Chris Thompson on Kodiak Copper's high-grade porphyry drill results from its MPD copper-gold project in BC

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Earlier this month, Kodiak Copper Corp. (TSXV: KDK) reported additional high-grade porphyry drill results from its MPD copper-gold project in southern British Columbia.

Results are being released from a nine-hole, 6,000+ metre summer drill program, primarily targeting the northern end of the 9,730-hectare (24,000-acre) property in an area called the Gate Zone.

On November 9, Kodiak released the results from drill hole MPD-20-005. It returned a mineralized interval of 515.8 metres of 0.41% copper, 0.22 g/t gold and 1.50 g/t silver from 223.5 metres down hole. This result included a high-grade interval of 45 metres of 1.18% copper, 1.01 g/t gold and 4.00 g/t silver (2.13% copper equivalent).

Claudia Tornquist, President and CEO of Kodiak commented, "This hole expands the central high-grade zone previously announced in hole MPD-20-004. Importantly, we are also starting to see significant size to the larger mineralized envelope, first identified in the near-surface by shallow historic drilling and extended down to a depth of over 800 metres by Kodiak."

The Company also commented that the results were similar to hole MPD-20-004, originally reported in October, which assayed 535.1 metres of 0.49% copper, 0.29 g/t gold and 1.76 g/t silver (0.76%

copper equivalent). This result included a high-grade interval of 45.7 metres of 1.41% copper, 1.46 g/t gold and 5.56 g/t silver (2.75% copper equivalent).

The drill results continue to define a mineralized zone and identify an area of higher copper and gold grades. See the figure below for the results and location of holes MPD-20-004 and MPD-20-005.

Final Summer Drill Results Pending and Fully Funded Through 2021

With a current backlog at the assay lab, results are still pending from 4 holes, including MPD-20-006, MPD-20-007 and MPD-20-009, which were drilled into the same Gate Zone. (See the figure below.)

In September, Kodiak completed a C$12.7 million financing, including a C$10.5 million strategic investment from Teck Resources (TSX: TECK.B) for a 9.9% interest in the Company.

Proceeds from the financing will be used to fund the Company's exploration programs on both its copper porphyry exploration projects in British Columbia and Arizona into 2021, including 30,000 metres of drilling at the MPD project.

MPD Copper-Gold Porphyry Project

Kodiak's principal project is MPD and it is located near producing mines in the Quesnel Trough in southern British Columbia. The project is accessible year-round with paved highways within a kilometre of the drill targets.

From previous exploration on the MPD project, over 100 historical drill holes defined the potential for a large copper-gold system with multiple centres, across 10 square kilometres of the property. However historical drilling focussed mainly on shallow mineralization, down to about 200 metres and current

drilling by Kodiak extends the drilling depth down to 800 metres.

The discovery hole from 2019 (MPD-19-003) underlied a large copper-in-soil anomaly with over one kilometre of strike at the Gate Zone. With these current drill results, the Company now has minerialized core from the three known copper porphyry zones on the MPD Project but believe they have literally “only scratched the surface” as many of the project’s copper-in-soil anomalies remain untested.

Don’t Let the Grade and Depth Get You Down, it is the Size that Matters

After the recent drill results were released, Kodiak’s stock price corrected downward by almost 60% from its 52-week high.

However, investors need to understand that a porphyry can be a giant of a mineral deposit. Deposit sizes range from 100 million to 5 billion tonnes of ore with grades that are typically in the 0.2% to 1% copper range.

Virtually all significant copper mines in the Quesnel Trough consist of multiple porphyry centres and Kodiak has defined three copper porphyry zones but believe there are more to discover. The upcoming drill program with up to 30,000 metres could go a long way to proving up the project’s potential.

With grades of 0.41% and 0.49% copper over 500+ metres in the most recently drilled holes, the results compare well with the two other large-tonnage producing mines in the Quesnel Trough that ***average*** less than 0.30% copper:

1. **Copper Mountain Mining (TSX: CMMC)**
    - Copper Mountain Mine: 190 km south of Kamloops, B.C.
    - 412.9 million tonnes at 0.24% copper, 0.11 g/t gold,

0.76 g/t silver (December 31, 2019 reserves)

2. **Teck Resources (TSX: TECK.B)**
    - Highland Valley Mine: 75 km southwest of Kamloops, B.C.
    - 484.0 million tonnes at 0.31% copper (December 31, 2019 reserves)

Copper Demand Soon to Outstrip Supply

Copper’s forecasted supply and demand imbalance should work in Kodiak’s favour.

After hitting a 4-year low in March and in the midst of a global pandemic, the price of copper rebounded and is up over 50%, flirting near the highs of 2018.

Around the world, political pressure is calling for Green New Deals, whereby clean-generated electricity replaces fossil fuels to reduce pollution and fight climate change.

According market research, an electric vehicle requires 5-10 times more copper than a regular internal combustion engine and green electric energy from solar and wind needs 4-6 times more copper than energy generated from fossil fuels.

In addition, as fossil fuel power is replaced by wind and solar, the electrical infrastructure would need an overhaul, increasing the demand for copper further.

Finally, in various studies, copper exhibits antibacterial, antiviral and anti-fungal properties and, due to the recent pandemic, there could be a shift by manufacturers and governments from stainless steel to copper covered surfaces.

According to S&P Global Market Intelligence, copper demand from power projects, construction and electric vehicles will outstrip supply starting this year. The current forecasted shortfall is

299,000 tonnes of copper this year, rising to 489,000 tonnes in 2024.

Meanwhile, to fill the demand, the pipeline of copper development projects coming into production is low and may require higher copper prices to fuel more exploration and development interest.

The world is going to need more copper and Kodiak remains well positioned with location, cash, a strategic partner and a solid start with multiple mineralized zones to build upon.



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