

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

5 September 2024

**Kodal Minerals plc**

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

**Bougouni Lithium Project Mine Construction Update  
& Boumou Prospect Drilling Update**

Kodal Minerals, the mineral exploration and development company, is pleased to provide an update on the progress of construction of the Dense Media Separation ("DMS") processing plant and mining at the Ngoulana open pit mine at its flagship fully funded Bougouni Lithium Project in Southern Mali ("Bougouni" or the "Project"). The Project is fully funded through the US 117.5m Hainan funding transaction, (see RNS as previously announced by the Company on 15 November 2023). This funding transaction includes a US 100m investment into Kodal Mining UK Limited ("KMUK"), a company owned 51% owned by the Hainan Group and 49% by Kodal, who is the developer of the Project.

We also provide a further update on drilling assay results returned at the Boumou prospect, located within the Bougouni Lithium Project in Southern Mali. These reported assay results are from reverse circulation ("RC") drill holes completed in April and May 2024, which continue to return lithium mineralisation and define the geological controls on the Boumou prospect's pegmatite bodies. Final assay results for the RC drilling programme and all assay results for the diamond core drilling are pending, with results expected in due course.

**Highlights:**

- The first two shipments from China carrying the critical long lead equipment items and structural steelwork for the plant buildings have arrived at the Abidjan Port in Côte d'Ivoire;
- Offloading at the port has progressed quickly, utilising the services of Africa Cargo Central, a West African specialist supply chain and logistics management company;
- First convoy of trucks arrived at the Bougouni customs post and upon final clearance will deliver goods to site;
- The civil construction works have continued to progress well at Bougouni and overall completion has reached 85% with the completion of only minor floor slabs and smaller footings remaining;
- Open Pit mining at the main Ngoulana pit is progressing, with the removal of overburden continuing and completion of three blasts of exposed hard rock and pegmatite bodies completed. This will ensure stockpiles of Ngoulana ore will be available well in advance of commissioning in Q4 2024;
- Wide, high-grade extensions returned at the Boumou Prospect include:
  - 7m at 1.16% Li<sub>2</sub>O from 147m in drill hole KLRC223;
  - 13m at 1.07% Li<sub>2</sub>O from 71m in drill hole KLRC224;
- Diamond core drilling is continuing at the Boumou prospect to provide detailed geological information as well as samples for future metallurgical test work and geotechnical logging for open pit optimisation parameters.

**Bernard Aylward, CEO of Kodal Minerals, remarked:***"I am delighted to report that the Stage 1 development of the Bougouni Lithium Project continues to rapidly advance. The DMS and Ngoulana open pit development continues to advance with the open pit mining currently ahead of schedule, with no impact from the heavy rainfall experienced in July and early August associated with a heavy rainy season in 2024. Ahead of the assembling of the DMS processing plant, site works have continued to advance as planned with the completion of the foundations for the DMS units, and processing infrastructure and the crushing circuit. The area of the*

*processing plant, office buildings and the open pit have remained outside of high-water levels and provide confidence of future mining and processing activities throughout the year."*

*"The arrival of the first shipping cargoes into the Abidjan Port, and subsequent commencement of transport to the site is yet another positive step towards the successful development of the Bougouni Lithium Project. The contract for the DMS site installation has been awarded to local company, Bambara Resources SARL and subcontractor partner Jinpeng, who have recently completed the installation of a similar DMS processing plant in Nigeria. In addition, the site installation will be supported by expert engineers from Beijing High Dynamic, for the crushing circuit and from Haiwang Technology Group for the DMS units. This oversight will provide additional guidance and design verification for the successful plant commissioning of the operation."*

*"The development of Bougouni the Project is now entering a critical and exciting phase as the construction assembling of the processing circuit commences and we will continue to provide regular updates as work progresses."*

## **FURTHER INFORMATION**

### ***Ngoulana DMS and Open Pit Development***

#### ***Shipping Transport***

The first two shipments from China carrying the critical long lead equipment items and structural steelwork for the buildings have arrived at the Abidjan Port in Cote d'Ivoire. Offloading at the port has progressed quickly, utilising the services of West African specialist supply chain and logistics management company, Africa Cargo Central ("ACC"). The equipment and materials are being consolidated at ACC's yard in Abidjan, and then sorted to ensure cargo is transported to site in priority order. The first convoy of eleven trucks has arrived at the Bougouni customs post and, following final clearance, is expected to arrive on site shortly.

The final supply of imported equipment, goods and materials expected from China will be dispatched in two shipments: the first shipment is currently being loaded in Tianjin and will contain predominantly the electrical equipment, cables and cable supports, and the majority of piping materials, valves and instruments.

The final shipment will contain the Project's power plant, transformers and associated materials. In order to mitigate the impact of any potential impact delays to commissioning of the DMS processing plant, that may arise with a delay in the arrival of the power plant, the site team will arrange for temporary hired generators to be utilised to help conduct the pre-commissioning of equipment. This will ensure that the main drivers are operational before connecting to the mains power plant, in order that commissioning with ore can proceed quickly thereafter.

#### ***Mining***

To date, mining works are progressing ahead of schedule, and the Company is confident that stockpiles of Ngoulana ore will be available to the plant well in advance of commissioning.

Mining activities have continued to predominantly involve the removal of "free-dig" overburden at the main Ngoulana pit. Recently in some areas of the open pit hard rock has been reached recently which will require blasting for removal.

The mining contractor, EGTF Mining SARL ("EGTF") and Auxin Mining Services Mali SARL ("Auxin"), successfully conducted the first trial blast on the site ahead of schedule and has subsequently completed two further blasts of hard rock and pegmatite material. These initial blasts have enabled the mining team and contractor to test all the safety, communication and operational protocols required.

#### ***Civil Construction - Concrete Contract***

The civil construction works have continued to progress satisfactorily and overall completion has reached 85% with only minor floor slabs and smaller footings remaining to be finished. It is anticipated that the concrete works onsite contractor will be fully complete in September 2024, providing unfettered access to the site for structural, mechanical and piping installation to proceed.

#### ***SMPP Installation Contractor***

The SMPP ("Structural, Mechanical, Platework and Piping") installation contract has been awarded to Bambara Resources SARL ("Bambara") together with its key subcontractor, Jinpeng ("Jinpeng"), a construction and installations specialist engineering company from China. Jinpeng last year successfully completed the

installation of a DMS processing plant in Nigeria, which is a plant very similar to the planned Bougouni DMS and was also designed by the same engineering company from China, Haiwang Technology Group ("Haiwang").

The Bambara/Jinpeng contract is similar to the successful implementation strategy used for the Bougouni civil works whereby Bambara will provide all local labour, equipment and services and as well as manage Jinpeng, which will provide the engineering technicians and on-site supervision. Two expert engineers each from both Beijing High Dynamic (supplier of the crushing modules) and Haiwang will mobilise to Mali in mid-September 2024 to provide guidance and design verification during installation and commissioning. The Project team believes that this contracting arrangement will be crucial to correctly interpreting the designs and drawings during construction, since they were developed using Chinese language, as part of the Haiwang package. Importantly, the arrangement between Bambara and Jinpeng as sub-contractor will also ensure compliance with Mali's local content laws, as stipulated under the country's revised mining code and will maximise the employment of locals.

#### ***Environmental and Social updates***

The Bougouni area has experienced heavy rainfall in July and early August 2024, resulting in some flash flooding and damage to the main road ("RN8") used by the local communities and by the Company. With the help of Malian mining contractor EGTF Mining SARL, the Company has conducted multitude of repairs to the RN8 in order to restore the road to a safe operating condition. The 2024 wet season in Mali has been a heavier than usual rainfall year with the site experiencing significant rises in the water levels of the Baoule river as well as local creek area. Positively, the site area has coped well with the higher-than-normal water levels with the open pit and processing areas remains above water level. Access to the site was restricted for one half day due to road flooding, however, this has had no impact on the development activities.

The procedure for employing workers from the local labour pool is also operating well. Local recruitment numbers from the impacted villages at Bougouni for the construction phase has reached a total of 144 personnel. In total, the Project employs upwards of 350 personnel, of which currently approximately 93% are Malian.

#### ***Boumou Prospect Drilling Update***

Further RC drilling results have been received for the Boumou prospect drilling campaign completed in April and May this year. The programme consisted of 18 RC drill holes for a total of 3,234m. The drilling targeted further westward extensions of the wide pegmatite bodies intersected in the March 2023 drilling campaign and the updated Mineral Resource estimate (MRE), which currently is 13.1Mt at 1.04% Li<sub>2</sub>O.

The assay results received are from four RC holes targeting the western extension of the ore body and highlight a zone of strong alteration and faulting that has resulted in the thinning of the pegmatite bodies and loss of lithium mineralisation. This is consistent with the geological interpretation that highlighted wide continuous pegmatite bodies up to a marked north-south oriented creek, that was interpreted to be associated with a fault structure. The geological team is reviewing and targeting faulted offsets to the Boumou prospect.

Lithium mineralised results have been returned for two RC drill holes, targeting the northeastern extension of the Boumou mineralisation. These drill hole results are consistent with previous drilling, however, are still outside of the projected extension of the main zone of wide high grade pegmatite bodies, and this will be targeted with the diamond drill holes and further RC drilling. Assay results are pending for an additional two RC drill holes along with some re-check sampling.

The Boumou prospect has confirmed a strike length of over 970m and remains open along strike to the northeast. Additional drill results from previously reported are tabled below:

Hole ID	From (metres)	To (metres)	Width (metres)	Grade Li <sub>2</sub> O (%)
KLRC223	91	92	1	1.11
	97	100	3	1.21
	147	154	7	1.16
KLRC224	12	13	1	1.46
	15	17	2	1.40
	25	26	1	1.46
	53	55	2	1.14
	71	84	13	1.07
	115	125	10	0.95

Notes: Drill holes are RC drill holes. Drill holes have been sampled on a 1.0m basis with samples collected via a riffle split system. All drill holes

are geologically logged, and sampling for analysis is based on geological boundaries. Samples analysed by ALS Global. Assay results are reported as Li% and converted to Li<sub>2</sub>O% by a factor of 2.153. Intersections are reported using geological boundaries for logged pegmatite, with a nominal 0.5%Li<sub>2</sub>O lower-cut-off and allowing for internal dilution in zones of broad pegmatite mineralisation.

Diamond core drilling is ongoing to provide detailed geological information to support the interpretation of the mineralised zones. The initial geological logging and comparison of the diamond drill core and the logging of the RC drill holes has confirmed the continuity of the pegmatite veins and highlighted the coarse nature and coarse spodumene mineralisation.

For further information, please visit [www.kodalminerals.com](http://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

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

Buchanan, Financial PR  
Bobby Morse/Oonagh Reidy

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

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.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [ms@seg.com](mailto:ms@seg.com) or visit [www.ms.com](http://www.ms.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

MSCEELBBZKLZBBB