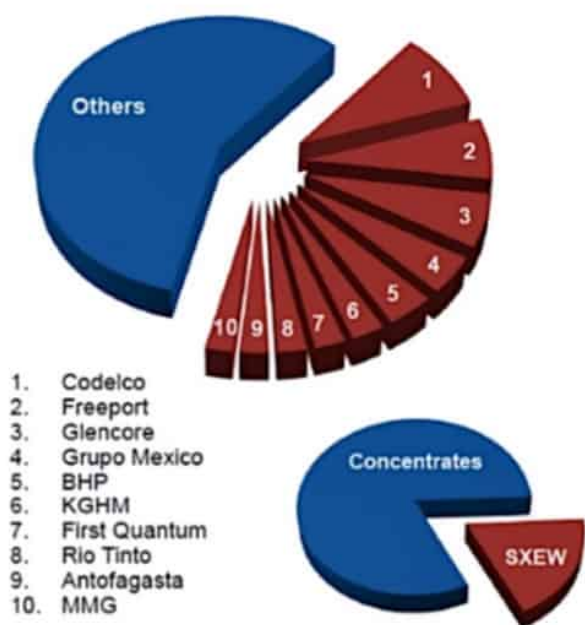
From a supply perspective declining global copper grades and a lack of new projects means less copper output is expected. Higher copper prices will be needed to incentivize new copper projects.

Any copper companies that can bring a growing, low cost, production of new copper supply to market this decade should do very well.

Analysts are forecasting a future copper deficit to emerge in the 2020s

Lack of new copper projects to trigger supply gap of over 15Mt by 2035

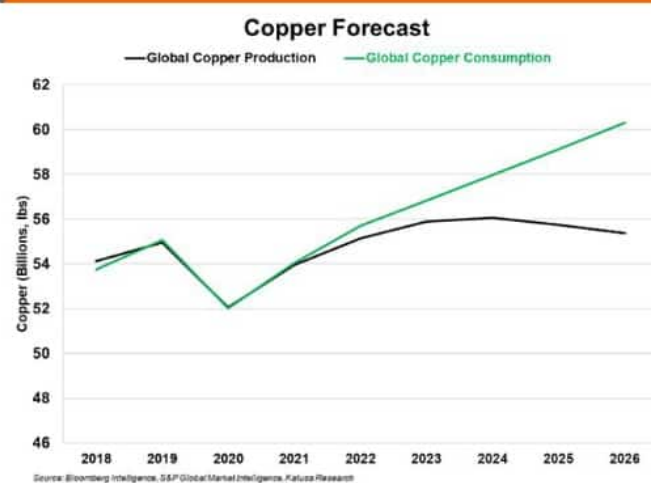
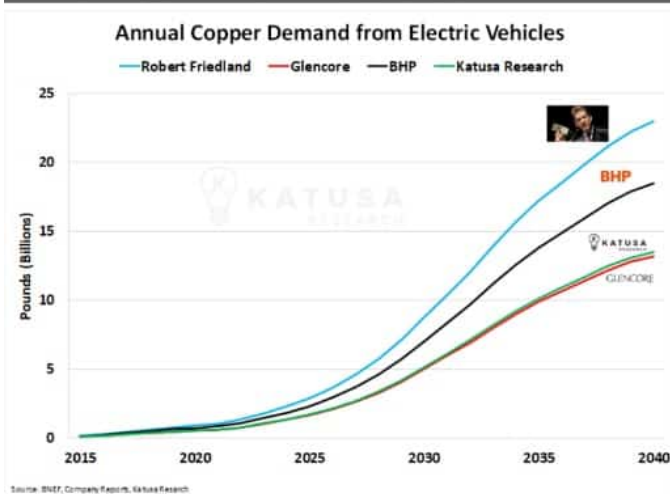
1. Copper Mine Production 2017: 20.4Mt



Source: Courtesy CRU Group

Copper demand vs. supply forecast

Green Revolution Fuels Copper Demand, Copper Deficit Looming



"While conventional cars have 18-49 pounds of copper, hybrid electric vehicles contain approximately 85 pounds, plug-in hybrid electric vehicles use 132 pounds, battery

"Over the next 26 years the world is going to mine more copper than what has been mined in all history." – USGS, Chief Economist, 2018

Source

The drill results

Kodiak announced on September 3, 2020 the discovery of a **significant high-grade copper-gold extension** of the recently discovered Gate Zone at the company's 100% owned MPD copper-gold porphyry project in southern British Columbia, with a drill result of **"282 m of 0.70% Copper and 0.49 g/t Gold (1.16% CuEq), Including 45.7 m of 1.41% Copper and 1.46 g/t Gold (2.75% CuEq)."**

Chris Taylor, Chairman of Kodiak commented that, "as compelling as our 2019 discovery of the Gate Zone was, it now appears we had only grazed the margins of a much stronger copper-gold zone which we have now successfully targeted. Our new results include **discovery of a central high-grade copper-gold zone** within the wider copper-gold mineralized envelope of the Gate Zone. These drill results are among the strongest that have been reported from this well-established copper mining district in southern British Columbia."

Claudia Tornquist, President and CEO of Kodiak, added they viewed “this new discovery as transformative for the project, and by extension for Kodiak, and pointed specifically to the “new high gold values, which we would have viewed as a successful stand-alone gold discovery in the absence of any copper.” She said that Kodiak anticipates “a very active remainder of 2020, and that 2021 will be our most exciting and productive year so far.”

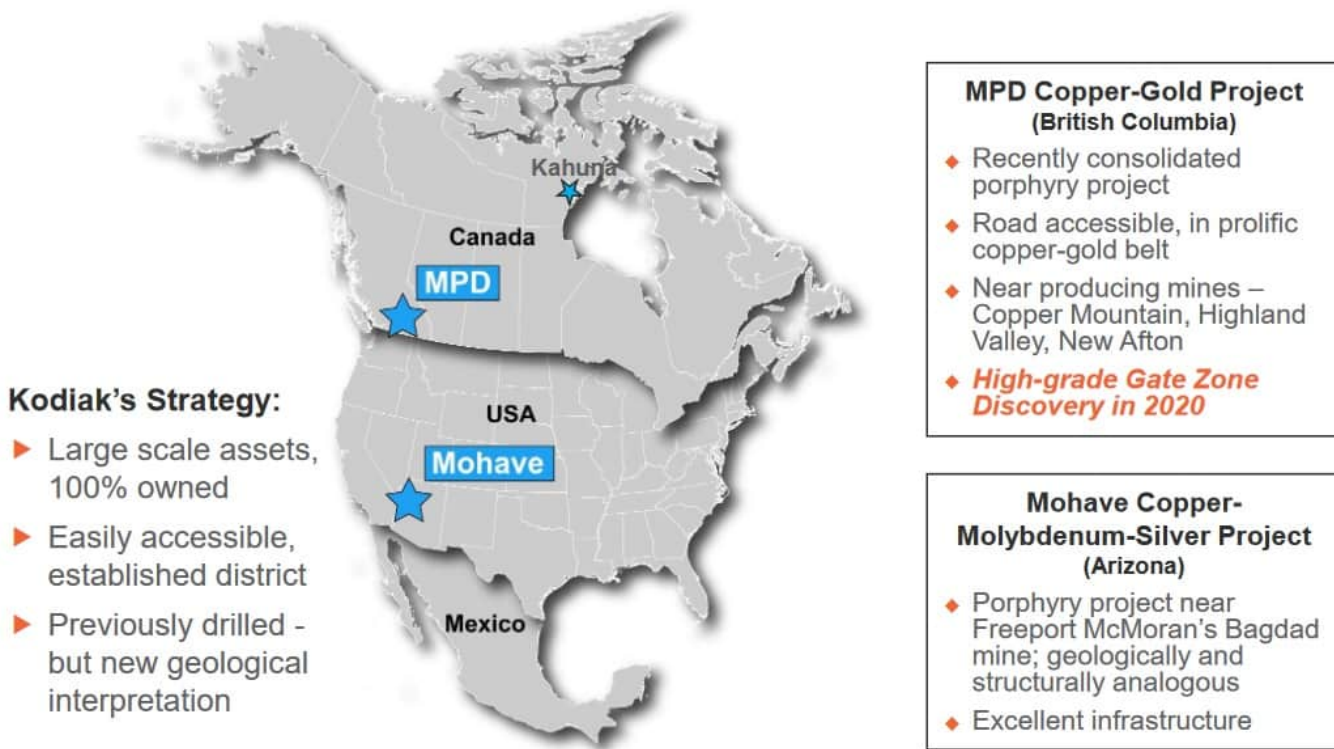
Kodiak Copper’s projects

Kodiak is focused on its portfolio of 100% owned copper porphyry projects in Canada and the USA.

- **MPD Copper-Gold Porphyry Project** in the prolific Quesnel Trough in southern British Columbia, Canada, where the Company made a discovery of high-grade mineralization in 2020 (as mentioned above).
- **Mohave Copper-Molybdenum-Silver Porphyry Project** in Arizona, USA, near the world-class Bagdad Mine.
- **Kahuna Diamond Project** in Nunavut, Canada, hosts a high-grade, near surface inferred diamond resource and numerous kimberlite pipe targets.

Note: Both of Kodiak’s porphyry projects have been historically drilled and present known mineral discoveries with the potential to hold large-scale deposits.

Kodiak Copper’s 3 projects location map



Source

Kodiak was founded by Chris Taylor who is well known for founding Great Bear Resources (TSXV: GBR) (Market cap C\$897m), which made a highly significant gold discovery. Kodiak is also part of the Discovery Group of companies led by John Robins, one of the most successful mining entrepreneurs in Canada.

Closing remarks

Juniors that can find and grow good size copper resources will be handsomely rewarded, especially if their project is located in a safe jurisdiction. It is still very early days for Kodiak Copper as they continue to explore and work to develop a resource. Further drill results are expected before the end of the year.

As experienced resource investors know, porphyry projects are usually lower grade but large. What excited the market so much last week was that Chris Taylor may have again discovered something big in Canada. Given the market cap is still only C\$65m, if the project can continue to progress and grow a significant resource this may only be the beginning for Kodiak

Copper.