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Kodal Minerals plc ('Kodal Minerals' or 'the Company')

High-Grade Lithium Mineralisation at Bougouni Project Confirmed by Assay Results

Kodal Minerals plc, the mineral exploration and development company focussed on West Africa, is pleased to announce that initial assay results have been returned from the exploration drilling programme currently underway at the Company's Bougouni Lithium Project in Southern Mali ("Bougouni" or the "Project"). The initial results are from the first-pass drilling at new prospects "Sogola-Baoule" and "Boumou" and confirm high-grade lithium mineralisation within the pegmatite intersections.

Kodal Minerals is also pleased to advise that the potential further investment into the Company of up to £4.3 million by Suay Chin International Pte Ltd ("Suay Chin"), details of which were announced on 10 March 2017, is progressing well. Suay Chin has informed the Company that it has satisfactorily completed its due diligence procedures and the parties are now negotiating the final terms of the investment agreements. Completion of the investment is subject, inter alia, to finalisation of the definitive agreements and further updates will be provided as soon as possible.

Highlights

- Initial assay results have confirmed lithium mineralisation at two new prospects.
- **Sogola-Baoule** prospect: results received for four of the five drill holes with significant mineralisation including:
 - 9m at 1.84% Li₂O from 186m;
 - 11m at 1.65% Li₂O from 131m; and
 - 8m at 1.53%Li₂O from 117m.
- **Boumou** prospect: results received for one of the six drill holes with significant mineralisation including:
 - 10m at 1.61% Li₂O from 50m; and
 - 6m at 1.45% Li₂O from 106m.
- Infill and extension drilling nearing completion at the **Ngouanala** prospect to target extensions to the high-grade lithium mineralisation following intersections of up to 1.85% Li₂O in first phase drilling.
- The Company is extending the drill programme and will move back to the **Sogola-Baoule** prospect to begin immediate follow-up of the initial results reported above.

Bernard Aylward, CEO of Kodal Minerals, said: *“These initial drilling results from the Boumou and Sogola-Baoule prospects are very exciting as they demonstrate the potential to define additional zones of high grade mineralisation which will complement the excellent grades and width of mineralisation previously intersected at the Ngoualana prospect. We are now starting to identify the key areas for follow-up and definition drilling that will underpin the future development of the Bougouni Lithium project. We are expecting to continue drilling for an extended period.*

“Meanwhile, the current phase of drilling at the Ngouanala prospect is nearing completion with significant strike extensions confirmed and depth potential highlighted. Samples have been dispatched to the laboratory at regular intervals. As previously stated, the drilling at Ngouanala was planned to provide sufficient data to confirm mineralisation and define strike and depth extensions as well as highlight areas of high-grade mineralisation for future drill definition.

“Finally, we are progressing the investment agreement with our new strategic investor and off-take partner, Suay Chin, which could result in Suay Chin increasing its holding in the Company to 20%. The completion of the second stage placement will provide the Company with sufficient finance to expand the exploration and definition work at Bougouni and rapidly advance the Project.”

Further Information

Bougouni Lithium Project – Initial drilling results Drilling Update

Drilling results have been received for the Sogola-Baoule prospect, with four of the five drill holes returned, and for the Boumou prospect with one of the six drill holes returned. Intersections are tabled below, with intersections calculated using a 1% Li₂O lower cut-off, maximum 2m internal dilution and only reporting intersections of greater than 5m width.

A summary of the drilling completed and intersections received is:

- Sogola-Boule: Five drill holes for 864 metres completed with pegmatite intersections up to 25 metres. The significant lithium mineralisation is clearly associated with zones of spodumene rich pegmatite intercalated with metasediment zones. The drilling is returning multiple pegmatite veins, and preliminary review is indicating continuity along strike of good width and grade pegmatites. The prospect remains open along strike and at depth, and follow-up drilling is due to commence immediately.
- Boumou: Six drill holes for 842 metres completed with pegmatite intersections up to 28 metres. Drilling has indicated that the Boumou area is heavily weathered, with depth of weathering exceeding 50m. The geological logging is able to clearly identify the rock units, however the weathering process may impact on the grade of lithium returned as the minerals are destroyed and elements released. The significant intersections in drill hole KLRC013 demonstrate good width and grade of lithium mineralisation, as well as multiple other pegmatite veins within the drill hole. The

prospect remains open along strike and at depth, and geological mapping of the area continues to reveal further zones of significant pegmatite intrusion that will require first-pass drill testing. The Boumou prospect is defined over a significant area, and the amount of pegmatite veins is an indication of the high prospectivity of this area.

Initial intersections returned for the drilling at the Boumou and Sogola-Baoule prospects are tabled below:

Prospect	Hole Id	Northing	Easting	Hole Depth M	From m	To m	Thickness m	Li ₂ O %
Boumou	KLRC013	655325.7	1255643	140	50.00	60.00	10.00	1.61
					67.00	72.00	5.00	1.13
					79.00	84.00	5.00	1.03
					106.00	112.00	6.00	1.45
Baoule	MDRC007	652754.2	1253264	186.00	56.00	62.00	6.00	1.39
					98.00	108.00	10.00	1.39
					156.00	165.00	9.00	1.84
Baoule	MDRC008	652777	1253261	168.00	70.00	79.00	9.00	1.47
					131.00	142.00	11.00	1.65
Baoule	MDRC009	652806.2	1253270	168.00	28.00	39.00	11.00	1.13
					66.00	72.00	6.00	1.25
					117.00	125.00	8.00	1.53

Notes: Drill holes are reverse circulation drill holes completed by specialist contractor Geodrill Limited. Drill holes have been sampled on a 1m basis, with samples collected via a cyclone and riffle splitter. Drill hole collars are surveyed using a hand-held GPS with sub1-metre accuracy, coordinate system WGS84 – Zone 29N, and all holes are survey down-hole for dip and azimuth on approximately 30m intervals. All drill holes are geologically logged, and sampling for analysis is based on geological boundaries. 1m samples of pegmatite rock have been collected via riffle splitter, and 3 metre composite samples of metasediment host rock. Samples analysed by ALS Global. Assay results are reported as Li% and converted to Li₂O% by a factor of 2.153. Intersections are reported using a 1%Li₂O lower-cut-off, and allowing for a maximum of 2m internal dilution.

A total of 399 samples have been received to date with an assay range varying from a minimum of below detection limit (0.005% Li) to a maximum result of 2.25% Li₂O. Samples are reported as Li% and converted to Li₂O% by multiplication of a factor of 2.153.

Samples were analysed by ALS Laboratories, with sample receipt and preparation at ALS Bamako Mali with final analysis completed at ALS Vancouver, Canada. Samples analysis was completed with a four acid digest and final detection by ICP-AES method.

Lithium

The pegmatite veins intersected by drilling at Bougouni 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% Li₂O

through to 1.4% Li₂O. The intersections reported in this announcement have been estimated using a 1.0% Li₂O 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% Li₂O. Chemical grade spodumene concentrate (typically containing 6% Li₂O) is sold for use in battery manufacturing and other industrial applications. Recent lithium concentrate (grade 6%) prices are approximately US\$600/t.

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****

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