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

**Wide High Grade Trench Intersections and Rock-Chips from Bougouni Lithium Project**

Kodal Minerals plc, the mineral exploration and development company focussed on West Africa, is pleased to announce the results of the recently completed trenching campaign and update on high-grade rock chip samples returned from the on-going exploration programme at the Bougouni Lithium Project (“Bougouni” or the “Project”) in Southern Mali.

In addition, the Company announces the commencement of reverse circulation (“RC”) drilling at the Project with drilling planned to target extensions to the excellent results returned previously from the Ngoualana prospect as well as complete reconnaissance testing of these new priority targets.

**Highlights**

- High grade intersections include:
  - 27m at 1.38% Li<sub>2</sub>O in trench MDTR005 at the Sogola-Baoule prospect
  - 10m at 1.67% Li<sub>2</sub>O in trench MDTR002 at the Filon B prospect
  - 6m at 1.61% Li<sub>2</sub>O in trench KLTR007 at the Orchard prospect
- Sogola-Baoule prospect outlines an extensive outcropping spodumene rich pegmatite vein with a current strike length exceeding 200m
- The trenching programme consisted of 14 trenches for 862m. Five trenches were not sampled due to extreme weathering.
- High-grade rock chips up to 2.52% Li<sub>2</sub>O returned from pegmatite samples at the newly defined Boumou prospect and trenching confirms extensions of pegmatite, however highly weathered rock was not sampled.
- RC drilling has commenced at the Sogola-Baoule prospect to outline the extent of high-grade mineralisation
- RC drilling will then target the Ngoualana prospect where previous drilling confirmed wide, high grade mineralisation up to 28m at 1.84% Li<sub>2</sub>O – drilling will then target strike extensions, test depth continuity and define the high grade mineralised zones

**Bernard Aylward, CEO of Kodal Minerals, said:** *“We have achieved consistently positive results from trenching and rock-chip sampling at our Bougouni Lithium Project, further highlighting the significant prospectivity of this asset. Drilling has now commenced at the high-grade Sogola-Baoule prospect and, once completed, as part of our accelerated development schedule, drilling will commence immediately thereafter at the priority*

*Ngoualana prospect. This on-going exploration programme is designed to support our strategy of developing a mining hub at Bougouni based on multiple high-grade lithium pegmatite veins within the Project area.*

*“The recent investment by Singapore based Suay Chin International Pte Ltd, as announced on 10 March 2017, underscores the potential of the Project, and the due diligence review has commenced to support completion of the Stage 2 placement of up to £4.3 million. We continue to work closely with Suay Chin to ensure that the review is completed satisfactorily in the short timeframe allowed. We expect to maintain a very busy exploration campaign with drilling and metallurgical test work.”*

## **Further Information**

### **Trenching**

The trenching programme is designed to target the high grade pegmatite veins under the cover and assist in the prioritisation of additional targets for drill testing. This trenching programme has successfully identified high-priority prospects at Sogola-Baoule, Orchard and Boumou and these will be drilled as part of our second phase RC drilling campaign.

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

<b>Prospect</b>	<b>Hole Id</b>	<b>Northing</b>	<b>Easting</b>	<b>Hole Depth m</b>	<b>From m</b>	<b>To m</b>	<b>Thickness m</b>	<b>Li<sub>2</sub>O %</b>
Orchard	KLTR005	1249016	665822	58	46.9	48.9	2	1.44
Orchard	KLTR007	1248977	665764	55	26 44	30 50	4 6	1.22 1.61
Filon B	MDTR002	1253426	652666	145	15	25	10	1.67
Filon B	MDTR004	1253387	652619	65	10	20	10	1.11
Baoule	MDTR005	1253203	652830	75	16	43	27	1.38
Sogola	MDTR007	1254120	652942	102	0	5	5	1.48

Notes: All trenches are excavated to a maximum depth of 4m below surface using mechanical excavator. Trenches have been sampled on a 5m composite (Sogola and Fikon B) or 1m basis (Orchard and Baoule), with samples collected by rock-chip sampling following geological logging and boundaries. 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. Intersections are reported using a 1%Li<sub>2</sub>O lower-cut-off, and allowing for a maximum of 2m internal dilution. Trench collars surveyed by hand-held GPS, coordinate system WGS84 – Zone 29N.

A total of 14 trenches for 862m have been completed. The trenching intersections are from suitable areas of weathered and oxidised pegmatite, with this weathering likely to have lowered the lithium content of the rock as the weathering process will preferentially remove or release the light minerals. The trenching is providing an excellent guide to target our RC drilling campaign.

The intersection of 27m at 1.38% Li<sub>2</sub>O at the Sogola-Baoule prospect confirms the observations from the trenching and extends the prospect to over 200m strike length. RC

drilling has commenced at this prospect to provide detailed geological information down-dip and along strike and define the potential for this area to significantly complement the Ngoualana prospect to underpin future development.

The trenching at the Orchard prospect, located to the south of the Kolossokoro licence, returned very encouraging results from the mapped pegmatite veins. This prospect is complex, with multiple veins returning mineralisation, and the drilling programme is designed to test the interpreted intersection point of several veins with the potential to have generated a wider pegmatite intrusion. The high-grade rock-chip sampling at the Orchard prospect has been confirmed by trenching, and the follow-up RC drilling will target the depth potential.

Geological mapping identified a new zone of pegmatite veins at the Boumou prospect and the completed trenches confirm veins up to 12m width, and strike lengths exceeding 250m. Geological logging of the pegmatite confirms the high percentage of spodumene within the rock, however the highly weathered rock was not sampled as it was not considered a suitable medium to provide definitive answers for Lithium mineralisation.

### **Rock Chip Sampling Programme**

The Company is continuing a systematic geological reconnaissance and rock-chip sampling programme at Bougouni that is defining high-priority targets. The samples included in this update have defined a new target at the Boumou prospect where rock-chips up to 2.52% Li<sub>2</sub>O have been returned. This new zone is located to the north of the Sogola area and outcrop mapping has indicated a series of pegmatite veins hosted within metasediments. The prospect was assessed in the field, and was immediately followed up with trenches that revealed continuity of the pegmatite into areas of transported cover.

A total of 87 samples are reported in this batch from Bougouni (78 sample locations and nine QAQC samples). The assay range for the samples varies from a minimum of below detection limit (0.005% Li) to a maximum result of 2.52% Li<sub>2</sub>O. Samples are reported as Li% and converted to Li<sub>2</sub>O% 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.

### **RC Drilling Programme Update**

RC drilling has re-commenced at the Bougouni Lithium project, with the drill rig mobilised to the Sogola-Baoule prospect to begin reconnaissance testing of this wide pegmatite intrusion.

This RC programme will target the Ngoualana prospect to define the lithium mineralisation identified in the reconnaissance programme completed in December 2016. In addition, the programme will test the Orchard and the Boumou prospects.

A total of 2,500m is planned for this programme and will continue throughout March 2017.

## **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% 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.

## ***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.

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

<b>Kodal Minerals plc</b>	
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Bernard Aylward, CEO	Tel: +61 418 943 345
<b>Allenby Capital Limited</b> , Nominated Adviser Jeremy Porter/Nick Harriss	Tel: 020 3328 5656
<b>SP Angel Corporate Finance LLP</b> , Financial Adviser & Broker John Mackay/Laura Harrison	Tel: 020 3470 0470
<b>St Brides Partners Ltd</b> , Financial PR Susie Geliher/Lottie Brocklehurst/Megan Dennison	Tel: 020 7236 1177