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Kodal Minerals plc

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

Bougouni Lithium Project Update - Construction Progress on Track

The Board of Kodal Minerals, the mineral exploration and development company, is pleased to provide an update on project development activities at its fully funded Bougouni Lithium Project in Southern Mali ("Bougouni" or the "Project"). The Project is fully funded through the Hainan funding transaction as previously announced by the Company on 15 November 2023 that completed a US\$100m investment into Kodal Mining UK Limited ("KMUK") a company owned 51% by the Hainan group and 49% Kodal that is the developer of the Project.

Highlights:

- Shipping of the dense media separation ("DMS") processing plant and crushing circuit modules is progressing with minor delays for reasons outside KMUK's control, namely, the diversion of the vessel to Freetown, Sierra Leone to offload other humanitarian cargo deemed urgent by the operator. The vessel has since departed Freetown and is enroute to the scheduled Abidjan port in Cote d'Ivoire.
- Structural steelwork fabrication was completed in June and is also on the above-mentioned vessel.
- The second shipment is also currently enroute to Abidjan port, passing Walvis Bay port in Namibia. This shipment contains the remainder of the processing plant equipment, the initial consumables for the DMS plant, spare parts, chemical laboratory and site equipment.
- The mining contractors consortium comprising Auxin Mining Services Mali SARL ("Auxin") and Enterprise Générale Traoré et Frères SARL ("EGTF") (the "Mining Contractors") is progressing well with mining at the Ngoulana pit.
- The civil construction contractor, Bambara Resources SARL ("Bambara"), together with its key subcontractor, GZB Mali, part of the Gezhouba Group (GZB) from China, has completed all major footings for the DMS plant in readiness to receive steelwork for erection.
- Overall, the Project remains on budget and on target for production by the end of 2024.

Bernard Aylward, CEO of Kodal Minerals, remarked: *"The construction of the Bougouni Project continues to progress satisfactorily with the targeted first production before the end of 2024 remaining on schedule. The shipment of the DMS plant, key equipment and plant steelwork has experienced some minor shipping delays which were outside of our control. However, this will not impact our overall production commencement target and work onsite is continuing in preparation of the arrival of the processing plant."*

"The civil contractor has completed the installation of all major DMS plant footings, clearing the way for unfettered access for installation works to complete steelwork and platework erection activities."

"The Mining Contractors commenced the mining of overburden materials at the Ngoulana pit at the beginning of July with this material predominantly "free dig" oxide waste. Hard rock will be reached next month, after which it is anticipated that our first blast will be conducted in early September 2024. The mining team is on target to have a stockpile of ore on the ROM pad for commissioning and commencement of processing."

"We remain on track to achieve first production by year end, and within the projected capital expenditure ("Capex") guidance of US\$65m."

FURTHER INFORMATION

Shipping of equipment and steelwork

Critical long lead equipment, steelwork and platework items for the DMS processing plant are enroute to West Africa. KMUK has experienced minor delays with the shipment of the aforementioned items due to reasons outside of its control, namely the diversion of the vessel to Freetown in Sierra Leone to offload other humanitarian cargo that was deemed urgent by the operator.

As a result, KMUK has conducted a critical review of the overall construction schedule and sequencing to assess the potential impacts of the delayed shipment and remains confident that the shipping delay experienced will not impact the overall production milestone target of the end of 2024. The freight forwarding agent is making all the necessary preparations for prompt clearance and transport of cargo in priority order to site. The site construction of the DMS and steelwork design will be supervised by experts from Haiwang Technology Group ("Haiwang") as part of the agreed purchase of the equipment from Haiwang. This assistance will provide the installation team with immediate access to technical experts from Haiwang who were involved in the design and fabrication tasks and have supervised previous installations at various sites.

The final remaining major shipment is currently enroute from China, carrying the power plant, as well as other minor outstanding sub-critical piping and electrical items.

Civil construction - concrete contract

The civil construction works have continued to progress satisfactorily, and all major concrete footings required for the assembly and erection of the DMS plant steelwork have been completed. The delay of the shipment will give the civil contractor additional time to fully prepare the access avenues to the DMS area, and to ensure hardstands for crane operations are established and solid.

Mining contract

Mining activities are progressing very well on site. The Mining Contractors' mobilisation activities are advancing with the establishment of the explosives storage and mixing yards, and the general mine services facilities. The final location of the explosives storage and mixing yards was agreed with the community representatives, mindful of limiting impacts to existing agricultural areas. In addition, construction and secure fencing of the explosive storage area is now near completion. Land acquisition compensation arrangements have also been agreed in accordance with statutory obligations.

Removal of "free dig" overburden at the main Ngoulana pit is proceeding to plan in order to remove the softer oxide waste and expose the hard rock beneath. The Mining Contractors are on schedule to complete the free dig works in advance of the first blast at the pit which is scheduled for early September 2024.

Environmental and social updates

As part of the community consultation process and our commitment to improving the livelihood of the adjacent communities, KMUK donated two tractors to the Kola-Sokoura and Ngoulana villages back in March 2024. It is pleasing to see the village farmers making constructive shared use of the two tractors and we've received much praise and appreciation for this initiative which has enabled the communities to improve their farming productivities.

On 28 June 2024, KMUK'S ESR Manager, Operations Director and our entire community relations team attended the school ceremonies on the final day before the start of school holidays for the Kola-Sokoura School. In addition, KMUK awarded gifts of encouragement to the best performing students in the class and to the teacher in the presence of the parents of students, the chief of the village and his administration notables, and an educational advisor from the Centre for Pedagogical Animation (CAP) of Bougouni.

****ENDS****

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

Kodal Minerals plc
Bernard Aylward, CEO

Tel: +61 418 943 345

Allenby Capital Limited, Nominated Adviser
Jeremy Porter/Vivek Bhardwaj/Nick Harriss

Tel: 020 3328 5656

SP Angel Corporate Finance LLP, Financial Adviser & Joint Broker
John Mackay/Adam Cowl

Tel: 020 3470 0470

Canaccord Genuity Limited, Joint Broker
James Asensio/Gordon Hamilton

Tel: 0207 523 4680

Burson Buchanan, Financial PR
Bobby Morse/Oonagh Reidy

Tel: +44 (0)20 7466 5000
kodal@buchanancomms.co.uk

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