

KODIAK COPPER CORP.

Condensed Interim Consolidated Financial Statements

For the nine months ended June 30, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NON-REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements, they must be accompanied by a notice indicating that these condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Kodiak Copper Corp. (the “Company” or “Kodiak”) have been prepared by and are the responsibility of the Company’s management.

The attached condensed interim financial statements for the nine months ended June 30, 2024 have not been reviewed by the Company’s auditors.

KODIAK COPPER CORP.

Condensed Interim Consolidated Statements of Financial Position

June 30, 2024

(Unaudited-Prepared by Management-Expressed in Canadian Dollars)

	June 30, 2024	September 30, 2023
Assets		
Current Assets:		
Cash and cash equivalents (Note 10)	\$ 8,315,537	\$ 6,686,637
Amounts receivable (Note 10)	68,239	192,874
Advances and deposits (Note 10)	354,595	187,411
Marketable securities (Note 11)	45,067	75,903
	8,783,438	7,142,825
Non-Current Assets:		
Reclamation bonds (Note 4)	478,578	476,088
Long term deposits	62,550	59,486
Exploration and evaluation assets (Note 5)	31,587,098	28,320,677
Total Assets	\$ 40,911,664	\$ 35,999,076
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities (Notes 6)	\$ 1,392,531	\$ 1,332,720
Flow through share premium liability (Note 9)	1,863,681	912,714
Short term loan (Note 12)	-	40,000
	3,256,212	2,285,434
Deferred tax liability	679,000	679,000
Total Liabilities	3,935,212	2,964,434
Shareholders' Equity:		
Share capital (Note 8)	87,174,280	82,513,553
Reserves (Note 8)	10,108,065	9,560,204
Accumulated other comprehensive income (loss)	(435,547)	(413,063)
Deficit	(59,870,346)	(58,626,052)
	36,976,452	33,034,642
Total Liabilities and Shareholders' Equity	\$ 40,911,664	\$ 35,999,076

Approved on Behalf of the Board:

"Steven Krause"
Steven Krause

"Chad Ulansky"
Chad Ulansky

The accompanying notes are an integral part of these consolidated financial statements.

KODIAK COPPER CORP.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

June 30, 2024

(Unaudited-Prepared by Management-Expressed in Canadian Dollars)

	Notes	Three months ended June 30, 2024	Three months ended June 30, 2023	Nine months ended June 30, 2024	Nine months ended June 30, 2023
Expenses					
Consulting fees		\$ 65,584	\$ 35,133	\$ 106,684	\$ 127,647
Insurance		11,286	11,432	33,954	34,451
Management fees	7	169,372	147,436	594,408	730,947
Directors Fees		19,500	27,000	58,500	81,000
Payroll Costs		36,362	37,190	115,057	133,673
Office and administration		61,296	41,694	207,843	101,405
Professional fees		15,168	20,405	55,738	74,021
Rent		31,547	28,872	85,220	85,865
Share-based compensation	8d	108,618	139,980	537,725	555,936
Transfer agent and filing		16,368	20,613	41,423	42,018
Travel, promotion and shareholder information		216,883	276,581	499,035	613,918
Impairment of E&E assets	5	3,447	14,950	12,764	35,439
		(755,341)	(801,286)	(2,348,351)	(2,616,320)
Other income (expenses)					
Foreign currency gain (loss)		(15,427)	(3,482)	(9,586)	(9,820)
Interest		28,627	135,399	138,145	294,047
Other income	9	324,484	279,326	965,498	683,012
Government grant income		-	-	10,000	-
Other income (expenses)		337,684	411,243	1,104,057	967,239
Loss for the period		(417,657)	(390,043)	(1,244,294)	(1,649,081)
Other comprehensive income (loss)					
Foreign currency translation adjustment		15,424	(2)	8,351	1,779
Unrealized gain (loss) on marketable securities	11	-	4,745	(30,835)	18,574
Comprehensive loss for the period		\$ (402,233)	\$ (385,300)	\$ (1,266,778)	\$ (1,628,728)
Earnings (loss) per share					
Basic		\$ 0.006	\$ 0.006	\$ 0.02	\$ 0.029
Weighted average number of shares outstanding		65,114,274	62,321,194	64,338,324	57,852,607

The accompanying notes are an integral part of these consolidated financial statements.

KODIAK COPPER CORP.

Condensed Interim Consolidated Statements of Changes in Equity

June 30, 2024

(Unaudited-Prepared by Management-Expressed in Canadian Dollars)

	Notes	Share Capital		Reserves	AOCL	Deficit	Total
		Number of Shares	Amount				
Balance at September 30, 2022		55,618,314	\$ 76,330,527	\$ 8,810,946	\$ (382,615)	\$ (56,724,077)	\$ 28,034,781
Net gain (loss) for the period		-	-	-	-	(1,649,081)	(1,649,081)
Shares issued in private placement		3,700,000	2,997,000	-	-	-	2,997,000
Flow through shares issued in private placement		4,493,744	5,405,750	-	-	-	5,405,750
Flow through shares premium		-	(1,765,817)	-	-	-	(1,765,817)
Share issue costs		-	(517,480)	-	-	-	(517,480)
Share based compensation		-	-	555,936	-	-	555,936
Foreign currency translation adjustment		-	-	-	1,779	-	1,779
Fair value adjustment on marketable securities		-	-	-	18,574	-	18,574
Balance at June 30, 2023		63,812,058	\$ 82,449,980	\$ 9,366,882	\$ (362,262)	\$ (58,373,158)	\$ 33,081,442
Balance at September 30, 2023		63,927,058	82,513,553	9,560,204	(413,063)	(58,626,052)	33,034,642
Net gain (loss) for the period		-	-	-	-	(1,244,294)	(1,244,293)
Share based compensation		-	-	537,725	-	-	537,725
Shares issued in private placement		1,293,000	594,780	12,930	-	-	607,710
Flow through shares issued in private placement		9,143,850	6,210,573	53,037	-	-	6,263,610
Flow through shares premium		-	(2,004,402)	-	-	-	(2,004,402)
Share issue costs		-	(254,181)	-	-	-	(254,181)
Options exercised		155,000	113,956	(55,831)	-	-	58,125
Foreign currency translation adjustment		-	-	-	8,351	-	8,351
Fair value adjustment on marketable securities		-	-	-	(30,835)	-	(30,835)
Balance at June 30, 2024		74,518,908	\$ 87,174,280	\$ 10,108,065	\$ (435,547)	\$ (59,870,346)	\$ 36,976,452

The accompanying notes are an integral part of these consolidated financial statements.

KODIAK COPPER CORP.

Condensed Interim Consolidated Statements of Cash Flows

June 30, 2024

(Unaudited-Prepared by Management-Expressed in Canadian Dollars)

Cash provided by / (used in):	Nine Months Ended June 30, 2024	Nine Months Ended June 30, 2023
Operating Activities:		
Loss for the period	\$ (1,244,294)	\$ (1,649,081)
Items not affecting cash:		
Other income	(965,498)	(683,012)
Government grant income	(10,000)	-
Share-based compensation	537,725	555,936
Impairment of exploration and evaluation assets	12,764	35,439
Net changes in non-cash working capital items:		
Amounts receivable	124,635	51,256
Advances and deposits	(167,184)	(13,823)
Long term deposits	(3,064)	-
Accounts payable and accrued liabilities	73,931	161,820
	(1,640,985)	(1,541,465)
Investing Activities:		
Reclamation bonds	(2,490)	(213,959)
Exploration and evaluation assets	(3,293,304)	(5,434,494)
	(3,295,794)	(5,648,453)
Financing Activities:		
Shares issued for cash, net of share issuance costs	6,529,202	7,771,789
Proceeds from marketable securities	-	152,440
CEBA loan repayment	(30,000)	-
Options exercised	58,125	-
	6,557,327	7,924,229
Effect of exchange rate changes on cash and cash equivalents	8,351	1,780
Change in cash and cash equivalents for the period	\$ 1,628,900	\$ 736,091
Cash and cash equivalents, beginning of the period	\$ 6,686,637	\$ 10,365,353
Cash and cash equivalents, end of the period	\$ 8,315,537	\$ 11,101,444
Supplemental Information:		
Non-cash investing and financing activities:		
Change in mineral property costs included in accounts payable	\$ (14,119)	\$ (638,721)

KODIAK COPPER CORP.

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2024

(Unaudited-Prepared by Management-Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

The Company was incorporated under the laws of the Province of British Columbia on January 12, 1987. The Company's common shares are trading as a mining issuer on Tier 2 of the TSX Venture Exchange under the trading symbol KDK.

The Company's activities consist of the exploration and development of base and precious metals throughout North America. The head office and principal address of the Company are located at 1020 – 800 West Pender Street, Vancouver, BC V6C 2V6.

As the Company is in the exploration stage, the recoverability of amounts shown for exploration and evaluation assets and the Company's ability to continue as a going concern is dependent upon the discovery of economically recoverable reserves, continuation of the Company's interest in the underlying resource claims, the ability of the Company to obtain necessary financing to complete their development and upon future profitable production or proceeds from the disposition thereof. The amounts shown as exploration and evaluation assets represent net costs to date, less amounts amortized and/or written-off, and do not necessarily represent present or future values.

The Company incurred a net loss of \$1,244,294 during the nine months ended June 30, 2024 and, as of that date, the accumulated deficit was \$59,870,346. The Company expects to incur future losses in the development of its business. While these condensed interim consolidated financial statements have been prepared with the assumption that the Company will be able to meet its obligations and continue its operations for its next fiscal year, the aforementioned conditions indicate the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Realization values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary if the Company were not to continue as a going concern.

Statement of Compliance

These condensed interim consolidated financial statements for the nine months ended June 30, 2024 were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations ("IFRIC") in effect at June 30, 2024. The Company has elected to present the statements of operations and comprehensive loss in a single statement. The condensed interim consolidated financial statements of the Company for the nine months ended June 30, 2024 (including comparatives) have been prepared by management, reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on August 19, 2024.

2. BASIS OF PREPARATION

Critical judgments in applying accounting policies

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses during the year. Actual results could differ from these estimates.

These condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both

KODIAK COPPER CORP.

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2024

(Unaudited-Prepared by Management-Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)

current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Certain comparative figures have been reclassified to conform with the current year presentation.

3. SIGNIFICANT ACCOUNTING POLICIES

New standards, interpretations and amendments adopted by the Company

The accounting policies applied in the preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the years ended September 30, 2023 and 2022.

4. RECLAMATION BONDS

	June 30, 2024	September 30, 2023
MPD	\$ 345,000	\$ 365,000
Mohave	93,578	71,088
Kahuna	40,000	40,000
	<u>\$ 478,578</u>	<u>\$ 476,088</u>

The MPD portion of the reclamation bonds is a \$345,000 security deposit paid to the Ministry of Energy, Mines and Low Carbon Innovation of British Columbia as a part of the permit application.

The Mohave portion of the reclamation bonds is a cost determined to be paid by the Company to the Bureau of Land Management ("BLM") Kingman Field Office in the state of Arizona, USA. This cost determined by the BLM of \$93,578 (US\$68,370), (2023 - \$71,088 (US \$52,580)) is for the Company to meet its anticipated reclamation requirements.

For the Kahuna resource property in the territory of Nunavut a reclamation Letter of Credit is recorded in reclamation bonds. This letter is held by the financial institution as security for possible reclamation obligations pursuant to Land Use License KVL315B01, issued by the Kivalliq Inuit Association which authorizes surface exploration activities on Inuit Owned Land parcel CI-15.

KODIAK COPPER CORP.

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2024

(Unaudited-Prepared by Management-Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

Summary of the mineral projects' costs by project for the nine months ended June 30, 2024:

	Notes	Kahuna (NU, Canada)	MPD (BC, Canada)	Mohave (AZ, USA)	Total
<u>Acquisition costs:</u>					
Beg balance, September 30, 2023		\$ -	\$ 2,169,966	\$ 269,534	\$ 2,439,500
Additions /(deductions) during the period:					
Claim fees		-	2,408	-	2,408
Impairment of acquisition costs		-	-	-	-
Acquisition costs, June 30, 2024		\$ -	\$ 2,172,374	\$ 269,534	\$ 2,441,908
<u>Exploration costs:</u>					
Beg balance, September 30, 2023		\$ -	\$ 25,720,744	\$ 160,433	\$ 25,881,177
Additions /(deductions) during the period:					
Geological staff & consulting	7	5,014	1,441,529	23,925	1,470,468
Drilling & support		-	1,097,526	-	1,097,526
Assays		-	307,665	-	307,665
Exploration support		7,750	229,778	19,177	256,705
Fuel		-	18,827	-	18,827
Travel		-	121,698	152	121,850
Foreign exchange movements		-	-	3,737	3,737
Impairment of exploration costs		(12,764)	-	-	(12,764)
Exploration costs, June 30, 2024		\$ -	\$ 28,937,766	\$ 207,424	\$ 29,145,190
Balance, June 30, 2024		\$ -	\$ 31,110,140	\$ 476,958	\$ 31,587,098

KODIAK COPPER CORP.

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2024

(Unaudited-Prepared by Management-Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Summary of the mineral projects' costs by project for the year ended September 30, 2023:

	Notes	Kahuna (NU, Canada)	MPD (BC, Canada)	Mohave (AZ, USA)	Total
<u>Acquisition costs:</u>					
Beg balance, September 30, 2022		\$ -	\$ 1,972,063	\$ 241,052	\$ 2,213,115
Additions /(deductions) during the year:					
Claim fees		-	6,762	28,482	35,244
Payment to third parties	5a		191,141	-	191,141
Acquisition costs, September 30, 2023		\$ -	\$ 2,169,966	\$ 269,534	\$ 2,439,500
<u>Exploration costs:</u>					
Beg balance, September 30, 2022		\$ -	\$ 17,087,272	\$ 151,466	\$ 17,238,738
Additions /(deductions) during the year:					
Geological staff & consulting	7	29,421	3,039,618	5,446	3,074,485
Drilling & support		-	3,713,591	-	3,713,591
Assays		-	747,472	-	747,472
Exploration support		12,040	560,165	6,147	578,352
Fuel		-	39,553	-	39,553
Travel		-	563,073	269	563,342
Foreign exchange movements		-	-	(2,895)	(2,895)
Impairment of exploration costs		(41,461)	-	-	(41,461)
Cost recovery	4	-	(30,000)	-	(30,000)
Exploration costs, September 30, 2023		\$ -	\$ 25,720,744	\$ 160,433	\$ 25,881,177
Balance, September 30, 2023		\$ -	\$ 27,890,710	\$ 429,967	\$ 28,320,677

a. Man, Prime and Dillard Property (MPD)

In November 2018 Kodiak announced the acquisition of 100% ownership of the MPD copper-gold porphyry project ("MPD") consisting of the consolidated Man, Prime and Dillard properties in south-central British Columbia. The consideration for MPD consisted of \$100,000 in cash (paid), 360,000 Kodiak shares issued upon closing of the transaction (issued) and an additional \$100,000 in cash payable on April 1, 2019 (paid). A 1.25% to 2% NSR, partly with buy-back rights is payable on three of a total 28 mineral claims. No royalties are payable on the remaining 25 claims. An additional four claims comprising 18.8 km² were staked by Kodiak in June 2020.

On April 19, 2021 the Company announced that it had entered into a purchase agreement to acquire a 100% interest in the Axe Copper-Gold Property from Orogen Royalties ("Orogen"). The property is contiguous with the Company's MPD property.

As consideration for the property, the Company will provide the following:

- 950,000 Kodiak shares upon closing of the transaction; (issued – Note 8b)
- A 2% net smelter returns royalty on the Axe property of which 0.5% may be purchased by Kodiak for \$2,000,000 at any time;

KODIAK COPPER CORP.

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2024

(Unaudited-Prepared by Management-Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

a. MPD Property (continued)

- A cash payment will be made to Orogen in the amount equal to the value of 75,000 Orogen shares up to a maximum of \$50,000 upon the completion of 5,000 metres of drilling on the Axe Property (paid-\$40,495)
- A cash payment will be made to Orogen in the amount equal to the value of 200,000 Orogen shares up to a maximum of \$150,000 upon the announcement of a measured or indicated mineral resource estimate of at least 500,000,000 tonnes at a grade of at least 0.40% copper equivalent on the Axe property; and
- A cash payment will be made to Orogen in the amount equal to the value of 250,000 Orogen shares up to a maximum of \$200,000 upon the completion of a feasibility study on the Axe Property.

Contingent payments related to performance milestones were not included in the purchase price as per the Company's Policy (Note 3p) in the year ended September 30, 2023 financial statements.

On April 10, 2023 the Company completed the purchase of mineral claims from Donald Rippon for total consideration of \$150,646. The claims are contiguous with Kodiak's 100% owned MPD copper-gold porphyry project and includes a net smelter returns royalty of 2% on all claims. The Company has the irrevocable right at any time to purchase one half of the royalty (1% net smelter return) by way of a one time payment of \$3,000,000.00.

b. Mohave Property

On March 4, 2019, the Company announced that it had entered into a letter of intent to acquire 100% of the Mohave copper-molybdenum-silver porphyry ("Mohave") option agreement in Mohave County, Arizona, USA, from Bluestone Resources Inc. ("Bluestone").

In relation to the acquisition, the Company paid \$50,000 in cash and issued 232,558 common shares at a fair value of \$100,000 upon closing of the transaction, which occurred on May 22, 2019. The Company has committed to issue 100,000 shares upon the public disclosure of a 43-101 resource of the project, 100,000 shares upon the public disclosure of a preliminary economic analysis for the project, 100,000 shares upon the public disclosure of a pre-feasibility or more advanced study for the project, and a 0.5% NSR royalty on the Mohave claims and on a 2km area of interest around the Mohave claims.

In addition to the above commitments to Bluestone Resources Inc., the Company is committed to pay US\$ \$1,000,000 to the original optionor of the Mohave property no later than 30 days after the Company announces a production decision or has secured financing to implement such a decision.

In addition to the 0.5% NSR royalty to Bluestone, the Mohave property is subject to a 3.5% NSR royalty to the original optionor of which 1% can be bought back for US \$1,000,000.

c. Kahuna Property

By agreements dated November 4, 2014 and April 30, 2017, the Company acquired a 100% interest in Kahuna Diamond project located in Nunavut, Canada.

The Kahuna Property is currently subject to two separate 2% gross overriding royalties "GOR" on diamonds, and two separate 2% net smelter return royalties (each, an "NSR" and together, the "NSRs") on all other minerals derived from the Property. Pursuant to the Royalty Agreement, 1% of each GOR may be purchased from either of the parties for \$2 million, and 1% of each NSR may be purchased from either of the parties for \$2 million.

On December 11, 2015, the Company entered into an agreement with Kel-ex Development ("Kel-ex"), a private company controlled by a former advisor to the Company, whereby Kel-ex will provide equity financing equal to one-third of the Company's diamond processing and other laboratory costs incurred

KODIAK COPPER CORP.

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2024

(Unaudited-Prepared by Management-Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

through a laboratory controlled by the former advisor. Kel-ex has continued to maintain its interest as per the agreement.

For the years, presented the Company has no budgeted or planned exploration and has decided to leave the property on care and maintenance until the claims lapse. The property has been written down to zero.

The Kahuna property is subject to an Annual Assessment Expenditure Commitment on active claims with anniversary dates in 2024. Kodiak has the option to pay cash-in-lieu or let claims lapse. Certain claims have anniversary dates in 2024 that will be allowed to lapse in 2025

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable include primarily amounts owing for Company's exploration programs, and general corporate expenditures. The accounts payable and accrued liabilities balance of \$1,392,531 (2023 - \$1,332,720) is made up of \$1,250,814 (2023 - \$1,114,997) of accounts payable and \$141,717 (2023 - \$217,723) of accrued liabilities.

7. RELATED PARTY TRANSACTIONS

The Company's transactions with related parties during the nine months ended June 30, 2024 and 2023 consist of transactions with directors, officers, and shareholders of the Company.

Amounts paid and accrued to key management personnel, officers and companies controlled by directors and officers:

	Nine Months ended June 30, 2024		Nine Months ended June 30, 2023	
Geological fees capitalized to exploration & evaluation ⁽¹⁾	\$	189,833	\$	390,495
Management and directors fees ⁽²⁾		450,415		757,739
Share-based compensation		272,258		375,870
Total	\$	912,506	\$	1,524,104

(1) Geological fees were paid to the Company's VP Exploration, and the Chairman.

(2) Management and directors fees includes salaries and compensation to the Company's Chairman, CEO & President, VP Exploration, Directors, and the CFO.

8. SHARE CAPITAL

a. Authorized

Share capital consists of an unlimited number of common shares and preferred shares without par value. The Company has not issued any preferred shares.

As at June 30, 2024 the Company had 74,518,908 (September 30, 2023 – 63,927,058) common shares issued and outstanding.

KODIAK COPPER CORP.

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2024

(Unaudited-Prepared by Management-Expressed in Canadian Dollars)

8. SHARE CAPITAL *(continued)*

b. Share Issuances

Issued during the nine months ended June 30, 2024

On June 21, 2024 the Company closed a private placement and issued a total of 5,303,724 charity flow-through units at a price of \$0.79 per charity flow-through unit, 3,840,126 flow-through shares at a price of \$0.54 per flow through share, and 1,293,000 common share units at a price of \$0.47 per hard dollar unit for gross aggregate gross proceeds of \$6,871,320. Each charity flow-through unit and common share unit consists of one common share and one-half of one common Share purchase warrant.

Each flow through warrant and warrant issuable under the offering will entitle the holder to purchase one non-flow-through common Share at an exercise price of \$0.65 for a period of 24 months following the closing date.

A total of \$2,004,402 was allocated to flow through premium. In connection with the offering, the Company incurred a total of \$342,119 in share issuance costs of which \$87,937 was allocated to offset the flow through premium liability. A total of \$65,967 was allocated to warrant reserves for the residual value of warrants included in the units.

During the nine months ended June 30, 2024 155,000 options were exercised for total proceeds of \$58,125. Upon exercise of the 155,000 options, \$55,831 was transferred from reserves to share capital.

Issued during the year ended September 30, 2023

On April 14, 2023 the Company closed a bought deal private placement and issued a total of 1,500,000 charity flow-through units at a price of \$1.32 per charity flow-through unit and 3,700,000 common share units at a price of \$0.81 per hard dollar unit for gross aggregate gross proceeds of \$4,977,000. Each charity flow-through unit consists of one common share and one-half of one common Share purchase warrant.

Each hard dollar unit consists of one non-flow-through Common Share and one-half of one non-flow-through common share purchase warrant. Each flow through warrant and warrant issuable under the offering will entitle the holder to purchase one non-flow-through common Share at an exercise price of \$1.10 for a period of 24 months following the closing date.

On April 21, 2023, the Company closed its oversubscribed non-brokered private placement. Pursuant to the offering a total of 1,532,654 charity flow through units at a price of \$1.32 per charity flow through unit and 1,461,090 flow through units at a price of \$0.96 per flow through unit for gross proceeds of \$3,425,751. Both the charity flow through units and flow through units consist of one common share and one half of a common share purchase warrant, exercisable at \$1.10 for a period of 24 months following the closing date. Together with the bought deal private placement that closed on April 14, 2023, the aggregate gross proceeds to the Company were \$8,402,751.

A total of \$1,855,629 was allocated to flow through premium. In connection with the offering, the Company incurred a total of \$630,961 in share issuance costs of which \$113,481 was allocated to offset the flow through premium liability. A total of \$81,938 was allocated to warrant reserves for the residual value of warrants included in the units.

KODIAK COPPER CORP.

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2024

(Unaudited-Prepared by Management-Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

c. Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance as at September 30, 2022	-	\$-
Issued	4,096,872	\$1.10
Balance as at September 30, 2023	4,096,872	\$1.10
Issued	3,298,362	\$0.65
Balance as at June 30, 2024	7,395,234	\$0.90

All warrants were exercisable at June 30, 2024.

As at June 30, 2024, the outstanding warrants are summarized as follows:

Expiry date (mm/dd/yyyy)	Number of Warrants	Weighted Average Remaining Life in Years	Weighted Average Exercise Price
04/14/2025	2,600,000	0.79	\$1.10
04/21/2025	1,496,872	0.81	\$1.10
06/21/2026	3,298,362	1.81	\$0.65
	7,395,234	1.25	\$0.90

d. Stock Options

On June 29, 2022, the Company approved, certain amendments to the Option Plan and the amendments to the Option Plan (the Option Plan, as amended, being referred to as the “**Amended Option Plan**”) which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to directors, officers, employees and consultants to the Company non-transferable options to purchase common shares. Included in the Amended Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the then issued and outstanding common shares of the Company. At the discretion of the Board of Directors of the Company, options granted under the Amended Option Plan can have a maximum exercise term of 10 years from the date of grant and have exercise prices no less than the discounted market price as permitted by the TSX-Venture exchange. Vesting terms are determined at the time of grant by the Board of Directors and unless otherwise stated fully vest when granted.

During the nine months ended June 30, 2024 the Company recognized share-based compensation of \$537,725 (2023- \$555,936).

During the year ended September 30, 2023, the Company recognized share-based compensation of \$694,892 (2022 - \$1,556,889).

The fair value of the options was estimated at the grant date based on the Black-Scholes option pricing model, using the following assumptions:

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Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2024

(Unaudited-Prepared by Management-Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

d. Stock Options (continued)

	Nine Months Ended June 30, 2024	Year Ended September 30, 2023
Expected dividend yield	0%	0%
Weighted average risk-free interest rate	3.61%-4.18%	3.50%-4.20%
Weighted average expected life	1-5 years	1-5 years
Weighted average expected volatility	58%-106%	94%-116%
Share price	\$0.48	\$0.96
Weighted average fair value of options granted	\$0.12-\$0.38	\$0.36-\$0.79

The following is a summary of the Company's stock option activity:

	Number of Options	Weighted Average Exercise Price
Balance as at September 30, 2022	3,918,500	\$ 1.10
Granted	1,399,000	\$ 0.96
Exercised	(115,000)	\$ 0.35
Expired	(439,500)	\$ 1.22
Balance as at September 30, 2023	4,763,000	\$ 1.07
Granted	1,344,000	\$ 0.48
Exercised	(155,000)	\$ 0.375
Expired	(343,000)	\$ 1.06
Balance as at June 30, 2024	5,609,000	\$ 0.95

¹ 4,251,666 options were exercisable as at June 30, 2024.

As at June 30, 2024, the Company has outstanding stock options as follows:

Expiry date (mm/dd/yyyy)	Number of Options	Weighted Average Remaining life in years	Weighted Average Exercise Price
02/21/2025	20,000	0.65	\$0.48
03/12/2025	694,000	0.70	\$0.35
06/14/2025	50,000	0.96	\$0.43
01/20/2026	800,000	1.56	\$1.56
08/03/2026	100,000	2.09	\$1.41
10/07/2026	50,000	2.27	\$1.20
02/03/2027	1,149,000	2.60	\$1.35
04/21/2027	40,000	2.81	\$1.73
09/01/2027	25,000	3.17	\$0.91
02/23/2028	1,357,000	3.65	\$0.96
02/21/2029	1,324,000	4.65	\$0.48
	5,609,000	2.92	\$0.95

KODIAK COPPER CORP.

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2024

(Unaudited-Prepared by Management-Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

e. Restricted and Deferred Share Units

On April 21, 2021, the Board approved the adoption of a restricted share unit ("RSU") and deferred share unit ("DSU") compensation plan (the "RSU & DSU Plan"). On June 29, 2022, the Company amended certain terms of the plan. RSU's granted under RSU & DSU Plan may be granted to directors, officers, employees, management company employees and consultants or an affiliate of the Company. Subject to adjustment, the maximum number of Common shares that may be reserved for issuance under the RSU & DSU Plan as at December 31, 2022, is 2,290,768 Common Shares.

There are no RSU's or DSU's outstanding as at June 30, 2024.

9. FLOW THROUGH SHARE PREMIUM LIABILITY

Flow through share premium liabilities include the liability portion of the flow through shares issued. The following is a continuity schedule of the liability portion of the flow through shares issuances.

	Issued on March 31, 2022	Issued in April, 2023	Total
Balance at September 30, 2022	\$ 898,617	-	\$ 898,617
Liability incurred on flow through shares issued	-	1,855,629	1,855,629
Flow-through issuance costs (Note 8b)	-	(113,481)	(113,481)
Settlement of flow through share liability on incurring expenditures	(898,617)	(829,434)	(1,728,051)
Balance at September 30, 2023	\$ -	912,714	\$ 912,714

	Issued in April, 2023	Issued in June, 2024	Total
Balance at September 30, 2023	\$ 912,714	-	912,714
Liability incurred on flow through shares issued	-	2,004,402	2,004,402
Flow-through issuance costs (Note 8b)	-	(87,937)	(87,937)
Settlement of flow through share liability on incurring expenditures	(912,714)	(52,784)	(965,498)
Balance at June 30, 2024	\$ -	1,863,681	\$ 1,863,681

As at June 30, 2024, the Company has fulfilled 100% of its commitment to incur expenditures in relation to the flow through share financing from March 2022. In relation to the flow through share financing from April 2023 a net flow through premium liability of \$912,714 was reversed during the nine months ended June 30, 2024 (2023 - \$683,012). The Company has now fulfilled its commitment to incur expenditures in relation to the flow through share financing from April 2023. In relation to the flow through share financing from June 2024, a net flow through premium liability of \$52,784 was reversed during the period.

10. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, amounts receivables, advances and deposits, marketable securities, accounts payable and accrued liabilities and CEBA loan. The fair values of these financial instruments approximate their carrying values, other than cash and marketable securities which is carried at fair value.

Marketable securities are a Level 1 financial instrument.

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Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2024

(Unaudited-Prepared by Management-Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS (continued)

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following summarizes fair value hierarchy under which the Company's financial instruments are valued:

- Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Company examines the various financial instrument risks to which it is exposed and assesses any impact and likelihood of those risks. The Company's risk exposures and their corresponding impact on the Company's consolidated financial instruments are summarized below.

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. As at June 30, 2024, the Company had a cash and cash equivalents balance of \$8,315,537 (September 30, 2023 - \$6,686,637), a marketable securities balance of \$45,067 (September 30, 2023 - \$75,903) to settle current liabilities of \$3,256,212 that are due within one year (September 30, 2023 - \$2,245,434).

The Company intends to finance future requirements from its existing cash reserves together with share issuances, the exercise of options and/or warrants, debt or other sources. There can be no certainty of the Company's ability to raise additional financing through these means.

Credit risk is the risk that the counterparty to a financial instrument will fail to meet their payment obligations, thus this risk is primarily attributable to cash and cash equivalents. The Company maintains its cash and cash equivalents with high-credit quality financial institutions, thus limiting its credit risk. As at June 30, 2024, the Company had a receivable balance of \$68,239 (September 30, 2023 - \$192,874), which relates to GST receivable from the Federal Government of Canada. There was \$354,495 in Advances and Deposits as at June 30, 2024 (September 30, 2023 - \$187,411) which is made up of predominately of prepayments to vendors.

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at June 30, 2024, the Company does not have any interest-bearing loans or liabilities outstanding. The Company paid the \$30,000 due on the CEBA loan before January 18, 2024 and obtained the \$10,000 in forgiveness. All receivable and payable balances are current and as such, are not subject to interest, so its exposure to interest rate risk is insignificant.

Currency risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign currency. As at June 30, 2024, the Company did not have any material monetary assets or liabilities denominated in a foreign currency and consequently is not exposed to significant foreign currency risk.

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and commodity and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Investments in equity instruments which are classified as fair value through other comprehensive income (loss) and are measured at fair value, are listed on public stock exchanges, including TSX-V and OTC-QB. The Company is exposed to market price risk on its marketable securities. The Company's marketable securities consist of one listed entity called Brixton Metals Corporation. A 10% change in quoted market price for Brixton Metals Corporation at June 30, 2024 would result in a change to other comprehensive income (loss) and fair value of marketable securities of \$4,507.

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Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2024

(Unaudited-Prepared by Management-Expressed in Canadian Dollars)

11. MARKETABLE SECURITIES

As at June 30, 2024 the Company held 474,393 (2023 – 474,393) Brixton shares and the price was \$0.095 (2023 - \$0.16) resulting in a fair value of \$45,067 (2023 - \$75,903). The total fair value adjustment on the Brixton marketable securities of \$30,835 for the nine months ended June 30, 2024, has been recorded to other comprehensive income(loss).

12. CAPITAL DISCLOSURES

The Company's objective, when managing capital, is to ensure sufficient resources are available to meet day to day operating and exploration requirements and to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

In May of 2020, the Company received the \$40,000 interest free Canada Emergency Business Account (CEBA) loan. The program is operated by the Government of Canada. If the loan balance is paid on or before January 18, 2024, there will be loan forgiveness of 25% or \$10,000. The Company paid the \$30,000 before January 18, 2024 and obtained the \$10,000 in forgiveness. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period. In the management of capital, the Company includes the components of shareholders' equity, as well as cash and cash equivalents.

13. SEGMENTED INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. All of the Company's operations are within the mineral exploration sector in Canada and the USA (Note 5). No material assets and revenue exist in the USA for separate presentation, other than what is included in Note 5.