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Kodal Minerals plc ('Kodal Minerals' or the 'Company')
Maiden Mineral Resource Estimate at Bougouni

Kodal Minerals, the mineral exploration and development company focussed on the exploration and development of its Bougouni Lithium Project in Southern Mali, West Africa ("Bougouni" or the "Project"), is pleased to announce the maiden Mineral Resource estimate, preliminary open pit optimisation studies and mineral processing review for the development of the Bougouni Project.

Highlights

- **Maiden Mineral Resource of 17.3Mt at 1.20% Li₂O in the Inferred category.**
- The Maiden Mineral Resource is made up of Kodal's three most advanced prospects:
 - Sogola-Baoule: 10.4Mt at 1.18% Li₂O;
 - Ngoulana: 4.7Mt at 1.34% Li₂O;
 - Boumou: 2.2Mt at 1.01% Li₂O

(Mineral Resource reported using a 0.5% Li₂O lower cut-off, no top cut-off and is based on the wireframe interpretation of mineralised pegmatites)
- Preliminary open pit optimisations have been undertaken to identify key areas for further drill testing and definition of the pegmatite hosted mineralisation.
- Mineralisation captured within these conceptual open pits totals 13.2Mt at 1.2% Li₂O. This is not an Ore Reserve estimate, however it highlights areas where the optimised shells are resource constrained and these areas will be the focus for future drilling campaigns.
- Separately from the Mineral Resource and optimisation study, Kodal has commissioned a Processing Review by independent engineering consultants, Wave International, based on the ongoing metallurgical testwork for the Bougouni mineralisation. This is considered an order of magnitude study.
- This review indicates a capital cost of AUD\$14M for a 1Mtpa dense media separation plant component. A full plant will require a crushing circuit and additional materials handling components.
- The processing review further indicates a potential production cost of US\$400 per tonne of spodumene concentrate which compares to a current market selling price of between US\$800 and US\$900 per tonne.
- Exploration and definition drilling for resource expansion and continued testing of new target areas is underway.

Bernard Aylward, CEO of Kodal Minerals, said: *"This maiden Mineral Resource estimate is a major milestone in the advancement of the Bougouni Lithium Project as it confirms the potential for future*

mining development. The fact that the estimate is supported by initial engineering studies showing potential for a minimum ten year mine life with low capital costs and robust economics is very encouraging. Importantly, this maiden resource estimate is based on our three most advanced prospects, which remain open along strike and at depth, and we still have a very large project area to explore. Should these exploration efforts be successful, the potential to increase the annual production of the Project is significant. We have already identified a pipeline of prospects for additional drill testing that have the potential to significantly expand the Bougouni Project.

“This Mineral Resource estimate places the Bougouni Project in the top 15 hard rock lithium projects worldwide. We are in a very fortunate position of already having secured an off-take partner and we have strong commitments of support within Mali for the future mining development. The order of magnitude study undertaken by our engineering consultants Wave International has highlighted a potential low capital cost and an indicative operating cost which is approximately half of the current prices being reported for spodumene concentrate.

“This is a very exciting phase for the Project. Our preliminary mining and processing studies highlight a potential long-life mine producing a high grade, low impurity spodumene concentrate demanded by the market. The next stages of work at Bougouni will be the continued exploration and definition drilling, upgrade of the Mineral Resource estimate to Indicated status, continued study on the open pit optimisation with a focus on reducing mining costs and finally continued metallurgy studies to optimise the processing plant.”

Further Information

Mineral Resource Estimate

The maiden Mineral Resource estimate has been completed by independent geological consultants CSA Global. Kodal supplied a geological database and verified the geological interpretation that was used to define the lithium mineralised pegmatite bodies.

Resource estimation was completed for the Ngoualana, Sogola-Baoule and Boumou prospects. All of the Mineral Resource is classified as Inferred. The level of data for the Ngoualana and Sogola-Baoule prospects could support an upgrade to Indicated status following completion of a field visit by the CSA Global resource geologist who is the Competent Person for the resource estimation. The resource is reported using a lower cut-off grade of 0.5% Li₂O, no upper cut-off has been used. The geological model for the resource estimate was developed with a focus on geological logging of pegmatites as the primary method for building the 3-D model, with assay grade a secondary vector utilising a nominal 0.3% Li₂O lower cut-off as a guide for economic significance (note the guide for building the 3-D model of 0.3% Li₂O is different from the reporting lower cut-off of 0.5% Li₂O that is applied following the completion of the block modelling).

The Mineral Resource estimate for the Ngoualana, Sogola-Baoule and Boumou prospects are tabulated below. These mineral resources are reported in accordance with the JORC Code¹:

	Tonnes (Mt)	Li₂O% Grade	Contained Li₂O (kt)
Sogola_Baoule	10.4	1.18	122.2
Ngoualana	4.7	1.34	62.8
Boumou	2.2	1.04	22.9
Total	17.3	1.20	207.9

Notes: Mineral resources are reported using a 0.5%Li₂O cut-off. Figures may not sum due to rounding. The contained metal is determined by the estimated tonnage and grade.

The JORC code Table 1 will be available to view via the Company's website at www.kodalminerals.com

Preliminary Mining Assessment

A preliminary open pit mining optimisation study was undertaken to assist in the planning of future infill and extension drilling. This optimisation study was completed using conservative inputs to ensure a robust project and demonstrate potential future mining. This study is undertaken early in the assessment of the Bougouni project and is not attempting to define an Ore Reserve estimate.

The table below summarises the total mineralisation captured within the optimised open pit shells. This is based on the full resource estimate (no-cut off, full model) and as the Mineral Resource is at an Inferred category this does not represent any attempt to define an Ore Reserve estimate. To advance this preliminary optimisation study, additional work will involve a detailed analysis of input costs (mining and processing as well as transport), processing recoveries, hydrology and geotechnical investigations which will lead to the commencement of open pit design production scheduling work.

Open Pit	Tonnes (Mt)	Li₂O% Grade	Li₂O – Contained Metal (kT)
Ngoualana	3.6	1.27	46.1
Sogola-Baoule	8.9	1.13	100.5
Boumou	1.2	1.10	13.1
	13.7	1.16	159.7

Note: Reporting figures using a 0.0% Li₂O cut-off within preliminary pit shells. This is not an Ore Reserve estimate. Further work is required to assess all the modifying factors as well as demonstration of the economic viability of the project.

From this initial optimisation it is clear that the Sogola-Baoule has potential to provide the most tonnage to any potential processing plant, while the Ngoualana prospect has significant potential to add higher-grade material into the processing blend.

The optimisation of the Sogola-Baoule prospect has captured the majority of the defined Mineral Resource estimate and is model constrained in numerous areas providing immediate drilling targets for follow-up to potentially expand the Mineral Resource. The north-eastern portion of the resource has intersected wide, high grade material and this is a priority area for exploration drilling to target

extensions to the current mineral resource estimate and positive results here may have a significant impact on the Sogola-Baoule prospect.

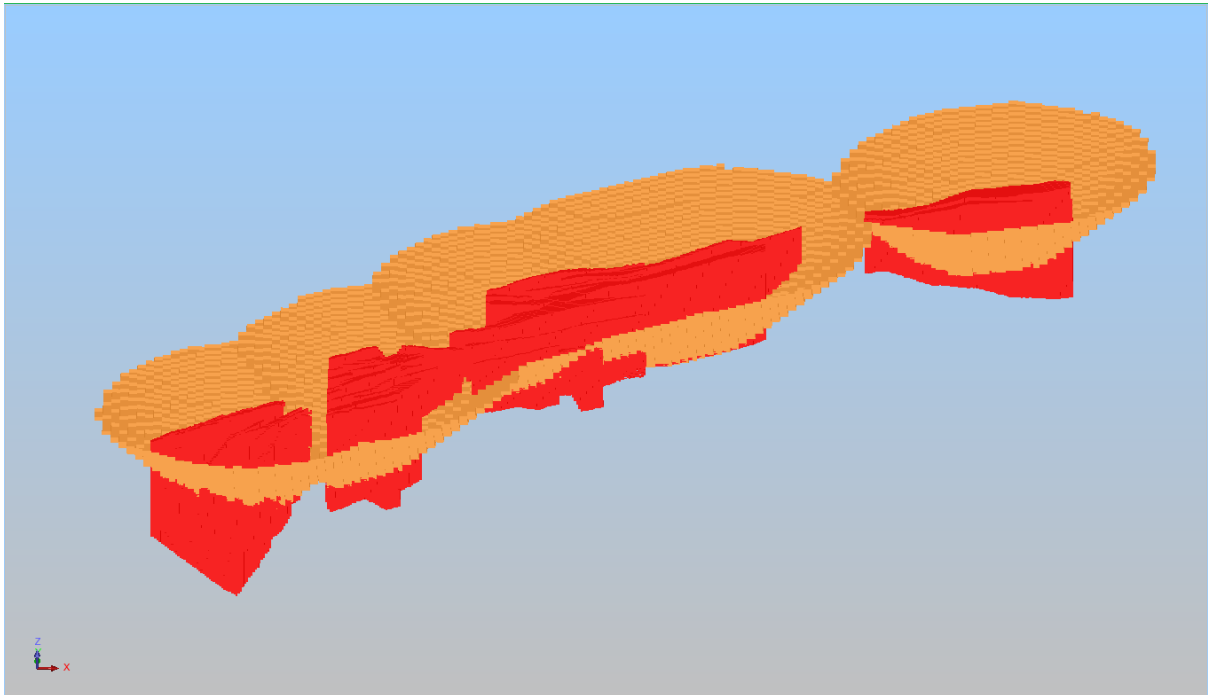


Figure 1: Sogola-Baoule prospect showing interpreted mineralisation (red colour) and optimised pit shell (brown) from first pass mining review.

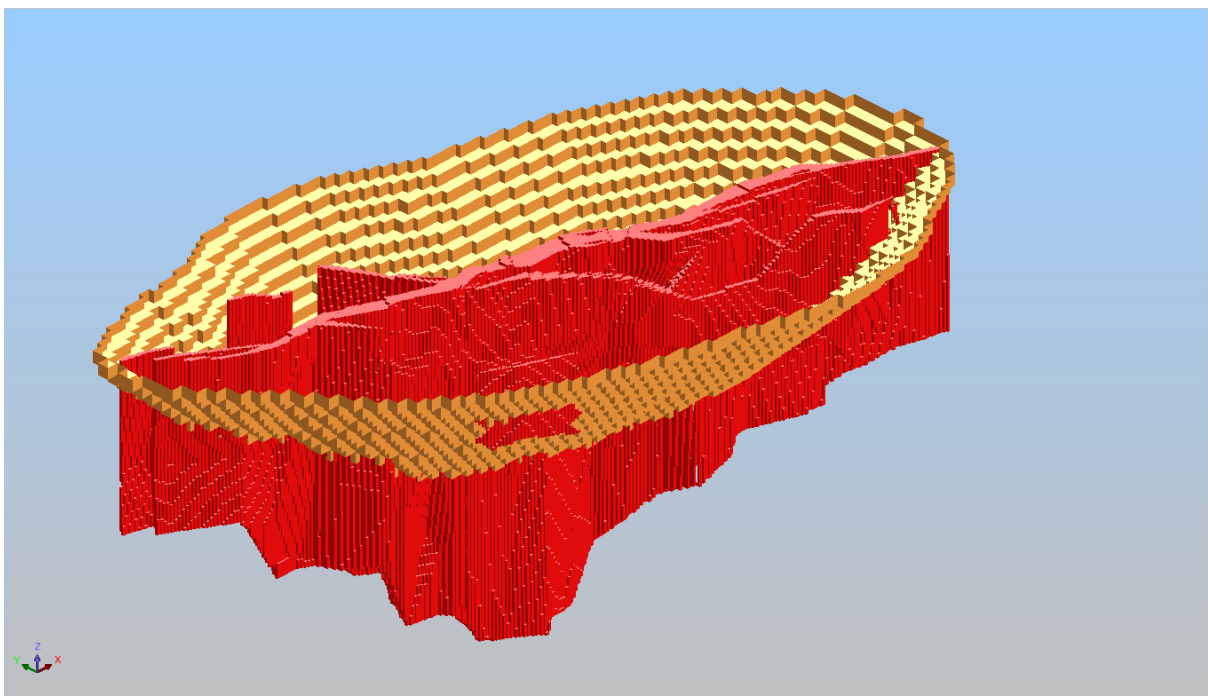


Figure 2: Ngoulana prospect showing interpreted mineralisation (red colour) and optimised pit shell (brown) from first pass mining review

The optimisation of the Ngoulana prospect again has captured the majority of the mineralisation. Additional drilling in this area will focus on the western and eastern extensions, as well as continuing to target parallel and off-set positions.

The Boumou prospect is at an earlier stage of exploration assessment. The drilling completed has identified several mineralised pegmatite veins, and this optimisation study is highlighting key areas for additional exploration drilling to define this target area.

Metallurgy and Preliminary Processing Plant studies

Kodal has commissioned the engineering consultant group Wave International to undertake a review of Kodal's continuing metallurgical testwork programme and to provide a high level overview of potential processing flow sheet, processing plants and capital expenditure. Wave International has been very active in the Lithium development and processing area and has relevant expertise to help Kodal with the potential development of the Bougouni project.

The review completed by Wave International has highlighted the fact that the metallurgical trends exhibited from the initial testwork on the Bougouni mineralisation are consistent with other spodumene deposits currently under study, development or operation. On this basis, a conceptual flow sheet utilising a single stage DMS circuit has been recommended. This is a well understood processing circuit and in use in many lithium mining and processing operations. Further recommendations for ongoing metallurgical testwork and scoping level study parameters have been recommended by Wave International and these have been incorporated into the ongoing metallurgical testwork programme.

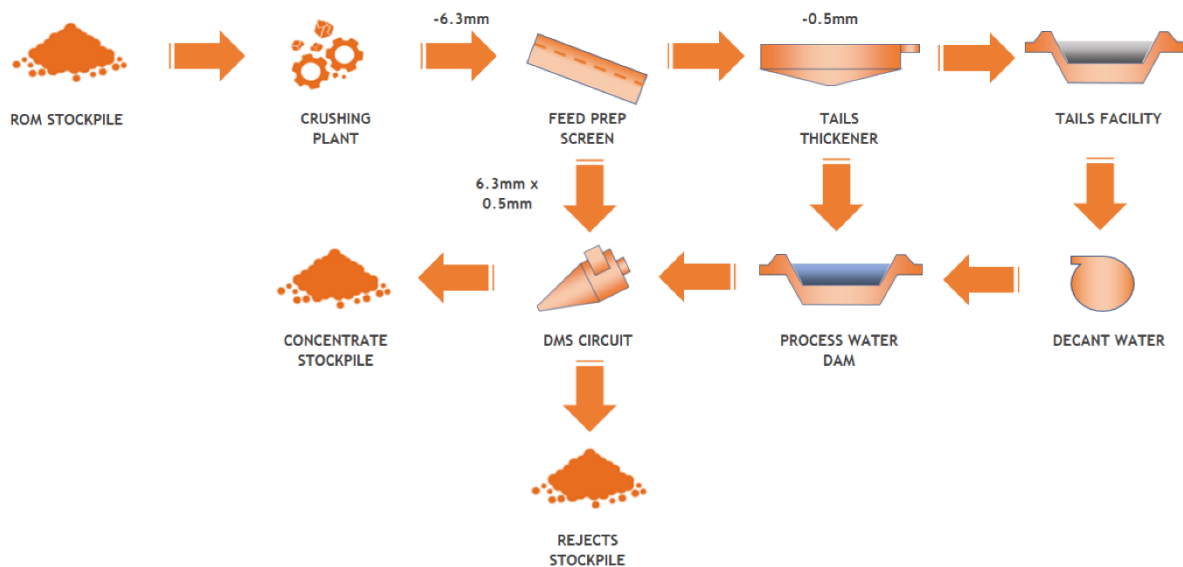


Figure 3: Conceptual processing flow sheet for a single stage DMS circuit for processing Bougouni mineralisation.

In addition to the review of the metallurgical testwork, Wave International has also undertaken an "Order of Magnitude" review of potential capital costs (Capex) (note for the development of a 1Mtpa DMS plant only) and operating costs for an open pit mining operation and processing plant.

This study has indicated Capex of AUD\$14M to build the dense media separation component of the processing plant. Additional capital will be required for a crushing circuit as well as the tailings storage facility and other requirements. The Capex required for the open pit operations and associated infrastructure is not part of this review and will be undertaken in the ongoing optimisation studies.

A preliminary review of the operating costs for the potential open pit mining and processing at Bougouni has been undertaken by Wave International and indicate costs in the order of US\$400 per tonne of spodumene concentrate produced. The costs estimates have initially been compared to actual operating mines of similar size in Australia and will be modified following review and adjustment for local Mali factors. This compares favourably with the current market price of approximately US\$800 - 900 per tonne of concentrate.

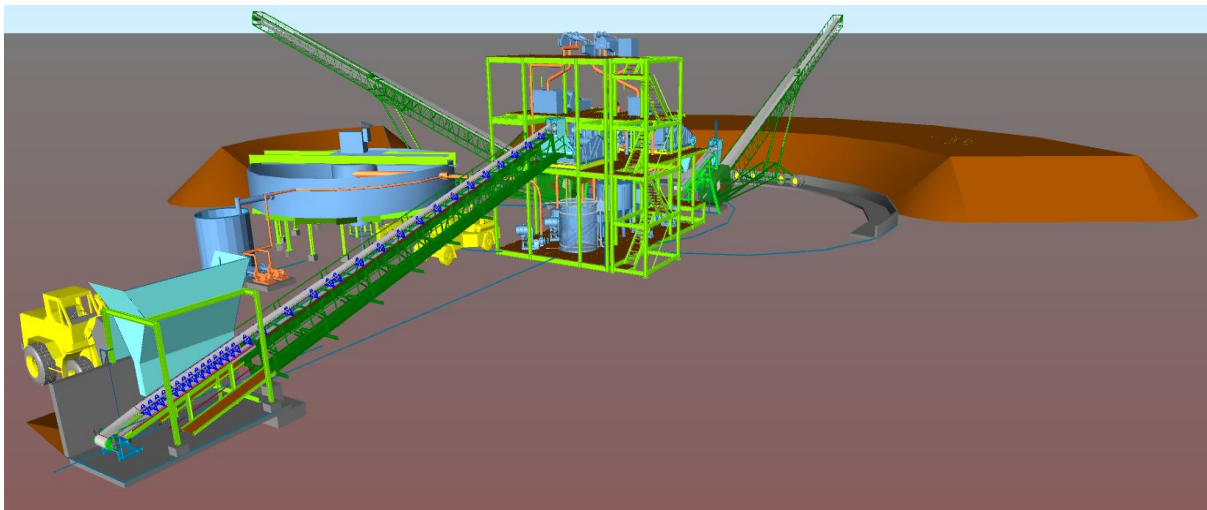


Figure 4: Conceptual single stage DMS processing circuit suitable for construction at the Bougouni project, Mali.

Future Activities

Kodal has a very busy schedule planned to continue with the exploration and development studies of the Bougouni Lithium project. The activities will consist of:

Exploration:

- Exploration drilling is continuing at the Sogola-Baoule prospect to continue targeting extensions of the prospect and increases in the resource;
- Exploration reverse circulation drilling will recommence following the rainy season, with a first priority being additional drilling at the Boumou prospect, the Sogola-Baoule extensions and offsets and testing of new targets.

Metallurgical testing

- Metallurgical testwork is continuing and is focussed on optimising the processes need for the Bougouni mineralisation;
- Additional testwork will incorporate samples from the Sogola-Baoule prospect and will be looking to optimise a “processing blend”.

Mining studies and Optimisation

- Kodal will continue with the review of input mining and processing costs into the study models to improve potential mining operations;
- A review of potential open pit designs and capital requirements will be undertaken;
- An update of the Mineral Resource estimate is expected in the fourth quarter of 2018 following a site visit by the independent geologist and additional drill testing.

In addition to this work, Kodal is continuing with the Environmental and Social Impact Assessment with the aim of completing the study in the first quarter of 2019.

The results of this work programme are designed to allow Kodal to lodge a mining licence application with the Mining Department in Mali in the second quarter of 2019.

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. Further tests completed by Shandong Ruifu Lithium Co Ltd, one of the largest lithium carbonate producers in China, and reported by the Company on 9 October 2017, produced a high quality, low impurity battery grade lithium carbonate using spodumene concentrate from Bougouni.

Recent lithium concentrate (grade 6%) prices range between US\$800/t and US\$950/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.

The Mineral Resource estimates have been prepared by Dr Matthew Cobb who is a Member of the Australian Institute of Geoscientists. Dr Cobb is a Principal Resource Consultant with CSA Global and

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. Dr Cobb 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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Glossary of Technical Terms

"Indicated Resource"	that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed
"Inferred Resource"	that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability
"JORC"	The Australasian Joint Ore Reserves Committee Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the "JORC Code" or "the Code"). The Code sets out minimum standards, recommendations and

guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves

"Measured Resource"	that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity
"Mineral Resource"	a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories when reporting under JORC
"Mt"	million tonnes
"t"	tonne (= 1 million grammes)
"cut off"	the lowest grade value that is included in a resource statement. It must comply with JORC requirement 19: " <i>reasonable prospects for eventual economic extraction</i> " the lowest grade, or quality, of mineralised material that qualifies as economically mineable and available in a given deposit. It may be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification
"Kt"	Thousand tonnes
"Ore Reserve"	The economically mineable part of a Measured or Indicated Mineral Resource