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20 December 2024

Kodal Minerals plc

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

Bougouni Lithium Project Development Update and First Crusher Module Startup

Kodal Minerals, the mineral exploration and development company, is pleased to provide an update on the progress of construction and commissioning of the Stage 1 Dense Media Separation ("DMS") processing plant and mining at the Ngoulana open pit mine at its flagship Bougouni Lithium Project in Southern Mali ("Bougouni" or the "Project"). The Project is fully funded through the US 117.5m Hainan funding transaction (as 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% by the Hainan Group and 49% by Kodal, which is the developer of the Project.

Highlights:

- Commencement of production remains on track for the first quarter of 2025 and remains within the US 65 million capital development budget.
- Commissioning of the first of two crushing circuits commenced this week with a brief successful test on waste rock. The second crusher module installation continues and is expected to be completed in the next few weeks.
- Installation of the steelwork for the main DMS building, the screening building and the filtration building is essentially complete. The focus of installation works has moved to electrical cabling in the field, motor terminations and piping installations.
- The motor control centre ('MCC') cabinets have been installed and the running of cables from equipment to the MCC has commenced.
- The shipment carrying the power plant, associated transformers and switch gear arrived in Abidjan, Côte d'Ivoire and the equipment has now been received on site. The power plant installation and cabling will commence next week.
- Open pit mining activities at the Ngoulana deposit continue to advance. The main Ngoulana ore body is exposed and over 150,000 tonnes of ore grading on average 1.17% Li₂O has been mined in preparation for commissioning.
- The exploration team is preparing an in-fill and extension drill programme for the Boumou deposit, to improve drill density before an update to the JORC mineral resource estimate will be made. Metallurgical samples have been assembled and a test programme to confirm recovery using DMS and flotation processing techniques will be explored.

Bernard Aylward, CEO of Kodal Minerals, remarked: *"The Bougouni processing plant construction continues to progress well with the installation of steelwork and equipment nearing completion. The focus has now shifted to the installation of the piping and electrical cabling at the DMS and filtration modules which are critical to starting full commissioning of the plant."*

"A short trial run of one of the two crushing modules using waste material was conducted by the site team earlier this week. Although the drives were tested using temporary power, it is very encouraging to see the first pre-commissioning activities commencing in December 2024."

"Next week, installation of the power plant will commence, which is required before full commissioning of the DMS plant can commence. This includes connection of electrical cabling from the power plant to the main transformer, and from the drives in the field to the MCC.

"On the exploration front, we are in the process of designing an in-fill and extension drilling programme for the Boumou deposit. Additional drill holes will be needed before we can embark on a full resource upgrade. Samples have been selected for a Boumou specific metallurgical testwork programme, and both the DMS and flotation process routes will be explored. The potential for some parts of the Boumou deposit to feed the existing DMS facility could provide additional life for this Phase 1 installation."

FURTHER INFORMATION

Project Development Programme

The start of production remains on track for commencement in the first quarter of 2025. The site team this week connected one of the two crushing modules through the temporary power generator and were able to pre-commission the first crushing circuit module. A small amount of waste material was fed into the crushing circuit, and the module operated satisfactorily albeit briefly, essentially marking the commencement of commissioning.

Installation of the second crushing module continues to progress and is expected to be complete by the end of the month, allowing a similar pre-commissioning process to be conducted on temporary power.

The steelwork erection phase is essentially complete, and all mechanical equipment is in position. The focus has now turned to installation of piping and electrical cabling to the equipment itself.

The balance of the power plant has arrived on site and installation will commence next week. This will provide the means of powering up the main transformer and MCC cabinets. The key screening, DMS and filtration equipment commissioning will be conducted via the main power systems starting in the next quarter in the leadup to the first product milestone.

Mining

Mining activities continue to progress well in advance of plant commissioning and future production requirements. The mining contractor is now fully established and conducting mine operations in a steady state, with in excess of 150,000 tonnes of ore sitting on the ROM (run of mine) pad, grading on average 1.17% Li₂O.

The Company is stockpiling high grade and low grade ore separately in readiness for commissioning. The low grade ore will be used initially during the early commissioning phase of the crushing modules. Only after the circuit has been bedded down and rock boxes filled in the various chutes will high grade ore be introduced.

Boumou Exploration

Following analysis of the latest Boumou assays from the diamond core drilling (as announced on 14 November 2024), the Company has prepared an in-fill and extension drill programme which is being scheduled for commencement next quarter. This programme is aiming to improve the density of drill hole data, providing additional assay information that will be needed before the next JORC mineral resource update can be completed.

As part of the most recent diamond core drill programme, the Company has prepared metallurgical testwork samples to be sent to the laboratory for testing. The testwork programme will include both DMS and flotation process testing pathways.

On visual inspection, the Boumou deposit comprises both coarse and fine grained spodumene, providing potential for the former to be processed via DMS. The testwork programme seeks to confirm recoveries for both DMS and flotation processing, and it is possible that some sections of the Boumou orebody could be fed to the existing DMS circuit, extending the life of this Phase 1 operation.

The flotation testwork data will provide valuable metallurgical recovery details, including optimisation of flotation reagents, that will be central to an update of the Phase 2 flotation plant study.

Kodal and Hainan are continuing discussions on finalising the off-take agreement and key commercial terms

Kodal and Haman are continuing discussions on finalising the on-take agreement and key commercial terms have been agreed by the parties, subject to contract.

****ENDS****

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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.

Glossary of Technical Terms

"JORC"	The Australasian Joint Ore Reserves Committee Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the "JORC Code" or "the Code"). The Code sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves
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