

# Bougouni Lithium Project Update Q1 2024

Investor Presentation – March 2024

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# Africa's Next Lithium Producer

## Bougouni Lithium Project, Mali

Solid JV partnership with Hainan/Fosun

- Fully financed to reach full production via c.\$100M investment in Bougouni by Hainan Group (51% stake)
- Construction at Bougouni underway; first production target in FY'24



## Strong free cash flow expected post Q4/24

Stage 1: Low capex, low AISC, highly profitable Lithium production forecast from Dec 2024-28 - even at lower Lithium price

- Stage 1 (DMS) - c.125ktpa  $\text{Li}_2\text{O}$
- Stage 2 (Flotation) – c.230ktpa  $\text{Li}_2\text{O}$

100% offtake in advanced discussion



## Significant Upside

Stage 2: 10+ years on current MRE with limited drilling to date (28,000m)

- 31.9Mt of  $\text{Li}_2\text{O}$  @ 1.06%, up 40% vs 2019
- Target of increasing MRE to 50Mt via extensional drilling at Boumou and Sogola Baoulé deposits





# Bougouni Lithium Project: Q1 2024 Progress



- ✓ JV team reviewed and approved project development plan for Stage 1 (DMS)
- ✓ Stage 1 capital expenditure of US\$65m - in line with forecasts
- ✓ Long lead Items ordered - DMS units and dual stream crushing modules & work commenced on fabrication of units
- ✓ Mining contract awarded to Auxin & EGTF consortium; mobilising in March
- ✓ Update ESIA for Phase 1 DMS approved by Mali's Environment Minister
- ✓ Access road completed and compensation to land owners finalised
- ✓ Bougouni Project on track to commence production in Q4'24

# 2024 Construction Schedule



# Project Team in Mali



## PAUL REEVES

CHIEF FINANCIAL OFFICER

- Qualified Chartered Accountant with 25 years' experience
- 15+ years on the ground in West Africa, including Mali, Guinea & Burkina Faso
- Held senior financial roles with Ausdrill, AGA, Caracal, Endeavour and Hummingbird
- Mobilised to Mali in October 2023



## MOHAMMED NIARÉ

MALI COUNTRY MANAGER

- Malian national with over 25 years' experience in Mali and Côte d'Ivoire mining industries
- Held senior administrative and accounting roles with miners in West Africa, incl. Randgold, Newmont and Resolute
- Key management position within the group, credited with securing and maintaining tenure of company assets, incl. lithium permits at Bougouni



## YUSHENG CAI

HAINAN GENERAL MANAGER OF OPERATIONS

- Engineer with 25+ years' experience in industrial and mining operations in Asia and Africa
- Held management roles including CEO and Deputy GM at Swakop Husab Uranium Mine, Namibia
  - Hainan senior representative in JV Operations team, holding GM Ops role for Bougouni, reporting to KMUK Board
  - Mobilised to Mali in September 2023



## JERRY GAO

HAINAN VP OPERATIONS

- Metallurgist with 20 years' experience in processing operations at international locations including China, Namibia and PNG
- Supporting Kodal team since April 2023 with process engineering reviews and technical support; mobilised to Mali in September '23
- Previously stationed in Namibia for 7 years in process operations and project development roles at Swakop Husab Uranium mine



## STEVE ZANINOVICH

KODAL OPERATIONS DIRECTOR

- 30+ years' experience in mining, development & production
- Developed Bald Hill Lithium Mine (Western Australia)
- Managed feasibility studies for Bougouni and PFS for Atlantic Lithium (Ewoyaa)
- Active in West African project development, commissioning and operations since 1996; incl. Bibiani (Ghana), Wahnion (Burkina Faso), Akyem (Ghana), Tarkwa (Ghana), Bougouni (Mali)



# Bougouni Stage 1 DMS

## Bougouni Lithium Mine

In Production by  
Q4'24

<b>BOUGOUNI LITHIUM DMS</b>	<b>c.125,000tpa</b>
CAPEX	c.\$65M
OPEX AISC	\$647/t of concentrate produced
IRR	274% / <3month payback
FREE CASHFLOW	\$712M (pre-tax)
NPV7	\$420M (after 4-year LOM)
CONVENTIONAL BLAST, LOAD AND HAUL OPEN PIT MINING	LOM 2.8M BCM pa, strip 7.5:1
DENSE MEDIA SEPARATION	SIMPLE, CHEMICAL-FREE PROCESS
AVERAGE LIFE OF MINE CONCENTRATE PRICE	\$2080/t



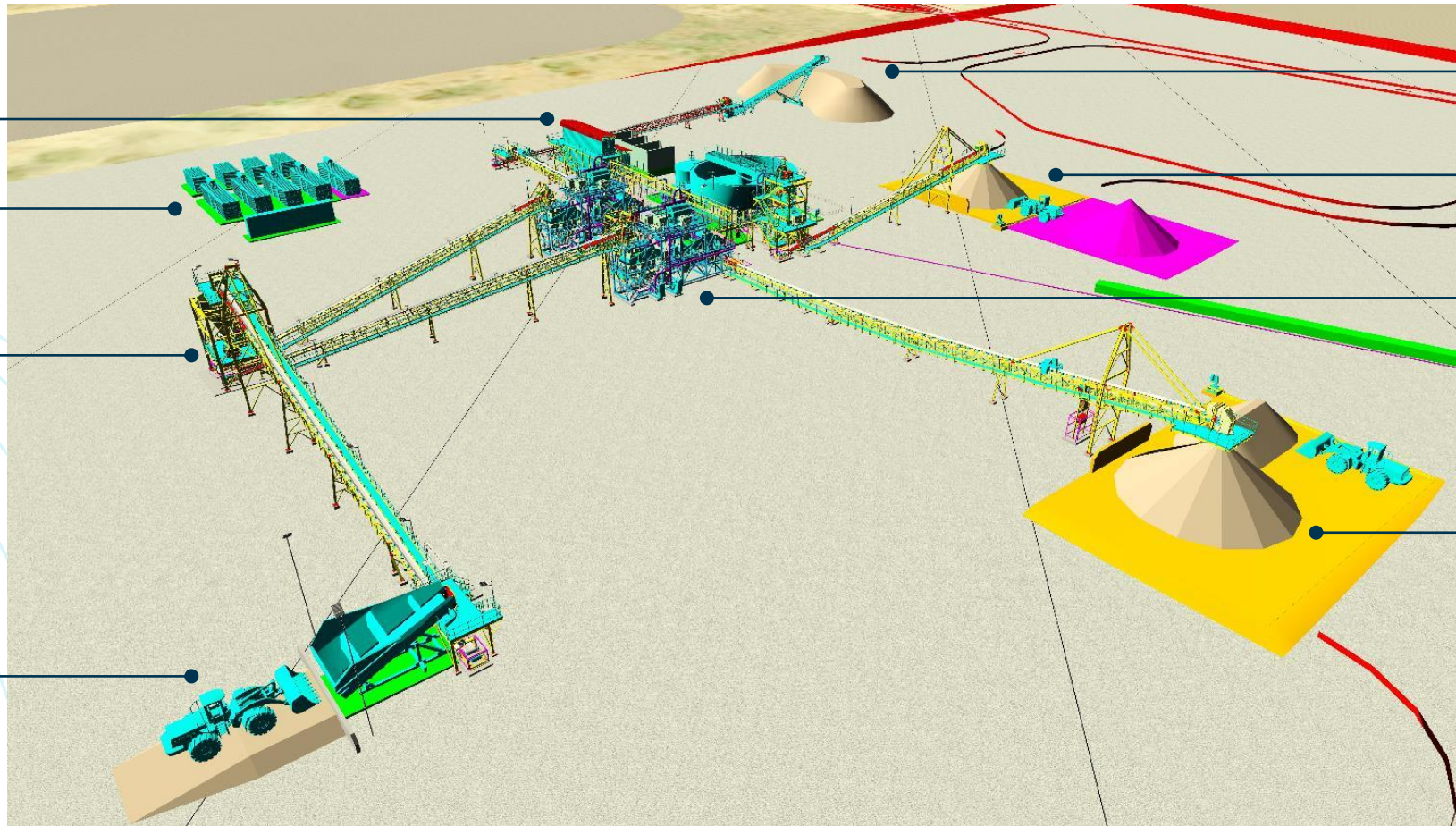
# Bougouni Stage 1 – Ngoualana / DMS

Substation

Power Stn

Distributor

Crushed Ore Feed



Degrit Stockpile

Fines Stockpile

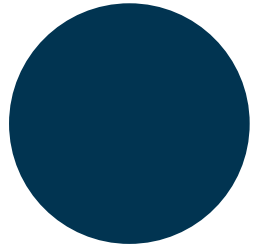
2 x DMS Modules

Product Stockpile



# Bougouni JV Partner – Hainan Group

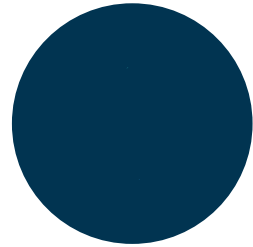
100% offtake secured with JV partner



Hainan Mining is a subsidiary of Fosun International



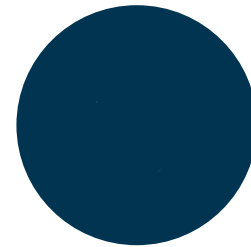
Fosun - a US\$5bn Hong Kong listed conglomerate with assets of US\$112 billion



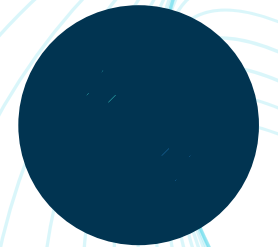
Invested US\$100M for a 51% stake in Bougouni asset



Fully funded for Bougouni mine development Stage 1 (c.US\$65m) & expansion of resource base



Hainan acquired 14.7% of Kodal Minerals plc via US\$17.75m investment to advance Kodal's portfolio of assets



Bougouni to supply feedstocks to Hainan's Lithium Hydroxide Plant in China



Plant construction commenced in Dec' 2022; 1.056 billion Yuan investment Annual output of 20kt of battery-grade lithium hydroxide



First production in H1 2024



Hainan Mining's battery-grade Lithium Hydroxide Plant in Hainan Province



# Lithium Fundamentals

# Why Lithium?

## Addressing increased global demand

Fast-growing Lithium demand to reach 4,500 gigawatt-hours by 2030 (fig. 1)

- 2030 Li demand for batteries to reach 95% of total market vs 30% in 2015<sup>1</sup>
- **EVs main demand driver - EV sales forecast to surge to 40 million pa by 2030 (fig. 2)**
- Biden administration unveiled aggressive emissions targets for cars/trucks by 2030 – encouraging mass EV/hybrid rollout in USA
- Mali positioned as one of the Top 10 countries with the largest Lithium reserves (fig. 3)
- “Chinese ‘spot’ prices for spodumene and chemicals have fallen ~80% over the LTM, they are up +7% and +11%, respectively, in the last month, ...**we believe prices are making a bottom,**”: Canaccord Genuity research March 2023.

### Global lithium demand could reach 4,500 gigawatt-hours by 2030

Global lithium-ion battery demand by scenario, thousand gigawatt-hours

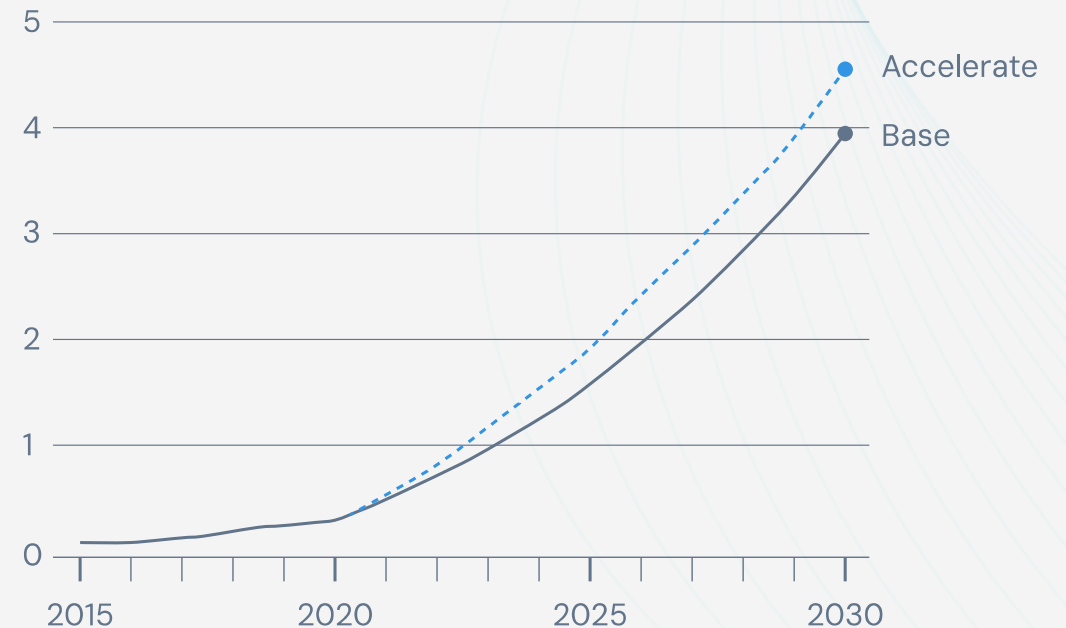


Fig.1



# Why Lithium?

## Addressing increased global demand

### Electric Vehicle Sales Will Reach Roughly 40 Million by 2030

Number of battery electric vehicles sold (millions, left) and % of total global auto sales (right) 2016-30e

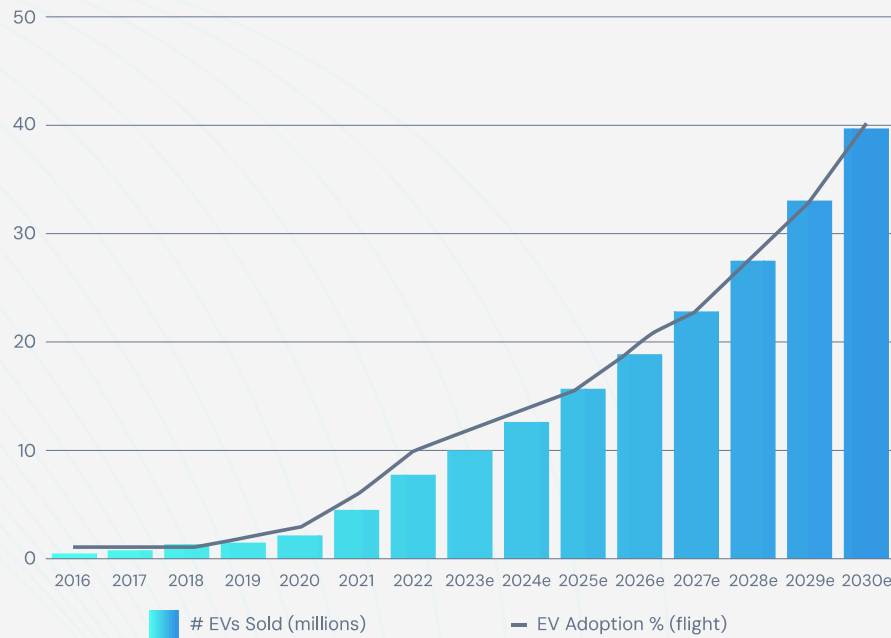


Fig.2

### Top 10 countries with largest lithium reserves, million metric tons

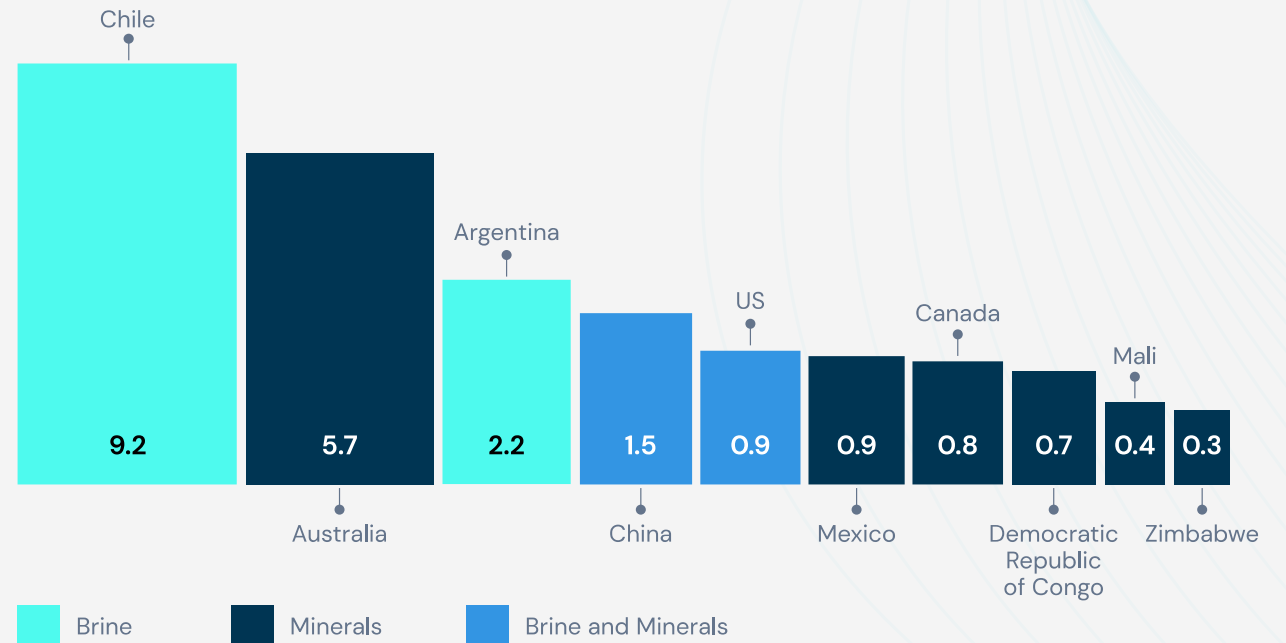


Fig.3



Kodal  
Minerals

# Sustainability





# Community Consultation

## ESIA approved and Community Development Program Established

- ✓ Mali's Minister for Environment endorsed Stage 1 DMS Project development program and development of DMS processing site
- ✓ Updated ESIA for Bougouni Project Phase 1 DMS approved
- ✓ Community consultation committee established; compensation agreement lodged
- ✓ Strong community relations – Kodal recently donated tractors to local community
- ✓ Malian workforce onsite; enhanced by hiring local mining contractor EGTF







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