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

15 November 2023

**Kodal Minerals plc**

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

**Completion of US\$117.75 million Bougouni Lithium Project funding transaction  
and  
Investor Presentation**

Kodal Minerals, the mineral exploration and development company focused on lithium and gold assets in West Africa, is pleased to announce the completion of the funding transaction for US\$117.75 million originally announced on 19 January 2023 (the "**Funding Transaction**"), paving the way for the opportunity for Kodal to be the first London-quoted lithium producer.

The Funding Transaction was 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 provides full funding for the development and commencement of production at the Bougouni Lithium Project in Mali ("**Bougouni**" or the "**Project**"), as well as supporting ongoing exploration and development programmes designed to continue the expansion of the Project.

Bougouni is an advanced lithium project which has a mining permit for an initial twelve-year period, renewable in ten-year blocks until all resources are mined, covering 97 km<sup>2</sup> of highly prospective lithium deposits, which to date has a JORC Mineral Resource Estimate of 31.9Mt of Li<sub>2</sub>O at 1.06%. Bougouni will be developed through a two-stage development strategy: Stage 1 through processing ore from the Ngoulana deposit through a Dense Media Separation ("**DMS**") process plant (currently under construction); and Stage 2 through processing ore from the Boumou and Sogola-Baoulé deposits through a flotation plant.

The Funding Transaction consists of a US\$17.75 million equity subscription by the Hainan Group into Kodal, with these new ordinary shares having been admitted to trading on AIM today. As a result, the Hainan Group now holds 14.72% of the issued share capital of the Company. The Funding Transaction also includes a US\$100 million investment into Kodal's UK subsidiary company, Kodal Mining UK Limited ("KMUK"), by the Hainan Group, primarily to provide the financing to construct the Bougouni lithium production operation. KMUK is 49% owned by Kodal and 51% by the Hainan Group.

**Investor presentation**

The management of Kodal will hold an online presentation today, Wednesday, 15 November 2023 at 9:00am GMT. The presentation will be hosted on the Investor Meet Company platform. Those interested in joining the online presentation can do so using the following link:

<https://www.investormeetcompany.com/kodal-minerals-plc/register-investor>

**Commenting on the completion of the Funding Transaction, Bernard Aylward, CEO of Kodal Minerals, stated:**

*"This is a major milestone in our progress towards the construction of Bougouni and becoming a producer of high-grade lithium spodumene concentrates. Throughout the process of completing the Funding Transaction, Kodal and the Hainan Group worked closely together to advance key project development activities whilst maintaining all necessary conditions precedent to finalising the funding. We have developed a strong relationship*

*completing all necessary conditions precedent to finalise the funding. We have developed a strong relationship with the Hainan Group and we will work together to achieve our shared goal of production within twelve months from now.*

*"An active work programme has been planned for Bougouni, with Kodal's Operations Director, Steve Zaninovich, and Hainan's technical representative, Jerry Gao, currently finalising the design of the DMS operations at the Johannesburg offices of our engineering consultant DRA Global, and commencing the procurement of long lead items. In Mali, our development team, led by our General Manager, Yushen Cai, is building our internal capacity for the construction phase and future operations of Bougouni, whilst continuing with the access road development and site preparations which commenced in October 2023.*

*"We are also looking to the future with an exploration programme proposed for further drilling at the Boumou prospect as a priority, in addition to further drilling and assessment of the many pegmatite bodies already identified within our mining licence area".*

## **Further Information**

### **Kodal Subscription Agreement**

To finalise the Kodal Subscription agreement, the Company received US\$17.75 million (approximately £14.5 million) from the Hainan Group and the Hainan Group has been issued with 2,937,801,971 new ordinary shares of 0.03125 pence each in the capital of the Company (the "New Ordinary Shares") at a price of 0.4912 pence per New Ordinary Share in accordance with the terms of the Funding Transaction. As stated in the Company's announcement on 14 November 2023, all funds for the Subscription have been received and the New Ordinary Shares were admitted to trading on AIM today, 15 November 2023. The Hainan Group, and registered holder Xinmao have agreed to not dispose of any New Ordinary Shares for a period of 12 months following Admission and, for a further period of 12 months, to only dispose of the New Ordinary Shares through the Company's broker(s) on an orderly market basis.

### **KMUK Funding**

As announced on 14 November 2023, the funds for the Hainan Group investment into KMUK have been received in KMUK's bank account. The KMUK project team has prepared a development plan and budget to be presented to the KMUK Board for approval. This plan will allow the commencement of ordering major items such as the proposed DMS modular units and crushing circuits. These are critical items to secure in order to achieve our fast-track development timeline.

KMUK have commenced an update to the Ngoulana open pit optimisation plan following expansion of the Mineral Resource estimate (refer to announcement of 14 November 2023) and associated mine design that will provide the project team with the information necessary to procure a mining contractor for the mining and site earthworks required for the construction works to commence.

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

For further information, please visit [www.kodalminerals.com](http://www.kodalminerals.com) or contact the following:

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