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Kodal Minerals plc
(“Kodal Minerals” or the “Company”)

New Licences awarded in Norway

Kodal Minerals, the mineral development and exploration company owning extraction licences for a phosphate and iron (titanomagnetite) project (the “Kodal Project”) in southern Norway, is pleased to announce that the Company has been granted three new exploration licences located in western Norway. These licences cover what is being referred to as the “Grimeli Project” after the historic Grimeli copper mine located in the west of the licence area.

Highlights

- Kodal Minerals has been awarded three exploration permits which cover a total of 30 sq km including two previously producing copper mines known as the Grimeli mine and the smaller Vågendal mine in western Norway;
- The larger Grimeli copper mine is located 300m from the coast and was last operational in 1920 when it produced high grade copper ore which was exported for smelting;
- The Vågendal copper mine is located 7 km to the east of Grimeli and was mined between 1871 and 1880;
- The Norwegian Geological Survey (“NGU”) completed surface geophysics over the copper mines in 1979 and 1981 and calculated non-compliant estimates of approximately 1.5 million tonnes of ore at Grimeli and 700,000 tonnes at Vågendal;
- The Company has traced a surface gossan for 1.6 km east toward Vågendal from Grimeli, encountering several historic test pits in the process before losing the trace under superficial cover; and
- The Company will undertake a work programme over the summer to re-enter the historic copper mines to complete mapping and channel sampling and will also conduct ground geophysics to seek to trace mineralisation between the two mines.

Luke Bryan, CEO, commented: “We are pleased to be announcing these new licences, which will add a new project to the Company’s portfolio, as well as diversifying our commodity interests. We believe these copper mines to be prospective based on the NGU surveys and look forward to updating shareholders once we have further investigated the geophysics.”

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Further information

Size and Location

The three contiguous licences (Grimeli 1 – 3) cover a total of 30 sq km and also cover two previously producing copper mines. The nearest town is Førde, a municipality in the county of Sogn og Fjordane in western Norway which is approximately 50km to the east of the project area. The licences are approximately 130 km north of Bergen.

The exploration licences are valid for seven years.

Historic Production

Grimeli

The two historic copper mines are located on opposite sides of a long hill forming a peninsular. The Grimeli copper mine, the larger of the two mines, is located within three hundred metres of the coast while the smaller Vågendal mine is located 7 km away to the east. The Company has traced a surface gossan for 1.6 km east toward Vågendal from Grimeli, encountering several historic test pits in the process before losing the trace under superficial cover.

The Grimeli copper mine was in production over three periods from 1759-1776, 1854-1883 and 1906 -1920. The underground workings extend over two areas, the first approximately 200m vertical by 200m horizontal and the second about half those dimensions according to a mine plan dated 1929. The thickness of mineralisation appears to be approximately 1m. The Company has not yet explored the Grimeli mine but has made observations from various surface openings.

At this stage it is thought that the Grimeli mine produced a hand cobbled high grade copper ore which was exported to England for smelting.

Vågendal

Vågendal was in operation as an underground copper mine between 1871 and 1880. No further information on this mine is available at the moment.

Previous Works and Reports

The Company has located a number of historic reports in Norwegian and German, which are being translated.

Of particular interest is work completed by the Norwegian Geological Survey in 1979 and 1981. The NGU conducted geophysical surveys east from Grimeli and west from Vågendal but apparently did not connect the two surveys, with some 5 km of untested ground between them. They calculated non-compliant estimates of approximately 1.5 million tonnes of ore at Grimeli and 700,000 tonnes at Vågendal. However currently the Company does not have a copy of the reports and so details of the calculations are unclear and hence the Company cannot comment on the validity or accuracy of these estimates.

Geology

Based on initial observations and available data, the mineralisation at Grimeli is hosted within the solund-stavfjord ophiolite complex and varies between massive sulphide and disseminated mineralisation along a number of closely associated stratiform horizons, with chalcopyrite, sphalerite and pyrite being the principal sulphides. The Company believes there is potential for the recovery of both copper and zinc.

Exploration Plan

The Company intends to enter both the Grimeli and Vågendal copper mines and survey them followed by mapping and channel sampling wherever possible. Ground geophysics will also be employed to try to trace the mineralisation from Grimeli to Vågendal. It is hoped to complete these works before winter.