



**For Immediate Release**

**Kodiak Prepares For Winter Drilling At Caribou**

**Vancouver, British Columbia, November 6th, 2006** – Based on very encouraging results from its Phase I exploration program at Caribou Lake, Kodiak Exploration Limited is preparing for a Phase II winter drill program to test several high-priority nickel-sulphide targets along the base of the Caribou Lake intrusion. Phase I established the presence of a large layered mafic intrusion highly anomalous in nickel, copper, cobalt and platinum group elements ("PGEs"). Phase II drilling will focus on large geophysical targets, many of which underlie significant concentrations of nickel-copper sulphides intersected during Kodiak's Phase I reconnaissance shallow drill program.

Kodiak's Phase I shallow drilling intersected significant volumes of primary disseminated, net-textured and massive nickel, copper and cobalt sulphides in 33 of 50 holes which tested the upper part of the Caribou Lake layered intrusion to a maximum depth of 180 metres along a nickel-copper-cobalt trend 9 kilometres in length. These results have helped the company identify numerous strong targets for the upcoming winter program. Set out below is a table of highlights from the 2006 drill program which shows numerous significant intersections containing **copper and nickel sulphides over widths up to 69.71 metres (in Hole CL-06-39)**.

It is considered highly unusual and a very encouraging exploration result to find such large quantities of nickel and copper sulphides in the upper part of a mafic intrusion. Kodiak considers the degree of mineralization demonstrated by the shallow drilling to indicate that the intrusion was saturated with copper, nickel and cobalt sulphides at the time of emplacement, and that there is significant potential for large pools of higher grade sulphides at depth. Pentlandite granules, seen in many core samples from the iron-rich marginal and upper parts of the intrusion, are an additional indication that the original melt was nickel-rich. Since economic concentrations of nickel form by gravitational settling of liquid nickel sulphides, significant concentrations of nickel sulphides are considered likely to have pooled in traps formed by structural depressions along the base of the Caribou Lake intrusion. It is those traps which are the targets of Kodiak's planned Phase II drill program.

Using a combination of 3D magnetic imaging and analysis of deep conductivity responses from high-resolution VTEM data, Kodiak's geophysicists have identified multiple structural traps where copper, nickel and cobalt sulphides may have pooled at various depths below upper portion of the intrusion tested by the Phase I drill program. Individual targets range from 200 to 500 metres long and from 200 to 700

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**Kodiak Exploration Limited**

Suite 1205-700 West Pender St.  
Vancouver, British Columbia  
Canada V6C 1G8

General: (604) 688-9006  
Toll Free Number: 1-888-688-9006  
Fax: (604) 688-9029  
Email: [info@kodiakexp.com](mailto:info@kodiakexp.com)



Drill Hole CL-06-39:  
69.71 metre intersection grading  
0.21% Ni/Cu



Drill Hole CL-06-16:  
53.5 metre intersection grading  
0.28% Ni/Cu

metres wide, and any one of these is large enough to host a significant ore body. Twelve of 25 targets identified to date have a cumulative length of 4.5 kilometres and a cumulative width of 3.6 kilometres. Interpretation of data is ongoing, and is expected to result in the identification of additional targets. A working 3D model showing the targets identified to date, and how they correlate with the results of the Phase I exploration program, will be posted on Kodiak's Web site at [www.kodiakexp.com](http://www.kodiakexp.com)

Many of the Phase II drill targets lie beneath areas where nickel, copper and cobalt sulphides have been found on surface or in shallow drillholes, and several lie below surface fractures filled with high-grade hydrothermally remobilized niccolite, which could indicate the presence of prolific nickel sources at depth. A large structural trap of particular interest has been identified in the area beneath VTEM anomaly 5, which measures 700 metres east-west by 400 metres north-south. Above that structural trap, drill hole CL-06-39 intersected 69.71 metres of nickel sulphides, and drill hole CL-06-38 bottomed in disseminated copper and nickel sulphides at a depth of 177.7 metres. Kodiak plans to drill this high priority structural target early in the Phase II program.

#### CARIBOU LAKE PHASE I DRILL HIGHLIGHTS<sup>1</sup>

Drill Hole	From	To	Metres	Ni (%)	Cu (%)	Ni+Cu (%)	Co (%)
<b>CL-01-01</b>	21.60	27.00	5.40			0.86	0.05
including	21.60	24.78	3.18	0.53	0.70		0.07
including	24.0	24.78	0.78	1.02	1.38		0.13
<b>CL-06-03</b>	26.85	31.50	4.65			0.38	0.03
and	35.20	36.60	1.40	0.93	1.00		0.12
<b>CL-06-04</b>	39.10	41.00	1.90			0.27	0.02
<b>CL-06-05</b>	75.00	83.40	8.40			0.61	0.13
including	80.70	81.90	1.20	1.12	1.08		0.13
<b>CL-06-06</b>	3.09	19.00	15.91			0.20	0.02
<b>CL-06-07</b>	63.00	83.75	20.75			0.29	0.01
<b>CL-06-12</b>	41.00	60.00	19.00			0.26	0.02
and	97.70	105.65	7.95			0.25	0.02
and	108.40	113.45	5.05			0.27	0.02
and	116.45	133.85	17.40			0.27	0.02
<b>CL-06-14</b>	67.20	70.50	2.30			0.34	0.01
<b>CL-06-16</b>	33.90	87.40	53.50			0.28	0.02
including	52.10	58.70	6.60			0.94	0.05
<b>CL-06-17</b>	89.40	96.15	6.75			0.37	0.02
<b>CL-06-18</b>	44.75	48.10	3.95			2.94	0.62 <sup>2</sup>
<b>CL-06-20</b>	13.0	16.1	3.10			0.25	0.02
<b>CL-06-22</b>	13.4	26.3	12.90			0.26	0.01
<b>CL-06-24</b>	120.1	134.7	14.60			0.23	0.01
<b>CL-06-25</b>	81.90	97.75	15.85			0.30	0.02
<b>CL-06-30</b>	28.40	48.45	20.05			0.15	0.01
and	136.5	146.9	10.40			0.18	0.01
and	161.45	168.25	6.80			0.12	0.01

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Drill Hole CL-06-12:  
19.0 metre intersection grading  
0.26% Ni/Cu



Drill Hole CL-06-40:  
8.15 metre intersection grading  
0.38% Ni/Cu

Drill Hole	From	To	Metres	Ni (%)	Cu (%)	Ni+Cu (%)	Co (%)
<b>CL-06-32</b>	14.40	16.15	1.65	0.21	0.13		0.02
and	34.5	35.85	1.35	0.21	0.12		0.02
and	39.35	39.95	0.60	0.52	0.30		0.03
and	47.80	48.30	0.50	0.29	0.25		0.04
and	54.60	56.70	2.10	0.17	0.12		0.02
and	117.75	118.30	0.55	0.14	0.14		0.01
<b>CL-06-38</b>	150.57	161.53	10.96			0.17	0.02
and	176.4	177.7	1.30			0.16	0.02 <sup>3</sup>
<b>CL-06-39</b>	27.74	97.45	69.71			0.21	0.02
<b>CL-06-40</b>	1.52	9.67	8.15			0.38	0.01 <sup>4</sup>
and	91.06	100.67	9.61			0.16	0.02
<b>CL-06-41</b>	70.10	72.45	2.35			0.20	0.02
and	82.20	86.40	4.20			0.19	0.01

<sup>1</sup> A total of 33 of 50 holes contain sulphide intersections with more than 0.1% nickel and/or 0.1% copper

<sup>2</sup> niccolite and sulphides

<sup>3</sup> hole bottomed in mineralization

<sup>4</sup> hole started in mineralization

In a recently completed petrographic study of 95 rock and drill core samples, nickel specialist Dr. Walter Peredery, P.Geo. identified pentlandite in 15 of 95 samples of marginal olivine gabbro and ultramafic rock from the middle part of the intrusion. Pentlandite occurs in the form of exsolution lamellae in pyrrhotite, as well as in granules 0.1-0.2 mm in size. As noted above, the presence of pentlandite granules in the upper and marginal parts of the intrusion is considered to be evidence of a nickel-rich system, providing further evidence that the Caribou Lake intrusion could host a significant nickel orebody at depth.

Dr. Peredery's study of the Caribou Lake intrusion describes a number of petrographic features which are typical of many nickeliferous intrusions worldwide. The Caribou Lake intrusion consists of a marginal phase of olivine gabbro, an Upper Layered Series consisting mostly of very coarse grained anorthositic gabbro, a Middle Layered Series which includes a wide variety of ultramafic rocks including magnetite-rich pyroxenite, peridotite and dunite, and a Lower Layered Series consisting of peridotite and olivine pyroxenite. Based on the chemistry and mineralogy of the intrusion, Dr. Peredery considers the Caribou Lake Gabbro to be tholeiitic in character. Major nickeliferous intrusions with tholeiitic chemistry include Noril'sk (Russia) and Duluth (USA).

Lower Layered Series rocks are believed to be the most prospective host for economic concentrations of nickel, copper and cobalt. The petrography of the Caribou Lake intrusion has shown that these rocks are olivine-rich, have a low primary magnetite content (2%) and contain magnesium-rich orthopyroxene and clinopyroxene interstitial to the olivine crystals. The presence of orthopyroxene in these rocks is regarded as significant because it is a possible indication of

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contamination of the magma. Addition of silica and sulphur to the system causes the formation of orthopyroxene and simultaneous scavenging of nickel from early-formed olivine to form a heavy nickel-sulphide liquid, which in sufficient concentrations can settle in pools along the base of the intrusion.

Kodiak previously announced that it had identified an anomalous "reef", or layer, in the upper part of the intrusion, containing very low amounts of copper and nickel sulphide, but highly anomalous concentrations of PGEs. A study of preliminary geochemical data indicates that within the Caribou Lake intrusion, base metals, magnesium and PGEs all occur in increased concentrations as one moves downward through the intrusion. Ultramafic rocks in the upper part of the Lower Layered Series have been found to contain up to 200 ppb PGEs, compared to an average 50 ppb PGEs contained in the reef previously identified in the upper part of the intrusion. It is now anticipated that the largest concentrations of PGEs are likely to be found with massive sulphide accumulations in the Lower Layered Series rocks along the base of the intrusion. This will be drill-tested during the Phase II program.

Kodiak is eagerly awaiting its upcoming Phase II drill program to test the economic potential of the Caribou Lake intrusion. Geological, geochemical, mineralogical and geophysical evidence all indicate that Caribou Lake has excellent potential to host multiple nickel, copper, cobalt and PGE ore bodies along the 9 kilometre trend.

The property is well located on the shore of Great Slave Lake near Yellowknife, with deep water access to the transcontinental railhead at Hay River. The nearest smelter is 1100 kilometres to the south, at Fort Saskatchewan, Alberta. Kodiak controls the Caribou Lake property 100%.

Drill core was logged on site by Kodiak's consulting geologists, under the supervision of Christopher Marmont, P. Geo. Core was then split under their supervision. One half was retained and stored on site for reference, and one half was sent for analysis. Blanks and duplicates were inserted at regular intervals as quality control. Additional standards, blanks and duplicate analyses were also employed by Acme.

Core samples were delivered to Acme Analytical Laboratories' Yellowknife preparation facility for crushing and pulverizing. Pulps were forwarded to Acme's Vancouver laboratory and assayed for Au, Pt and Pd by Fire Assay-ICP using a 30 gm in quart (method 3B-MS) and for multiple trace element geochemical analysis by ICP-MS using a four acid digestion (method code 1T-MS). Samples exceeding 0.5% copper or nickel and more than 0.1% cobalt were assayed using a hot 4-acid digest and ICP-ES (method code 7TD). Major elements were also determined for the selected samples by fusion-ICP-MS (method code 4A).

The information contained in this news release has been reviewed and approved by Dr. Walter Peredery, P. Geo., and Trevor Bremner, P. Geo., who are qualified persons for the Caribou Lake project under the definitions established by National Instrument 43-101. Dr. Peredery and Mr. Bremner are independent consultants to Kodiak.

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**Note of Interest:** Kodiak is also very pleased with the progress of ongoing exploration at its Hercules Gold Project in Ontario. We plan to release further results from this program in the immediate future.

Kodiak is a mineral exploration company with properties located in Canada. Maps, photographs, geological details and additional information may be reviewed on its Web site at [www.kodiakexp.com](http://www.kodiakexp.com). Kodiak particularly encourages its shareholders to view the 3D imaging of the Caribou Lake project now available on its Web site, as that imaging shows the locations and results of the shallow holes drilled during Phase I, as well as the structural traps which are the proposed targets for the future drilling.

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On behalf of the board of Directors  
**KODIAK EXPLORATION LIMITED**  
**William S. Chornobay, Director, President**  
**For further information contact:**

(604) 688-9006 or by email at [info@kodiakexp.com](mailto:info@kodiakexp.com)

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