KODIAK COPPER CORP.

Condensed Interim Consolidated Financial Statements

For the three months ended December 31, 2021 and 2020.

(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 three months ended December 31, 2021 have not been reviewed by the Company's auditors.

KODIAK COPPER CORP.
Condensed Interim Consolidated Statements of Financial Position
December 31, 2021
(Unaudited-Expressed in Canadian Dollars)

		December 31, 2021		September 30, 2021
Assets				
Current Assets:				
Cash and cash equivalents (Note 10)	**$**	**8,840,669**	$	11,765,345
Amounts receivable (Note 10)		**95,969**		127,441
Advances and deposits (Note 10)		**96,271**		59,210
Marketable securities (Note 5c and10)		**219,257**		146,171
		9,252,166		12,098,167
Non-Current Assets:				
Equipment		**-**		450
Reclamation bonds (Note 4)		**184,751**		184,986
Long term deposits		**59,486**		59,486
Exploration and evaluation assets (Note 5)		**11,885,440**		10,046,620
Total Assets	**$**	**21,381,843**	$	22,389,709
Liabilities and Shareholders' Equity				
Current Liabilities:				
Accounts payable and accrued liabilities (Notes 6,7 & 10)	**$**	**587,921**	$	1,440,636
Flow through share premium liability (Note 9)		**1,267,981**		1,858,347
		1,855,902		3,298,983
Long term loan (Note 11)		**40,000**		40,000
Total Liabilities		**40,000**		3,338,983
Shareholders' Equity:				
Share capital (Note 8)		**67,568,927**		67,296,953
Reserves (Note 8)		**7,484,391**		7,445,602
Accumulated other comprehensive income (loss)		**(368,679)**		(441,824)
Deficit		**(55,198,698)**		(55,250,005)
		19,485,941		19,050,726
Total Liabilities and Shareholders' Equity	**$**	**21,381,843**	$	22,389,709

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
December 31, 2021
(Unaudited - Expressed in Canadian Dollars)

	Three months ended December 31,	
	2021	2020 (Restated Note 13)
Expenses		
Amortization	**$ 450**	$ 96
Consulting fees	**47,693**	45,565
Insurance	**11,084**	7,561
Management fees and wages (Note 7)	**109,367**	86,483
Directors fees (Note 7)	**26,735**	-
Payroll costs	**15,364**	12,192
Office and administration	**47,886**	39,050
Professional fees	**12,997**	32,894
Rent	**28,122**	10,509
Share-based compensation (Note 7 and 8(d))	**58,385**	32,227
Transfer agent and filing	**3,376**	61,810
Travel, promotion and investor relations	**187,583**	159,088
Impairment of exploration and evaluation assets (Note 5)	**8,835**	1,291
Loss before other expense	**(557,877)**	(488,766)
Other income		
Foreign currency gain (loss)	**(104)**	11,510
Interest	**18,922**	26,743
Other income (Note 9)	**590,366**	223,622
Other income	**609,184**	261,875
Income (loss) for the period	**51,307**	(226,891)
Other comprehensive loss		
Foreign currency translation adjustment	**59**	7,247
Unrealized gain on marketable securities (Note 5c)	**73,086**	(81,354)
Comprehensive loss for the period	**$ 124,452**	$ (300,998)
Loss per share - basic and diluted	**$ 0.001**	$ (0.005)
Weighted average number of shares outstanding	**49,254,805**	43,981,697

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

KODIAK COPPER CORP.
Condensed Interim Consolidated Statements of Changes in Equity
December 31, 2021
(Unaudited - Expressed in Canadian Dollars)

	Notes	Share Capital Number of Shares	Share Capital Amount	Reserves	AOCL	Deficit	Total
Balance at September 30, 2020 (Restated - Note 13)		**39,166,738**	**$ 52,087,591**	**$ 6,764,559**	**$ (123,491)**	**$ (53,440,171)**	**$ 5,288,489**
Net loss for the period						(226,891)	(226,891)
Shares issued in private placement		1,027,443	2,003,514	-	-	-	2,003,514
Flow through shares issued in private placement		3,739,316	10,673,965	-	-	-	10,673,965
Flow through shares premium			(3,382,299)	-	-	-	(3,382,299)
Share issue costs		-	(18,875)	-	-	-	(18,875)
Warrants exercised		920,183	797,488	-	-	-	797,488
Options exercised		30,000	33,691	(14,691)	-	-	19,000
Share-based compensation		-	-	32,227	-	-	32,227
Fair Value adjustment on marketable securities		-	-	-	(81,354)	-	(81,354)
Foreign currency translation adjustment		-	-	-	(11,706)	-	(11,706)
Balance at December 31, 2020 (Restated – Note 13)		**44,883,680**	**$ 62,195,075**	**$ 6,782,095**	**$ (216,551)**	**$ (53,667,061)**	**$ 15,093,558**

	Notes	Number of Shares	Amount	Reserves	AOCL	Deficit	Total
Balance at September 30, 2021		**49,105,088**	**$ 67,296,953**	**$ 7,445,602**	**$ (441,824)**	**$ (55,250,005)**	**$ 19,050,726**
Net gain (loss) for the period		-	-	-	-	51,307	51,307
Share based compensation		-	-	58,384	-	-	58,384
Warrants exercised		309,133	231,849	-	-	-	231,849
Broker warrants exercised		10,573	9,759	(1,830)	-	-	7,929
Options exercised		18,000	30,366	(17,765)	-	-	12,601
Foreign currency translation adjustment		-	-	-	59	-	59
Fair value adjustment on marketable securities		-	-	-	73,086	-	73,086
Balance at December 31, 2021		**49,442,794**	**$ 67,568,927**	**$ 7,484,391**	**$ (368,679)**	**$ (55,198,698)**	**$ 19,485,941**

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

KODIAK COPPER CORP.
Condensed Interim Consolidated Statements of Cash Flows
December 31, 2021
(Unaudited - Expressed in Canadian Dollars)

Cash provided by / (used in):	*Notes*		**Three Months Ended December 31, 2021**		Three Months Ended December 31, 2020 (Restated Note 13)
Operating Activities:					
Gain (loss) for the period		**$**	**51,307**	$	(226,891)
Items not affecting cash:					
Amortization			**450**		96
Other income			**(590,366)**		(223,622)
Share-based compensation			**58,385**		32,227
Impairment of exploration and evaluation assets			**8,835**		1,291
Net changes in non-cash working capital items:					
Amounts receivable			**31,472**		24,972
Advances and deposits			**(37,061)**		(1,355)
Accounts payable and accrued liabilities			**(310,699)**		(431,307)
			(787,677)		(824,589)
Investing Activities:					
Reclamation bonds			**235**		32,546
Exploration and evaluation assets			**(2,389,671)**		(856,645)
			(2,389,436)		(824,099)
Financing Activities:					
Shares issued for cash, net of $Nil (2020 -$25,774) share issuance costs			**-**		12,651,736
Warrants exercised			**239,778**		797,488
Options exercised			**12,600**		19,000
			252,378		13,468,224
Effect of exchange rate changes on cash and cash equivalents			**59**		(11,706)
Change in cash and cash equivalents for the period		**$**	**(2,924,676)**	$	11,807,830
Cash and cash equivalents, beginning of the period		**$**	**11,765,345**	$	2,572,178
Cash and cash equivalents, end of the period		**$**	**8,840,669**	$	14,380,008

Supplemental Information:				
Non-cash investing and financing activities:				
Fair value transfer of options and warrants exercised	$	**19,595**	$	14,692
Change in mineral property costs included in accounts payable	**$**	**(542,016)**	$	(141,297)

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

Kodiak Copper Corp. ("Kodiak" or 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 realized income of $51,307 during the three months ended December 31, 2021 and, as of that date, the accumulated deficit was $55,198,698. 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.

The novel coronavirus ("COVID-19") has caused many countries to implement measures to reduce the spread of the virus. On March 18, 2020, the Province of B.C. issued a provincial state of emergency decree that limited activities within the province, and required most people to work from their homes. The effect and duration of COVID-19 and government responses to it are unknown. Consequently, management anticipates, but cannot predict the effect of unknown adverse changes to its future business plans, financial position, cash flows, and results of operations.

Statement of Compliance

These condensed interim consolidated financial statements for the three months ended December 31, 2021 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 December 31, 2021. 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 three months ended December 31, 2021(including comparatives) have been prepared by management, reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on February 24, 2022.

(Unaudited - Expressed in Canadian Dollars)

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 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.

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, 2021 and 2020.

4. RECLAMATION BONDS

		December 31, 2021		September 30, 2021
MPD	$	97,500	$	97,500
Mohave		47,251		47,486
Kahuna		40,000		40,000
	$	184,751	$	184,986

The MPD portion of the reclamation bonds is a $50,000 security deposit paid to the Ministry of Energy, Mines and Low Carbon Innovation of British Columbia. The security deposit was paid as a part of the permit application. In January of 2021 the security deposit was increased by an additional $47,500.

The Mohave portion of the reclamation bonds is a cost estimate to be paid by the Company to the Bureau of Land Management Kingman Field Office in the state of Arizona, USA. This cost estimate of (US$37,270 -$47,251 - 2021), (US$37,270 - $47,452 – 2020) is for the Company to meet its anticipated reclamation requirements.

The reclamation Letter of Credit relates to the Kahuna resource property, in the territory of Nunavut, and is recorded in reclamation bonds. A $40,000 "Letter of Credit" was arranged with BMO on August 29, 2017 and amended on October 4, 2017. 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 and authorizes surface exploration activities on Inuit Owned Land parcel CI-15. The Letter of Credit is a certificate which is extended automatically from year to year, and available to the Kivalliq Inuit Association upon written demand.

(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

Summary of the mineral projects' costs by project for the three months ended December 31, 2021:

	Notes	Trapper (BC, Canada)	Kahuna (NU, Canada)	MPD (BC, Canada)	Mohave (AZ, USA)	Total
Acquisition costs:						
Beg balance, September 30, 2021		$ -	$ -	$ 1,967,720	$ 214,078	$ 2,181,798
Additions /(deductions) during the period:						
Claim fees		-	-	1,005	-	1,005
Impairment of acquisition costs		-	-			-
Acquisition costs, December 31, 2021		**$ -**	**$ -**	**$ 1,968,725**	**$ 214,078**	**$ 2,182,803**
Exploration costs:						
Beg balance, September 30, 2021		$ -	$ -	$ 7,798,256	$ 66,566	$ 7,864,822
Additions /(deductions) during the period:						
Geological staff & consulting	*7*	-	3,368	592,981	1,198	597,547
Drilling & support		-	-	827,356	-	827,356
Aircraft charter		-	1,467	-	-	1,467
Assays		-	-	155,513	-	155,513
Exploration support		-	4,000	133,111	6,270	143,381
Fuel		-	-	6,033	-	6,033
Travel		-	-	115,953	-	115,953
Foreign exchange movements		-	-	-	(600)	(600)
Impairment of exploration costs		-	(8,835)	-	-	(8,835)
Exploration costs, December 31, 2021		**$ -**	**$ -**	**$ 9,629,203**	**$ 73,434**	**$ 9,702,637**
Balance, December 31, 2021		**$ -**	**$ -**	**$ 11,597,928**	**$ 287,512**	**$ 11,885,440**

(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Summary of the mineral projects' costs by project for the year ended September 30, 2021:

	Trapper (BC, Canada)	Kahuna (NU, Canada)	MPD (BC, Canada)	Mohave (AZ, USA)	Total
Acquisition costs:					
Balance, September 30, 2020	$ -	$ -	$ 390,574	$ 186,700	$ 577,274
Additions during the year					
Claim fees	-	-	146	27,378	27,524
Axe property acquisition (shares)	-	-	1,577,000	-	1,577,000
Balance, September 30, 2021	**$ -**	**$ -**	**$ 1,967,720**	**$ 214,078**	**$ 2,181,798**
Exploration costs:					
Balance, September 30, 2020	$ -	$ -	$ 2,243,182	$ 60,126	$ 2,303,308
Additions /(deductions) during the year:					
Geological staff & consulting	432	17,241	1,843,161	8,922	1,869,756
Drilling & support	-	-	2,612,883	-	2,612,883
Assays	-	-	275,461	-	275,461
Exploration support	-	4,100	492,576	1,565	498,241
Fuel	-	8,000	10,005	-	18,005
Travel	-	-	320,988	-	320,988
Foreign exchange movements	-	-	-	(4,047)	(4,047)
Impairment of exploration costs	(432)	(29,341)	-	-	(29,773)
Exploration costs, September 30, 2021	**$ -**	**$ -**	**$ 7,798,256**	**$ 66,566**	**$ 7,864,822**
Balance, September 30, 2021	**$ -**	**$ -**	**$ 9,765,976**	**$ 280,644**	**$ 10,046,620**

a. Man, Prime and Dillard Property (MPD)

On November 29, 2018, the Company entered into a purchase agreement to acquire 100% ownership of the Man, Prime and Dillard properties, the "MPD Project" in south-central British Columbia.

The Company paid $100,000 in cash and issued 360,000 shares with a fair value of $162,000. A further $100,000 was paid in March 2019. The agreement is subject to a 1.25% to 2% net smelter return royalty, which is payable on three mineral claims.

A mineral exploration permit was obtained for the MPD property. In connection with the permit a refundable $50,000 security deposit was posted with the British Columbia Minister of Finance. An additional $47,500 was posted in January 2021 (see Note 4).

As part of the MPD permit, the Company agreed to assume the clean up obligation of a previous operator, as well as its own obligations related to current exploration. As a result, the amount of $100,000 has been recorded in Exploration and Evaluation assets, Geological consulting, and the liability is recorded in Accounts Payable and Accrued Liabilities.

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.

(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

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

- 950,000 Kodiak shares upon closing of the transaction; (issued – Note 8)
- 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;
- 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;
- 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 of the September 30, 2021 year end financial statements).

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.

The breakdown of the transaction is below:

Assets acquired:		
Acquisition costs	$	115,158
Exploration and evaluation assets		34,842
	$	150,000

Consideration:		
Cash	$	50,000
Shares issued and measured at issuance date		100,000
	$	150,000

(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

c. Trapper Property

By agreement dated November 29, 2010 the Company entered into an option agreement (the "Option"), with Constantine Metal Resources Ltd. ("CMR") to acquire a 70% interest in CMR's Trapper Gold Project in British Columbia, Canada. On June 28, 2013, the Option was terminated and, upon termination, CMR assigned its underlying agreement with the property owner for the Trapper property to the Company, resulting in the Company owning 100% of the property.

CMR has retained the right to participate in any future financing of the Company of up to 5% of the proposed issuance of shares, provided CMR has ownership of at least 5% of the outstanding issued shares of Kodiak (formerly Dunnedin) at the time of financing.

The project is subject to a 2.5% net smelter return royalty ("NSR") to the property vendor and a 0.5% NSR to CMR. The Company has the option to purchase 1% of the NSR from the property vendor for $500,000 and, if it exercises this option, CMR has a right to acquire an additional 0.5% NSR against payment of $250,000.

During the year ended September 30, 2020, the Company entered into an agreement with Brixton Metals Corporation ("Brixton") to dispose of its 100% interest in the Trapper property for net consideration of $918,119, to be satisfied by an initial payment of $100,000 in cash and 2,324,393 Brixton shares. The shares were recorded at the closing price of $0.365 per share on the date of receipt of the shares (September 8, 2020). Subsequent to year end, the Company released the $30,284 Trapper bond to Brixton. See table below for a summary of the transaction.

Trapper Property Sale	
Cash	$ 100,000
Fair value of Brixton shares on Sept 8	848,403
Less: reclamation bond	(30,284)
Net consideration received	918,119
Carrying value of Trapper Property	-
Gain on Sale of Trapper Property	$ 918,119

The common shares received are subject to a four month hold period pursuant to applicable securities laws. The transaction was approved by the TSX-Venture Exchange. The right of Company to acquire the NSR as described in Note 5c, has been released and discharged pursuant to an agreement dated August 19, 2020. At December 31, 2021, the Company held 1,124,393 Brixton shares and the price was $0.195, resulting in a fair value adjustment on the Brixton marketable securities of $73,086 recorded to other comprehensive income (loss).

(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

d. Kahuna Property

By agreements dated November 4, 2014 and April 30, 2017, the Company acquired a 100% interest in the 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 through a laboratory controlled by the former advisor. Kel-ex has continued to maintain its interest as per the agreement.

During the quarter ended December 31, 2021, the Company has decided to write-down the value of the project to $Nil because the Company has no budgeted or planned exploration and has decided to leave the property on care and maintenance.

The Kahuna property is subject to an Annual Assessment Expenditure Commitment on active claims. The 2021 commitment was $3,000.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable include primarily amounts owing for Company's exploration programs, and general corporate expenditures.

The Company is disputing $287,154 of accounts payable that arose in 2011 and the Company believes these amounts will be settled without payment. This disputed amount is included in the 2022 Q1 and 2021 year end balance.

7. RELATED PARTY TRANSACTIONS

The Company's transactions with related parties during the three months ended December 31, 2021 and 2020 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:

		Three Months ended December 31, 2021		Three Months ended December 31, 2020
Geological fees capitalized to exploration & evaluation (1)	$	93,660	$	90,663
Management and directors fees (2)		118,077		86,483
Total	$	211,737	$	177,146

(1) Geological fees were paid to the Company's VP Exploration, and the VP Operations.
(2) Management fees includes salaries and compensation to the Company's Chairman, CEO & President, VP Exploration, VP Operations, and the CFO.

7. RELATED PARTY TRANSACTIONS *(continued)*

As at December 31, 2021, $Nil was due to related parties. At December 31, 2020 $63,183 was payable to the Company's VP Exploration, VP Operations, Chairman, 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.

On April 1, 2020 the Company completed a consolidation of its share capital on a 5:1 basis. All share and per share information is shown on a post-consolidated basis retroactively throughout these consolidated financial statements.

b. Share Issuances

Issued during the three months ended December 31, 2021

During the quarter ended December 31, 2021 319,706 shares were issued for warrants exercised. This resulted in total gross proceeds of $239,778. Also during the quarter 18,000 shares were issued for options exercised. This resulted in total gross proceeds of $12,601.

Issued during the year ended September 30, 2021

On October 7, 2020, the Company closed a non-brokered private placement for gross proceeds of $12,677,479. The Company issued 1,027,443 non flow through shares at a price of $1.95, in addition, on February 8, 2021, the Company issued 3,739,316 flow through common shares through a charity flow-through arrangement consisting of 2,786,666 at a price of $2.88 per share and 952,650 at a price of $2.78. $3,382,299 of the proceeds was allocated to flow-through premium. In connection with the closing of the private placement the Company paid total finders' fees of $25,744 of which $6,869 was allocated to offset the flow through premium liability. During the year ended September 30, 2020, the Company had received $273,000 in advance of the issuance of shares for the total financing which was recorded in accounts payable and accrued liabilities. This amount was allocated to share capital during the year ended September 30, 2021.

Teck Resources Limited ("Teck"), who participated in the financing, acquired approximately 9.9% of the issued and outstanding common shares of Kodiak on a non-diluted basis. In connection with the placement, Kodiak has agreed to grant Teck an equity participation right to maintain its pro-rata ownership in the Company.

On April 26, 2021, the Company issued 950,000 common shares with a fair value of $1,577,000 in connection with the Axe-Copper-Gold Property (Note 5a).

During the year ended September 30, 2021, 806,000 stock options were exercised for total gross proceeds of $500,575.

During the year ended September 30, 2021, 3,415,591 warrants were exercised for total gross proceeds of $3,108,675. Of the warrants exercised, 59,448 were broker warrants.

(Unaudited - Expressed in Canadian Dollars)

8. SHARE CAPITAL *(continued)*

c. Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance as at September 30, 2020	5,196,005	$0.81
Exercised	(3,415,591)	$0.91
Expired	(70,002)	$1.19
Balance as at September 30, 2021	1,710,412	$0.59
Exercised	(319,707)	$0.75
Expired	(600)	$0.75
Balance as at December 31, 2021	**1,390,105**	**$0.55**

As at December 31, 2021, 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
03/12/2022	1,390,105	0.19	$0.55
	1,390,105[1]	**0.19**	**$0.55**

[1] All outstanding warrants were exercisable as at December 31, 2021.

d. Stock Options

The Company has adopted an incentive stock option plan (the "Option Plan") dated February 27, 2009 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 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 Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms are determined at the time of grant by the Board of Directors and unless otherwise stated fully vest when granted.

During the three months ended December 31, 2021, 75,000 options were granted. Resulting in share-based compensation of $58,385.

During the year ended September 30, 2021, the Company recognized share-based compensation of $1,427,850.

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

(Unaudited - Expressed in Canadian Dollars)

8. SHARE CAPITAL *(continued)*

	Year Ended September 2021	Three Months Ended December 2021
Expected dividend yield	0%	0%
Weighted average risk-free interest rate	0.24%-1.02%	0.63%-1.13%
Weighted average expected life	1-5 years	1-5 years
Weighted average expected volatility	123%-165%	73%-121%
Weighted average fair value of options granted	$1.07-$1.36	$0.34-$1.00

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

	Number of Options	**Weighted Average Exercise Price**
Balance as at September 30, 2020	2,705,000	$ 0.60
Granted	1,079,000	$ 1.57
Exercised	(806,000)	$ 0.62
Expired	(125,000)	$ 0.65
Balance as at September 30, 2021	2,853,000	$ 0.96
Granted	75,000	$ 1.20
Exercised	(18,000)	$ 0.70
Cancelled	(54,000)	$ 0.70
Expired	(30,000)	$ 2.28
Balance as at December 31, 2021	**2,826,000**[1]	**$ 0.96**

[1] All outstanding options were exercisable as at December 31, 2021.

As at December 31, 2021, 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**
01/18/2022	144,000	0.05	$0.70
10/07/2022	25,000	0.77	$1.20
01/31/2023	402,000	1.08	$1.20
03/04/2024	305,000	2.18	$0.375
03/12/2025	801,000	3.20	$0.35
06/14/2025	50,000	3.45	$0.43
01/20/2026	939,000	4.06	$1.56
03/15/2026	10,000	4.21	$1.57
08/03/2026	100,000	4.59	$1.41
10/07/2026	50,000	4.77	$1.20
	2,826,000	**2.98**	**$0.96**

(Unaudited - 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"). 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 September 30, 2021, is 2,290,768 Common Shares.

The maximum number of Common Shares reserved for issuance to insiders (as a group) at any time under the RSU and DSU Plan, together with any other Common Shares issuable under any security-based compensation arrangements of the Company, may not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis, nor can the number of Common Shares granted within a 12-month period exceed 10%.

There are no RSU's or DSU's outstanding as at December 31, 2021.

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 12, 2020	Issued on October 08, 2020	Total
Balance at September 30, 2020	$ 237,811	$ -	$ 237,811
Liability incurred on flow through shares issued	-	3,382,299	3,382,299
Flow-through issuance costs (Note 8b)	-	(6,869)	(6,869)
Settlement of flow through share liability on incurring expenditures	(237,811)	(1,517,083)	(1,754,894)
Balance at September 30, 2021	$ -	$ 1,858,347	$ 1,858,347

	Issued on March 12, 2020	Issued on October 08, 2020	Total
Balance at September 30, 2021	$ -	$ 1,858,347	$ 1,858,347
Settlement of flow through share liability on incurring expenditures	-	(590,366)	(590,366)
Balance at December 31, 2021	$ -	$ 1,267,981	$ 1,267,981

As at December 31, 2021, the Company has fulfilled 100% of its commitment to incur expenditures in relation to the flow through share financing from, March 2020.

In relation to the flow through share financings and a net flow through premium liability of $590,366 was reversed during the period (2020 - $223,622).

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 is a Level 1 financial instrument.

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 December 31, 2021, the Company had cash and cash equivalents balance of $8,840,669 (September 30, 2021 - $11,765,345), marketable securities balance of $219,257 (September 30, 2021 - $146,171) to settle current liabilities of $1,855,903 that are due within one year (September 30, 2021 - $3,298,983).

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. As at December 31, 2021, the Company had a receivable balance of $95,969 (September 30, 2021 - $127,441), which primarily relates to GST receivable from the Federal Government of Canada. There was $96,271 in Advances and Deposits as at December 31, 2021 (September 30, 2021 - $59,210) 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 December 31, 2021, the Company does not have any interest-bearing loans or liabilities outstanding, apart from the CEBA loan, see Note 11. 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 December 31, 2021, 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.

10. FINANCIAL INSTRUMENTS (continued)

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 December 31, 2021 would result in a change to other comprehensive income(loss) and fair value of marketable securities of $21,926.

11. 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 December 31, 2022, there will be loan forgiveness of 25% or $10,000.

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.

12. 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.

13. RESTATEMENT

The Company has restated the comparative financial information on the statements of financial position as at September 30, 2020 and October 1, 2019 and the comparative financial information on the statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the year ended September 30, 2020. The restatement is a result of the Company erroneously recording a deferred tax liability and deferred tax expense in relation to proceeds received from issuance of flow-through shares in prior years.

(Unaudited - Expressed in Canadian Dollars)

13. RESTATEMENT (continued)

Effects on Statements of Financial Position

	As at September 30, 2020			As at October 1, 2019		
	Previously stated	**Adjustments**	**As Restated**	**Previously stated**	**Adjustments**	**As restated**
Total Assets	**$6,676,201**	**-**	**$6,676,201**	**$11,695,227**		**$11,695,227**
Deferred tax liability	$1,214,040	($1,214,040)	**-**	$567,470	($567,470)	**-**
Total liabilities	**$2,601,752**	**($1,214,040)**	**$1,387,712**	**$1,255,013**	**($567,470)**	**$687,543**
Shareholders' equity:						
Deficit	($54,654,210)	$1,214,040	($53,440,170)	($44,030,655)	$567,470	($43,463,185)
Total shareholders' equity (deficit)	**$4,074,449**	**$1,214,040**	**$5,288,489**	**$10,440,214**	**$567,470**	**$11,007,684**

Effects on Statements of Loss and Comprehensive Loss

	For the year ended September 30, 2020		
	Previously stated	**Adjustments**	**As restated**
Loss before income taxes	**($9,976,985)**	**-**	**($9,976,985)**
Deferred income tax	($646,570)	$646,570	-
Loss for the year	**($10,623,555)**	**$646,570**	**($9,976,985)**
Weighted number of shares outstanding	33,817,723	-	33,817,723
Basic and diluted loss per share	($0.31)	-	($0.30)

Effects on Statements of Cash Flows

	For the year ended September 30, 2020		
	Previously stated	**Adjustments**	**As restated**
Operating activities:			
Loss for the year	($10,623,555)	$646,570	($9,976,985)
Total operating activities	**($1,370,328)**	**-**	**($1,370,328)**
Total investing activities	**($1,765,103)**	**-**	**($1,765,103)**
Total financing activities	**$4,875,747**	**-**	**$4,875,747**

14. SUBSEQUENT EVENTS

On February 03, 2022 the Company granted 1,287,500 stock options to management, directors and consultants of the company, exercisable at $1.35 per share for period of five years. All options vested immediately.

Subsequent to period end, 493,782 warrants and options were exercised for total gross proceeds of $293,180.