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**2 February 2017**

**Kodal Minerals plc  
(‘Kodal’ or ‘the Company’)**

**First Drilling Assays at Bougouni Lithium Project**

Kodal Minerals plc, the mineral exploration and development company focussed on West Africa, is pleased to announce the receipt of the first assay batches for the reverse circulation (“RC”) drilling programme at the Bougouni lithium project, Southern Mali.

**Highlights**

- First drill hole at the Ngoualana prospect has returned **21m at 1.7% Li<sub>2</sub>O from 62m** depth, including a high grade core of **12m at 1.81% Li<sub>2</sub>O from 69m**
- A further seven drill holes from Ngoualana are awaiting assay results, with drilling continuing to intersect a wide (up to 30m down hole) main pegmatite vein and multiple subsidiary and parallel veins
  - A strike length of over 250m has been intersected in drilling and remains open along strike
- Drilling at the Sogola prospect has confirmed high grade, near surface mineralisation and intersections include **3m at 1.92% Li<sub>2</sub>O** from surface, including a maximum value of **2.94% Li<sub>2</sub>O**
- Results indicate that at Sogola the pegmatite has split into several narrow veins that remain open at depth and along strike
- Drilling at the Kola prospect has confirmed the pegmatite veins and returned high grade assays up to **2m at 1.94% Li<sub>2</sub>O**
- Kola is a narrow, continuous pegmatite unit that remains open at depth and along strike
  - Coarse spodumene has been noted in drilling and this closely relates to the assay results - assay results are pending for the additional two Kola drill holes

**Bernard Aylward, CEO of Kodal Minerals, said:** *“This first drilling intersection from Ngoualana is highly encouraging, with wide, high grade mineralisation intersected in drilling confirming our surface observations. We are eagerly awaiting the final assay results as our drilling continued to intersect a wide, coarse grained pegmatite body with high spodumene content. The Ngoualana prospect remains open along strike and at depth, and we will be returning to drill this prospect as soon as possible.*

*“Kodal’s strategy is to build a major project within our Bougouni licence area that will be amenable to mining extracting from multiple sources. The initial drilling at Sogola and Kola has confirmed the high grade lithium mineralisation, however the pegmatite bodies are narrow and exploration will continue to assess these prospects as potential support for development of a significant zone at Ngoualana.*

*“We have a busy exploration programme planned for the months ahead, with a focus on our lithium projects at Bougouni and Diendio. We expect to commence a follow up drilling programme in February 2017 and to advance the priority targets with the aim of establishing a maiden resource as soon as possible.”*

## **Further Information**

### **Lithium**

The pegmatite veins intersected by drilling at the Bougouni lithium project are spodumene rich (20 – 30% spodumene content) low mica pegmatite bodies with spodumene being the main lithium bearing mineral in most hard rock lithium deposits. The high grade lithium mineralisation returned in the assays compares favourably with other hard rock spodumene mineralised pegmatite veins under development around the world where grades range from 1.1% Li<sub>2</sub>O through to 1.4% Li<sub>2</sub>O. The intersections reported in this announcement have been estimated using a 1.0% Li<sub>2</sub>O lower-cut, and have consistently high mineralisation throughout the pegmatite bodies.

An initial review of the development process for the Bougouni lithium pegmatite bodies was completed as part of the World Bank sponsored SYSMIN study completed by CSA Global in 2008. This report indicated that a process of mine site crushing, screening and dense media separation techniques was able to produce a good quality spodumene concentrate, with grade over 6% Li<sub>2</sub>O. Chemical grade spodumene concentrate (typically containing 6% Li<sub>2</sub>O) is sold for use in battery manufacturing and other industrial applications. Recent lithium concentrate (grade 6%) prices are approximately US\$600/t.

### **RC Programme Information**

Samples were analysed by ALS Global (“ALS”), with sample receipt at ALS Bamako Mali, sample preparation at ALS Ouagoudougou, Burkina Faso, with final analysis completed at ALS Vancouver, Canada. Sample analysis was completed with a four acid digest and final detection by ICP-AES method.

A total of 328 samples have been received to date, with a further 400 samples pending. The maximum assay value returned is 2.92% Li<sub>2</sub>O and is associated with a coarse grained, spodumene rich pegmatite unit. A total of 54 samples (16% of samples received) returned assay values greater than 1% Li<sub>2</sub>O, and all pegmatites intersected in the drilling were mineralised.

## RC Drilling Programme

The first pass RC drilling programme targeting the Sogola, Ngoualana and Kola pegmatite veins at Bougouni was completed in mid-December 2016. The programme consisted of 18 drill holes for 1,323m completed (6 holes for 415m at Sogola, 8 holes for 712m at Ngoualana and 4 holes for 196m at Kola) with all geological logging and sampling completed. The assay results received to date are for the Sogola prospect, one drill hole of the Ngoualana prospect and two holes for the Kola prospect.

Geological review of the drilling programme indicates that the Ngoualana vein has been confirmed for over 250m strike length and remains open along strike and at depth. Drilling intersected a wide main vein (up to 20m downhole width) with multiple parallel and subsidiary pegmatite veins. Logging of the drill holes indicated coarse spodumene minerals within the pegmatite, confirming the surface outcrop. The Ngoualana vein is hosted in a sequence of metasedimentary rocks.

At the Sogola prospect, drilling intersected a series of pegmatite veins of variable width (>8m) and strike length exceeding 300m. The prospect remains open along strike and at depth, with coarse spodumene again identified in the drill chips. The Sogola vein is hosted in a granodiorite unit.

At the Kola prospect, the drilling intersected a strike extensive pegmatite vein that was continuous from surface to depth, and has a strike length exceeding 400m. The prospect remains open along strike and at depth, however the vein is narrow where currently explored.

A summary of the drill intersections received to date is tabled below:

| Prospect  | Hole Id | Northing | Easting | Hole Depth<br>m | From<br>m | To<br>m | Thickness<br>m | Li <sub>2</sub> O<br>% |
|-----------|---------|----------|---------|-----------------|-----------|---------|----------------|------------------------|
| Ngoualana | KLRC001 | 664270   | 1255407 | 132             | 15.00     | 22.00   | 7.00           | 1.41                   |
|           |         |          |         |                 | 62.00     | 83.00   | 21.00          | 1.70                   |
|           |         |          |         | <i>includes</i> | 69.00     | 81.00   | 12.00          | 1.81                   |
|           |         |          |         |                 | 113.00    | 114.00  | 1.00           | 1.24                   |
| Kola      | KLRC010 | 667048   | 1256824 | 40              | 25.00     | 27.00   | 2.00           | 1.94                   |

|        |         |        |         |                        |                         |                         |                     |                     |
|--------|---------|--------|---------|------------------------|-------------------------|-------------------------|---------------------|---------------------|
| Sogola | MDRC001 | 652856 | 1254120 | 20<br><i>includes</i>  | 0.00<br><i>0.00</i>     | 3.00<br><i>1.00</i>     | 3.00<br><i>1.00</i> | 1.92<br><i>2.92</i> |
| Sogola | MDRC002 | 652856 | 1254120 | 21                     | 0.00                    | 4.00                    | 4.00                | 1.51                |
| Sogola | MDRC003 | 652777 | 1254125 | 92                     | 1.00<br>54.00           | 7.00<br>56.00           | 6.00<br>2.00        | 1.23<br>1.71        |
| Sogola | MDRC004 | 652777 | 1254175 | 96                     | 8.00<br>29.00           | 9.00<br>30.00           | 1.00<br>1.00        | 1.22<br>1.77        |
| Sogola | MDRC005 | 652886 | 1254200 | 120<br><i>includes</i> | 101.00<br><i>102.00</i> | 105.00<br><i>104.00</i> | 4.00<br><i>2.00</i> | 1.41<br><i>2.01</i> |

Notes: All drill holes are reverse circulation drilling. Drill holes have been sampled on 1 metre and 3 metre composite basis with samples collected via riffle splitter. Samples analysed by ALS Global. Assay results are reported as Li% and converted to Li<sub>2</sub>O% by a factor of 2.153. Drill hole collars surveyed by hand-held GPS, coordinate system WGS84 – Zone 29N. Sample intervals are downhole thickness.

### ***Bougouni Project***

Bougouni consists of two concessions, Kolassokoro and Madina, which cover a contiguous area of 500km<sup>2</sup>. Kodal has recently entered into Option to Purchase and Access agreements that grant Kodal exclusive rights to explore and develop any identified mineralisation within the project area. Details of the agreements were announced in August and September 2016.

The project area is located approximately 180km south of Bamako, the capital of Mali, with excellent access to the project via sealed road from Bamako. The project area is located close to grid power, has access to good water supply and for future development will be able to link to a road-rail-port network from Mali to the Cote d'Ivoire port at Abidjan.

The exploration results and activity reported in this announcement have been reviewed by Mr Bernard Aylward who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Aylward has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Qualified Person as defined in the AIM Note for Mining and Oil & Gas Companies dated June 2009. Mr Aylward consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

**\*\*ENDS\*\***

**For further information, please visit [www.kodalminerals.com](http://www.kodalminerals.com) or contact the following:**

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