

# Kodal Minerals Plc

Corporate Presentation

London, UK

Q1 2023



**KODAL**  
MINERALS



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## COMPANY SNAPSHOT

Advanced-stage lithium development and gold exploration



On track to be the first commercial lithium producer in Mali from our flagship fully licenced Bougouni project



First lithium production at Bougouni expected in 2024 from a low capex DMS plant to be expanded through a flotation plant in the future, significantly increasing production



Producing spodumene concentrate suitable for use in electric vehicle batteries



Financing package agreed together and offtake negotiations for 100% of production underway



Experienced and proven management team operating in Mali together for many years




Extensive upside from under-explored prospects provide significant potential to add DMS material

## Corporate Overview

Shares on Issue:	16,903,730,956
Options / Performance Rights	1,261,000,000
Market Capitalisation	£63.84m
Average Daily Volume	120.4m
Cash Position*	£2,628,334*
Debt	Zero



\* As at 30 September 2022



Fully funded and fully permitted Bougouni Lithium Project in Mali, West Africa.

Kodal is progressing towards construction of the **first operational lithium mine** in Mali.

Development of a fast-track DMS plant provides Kodal with **near-term production to take full advantage** of the buoyant lithium market.

Excellent Cash Flows provide catalyst for expanding the operation with the addition of a Flotation Plant to increase production by 2027.

## FUNDING PARTNER SECURED WITH FOSUN INTERNATIONAL

US\$117.75 million financing package paves the way to first production

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- \$117.75 million package provides the Company with long term funding security.
  - \$65 million reserved to fully fund the DMS Project build at Bougouni – targeting first production within 12 months of receipt of funds.
  - \$17.75 million subscription at a premium of 0.50p will be used to advance gold assets in Mali and Côte d'Ivoire, and provides funding for assessment of new exploration and development opportunities in West Africa.
  - Funds will be deployed to increase the Bougouni JORC compliant resource inventory currently at 21Mt @1.11% Li<sub>2</sub>O and extend the mine life.
  - Completion of the financing package expected on or before 30 April 2023.
  - Hainan will support the Flotation Plant expansion case which has potential to increase spodumene production from circa 125,000 to over 300,000 tpa
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## Hainan Mining

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\$117.75 million funding package from Hainan Mining in China

Hainan is a subsidiary of Fosun International Limited which ranks No.589 on the 2022 Forbes Global 2000 List

US\$17.75 million equity subscription by Hainan Group into Kodal at a price of 0.5p per share

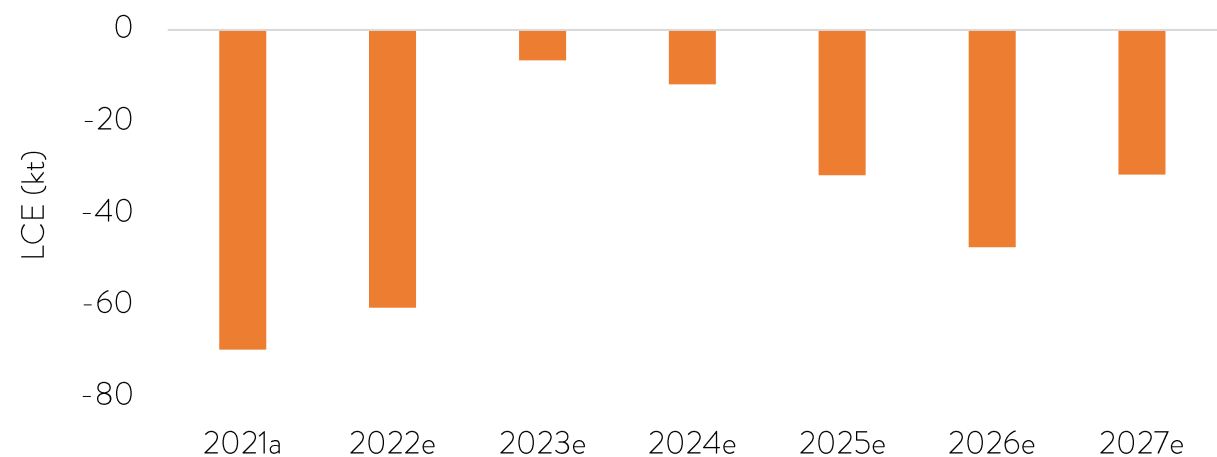
Hainan will be the Company's largest shareholder at approximately 14.81%.

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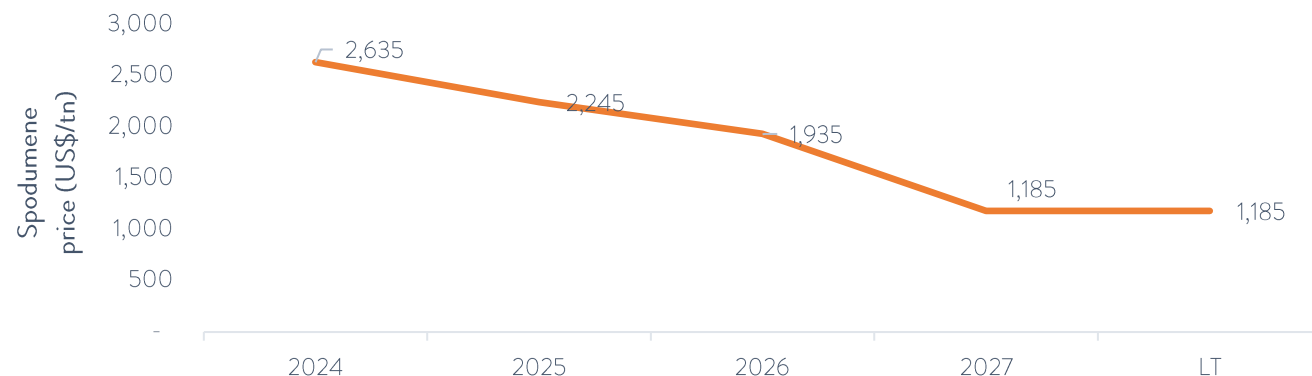
# LITHIUM DEFICIT – WHY BOUGOUNI IS VITAL

First production of lithium spodumene from Bougouni scheduled for 2024

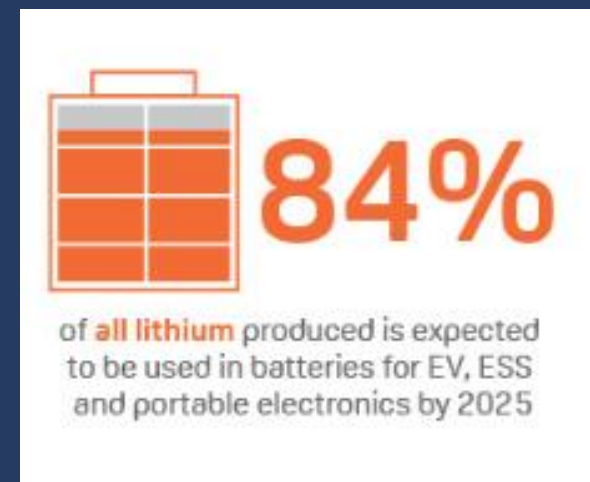
Market expected to be in deficit for a number of years...



... driving strong pricing expectations for lithium products



EVs will continue to dominate demand

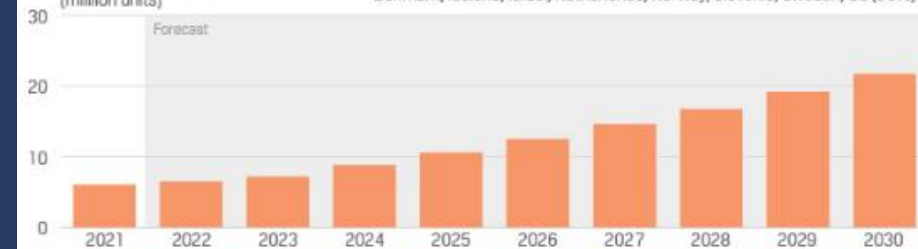


## GLOBAL EVs SALES FORECAST

(million units)

The following countries are expected to phase out of ICE vehicles by 2030:

Denmark, Iceland, Israel, Netherlands, Norway, Slovenia, Sweden, US (50%)



Source: S & P Global Market Intelligence

Developed and designed by Henrique Ribeiro & Melenie Yuen



## BOUGOUNI DMS PROJECT – OVERVIEW

Pursuing a fast-track DMS strategy to achieve production in 12 months

### DMS development strategy key parameters:

- Commence mining at Ngoulana target with process recoveries up to 71% via the DMS (dense media separation) plant
- Low capital development cost estimated at US\$65 million
- Payback of two months from commencement of operations;
- NPV<sub>7%</sub> of approximately US\$440 million post tax;
- 1Mtpa DMS plant targets a 125-130,000 tpa production of spodumene concentrate with an initial 4-year mine life
- DMS Operation revenue exceeds US\$1.05 billion in less than four years, based on broker consensus pricing averaging US\$2,080 per tonne (FOB basis)
- Flotation plant expansion will increase mine life past 10 years

## September 2022: DMS update

Kodal intends to accelerate the development of Bougouni through a faster build and lower capital cost DMS processing plant option that will provide the Company with the quickest route to the production of spodumene.



## BOUGOUNI DMS PROJECT METRICS

Fast Track development scenario for DMS operation

Construction and commissioning time for a mining operation based on a DMS plant is estimated at 12 months after funding is in place, compared to 22 months for a full flotation plant.

Concept designs commenced in advance of receiving full funding

### Model Inputs:

Variable	Units	DMS Case
Mine Life	Years	3.9
Ore Tonnes	Mt	3.9
Mined Lithium Grade	%	1.13
Lithium recovery	%	63.5
Lithium Concentrate	kilo-tonnes	505
Average Annual Production	kilo-tonnes	130
NPV Discount Rate	%	7.0%

Realistic US\$ pricing assumptions used:

### Cash flow model results:

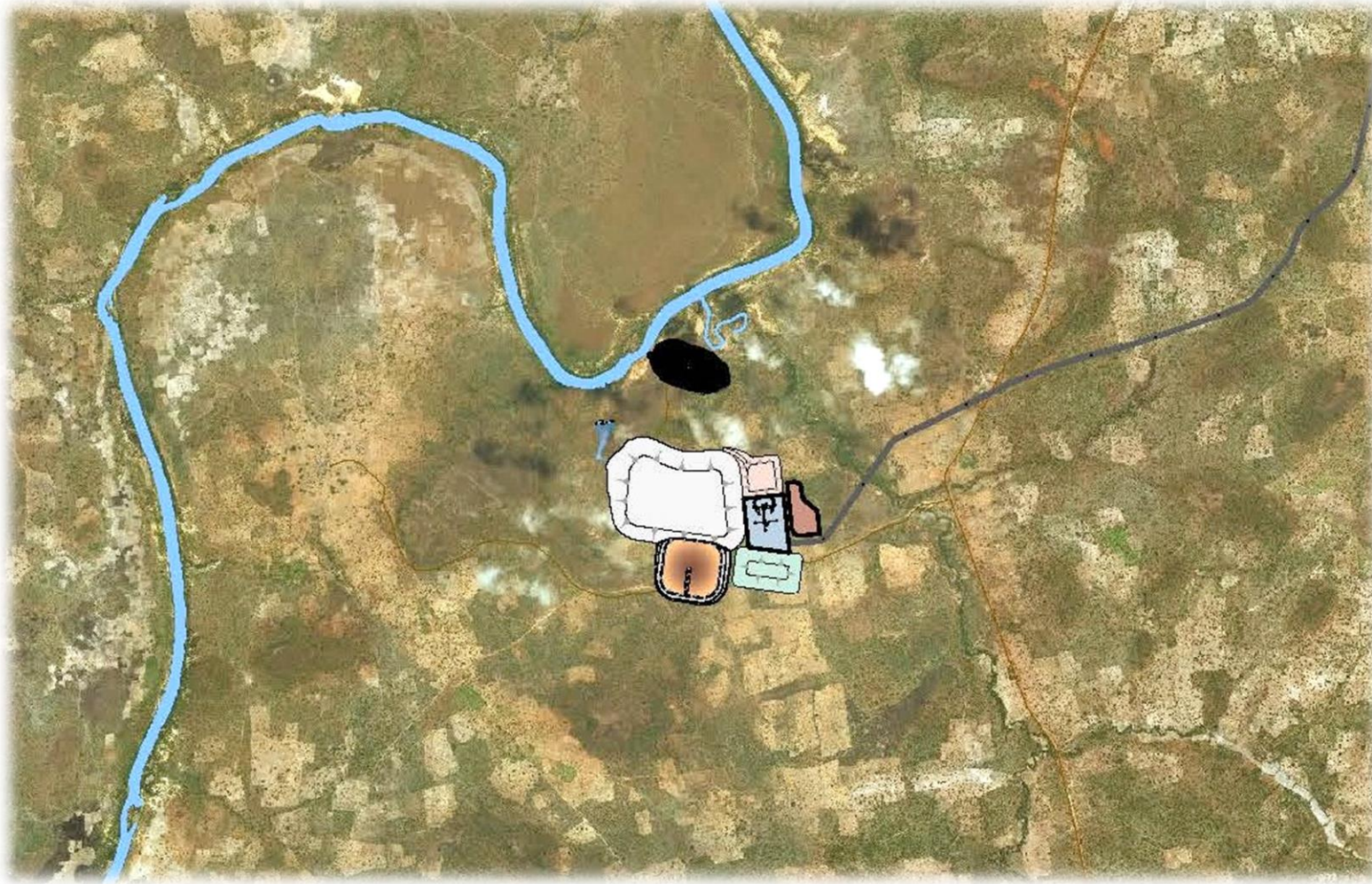
Parameter	DMS Case (US \$'000)
Pre-Tax Cash Flow (EBITDA)	712,582
Pre-Tax NPV @ 7%	557,834
Post-Tax Cash Flow (NPAT)	474,138
Post-Tax NPV @ 7%	420,400
IRR	274%
Payback Period	2 months
Life of Mine Revenue	1,051,684

2024	2025	2026	2027
\$2,635	\$2,245	\$1,935	\$1,185



# PLANNED INFRASTRUCTURE

## Fast Track development scenario for DMS option



- Modular crushing facility design complete
- Basic design and layout for plant complete by DRA Global, DMS specialists
- New access road concept design complete, providing a direct route to the national highway
- Samples collected for confirmatory metallurgical testwork with potential to improve recoveries
- Open pit design complete, detailed mine scheduling progressed, and contract mining tender process started
- Update of ESIA underway
- Update the market on progress of work on the mining licence as appropriate

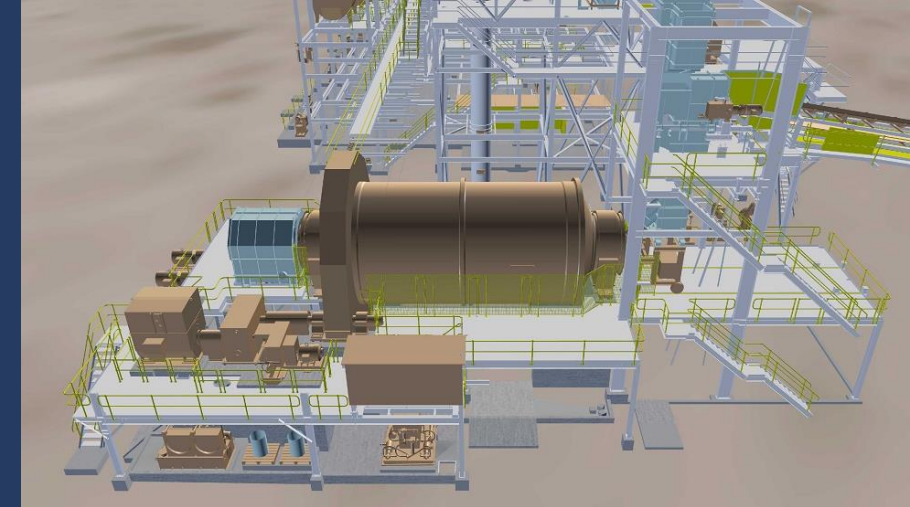


# BOUGOUNI LITHIUM PROJECT – EXPANSION

## Flotation Processing Plant Future Development Plan

- Expansion of project with the development of the 2Mtpa flotation processing plant within three years of DMS production startup, utilising free cash flows and funding support from Hainan Mining
- Flotation plant processing strategy will increase Bougouni's mine life by more than six years to over 10 years based on current Resource
- Over and above the total 10-year mine life, there is significant and demonstrated potential to expand resources to underpin a long-life mining operation
- Estimated free cash flow from the combined project facilities over 10 years is over US\$ 1.2 Billion

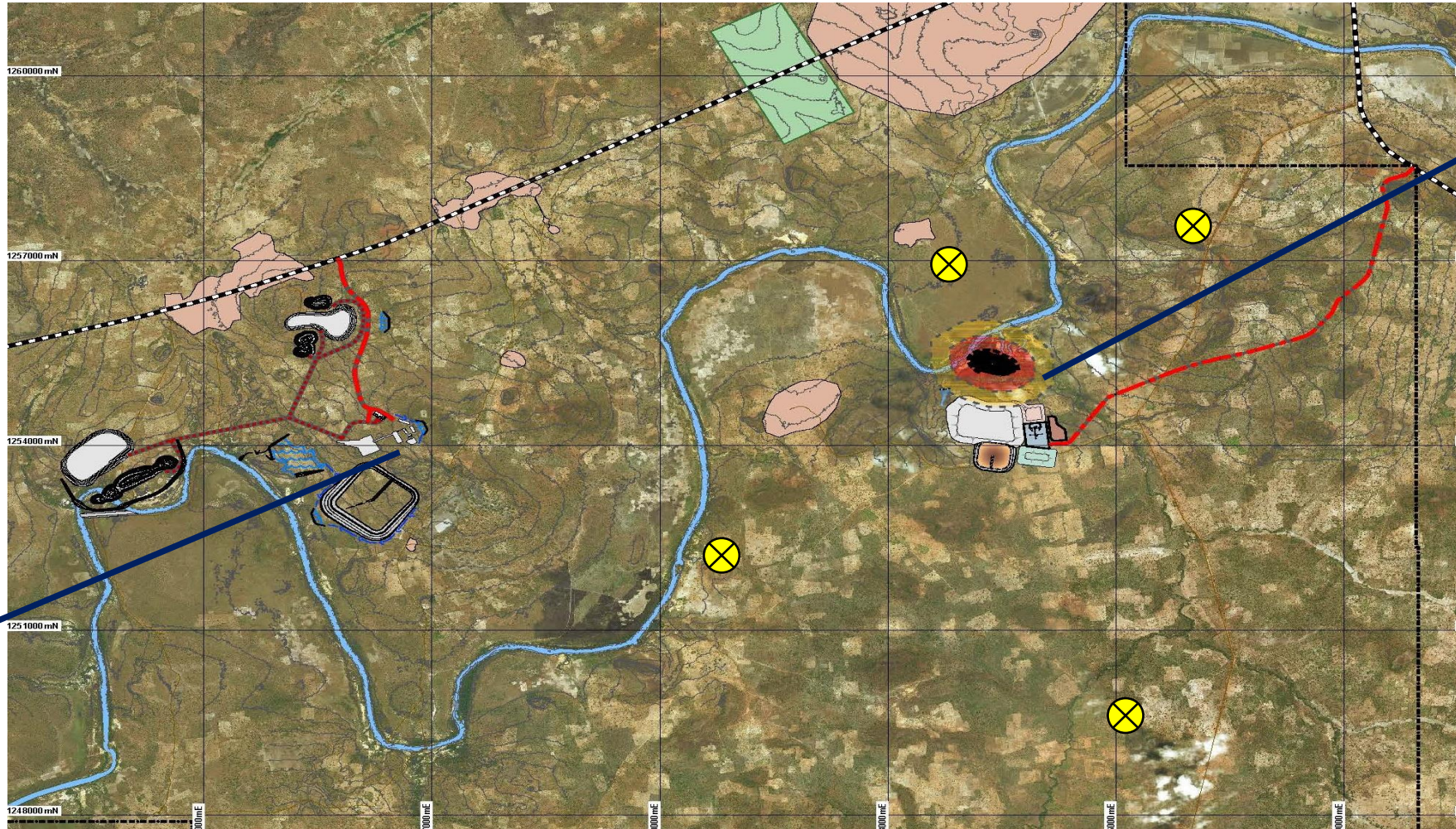
## PFS Flotation Plant Design





# BOUGOUNI PROJECT AREA

Lithium Deposits, DMS and Flotation Deposits Defined, with Highly Prospective Additional Targets



Future flotation plant funded with cash flow and located close to Sogola-Baoulé and Boumou pits

Start Up DMS Plant at Ngoualana.

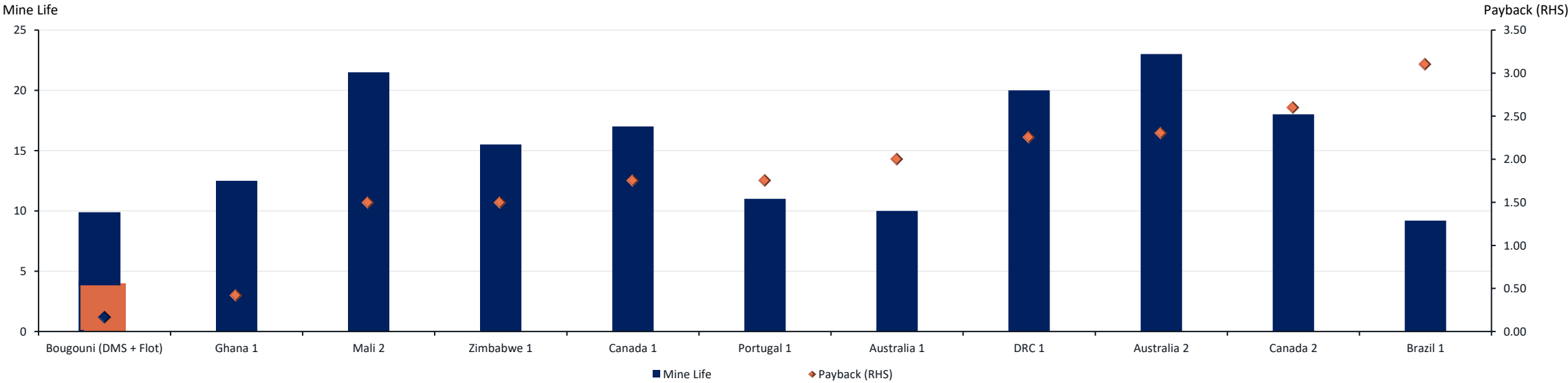
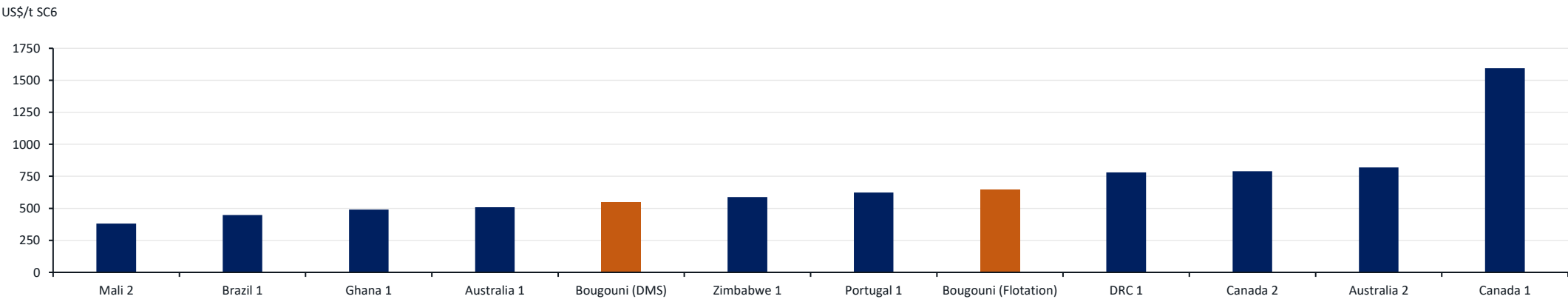
Initial 4 year mine life with potential to extend from nearby un-explored prospects within the mine lease.





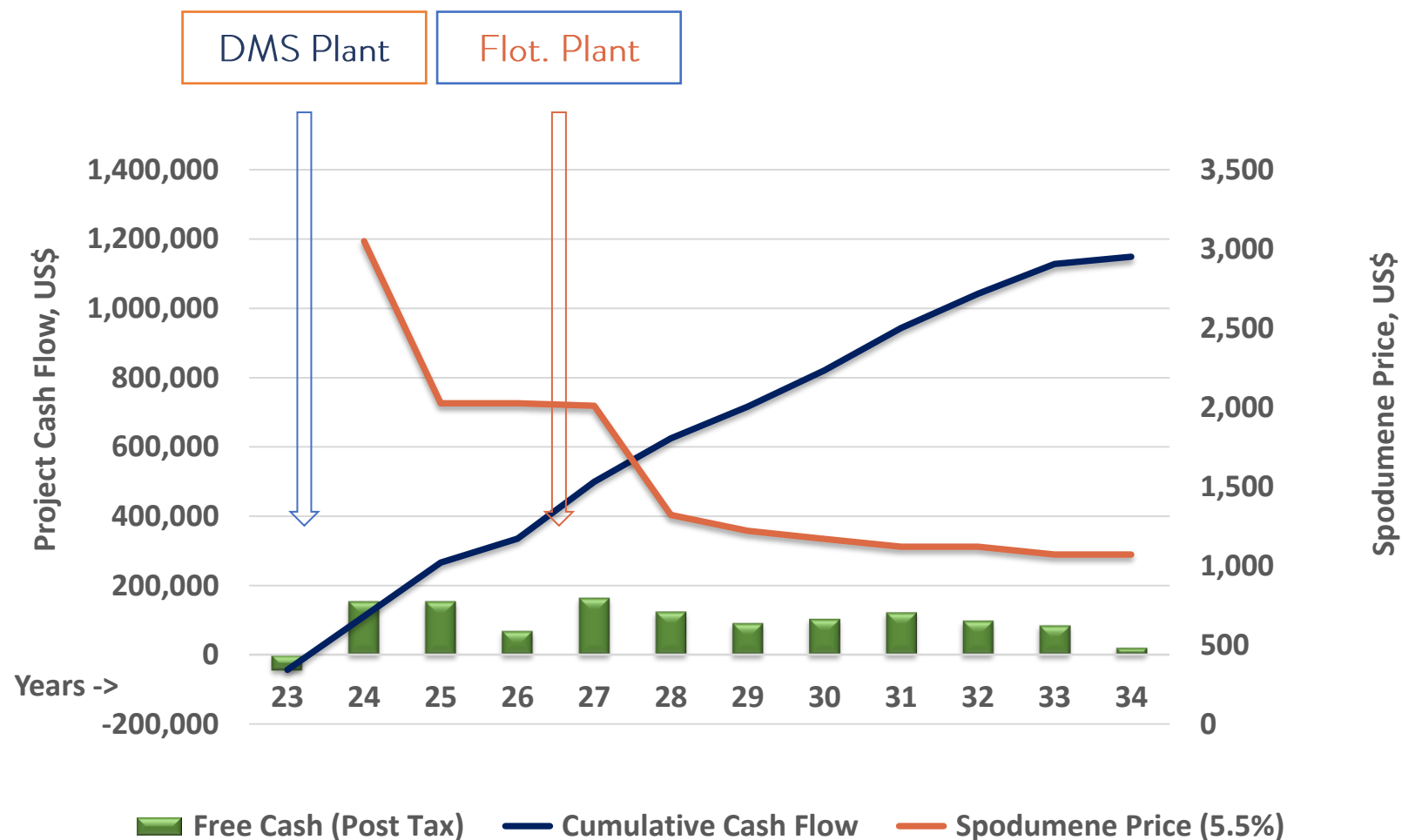
# BOUGOUNI – PEER ANALYSIS

Low capital intensity and fast payback



# BOUGOUNI LITHIUM PROJECT CASH FLOWS

Start-Up DMS Plant AND Future Flotation Plant Funded by Hainan Mining and Future Cash Flows



# BOUGOUNI LITHIUM PROJECT **EXPLORATION POTENTIAL**

## Mineral Resource Estimate and Expansion

- 350km<sup>2</sup> project area with potential to host multiple open pit lithium operations
- JORC mineral resource of 21.3Mt at 1.11% Li<sub>2</sub>O. 11.6Mt at 1.13% Li<sub>2</sub>O indicated & 9.7Mt at 1.08% Li<sub>2</sub>O inferred
- Multiple pegmatite veins require drill testing for resource estimation; 3 of 8 prospects included in resource to date.
- Infill drilling to upgrade Resource confidence levels and expand known resources commenced in January 2023.

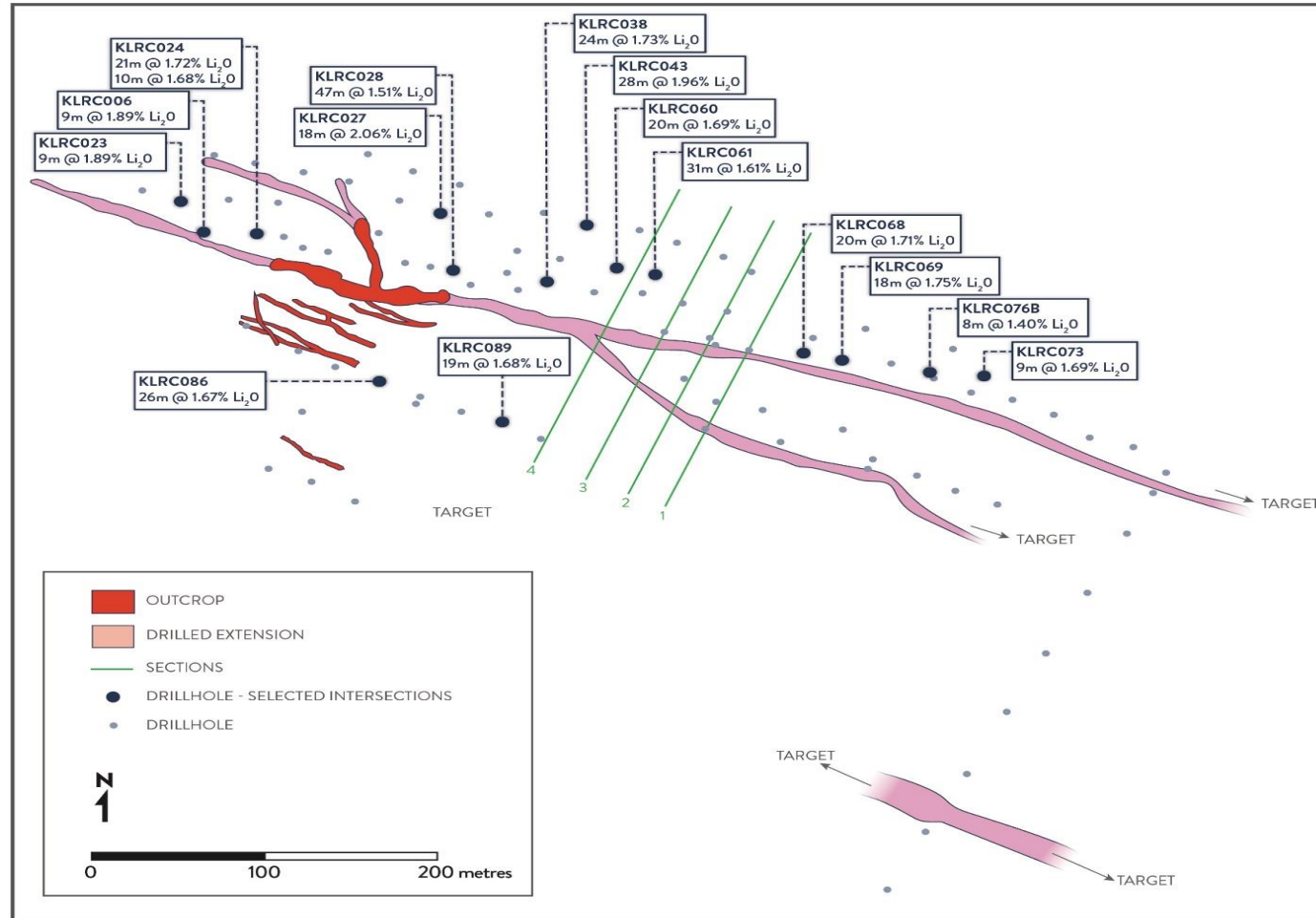
Prospect	Indicated			Inferred			Total		
	Tonnes (Mt)	Li <sub>2</sub> O% Grade	Contained Li <sub>2</sub> O (kt)	Tonnes (Mt)	Li <sub>2</sub> O% Grade	Contained Li <sub>2</sub> O (kt)	Tonnes (Mt)	Li <sub>2</sub> O% Grade	Contained Li <sub>2</sub> O (kt)
Sogola-Baoulé	8.4	1.09	91.9	3.8	1.13	42.8	12.2	1.10	134.8
Ngoualana	3.1	1.25	39.2	2.0	1.12	22.1	5.1	1.20	61.3
Boumou				4.0	1.02	40.4	4.0	1.02	40.4
TOTAL	11.6	1.13	131.2	9.7	1.08	105.3	21.3	1.11	236.5



# BOUGOUNI LITHIUM PROJECT

Broad Pegmatites at Ngoulana Hosting Coarse Spodumene Crystals; Low Iron; Low Mica

## Ngoulana Deposit



Ngoulana JORC compliant resource of 5.1Mt grading 1.20% Li<sub>2</sub>O.

Metallurgical testwork confirms good recoveries via DMS processing circa 71%.

Infill drilling nearing completion to improve Measured and Indicated categories for conversion to Proved and Probable in advance of commencing mining.

## Ngoualana: High Grade Spodumene at Significant Widths



## Section 3

## Section 2

## Section 1

# GOLD PROJECTS IN EXCELLENT MINING LOCATIONS

Advanced project at Fatou and Nielle with potential for Gold Resource definition

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## FATOU PROJECT

Southern Mali

Resource definition and expansion

## NIELLE PROJECT

Northern Côte d'Ivoire

Confirmation and extension of mineralisation, targeting maiden JORC resource

Fatou project located close to existing Kodal exploration projects

- 300km<sup>2</sup> of prospective ground containing historical resource estimate of 350,000 ounces gold requiring definition and expansion drilling
- Reconnaissance drilling confirms historic results.
- Major geological review of project highlights previously untested geological targets and expands potential of project
- Exploration to continue in new season with drilling targeting extension of known gold mineralised zones

Kodal Minerals 100% ownership of a large, strategic landholding in Côte d'Ivoire

- 100% ownership of Nielle concession
- Confirmation and extension drilling planned to target new mineralised zone
- Mineralisation open along strike and at depth and follow-up drilling planned



# BOARD & MANAGEMENT

A dedicated and faithful team focused on project execution

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Bernard Aylward  
CEO

Bernard is a geologist with over 20 years' experience as a manager and exploration geologist in the mining and exploration industry in a variety of commodities. Bernard's experience includes serving as the Managing Director of Taruga Gold Limited from its initial listing on the ASX, Chief Operating Officer of International Goldfields Ltd, General Manager of Azumah Resources Ltd (Ghana), and Exploration Manager for Croesus Mining NL. Bernard has been involved in the discoveries and management of the Bepkong, Julie, Collette and Kunche deposits in Ghana, as well as the Deep South gold deposit, Gladstone North deposit, St Patrick's, Norseman Reef, and the Safari Bore gold deposit in Western Australia. Bernard has experience operating in Europe (Greece Sappes deposit), Siberia, South America and extensive experience throughout West Africa.

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Steve Zaninovich  
Operations Director

Steve has more than 25 years' experience in project management, encompassing all stages of mine development. Steve has been closely involved with the delivery and commissioning of lithium producer Tawana Resources Ltd's Bald Hill Lithium Project in Western Australia. Prior to Tawana Resources Ltd, Steve served as COO with Gryphon Minerals before assuming the role of Vice President of Major Projects and becoming part of the Executive Management Team at Teranga Gold Corporation, following its acquisition of Gryphon. During his extensive career, Steve has gained specific expertise in the development of multiple mining operations across various commodities and jurisdictions in West Africa.

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Rob Wooldridge  
Non-Exec Chairman

Robert is currently a partner at SP Angel Corporate Finance LLP. After graduating with a degree in Natural Sciences from Cambridge University, he spent eight years at PricewaterhouseCoopers International Limited, qualifying as a chartered accountant in 1989. He left in 1994 to join the international equity capital markets division of HSBC Investment Bank where he spent a further eight years and was responsible for completing a number of landmark equity transactions across Europe, India and the Middle East & Africa. In 2003 he joined an investment banking boutique, to head up its corporate finance and securities operation and was then one of the founding partners of SP Angel in 2006. SP Angel is an independent corporate finance and broking operation which focuses on advising small and mid-cap companies in the mining, oil and gas, property and technology sectors.

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Qingtao Zeng  
Non-Exec Director

Qingtao completed a PhD in geology at the University of Western Australia in 2013. He has been engaged as a consulting geologist, principally working with CSA Global based in Perth, Australia, and has a range of geological and commercial specialities. Since 2015, Qingtao has been extensively involved in the lithium exploration and development sector and through his strong network of contacts throughout China has helped clients complete a range of contracts relating to the supply or purchase of lithium in the form of concentrate or direct shipping ores.

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Charles Joseland  
Non-Exec Director

Charles is a former Chartered Accountant and has 32 years' experience with PwC including 20 years of experience as an audit partner, as part of its Energy, Utilities & Mining Group. Charles has been responsible for providing services to many international resources groups, including those with operations in Russia, Kazakhstan and Africa. He has acted as reporting accountant and advisor for various companies quoted on both the AIM and the LSE Main Market. Charles chairs the Company's Audit & Risk Committee.

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BERNARD AYLWARD  
Chief Executive Officer

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