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

Acquisition of Advanced Fatou Gold Project in Mali, Project Level Funding Proposal for Major Exploration Campaign, & Gold Portfolio Update

Kodal Minerals, the mineral exploration and development company focused on its Bougouni Lithium Project in southern Mali (the “Bougouni Project” or the “Bougouni Lithium Project”) is pleased to announce the acquisition of the Fatou Gold Project in southern Mali (“Fatou” or the “Fatou Project”) (the “Acquisition”). Fatou already has a historical compliant NI 43-101 Resource of over 350,000oz which is expected to increase based on a funded 9-month drilling programme.

In conjunction with the Acquisition, Kodal Minerals has received a subsidiary-level project funding proposal from AIM-quoted Riverfort Global Opportunities PLC and Riverfort Global Opportunities PCC (together, the “Investors”) to provide up to US\$2,500,000 to fund part of the Acquisition, implement a major exploration campaign at Fatou and fund exploration at the Company’s additional gold projects in Mali and Côte d’Ivoire (together with Fatou, the “Gold Assets”). A Term Sheet has been signed for the proposed funding which remains subject to, inter alia, due diligence and a final contract being executed. Key details of the funding proposal are highlighted below, and a summary of the terms is provided towards the end of this announcement.

Highlights

- Acquisition of the advanced Fatou Project, Mali, from local vendors
 - i. Historic Mineral Resource of over 350,000oz gold from one prospect
 - ii. Fatou consists of two concessions:
 - i. Fininko Concession, covering 100 sq. km, with Kodal to earn up to 90 per cent. through staged payments and exploration expenditure; and
 - ii. Foutière Convention, covering 200 sq. km, with Kodal to earn up to 90 per cent. through staged payments and exploration expenditure
- Fatou acquisition includes a significant historic database that is currently being reviewed
 - i. Kodal expects to complete targeted drilling to confirm and expand the defined mineralisation at Fatou within a 9-month period
- Gold exploration programme at Fatou consisting of targeted reverse circulation (“RC”) and diamond drilling to commence as soon as possible

- Expanded gold exploration programme to include geochemical sampling, which is currently underway at Dabakala, as well as reconnaissance aircore drilling, RC drilling and targeted diamond drilling at other selected Gold Assets.
- Funding proposal from the Investors to provide up to US\$2,500,000 for an exploration programme, on a no interest, no fee basis for a future stake in Kodal's Gold Assets, and with Kodal to manage all exploration and development programmes (the funding remains subject to due diligence and final contract being agreed)
- At completion of the spend of the US\$2,500,000, or by 31 October 2021, or upon monetisation of some or all Gold Assets, the Investors can either:
 - i. convert the funding to a 40 per cent. holding in a gold joint venture to be formed with Kodal holding 60 per cent. (subject to certain percentage adjustments as detailed below);
 - ii. convert the funding into new Kodal shares at a price to be determined; or
 - iii. seek repayment of the funding over a 15-month period.
- Funding is initially non-dilutionary to existing shareholders and will be used to acquire the Fatou Project, as well as to explore and develop this project and the other assets in Kodal's gold portfolio

Bernard Aylward, CEO of Kodal Minerals, commented: *"I am very pleased to announce the acquisition of the Fatou Gold Project; this is an exciting opportunity for Kodal to acquire an advanced gold project that has immediate drill targets for testing and that complements our existing gold project portfolio in southern Mali and northern Côte d'Ivoire. The Fatou Project provides an opportunity for the Company to confirm and expand a Mineral Resource through an expanded and targeted exploration programme financed through the proposed new funding agreement with the Investors. This acquisition is part of Kodal's strategy to demonstrate the value of our gold assets in West Africa whilst simultaneously establishing our first mining operation at our Bougouni Lithium Project in southern Mali.*

"The US\$2,500,000 funding from the Investors would allow Kodal to explore rapidly our gold projects with a clear aim of defining mineral resources and demonstrating expansion and mining potential. Once concluded, this funding is extremely positive for our shareholders as it enables us to fund the acquisition of a new advanced gold project and also to explore and aggressively drill our gold projects whilst incurring low or no dilution to existing shareholders. The creation of a Joint Venture following the spend of the funding will allow Kodal to explore opportunities to achieve value for the gold assets in the future.

"Kodal's existing gold assets are located within the highly prospective Birimian sequence of West Africa. At our Dabakala project in Cote d'Ivoire we are currently completing infill geochemical sampling on a large-scale geochemical anomaly, 10km strike by 800m width, in a previously untested region. In Mali, our Nangalasso project contains gold mineralised drill intersections requiring follow-up and extension drilling which will be included in the expanded gold exploration programme.

“The Company’s primary focus remains the Bougouni Lithium Project. The Company is maintaining regular communications with the Mali Transition Government to monitor the progress of the Bougouni Lithium Project’s Mining Licence application. Bougouni is our key focus and will be the Company’s first opportunity to develop a mining operation in Mali. We anticipate the grant of a Mining Licence at Bougouni from the Mali Transitional Government in the near term and look forward to updating our shareholders and stakeholders on developments when appropriate.”

FURTHER INFORMATION

Fatou Project

The Fatou Project consists of two concessions, the Fininko (also known as Fatou) and Foutière concessions, located 280km south of Bamako, the capital city of Mali (refer Figure 1). The project forms a contiguous landholding exceeding 300km² and has been acquired through agreements with local vendors. Details of the terms of the acquisition are provided below.

The Fatou Project is complementary to Kodal’s existing activities in southern Mali being 100km to the south of the town of Bougouni and only 30km to the west of the Nangalasso Gold Project. The Fatou Project is an advanced project with previous exploration defining preliminary mineral resource estimates and Kodal considers the project to have excellent exploration prospects that are drill ready and have potential to expand the defined zones of gold mineralisation (refer Figure 2). Historic exploration has been completed by AngloGold Ashanti and Rockridge Capital Corp (“Rockridge”), a Canadian listed company, which explored the project from 2010 to 2014 resulting in a preliminary Mineral Resource estimate exceeding 350,000 ounces gold for the Fatou Main prospect.

Kodal expects to commence exploration immediately and its field team has already made reconnaissance visits to the project area to confirm areas of historical exploration, the location of artisanal mining and host rock of mineralisation, and to determine suitable access for exploration activities and a field camp (refer three photos below).

Geological Setting

The Fatou Project is hosted within the Birimian sequence of West Africa, a sequence of mafic volcanic rocks separated by sedimentary basins and are intruded by granitic rocks of varying composition. The geology at Fatou Project is mostly sedimentary sequences interlayered phyllite and siltstone along with abundant volcanoclastic and tuffaceous strata. These rocks are intruded by three phases of granodiorite occurring as small plutons and stocks. Minor mafic and felsic dikes occur as tabular stocks. The geology is weathered to a depth of 75m (typical depth between 35m and 50m) and laterite capped mesa are formed with the laterite extending for several metres’ depth.

The dominant structural feature observed at the Fatou Project is a major northwest-trending shear zone which aligns the gold targets, local shear fabrics, folds, cross faults, low angle faults, planar fabrics, and crenulation. The northwest shears are inferred to be steeply dipping to slightly east-dipping and further low-angle structures have been interpreted in drill hole modelling that dip to the east.

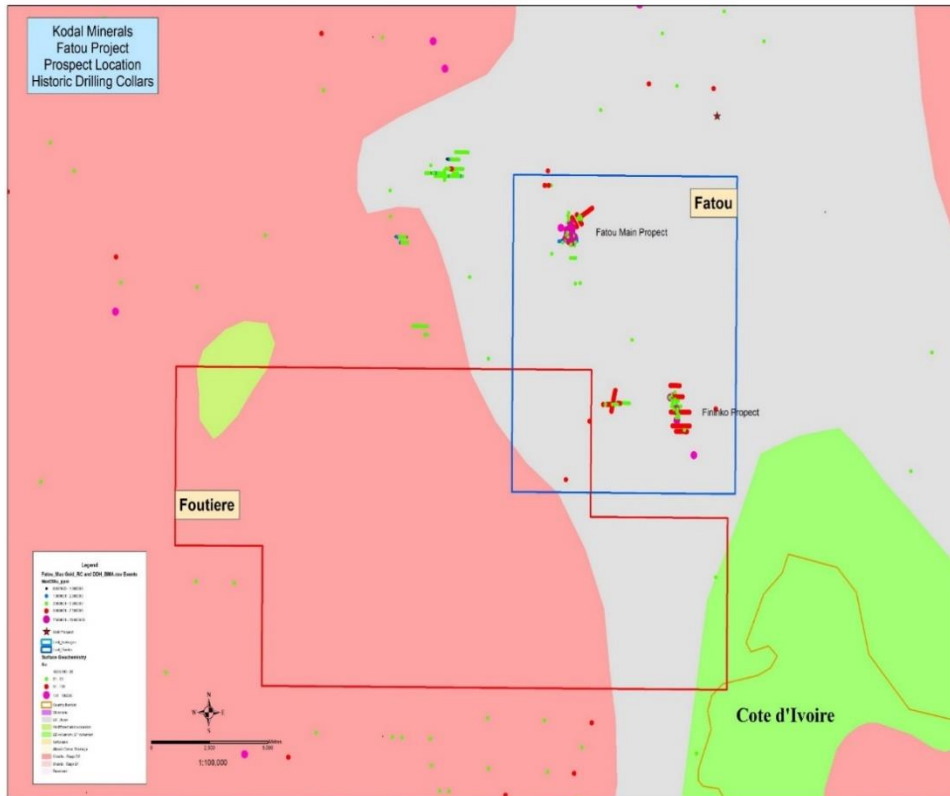


Figure 1: Fininko and Foutiere project locations, south Mali

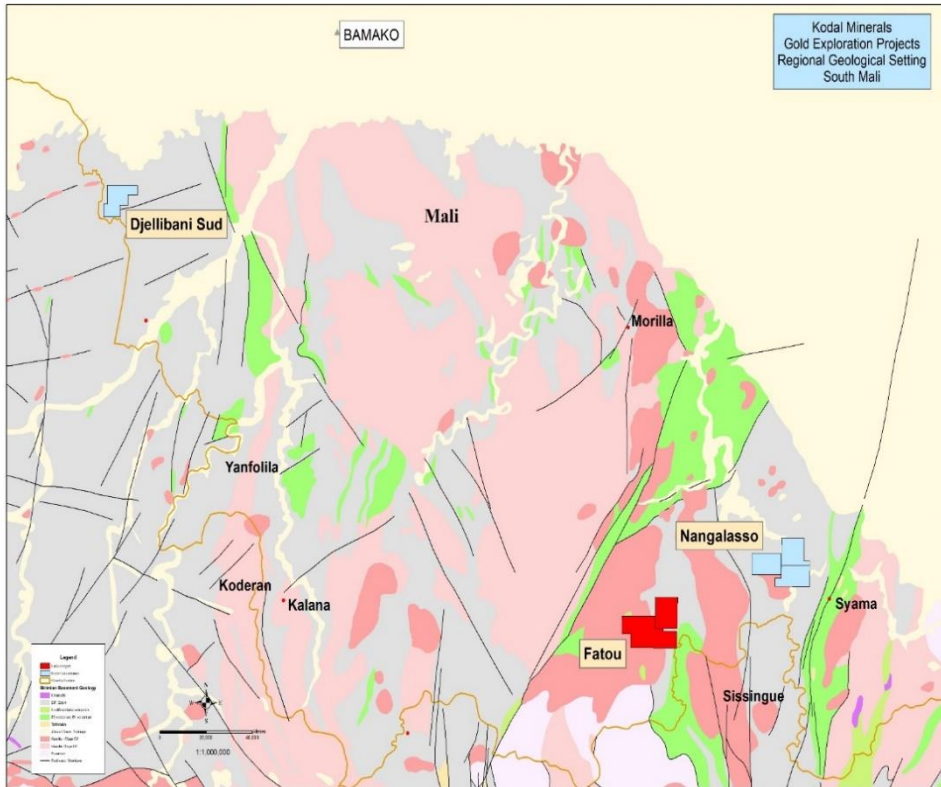


Figure 2: Fatou Project – concession locations and historic exploration drilling. Background is regional geological interpretation





Photos – Active artisanal workings within the Fatou Project and an image of gold recovered from workings (top)

Gold Mineralisation

Historic exploration identified gold mineralisation occurring as free gold in multi-stage quartz and quartz-carbonate \pm sulfide veins. Sulfides associated with gold include pyrite, pyrrhotite, arsenopyrite, and possible bismuthinite. Gold-bearing veins are mostly subvertical in orientation striking north-south to north-westerly and appear to occur in clusters and local envelopes.

Gold in quartz and quartz-carbonate±sulfides veins are orogenic and typical of most gold occurrences throughout West Africa and in other greenstone terranes. These veins formed at upper mesothermal depths (5-10km) and are characterised by brittle to brittle-ductile fracturing of the host rock followed by infiltration of hydrothermal fluids that deposited quartz, carbonate, and metallic minerals including gold.

An initial Mineral Resource estimate was prepared in November 2014 for previous explorer Rockridge of over 350,000 ounces gold (0.6g/t cut-off) and was estimated for only the Fatou Main prospect and represent only part of the potential of the project.

Previous Exploration

Previous work on the Fatou concession includes regional soil sampling by a United Nations Development Program in the early 1980s and further soil sampling later in the 1980s by Orgagoe, a Malian company. In the late 1990s to 2001, AngloGold undertook exploration that included soil sampling, aerial geophysics, RAB drilling, and RC drilling. Results indicated the presence of gold in surface and subsurface samples, but no follow-up work was completed due to changes in corporate exploration strategy.

Rockridge commenced exploration work in 2010 which has included extensive soil sampling, geophysical surveys, drilling, mapping, and initial metallurgical tests. This work culminated in the initial resource estimate.

Proposed Exploration

Kodal has received the extensive historical exploration database and is verifying the information and re-assessing all prospects. The exploration has been systematic, and drilling has focussed on the key targets of the Fatou Main prospect and the Fininko prospect.

Kodal is finalising exploration plans commencing at Fatou Main as a first priority and then at Fininko located to the south. The object of this initial exploration drilling will be to confirm and expand the known gold mineralisation and provide data to support data for a JORC compliant Mineral Resource estimate to be completed. In addition, the Company will target new areas of artisanal mining, previous untested geochemical anomalies and target the Foutiere concessions for reconnaissance exploration along the southern strike of the identified mineralised structure.

Acquisition Terms

The Company, through its wholly owned subsidiary IGS-Mali SARL ("IGS-Mali"), has been granted exclusive rights to explore and an option to purchase up to 90 per cent. of two concessions (Fininko and Foutiere concessions) in Mali totalling 301km², together known as the Fatou Project. The Fininko

agreement is with local vendor group Sacko Holdings SA (“Sacko”) and the Foutiere agreement is with Falcon Gold SARL (“Falcon”). The Fininko concession contains the Fatou Main and Fininko prospects and has been subject to the historic exploration. The nearby Foutiere concession has had limited historic exploration and is an early stage exploration target.

As consideration for the Fininko concession agreement with Sacko, IGS-Mali has committed to pay up to US\$2,050,000 in cash over two years as follows:

- US\$275,000 upon execution of the agreement and lodging it with the Ministry of Mines, Energy and Water;
- US\$275,000 six months after the execution of the agreement, following which IGS-Mali will be entitled to a 50 per cent. interest in the Fininko concession;
- US\$500,000 fifteen months after the execution of the agreement, following which IGS-Mali will be entitled to a 90 per cent. interest in the Fininko concession; and
- US\$1,000,000 twenty-four months after the execution of the agreement, at which point it is expected that IGS-Mali will have finalised a Mineral Resource update and Feasibility study for the concession.

The Company has further agreed that a 2 per cent. Net Smelter Return (“NSR”) Royalty will be granted to Sacko. IGS-Mali has the right of first refusal on any sale or proposed transfer of the NSR or retained interest in the concession.

The Company has the right to terminate the agreement with Sacko at any time in written notice. If the agreement is terminated after the fifteen-month payment and IGS-Mali has completed exploration exceeding US\$1,500,00, then IGS-Mali will retain its 90 per cent. interest in the concession.

The Fininko concession is an Arrete that was granted on 18 February 2018 for an initial 3-year term with two 2-year renewals available.

As consideration for the Foutiere concession agreement with Falcon, IGS-Mali has committed to pay up to US\$200,000 in cash over three years as follows:

- US\$25,000 upon execution of the agreement and lodging it with the Ministry of Mines, Energy and Water;
- US\$35,000 twelve months after the execution of the agreement, following which IGS-Mali will be entitled to a 60 per cent. interest in the Foutiere concession;
- US\$60,000 twenty-four months after the execution of the agreement, following which IGS-Mali will be entitled to an 80 per cent. interest in the Foutiere concession; and
- US\$80,000 thirty-six months after the execution of the agreement, at which point it is expected that IGS-Mali will have finalised a Mineral Resource update and Feasibility study for the concession.

The Company has further agreed that a 1.5 per cent. NSR Royalty will be granted to Falcon. IGS-Mali has the right to purchase one half of the NSR for a payment of US\$1,000,000. In addition, IGS-Mali has the right of first refusal on any sale or proposed transfer of the NSR or retained interest in the concession.

The Company has the right to terminate the agreement with Falcon at any time in written notice.

The Foutiere concession is a Convention under Mali law and is ready to convert to an Arrete, for which Kodal will pay the necessary fee as soon as possible. Upon grant, the Arrete will have an initial 3-year term with two 2-year renewals available.

IGS-Mali is responsible for the exploration expenditure and management of the Fatou project. These staged payments allow IGS-Mali to explore the project and gain additional geological and technical knowledge as exploration advances before committing additional funds. The payment of the future consideration instalments is solely at the discretion of IGS-Mali and IGS-Mali retains the right to withdraw from the acquisition agreements at any stage with no penalty payable.

In accordance with Mali regulation, the Mali Government will be entitled to a 10 per cent. free carried interest in the Fatou Project and an opportunity to purchase an additional 10 per cent. contributing interest, which will result in the interests of IGS-Mali and Sacko and Falcon being diluted on a pro rata basis.

Funding Term Sheet – summary terms of the proposal

Kodal has agreed a conditional term sheet with Riverfort Global Capital Ltd, acting on behalf of the Investors, to provide Kodal with funding of up to US\$2,500,000 (the “Funding Amount”) (the “Term Sheet”). The Term Sheet is not binding, save for confidentiality and the terms of exclusivity, including an initial advance to Kodal of US\$300,000 within 10 days of signing the Term Sheet as detailed further below.

The Funding Amount would be provided to Kodal quarterly in advance to support an exploration budget for Kodal’s Gold Assets with the implicit intention to realise value for some or all the Gold Assets (“a Monetising Event”) on or before 31 October 2021 (the “Decision Date”), at which time the Investors would become entitled to a 40 per cent. interest in the Gold Assets and would have rights as detailed below.

Kodal’s Gold Assets are defined to include the Nangalasso project, the SLAM project and the Fatou project in Mali, and the Dabakala, Korhogo, Boundiali (application), Nielle, Tiebissou (subject to renewal) and M’Bahiakro (application) concessions in Cote d’Ivoire. The joint venture with Resolute Mining Limited remains active and relates to the Nielle, Tiebissou and M’Bahiakro concessions.

The Funding Amount is to be used exclusively to advance the Gold Assets, in an agreed manner between Kodal and the Investors to cover costs including the Acquisition, all standard exploration activities including metallurgy and resource estimation and would also pay a management fee to Kodal for costs associated with the management and compliance of the projects. Kodal and the Investors would review the budget at least quarterly and amend it as necessary.

The Funding Amount would be free of any interest and fees and gives the Investors rights of convertibility of the Funding Amount into either i) equity of a subsidiary of Kodal holding the Gold Assets ("GoldCo") or ii) new Kodal ordinary shares, or the Investors can seek repayment, as set out below:

Upon the Decision Date, a Monetising Event or expenditure of the Funding Amount, whichever is earlier, the Investors can either:

- 1) convert the Funding Amount to GoldCo shares representing 40 per cent., but with a mechanism to increase or decrease such percentage according to the proportion of the final agreed exploration budget that the Funding Amount and any additional payments made by the Investors would represent:
 - a. an additional 10 per cent. of shares in GoldCo can be acquired by the Investors (save in the event of a Monetising Event) by payment to Kodal of between US\$1 million and US\$1.5 million (such amount depending on the final exploration budget) in cash or new ordinary shares of Riverfort Global Opportunities plc, an AIM quoted company, at its then 5-day volume weighted average share price ("VWAP");
- 2) convert the Funding Amount to new ordinary shares of Kodal at a price per share equal to the 5-day VWAP prior to the Decision Date; or
- 3) seek repayment of the Funding Amount, which would be repayable in equal monthly tranches over 15 months (or earlier if Kodal elects), failing which, the Investors would be entitled to 100 per cent. ownership of GoldCo.

For the avoidance of doubt, it is expected that each of the Investors would provide half the Funding Amount and therefore would each be entitled to half of any shares issued pursuant to 1) and 2) above.

At this stage, the Funding Amount is conditional upon completion of due diligence by the Investors and execution of binding contracts and security arrangements within the next 30 days. **Accordingly, there can be no guarantee on the outcome of discussions with the Investors and that ultimately the Funding Amount will be provided.** If a contract for the Funding Amount is not ultimately agreed, Kodal will consider alternative options to fund the Acquisition and exploration budgets, including potentially utilising Kodal's own cash resources.

The Term Sheet provides that, in consideration for Kodal granting exclusivity to the Investors for the next 30 days, the Investors will advance US\$300,000 to Kodal within the next 10 days, which shall be offset against the Funding Amount or, if a contract for the Funding Amount is not ultimately agreed,

will be repayable by Kodal by the Decision Date plus 10 per cent. If the Funding Amount is not agreed, the Investors has a right of first refusal to match any offers of debt or equity investment into Kodal for a further 60 days.

Gold Portfolio Update

Kodal has maintained a suite of gold assets in Mali and Cote d'Ivoire that are well located in the highly prospective Birimian sequence of West Africa. Kodal has maintained the concessions in good standing, with licences extended or renewed where appropriate and has maintained access to all areas. In addition, Kodal has an active Joint Venture with Resolute Mining Limited ("Resolute") for three concessions in Cote d'Ivoire, with Resolute managing exploration.

Kodal is currently completing infill geochemical sampling at the Dabakala project in Cote d'Ivoire with the aim of confirming a large-scale surface gold anomaly and providing definition for reconnaissance aircore drilling in the 2021 field season. The geochemical sampling is expected to be complete by the end of December, with assay results anticipated in late January 2021.

In Mali, Kodal has conducted field reconnaissance at the Nangalasso project and has planned an aircore drilling programme to follow-up previous gold mineralised drill intersections in the 2021 field season. This work is part of the exploration budget supported by the Funding Amount described above.

Kodal has received a proposed exploration programme from Resolute for the Nielle project located in northern Cote d'Ivoire. The programme is aimed at following up previous gold mineralised intersections to a density to support a maiden resource estimate as well as continuing to test the strike extensions of the defined geochemical anomaly.

****ENDS****

For further information, please visit www.kodalminerals.com or contact the following:

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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.