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Kodal Minerals plc ('Kodal Minerals' or the 'Company')

Results of Bougouni Project bulk sample test work demonstrates overall recovery of up to 83%

Kodal Minerals, the mineral exploration and development company, is pleased to report the initial test results of the bulk sample of pegmatite hosted lithium mineralisation from the Bougouni Lithium Project located in southern Mali ('Bougouni' or the 'Project'). The test work was completed by Shandong Shengli Environment Protection Technology Co Ltd ('Shengli') a company associated with Shandong Ruifu Lithium Co Ltd ('Ruifu') at its Yishu plant in Shandong province, People's Republic of China. The Yishui processing plant is a 2 million tonne per annum (Mtpa) DMS (dense media separation) and flotation plant, purpose built for the concentration of spodumene mineralisation from pegmatite ore.

Highlights:

- Recoveries of the Bougouni bulk sample from the plant achieved an overall recovery of up to 83% for a 5.5 % to 6.0% Li₂O spodumene product.
- This recovery is significantly higher than the 71% recovery used in Kodal Minerals' initial Feasibility Study and indicates upside on the project.
- The spodumene concentrate is low in impurities with iron content reported at below 0.5%.
- Bulk sample test results will be included in an optimisation study to identify upside at Bougouni whereby improved recoveries have the potential to enhance project economics.

Bernard Aylward, CEO of Kodal Minerals, remarked: *"These results from the testing of the Bougouni bulk sample continue to highlight that the mineralisation defined at the Project can be processed in a close to commercial scale to produce a high-grade, low impurity spodumene concentrate suitable for processing to battery grade lithium carbonate or lithium hydroxide. The bulk sample was collected from our Ngoulana prospect and this is the first area proposed for mining in our current plan. The significant improvement in the overall recovery of over 80% highlights potential improvement for the Project and future revenue. Kodal will internally undertake an update of the optimisation of the recently completed Feasibility Study, to investigate the potential upside possible from this improved recovery outcome using a combination of DMS and flotation. It should be noted that our Feasibility Study, announced in Q1 2020, highlighted the potential for an economically robust mining operation, with a forecast payback period of under two years and a pre-tax IRR of 58%, so the confirmation of potential upside is very exciting indeed.*

"With respect to the Bougouni mining licence application submitted in January 2020, Kodal is maintaining regular communication with officials at the Mali Ministry of Mines to monitor progress of the application. The application is proceeding, however, no firm timing guidance can be provided for

the granting of the mining licence while Ministerial review is ongoing. Kodal will provide further guidance when information is available.”

Further Information

Bulk Sample Processing

Kodal transported over 600 dry tonnes of bulk sample of pegmatite hosted lithium mineralisation collected from the Ngoulana deposit at the Bougouni Lithium Project. The bulk sample was processed at Shengli's Yishui plant, located approximately 160km from the port of Qingdao in the Shandong province of China. This plant provides spodumene concentrate to the Ruifu processing plant at Tai'An. Ruifu has a close relationship with Kodal's major shareholder Suay Chin International Pte Ltd and operates a lithium carbonate and lithium hydroxide production plant in Tai'An.

The bulk sample was assayed in the plant laboratory with lithium grades from 10 samples varying from 1.24% to 1.47% and is representative of the Ngoulana prospect. The bulk sample was processed via up-front crushing to reduce feed stock size to below 10mm for effective DMS extraction. The crushed ore is fed over a primary sizing screen whereby finer material reports to a flotation circuit, with the



coarser material treated in the DMS circuit.

Figure 1 – Primary sizing screen separating coarse DMS feed material from the finer Flotation feed material

The dual processing streams achieved improved recovery over the standalone flotation circuit used for the feasibility study. As a result, the overall recovery achieved by Shengli in testing the bulk sample reached 83% compared with 71% for the flotation only test work that supports the feasibility study assumptions. The quality of saleable spodumene product produced retained a 5.5% to 6% Li₂O grade in both instances.

It is noted that DMS recoveries have always proven to be higher for the Ngoulana deposit compared with the recoveries from the Sogola Baoule and Boumou prospects in laboratory testing. It was the reduced DMS recoveries from these two deposits that substantiated the decision to revert to whole of ore processing via flotation only that was assessed in the recent optimisation and Feasibility Study.

With the marked improvement in recovery experienced at the Shengli processing facility, it is possible that improved project economics could be achieved by adopting a similar DMS–flotation plant for Bougouni. Furthermore, the testing confirms that the Shengli facility is suitable for processing Bougouni ores and further synergies may be able to be gained through the adoption of the same plant configuration.



Figure 2 – Flotation product undergoing filtration for reduction of moisture content to <5%

In order to investigate these potential benefits, Kodal will undertake a study optimisation process using the Feasibility Study as a basis. The optimisations will need to consider the benefit of improved overall recovery, against any additional capital and operating costs of a combined DMS–flotation circuit. The optimisation studies will be completed internally and the results of this work are expected to be finalised in Q3 2020.

This bulk sample test work confirms that the spodumene concentrate from Bougouni is low in impurities and aligns with previous test work completed by Ruifu that has demonstrated the suitability of the Bougouni spodumene concentrate to achieve downstream processing of high quality, low impurity battery grade lithium carbonate.

****ENDS****

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About Kodal Minerals

Kodal Minerals' primary focus is on the rapid advancement towards production of its flagship Bougouni Lithium Project in Southern Mali. The JORC Resource Estimate places the Bougouni Project in the top 15 hard rock lithium projects globally and was calculated using only three of the eight currently recognised prospects demonstrating the significant exploration upside potential remaining across the 450km² project area. 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 Code:

Prospect	Indicated			Inferred			Total		
	Tonnes (Mt)	Li ₂ O% Grade	Contained Li ₂ O (kt)	Tonnes (Mt)	Li ₂ O% Grade	Contained Li ₂ O (kt)	Tonnes (Mt)	Li ₂ O% Grade	Contained Li ₂ O (kt)
Sogola_Baoule	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

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 Bougouni Project and recently acquired 200km² Bougouni West project are located in an emerging lithium province that is already attracting the attention of investors and off-take partners interested in securing a long-term supply of lithium. With the support of its strategic investor and off-take partner Suay Chin International Pte, a Singapore-based lithium and chemical trader, Kodal Minerals is well positioned to continue its ambitious development programme at Bougouni.

Further to this, Kodal Minerals is the manager of additional lithium and gold projects that are undergoing low cost exploration programmes in addition to JV funded gold properties in Cote d'Ivoire that offer potentially significant long-term value.