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Kodal Minerals Plc / Index: AIM / Epic: KOD / Sector: Mining

1 February 2023

**Kodal Minerals plc**  
("Kodal Minerals", "Kodal" or the "Company")

#### **Funding update - US\$7million deposit received into escrow account**

Kodal Minerals, the mineral exploration and development company focused on lithium and gold assets in West Africa, is pleased to confirm the receipt of the US\$7.0 million deposit in relation to the funding package announced on 19 January 2023 (the "**Funding Transaction**").

As announced, the Funding Transaction has been agreed with Hainan Mining Co. Limited ("**Hainan**" or "**Hainan Mining**") and its wholly owned UK-incorporated subsidiary Xinmao Investment Co. Limited ("**Xinmao**" and together the "**Hainan Group**") and is expected to provide full financing for the development and commencement of production at the Bougouni Lithium Project in Mali and support a major exploration and development programme. The Hainan Group are highly experienced mining and development professionals and will be working in partnership with Kodal to continue the advancement of the Bougouni Lithium Project ("**Bougouni Project**", "**Bougouni**" or the "**Project**") to production.

The Funding Transaction remains subject to, inter alia, Chinese regulatory approvals and the Hainan Group has advised the Company that the progress of the outward direct investment ("**ODI**") application to the Chinese government authorities is proceeding as planned. The Funding Transaction also remains subject to Mali authority approvals for the necessary restructuring of Kodal's existing subsidiary in Mali, which is to become a wholly owned subsidiary of Kodal's newly incorporated UK subsidiary, Kodal Mining UK Limited.

Updates on the progress to completion of the Funding Transaction will be announced as appropriate.

#### **Suay Chin pre-emption rights**

Pursuant to Suay Chin International Pte Limited's ("**Suay Chin**") existing contractual pre-emption rights, the Company offered Suay Chin the right to subscribe for up to 485,568,717 ordinary shares in Kodal on the same terms and conditions as set out in the Kodal Subscription Agreement with the Hainan Group (which is part of the Funding Transaction) to maintain its shareholding at its current level of 14.18%. The period of offer has now closed and Suay Chin did not elect to subscribe for these shares and consequently upon completion of the Kodal Subscription, Suay Chin will be diluted to a shareholding in Kodal of 12.08% (assuming no other shares are issued before then).

#### **Bougouni Project Update**

Kodal has continued the engineering, environmental and social work at Bougouni to ensure it has been able to maintain momentum to fast track the mine development.

Kodal currently has one reverse circulation ("**RC**") drill rig and one diamond drill rig on site completing engineering related drilling for water bore monitoring drill holes, geotechnical drilling for final open pit design, metallurgical drilling to provide additional samples for variability testing along the strike length of the orebody and exploration infill, extension and additional pegmatite vein testing.

The RC drilling commenced on 18 January and has completed 806 drilling metres. All results for the drilling

are pending.

The diamond drilling commenced on 22 January focussing on geotechnical drilling. 385m of geotechnical drilling has been completed to date and drilling is continuing. Drill holes will be initially logged by a Kodal geologist, with a consultant geotechnical engineer expected to visit the site at the completion of the programme to complete all geotechnical reviews and reporting for the open pit design work.

Kodal has continued the environmental and social activities on site with additional surface water samples collected and dispatched for analysis, and consultants Digby Wells have been on site to manage the location of the water bore drilling and assessment of groundwater intersected.

The engineering and development programme to fast-track Bougouni is continuing and updates will continue to be regularly announced as appropriate.

Defined terms used in this announcement have the same meaning as those used in the announcement of 19 January 2023 unless otherwise specified.

**\*\*ENDS\*\***

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