

The following story was published in the Times Star, a community weekly based in Geraldton, Ontario, on April 2, 2008:

KODIAK EXPLORATION OPEN HOUSE

Kodiak Active in Greenstone Region

by Edgar J. Lavoie

On Wednesday, March 5, Kodiak Exploration Limited held a public information session in Beardmore's Community Centre from 4:00 to 7:00 p.m.

As Larry Hillesland, project manager for Kodiak, explained, "The community can come in and see what we're doing and have planned". The open house is a requirement for the Advanced Exploration closure plan (AE) process mandated by the Mining Act.

Kodiak began exploration of its Hercules Project in August of 2006. The project encompasses about 6,000 hectares beginning around kilometre 31 on the Kinghorn Road, north of Highway 11. The exploration for precious metals has identified key gold zones – the Golden Mile, Yellow Brick Road, Marino, and 7 of 9.

There has been extensive trenching (stripping of overburden) and diamond drilling. Gold mineralization has been intercepted to 300 metres below the surface. Intercepts range from 1.06 to 25.24 grams per tonne (g/t). Some drill holes have encountered bonanza grades, including HR07-51 with 358.56 g/t over 3.6 metres in length. An troy ounce of gold is 31.1 grams.

The Kodiak Open House on March 5 was a busy venue. Presenters walked individuals through the wall charts and let them handle the core samples. All the while a PowerPoint presentation ran on a large screen with some very interesting video clips. People helped themselves to coffee and baked goods.

Doug W. Steele explained the role of TBT Engineering Consulting Group (TBTE), based in Thunder Bay. Steele, manager of environmental services, said that TBTE was hired by Kodiak to facilitate the AE process.

Tim Cano, TBTE biologist, indicated that an environmental baseline is to be established to help guide Kodiak's rehabilitation efforts. Part of his job involves identifying sensitive areas, such as eagle nests moose calving grounds, woodland caribou habitat, and fisheries values.

Exploration by Kodiak on the Hercules Project has left several kilometers of shallow overburden trenches open to bedrock. A trench may be anywhere from 5 to 50 metres wide. Plans call for more than 60,000 square metres of trench to be rehabilitated this year.

Overburden (soil and organic matter) will be distributed in trenches to cover bedrock and to slope the sides of the trench. Much of the trench area is expected to recover through natural regeneration, though seeding and planting may be required in places. Other erosion controls may be implemented.

Part of the job of Scott Peterson, TBTE manager of geological services, involves groundwater and surface water assessments. He also explained that TBTE has 5 team members working on the AE process.

Hillesland, Kodiak project manager, pointed out that his company has an interest in claims covering about 1,400 square kilometers of the Beardmore-Geraldton gold belt. He was very pleased with the heavy turnout to the open house. After two hours, he had been involved in deep discussions with perhaps 20 people.

Hillesland spoke knowledgeably about the three types of drill core exhibits. The altered granodiorite represented the country rock or host rock. A sheared gabbro dyke is associated with the gold-bearing quartz vein. The quartz displayed large clumps of visible gold from hole number HR07-65.

He explained that the Advanced Exploration closure plan will allow Kodiak to extract bulk samples from representative sections of the Golden Mile zone. Rock extracted from up to 5 different

places could amount to 1,560 tonnes per sample. If, for example, a sample is 10 metres deep and the vein 2 metres wide, and rock is extracted for a total of 30 metres along strike, the yield will be 600 cubic metres of mineralized rock. At 2.65 tonnes per cubic metre, the bulk sample would amount to 1,560 tonnes.

Mark O'Brien was on hand representing the Ministry of Northern Development and Mines (MNDM). O'Brien, mineral development and consultant, is MNDM's regulator for the 2008 closure plan. The plan will likely be finalized in April. Kodiak will be required to give "financial assurance", which means that it will place funds in trust with MNDM to cover the cost of rehabilitation. As rehabilitation work is completed, the funds can be released.

O'Brien explained that the 2008 closure plan can be extended to 2009 by an amendment. By 2010 Kodiak could be entering development and production stage, with expanded requirements under the Mining Act.

A number of other government ministries are involved in the AE process, for work permits, waste management, environmental assessment, protection of fish and wildlife, and permission to take water.

Currently there are three drill rigs on the Hercules Project and a non-technical work force of 18, a quarter of whom are First Nations members. In 2008 Kodiak proposes up to 20,000 square metres of new trenching and more than 40,000 metres in core drilling.

Line cutting for geophysical studies will involve about 20,000 metres (20 kilometres), and trench reclamation, under the closure plan, will involve more than 60,000 square metres.

In 2009 Kodiak is proposing more trenching and more trench reclamation efforts. The drilling program will continue, and if the results of the 2008 exploration warrant it, underground exploration.

By about 6:00 p.m., more than 50 people had signed the guest book and more were streaming in. Most people identified Beardmore or Geraldton as their place of residence. Several people, of course, had not signed in for whatever reason. In the end, presenters estimated attendance at just over 80.

On March 5, gold was trading on the market at about \$990 Canadian per ounce.