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## **For Immediate Release**

### **Kodiak's Drilling Traces Gold System for 900 metres at Hercules**

**Vancouver, British Columbia, January 12<sup>th</sup>, 2007** - Phase II diamond drilling at Hercules was successful in confirming the continuity of gold mineralization, veining, alteration, and shearing over a strike length of 900 metres. Five shallow reconnaissance holes designed to test the WL, Penelton and Yellow Brick Road zones for structure, alteration and mineralization were successful in demonstrating the continuity of mineralized structures along this important shear. These three zones have been exposed by surface stripping along a 1.2 kilometre strike length within the Hercules Shear System, and the mineralized structures remain open along strike and to depth. The Hercules Shear System follows a regional geologic contact for 16 kilometres.

Phase I and Phase II reconnaissance drill results indicate that the mineralized shear zone is large, steeply dipping, and has acted as a conduit for large volumes of fluid, resulting in intense alteration. Gold mineralization is associated with intense sericitic, chloritic, siliceous and potassic alteration. Ninety per cent of the shallow holes drilled to date along a strike length of 900 metres have been mineralized. Intersections have ranged from 0.41 g/t Au over 1.1 metres\* in hole HR-06-20 to 15.59 g/t Au over 9.7 metres\* (including 51.65 g/t Au over 2.83 metres\*) in hole HR-06-03. Twenty-five per cent of these holes had intersections grading better than 6 g/t Au, and 15% contained more than a metre of multi-ounce material. In addition, numerous high-grade gold values have been reported from surface grab and channel samples. These results suggest that the Hercules Shear System contains multiple high-grade gold shoots within an extensive and consistently mineralized low-grade halo, which has been shown to be more than 75 metres wide in the WL gold zone. The geology and alteration of the system have many of the characteristics of significant shear-hosted gold deposits in the Archean.

“In these types of deposits, you drill for structure first,” said Kodiak President Bill Chornobay. “We are very encouraged by the robust nature of the alteration and the continuity of gold-bearing veins. Our drilling to date shows that the system is large and well prepared. Our next step is to find the individual ore shoots that will determine the economic viability of this project.”

Phase II drill results are summarized in the table below.

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PHASE II DRILL RESULTS							
Drill hole	From (m)	To (m)	Interval	True thickness (m)	Au g/t (uncut)	Zone	Comment
HR06-16	95	98.5	3.5	3.2	0.645	WLG	Fractured quartz vein with 2-5% pyrite, in gold-mineralized halo.
HR06-17	25.5	33	7.5	4.9	0.58	Penelton	Fractured quartz vein with 2-5% pyrite, in gold-mineralized halo.
HR06-18	49.3	66.5	17.2	6.3	0.82	Penelton	Quartz vein and footwall silicified-sericitic granodiorite with 1-5% pyrite, in gold-mineralized halo.
HR06-19	33.5	34.9	1.4	1.4	0.43	Penelton	K-altered, silicified, sericite-altered granodiorite with quartz-carbonate stringers and 1-3% pyrite-magnetite in gold-mineralized halo.
HR06-20	26.6	28.4	1.8	1.1	0.41	Yellow Brick Road	Quartz vein with weak to strong sericitic fractures & 1-5% pyrite in gold-mineralized halo.

\*All reported drill intersections are true thickness, and all reported gold grades are uncut.

Based on these results, Kodiak intends to undertake a more extensive Phase III program, including detailed mapping to define and outline projected plunge directions and angles of high grade gold shoots. The results of this mapping will give a better understanding of the economic potential and facilitate a focused drill program. Thirteen kilometres of the Hercules Shear System remain unexplored to date due to overburden, and several high-grade showings along the unexplored part of the system have returned assays up to 40.32 g/t Au from grab samples, confirming potential for additional gold shoots remaining to be stripped, mapped, and drilled.

Kodiak's Phase II drill program produced 377 metres of NQ core with recovery close to 100%. Half-core samples were sawed on site and assayed at Accurassay's Thunder Bay laboratory. Thirty-gram samples were fire-assayed with an ICP finish, and samples containing more than 5 grams of gold per tonne were submitted for metallic screen fire assay. Quality assurance included the insertion of blanks, duplicates and standards every 50 samples. Half-core samples were retained on site for verification and reference purposes.

The information contained in this news release has been reviewed and approved by Trevor Bremner, P. Geo., who is a qualified person for the Hercules project under the definitions established by National Instrument 43-101. Mr. Bremner is an independent consultant to Kodiak.

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Further information, including maps, drill sections and photographs, is available on Kodiak's Web site at [www.kodiakexp.com](http://www.kodiakexp.com)

**Note of Interest:** Kodiak is finalizing preparations for a Phase II deep drilling program at Kodiak's Caribou Lake nickel-copper-cobalt-platinum project in the Northwest Territories. We plan to release further information on this project in the immediate future.

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