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Kodal Minerals Plc / Index: AIM / Epic: KOD / Sector: Mining

3 October 2016

Kodal Minerals Plc

("Kodal" or the "Company")

Issue of equity

Kodal, the mineral exploration and development company with interests in West Africa, is pleased to announce that the Company has raised a total of £750,000, before expenses, through a placing of 720,000,000 new ordinary shares of 0.03125 pence each ("Placing Shares") at a price of 0.1 pence per share (the "Placing") and a subscription for 30,000,000 new ordinary shares of 0.03125 pence each ("Subscription Shares") at a price of 0.1 pence per share (the "Subscription") with a range of new and existing investors.

The net proceeds of the Placing and Subscription will be used to launch an exploration programme at the Company's recently acquired 500km² Bougouni Lithium Project in Mali, in addition to funding working capital requirements. Results from geological reconnaissance conducted on the Kolassokoro and Madina concessions, which together form the Bougouni Lithium Project, has highlighted the existence of multiple pegmatite veins with high-grade lithium mineralisation of up to 2.2% Li₂O. Kodal has planned a staged programme of exploration aimed at rapidly advancing the project towards JORC compliant status in the near term. This work programme will consist of geological mapping and sampling of priority targets followed by an initial drilling programme and metallurgical testwork. A second phase of drilling is then anticipated which will be used in geological modelling for detailed assessment and the declaration of a preliminary JORC Mineral Resource Estimate.

In addition, the Company has issued a total of 21,400,000 new ordinary shares of 0.03125 pence each at a price of 0.1 pence per share ("Fee Shares") to certain of its advisers and consultants in accordance with its contractual arrangements.

Application will be made to the London Stock Exchange for the Placing Shares, the Subscription Shares and the Fee Shares (together the "New Ordinary Shares") to be admitted to trading on AIM ("Admission"). It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence on or around 7 October 2016.

The New Ordinary Shares will represent approximately 17 per cent. of the Company's issued share capital as enlarged by the issue of the New Ordinary Shares.

Bernard Aylward, CEO of Kodal Minerals, said: *"The strong support we have received from new and existing investors as part of this fundraising is a reflection of our highly prospective and diverse exploration portfolio. The recently acquired Bougouni Lithium Project will be a focus of our current field exploration programme, with this key area already demonstrating multiple areas of high-grade lithium mineralisation. This cash injection will enable Kodal to rapidly advance exploration on site as we target resource definition in the near-term. Work is anticipated to commence immediately, and we expect to receive a regular stream of news and results as activities on site accelerate over the coming months.*

"Kodal's strategy of identifying and acquiring early stage exploration projects is continuing to deliver results for our shareholders. Kodal's gold exploration projects, combined with the new lithium exploration projects, exposes the Company to important mineral sectors that are expected to continue to grow and reward successful exploration. Kodal recognises the increasing demand for and usage of lithium, and anticipates that this will make lithium an increasingly valuable commodity. We aim to become an emerging developer of quality lithium assets and today's fundraising is an important step in this direction."

Total Voting Rights

Following the issue of the New Ordinary Shares and with effect from Admission, the Company's issued share capital will consist of 4,546,254,849 Ordinary Shares, with one voting right per share. The Company does not hold any ordinary shares in treasury. Therefore, the total number of Ordinary Shares and voting rights in the Company will be 4,546,254,849. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company.

****ENDS****

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