

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 mineralized 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.



[Source](#)

Kodiak Copper sees its stock almost triple on drill results

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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



[Source](#): Courtesy CRU Group

Copper demand vs. supply forecast



[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.