

28 November 2016

Kodal Minerals Plc

(‘Kodal’ or ‘the Company’)

Additions to Lithium Portfolio in Southern Mali with Acquisition of Three New Concessions

Kodal Minerals, the mineral exploration and development company focussed on West Africa, is pleased to announce further acquisitions of prospective lithium projects in southern Mali. These acquisitions are in line with Kodal’s strategy to identify value accretive strategic mineral opportunities in West Africa and further advances the Company’s growing exposure to the rapidly developing lithium extraction and development industry.

Highlights

- Kodal to acquire a 90% interest in the 109km² ‘Diendio Project’ in southern Mali (‘Diendio’ or ‘the Project’) consisting of three granted concessions namely the Diendio Sud, Diossyan Sud and Manankoro Nord (see Figure 1).
- Field reconnaissance by Company geologists has highlighted the presence of coarse grained pegmatites containing spodumene (lithium bearing mineral) within the Project area.
- Previous exploration drilling targeting gold mineralisation has intersected pegmatite units up to 31m thick, and field reconnaissance has highlighted extensive surface pegmatite outcrop.
- Field review and reconnaissance mapping of pegmatite occurrences to be undertaken immediately. Geochemical sampling and prioritisation for drill testing will be completed with the aim of drilling as soon as possible.
- Total consideration of US\$65,000 to be paid in two annual staged instalments ending November 2017 with the first payment of US\$30,000 to be paid upon signing.
- Transaction complements the recently acquired Bougouni Lithium Project which has demonstrated high grade lithium mineralisation of up to 2.2% Li₂O.
- Company successfully raised £750,000 in October 2016 to advance lithium projects.

Bernard Aylward, CEO of Kodal Minerals, said: *“This acquisition of the Diendio Project is a direct result of our in-country team identifying the prospective target and our local knowledge allowing a rapid finalisation of the agreement. The low entry cost will allow the Company to focus on maximum expenditure in the ground, and our exploration team will commence initial sampling and mapping immediately.”*

“Kodal continues to expand its lithium exploration portfolio with this acquisition of the Diendio Project (consisting of three concessions for 109km²) complementing the Bougouni Lithium project (consisting of two concessions for 500km²) acquired in August and September this

year. These two exciting projects are located in southern Mali, a rapidly advancing region for the identification and delineation of high grade lithium mineralisation associated with pegmatite intrusions.”

“We have an active exploration programme in progress, with a focus on these exciting lithium opportunities with our geologists currently mapping and sampling the identified high grade lithium pegmatite veins at our Bougouni Lithium Project, prior to our first phase drilling commencing. We are excited about these projects and anticipate further newsflow to our shareholders as our exploration work progresses.”

Further Information

Terms of the Acquisition

Kodal, through its wholly owned subsidiary Future Minerals Limited (‘Future Minerals’), has agreed to acquire up to a 90% interest in the Diendio Project from Minefinders Mali SARL (‘Minefinders’), which has a 100% beneficial interest in Diendio Sud, Diossyan Sud and Manankoro Nord concessions (‘the Agreement’). Minefinders is a local Mali company with interests in mining concessions and related businesses in-country. Under the terms of the Agreement, Minefinders has agreed to grant Future Minerals exclusive access to the Project and rights to explore and mine the Project (which includes any mining permits or licences granted in respect of the Project). As consideration for the Agreement, Future Minerals has committed to making the following payments (“access payments”) to Minefinders:

- US\$30,000 upon signing the Agreement;
- US\$35,000 on the first anniversary of signing the Agreement.

In addition, Future Minerals is responsible for costs associated with the renewal of the three concessions.

Concession	Holder	Area km ²	Annual Taxes (approx.)	Renewal fees (approx.)	Comment
Diendio Sud	Minefinders Mali SARL	24	£65	£6,500	Granted by arête N°2013-1746/MM-SG on April 30th 2013 for 3 years* (Renewable twice for a period of 2 years each)
Diossyan Sud	Minefinders Mali SARL	60	£155	£6,500	Granted by arête N°2013-1760/MM-SG on May 2nd 2013 for 3 years* (Renewable twice for a period of 2 years each)
Manankoro Nord	Minefinders Mali SARL	25	£65	£6,500	Convention signed on January 21st 2013 (Upon grant of arête, valid for 3 years and renewable twice for a period of 2 years each).

*Note: The Diendio Sud and Diossyan Sud concessions have passed the limit of their first 3 year terms and need to be renewed. The Company will apply for renewals immediately and is confident that they will be granted. The Manankoro Nord concession is a granted concession, however Minefinders have not had the arête issued. Upon payment of initial tax, an arête will be granted, and the licence will have full term from the date of issue. The Company will apply for the arête immediately and is confident that it will be issued.

Kodal has confirmed the concessions are currently in good standing, with all quarterly reports filed and in full compliance with Government requirements. The renewals of Diendio Sud and Diossyan Sud are expected to be issued in accordance with normal Government procedures following the payment of the renewal fee, and the arête for Manankoro Nord is expected to be issued following payment of the taxes.

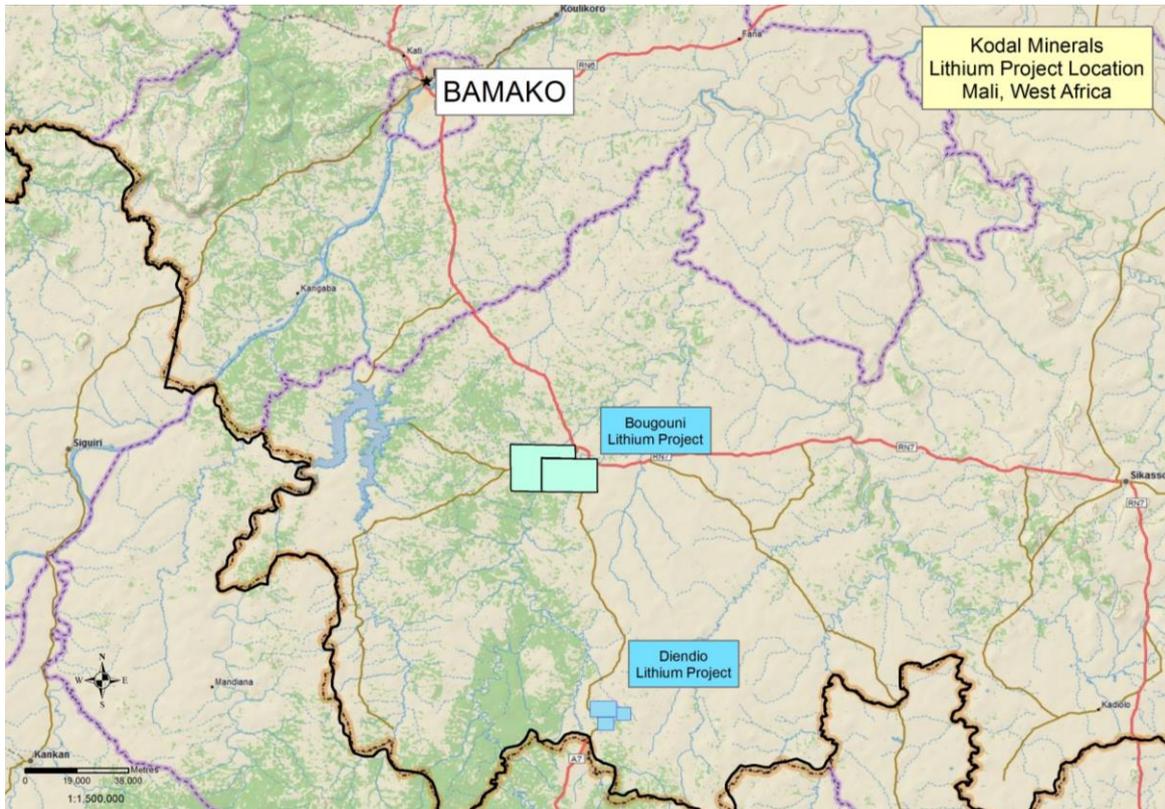
Upon completion of the acquisition and access payments to Minefinders, Future Minerals will be the beneficial owner of 90% of the Diendio Project, with Minefinders holding 10% and with the right to continue in the Project as a free carried partner until completion of a feasibility study.

Upon the granting of a mining licence and incorporation of a new special purpose mining company for the Project, Future Minerals will hold 72%, Minefinders 8% and the State of Mali 20%. Minefinders retains the option of choosing between its 8% holding in the mining company and a 3% net smelter royalty. If Minefinders chooses to retain 8% in the new mining entity, it will contribute to the equity funding pro-rata to its shareholding.

The Diendio Project

The 109km² Diendio Project is located approximately 230km south of Bamako, the capital of Mali. Access to the Project is by sealed road from Bamako, then good access throughout the concession area by local road and track.

The Diendio Project is located in the Bougouni-Sikasso region, and regional studies completed by CSA Global in 2008 have identified high-grade lithium bearing pegmatites within the Bougouni-Sikasso region. The study was commissioned and funded by World Bank as part of the SYSMIN Economic development programme. Regional geochemical sampling completed by the Mali Government has also identified lithium anomalies within the Bougouni-Sikasso region, and Kodal geologists have identified coarse grained pegmatite units with evidence of spodumene mineralisation (lithium bearing mineral) within the Diendio Project that have not previously been explored.



Previous exploration within the Diendio Project has included surface geochemical sampling, regional scale geophysical surveying and exploration drilling targeting gold mineralisation. Pegmatite occurrences were identified during field mapping, and exploration drilling has intersected pegmatites; however the focus was on gold mineralisation and the pegmatite units were not sampled for lithium mineralisation. The Diendio Project is yet to benefit from systematic reconnaissance exploration or drilling targeting lithium pegmatites.

The Company will undertake detailed reconnaissance mapping to follow up known pegmatites and identify undiscovered pegmatite outcrops within the Project. The exploration will be undertaken in conjunction with the active programme that has commenced at the Bougouni Lithium Project where the Company is currently working.

****ENDS****

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