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Kodal Minerals plc

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

Bougouni Lithium Project Off-Take Agreement Signed

Mining and Processing Operations continuing on site with over 40,000t of spodumene concentrate produced and ready for export

Kodal Minerals, the mineral exploration and development company, is pleased to announce that an off-take agreement has been signed for the spodumene concentrate produced by the stage 1 dense media separation ("DMS") processing plant at the Bougouni Lithium Project ("Bougouni" or the "Project") in Southern Mali (the "Off-Take Agreement").

The Off-Take Agreement is between the local Mali registered mining company Les Mines de Lithium de Bougouni ("LMLB") (a subsidiary of Kodal Mining UK Limited ("KMUK") in which Kodal has a 49 per cent. shareholding) and Hainan Mining Co. Ltd ("Hainan"), whereby Hainan will be the exclusive buyer of 100 per cent. of the product produced by the DMS processing plant at the Project. The Off-Take Agreement is for a period of four years with an annual review of the quantities to be sold and floor price for the concentrate.

Summary of the Off-Take Agreement:

- Off-Take agreement finalised for 100 per cent. of spodumene concentrate produced by the DMS processing plant at Bougouni to be purchased by Hainan.
- The initial Off-Take Agreement is for a four year term with the commencement date set at the receipt of the Mali Government export permit.
- Spodumene concentrate price to be referenced to the Shanghai Metals Market ("SMM") published price for 6 per cent. spodumene concentrate, which is a cost, insurance and freight ("CIF") price for delivery in China.
- The final price received by LMLB takes into consideration price adjustments based on grade and quality of material delivered and a calculated conversion of the free-on-board ("FOB") price to CIF price at the loading port in West Africa. No discount is applied to the SMM published price for the calculation reflecting the arms' length negotiation of the parties in finalising the agreement
- The Off-Take Agreement pricing will be subject to a floor price. The floor price for the initial period of export is suspended and the parties are negotiating an agreed floor price to take effect from 1 January 2026.
- Parties to agree an annual quantity and schedule with an expected minimum of 8,000 wet metric tonnes ("WMT") to be shipped each month.
- LMLB will receive an initial payment upon loading of a shipping vessel with spodumene concentrate at the export port in West Africa (initially Abidjan Port in Côte d'Ivoire) equivalent to 95 per cent. of the value of the shipment, with the remaining 5 per cent. to be paid following delivery and confirmation at the destination port in Hainan, China.
- The Off-Take Agreement is a "take or pay" agreement where LMLB must supply the spodumene exclusively to Hainan, and Hainan must purchase and take delivery of, or pay for, an agreed annual quantity.
- A procedure for sampling, assay and weighing of the spodumene concentrate will be completed at the minesite

upon departure from Bougouni, at the loading port prior to loading and final confirmation at the destination port in Hainan. The procedures will finalise a Certificate of Analysis and Certificate of Weight that will be used for the calculation of payment.

- The product quality required has been specified for Li₂O content, levels of iron impurity and moisture content and these items will be measured in the sampling procedures.
- The Off-Take Agreement provides for dispute resolution should variations in the assay grade and weight arise.

At Bougouni, the DMS processing plant continues to operate well, and technical improvements continue to be made as the DMS processing plant targets nameplate capacity. The DMS processing plant has produced over 40,000 tonnes of spodumene concentrate to date and material is loaded into bags ready for export. The LMLB team continue to work with the Mali Government to finalise requirements for an export licence to facilitate the first sale of spodumene concentrate.

The first phase of the Bougouni project has a 1.4 million tonnes per year beneficiation production line, which is expected to produce 100,000-120,000 tonnes per year of lithium concentrate with a yield of more than 5.5per cent. Li₂O.

Bernard Aylward, CEO of Kodal Minerals, remarked:*"This is another important milestone for the development of Bougouni and confirms the conditions and pricing mechanism for the sale of all of the spodumene concentrate produced by the DMS processing plant for the initial four year term of the Off-Take Agreement.*

"The Off-Take Agreement sets the price received by LMLB to the SMM published market price with standard adjustments for grade variation. In addition, the payment term of LMLB receiving 95 per cent. of the value of the shipment upon loading at the export port provides confidence in the cash flow of the operation in the initial period of export and its move to commercial production at nameplate capacity. The Off-Take Agreement confirms the strong interest of our development partner Hainan in the successful development of Bougouni and we look forward to our first export of product and first shipment to depart from the Abidjan port.

"Discussions continue with the Mali Government to secure the export permit for the spodumene concentrate and the site operations team report that over 40,000 tonnes of spodumene concentrate is currently produced on site and available for export to Hainan."

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