

# Tests confirm Kodal project will produce a high-grade phosphate concentrate

April 1, 2014 (Source: Kodal Minerals) – Kodal Minerals, the mining exploration company owning extraction licences for a phosphate and iron (titanomagnetite) project situated in southern Norway (the “Kodal project”), is pleased to report on progress the Company has made over the first three months of 2014.

## Metallurgical Test Work

The Company has completed additional metallurgical test work. The sample material was drawn from drill core but cannot be considered to be representative of the deposit. The intention of the tests was to provide samples of both concentrates for further analysis and to provide a sample of tailings material for preliminary analysis. The processing route was developed in the initial test work, which was completed in 2013 and utilises froth flotation and magnetic separation.

The Company is pleased to announce that the concentrate grades were broadly in line with expectations based on the results obtained in 2013, with the phosphate concentrate grade dropping slightly while the iron ore grade improved slightly.

	Phosphate Concentrate	Iron Concentrate
2013 Results	P205 41.8%	Fe 62% Ti 8.7%
2014 Results	P205 40.5%	Fe 63.7% Ti 5.19%

These tests confirm the Kodal project will produce a high-grade phosphate concentrate with both test programmes yielding a concentrate of over 40% P205. The increase in the iron concentrate grade is also very positive, especially in

combination with the reduction in titanium.

## **Site progress**

In March, the Company announced the granting of seven new Exploration Permits (“Permits”) by the Norwegian Directorate of Mining. These new Permits cover a total land area of 19.795 Km<sup>2</sup> and surround the three Extraction Permits already held by the Company at its Kodal deposit.

With regards to developments at the site, basic infrastructure has been put in place to support site activities over the summer, including the purchase of a four wheel drive vehicle and establishment of a site office and secure equipment storage at the project location.

Environmental monitoring has also started with the installation of two automatic weather stations, one at either end of the project area. These units will collect local weather data, which will be used to support the Environmental and Social Impact Assessment (“ESIA”) studies. The monitoring of stream flows in the project area has also been under way since the spring thaw.

The format of the ESIA document has been completed following meetings with national, regional and municipal level authorities in Norway. The expected format and content of an ESIA in Norway is somewhat specific to Norway and the Company has spent some time ensuring the planned format meets the Norwegian requirements while still adhering to the Equator Principles risk management framework.

Negotiations are under way with a number of consultants and contractors to undertake the environmental baseline studies. It is hoped to complete these discussions and sign contracts in a matter of weeks.

## **Board and Consultants**

The Company announced in March the appointment of Mr Markus Ekberg as a non- executive Director to the Board of Kodal Minerals. Mr Ekberg is a geologist (MSc, Eurogeologist, Qualified person) with 30 years experience and is currently CEO of Endomines AB, a producing gold miner listed in Helsinki and Stockholm.

Kodal Minerals has also engaged the services of various consultants to help with the project. Citiplan, a Norwegian planning consultant, is a small, specialised, consultancy with considerable experience in transportation and land use. They are located in Larvik, some 25 km from the project. With the assistance of Citiplan the Company intends to submit applications for a change of land use to each of the two municipalities whose boundaries cover the project area.

The Company also appointed Knight Piésold to investigate tailings disposal options. Knight Piésold is an engineering and environmental consulting company with over 800 staff internationally. They are experts in tailings disposal solutions and the Company is looking forward to working with them to find the optimal solution to tailings disposal in this sensitive area.

## **Outlook**

During the summer the Company intends to focus on completing the environmental baseline studies as far as possible and on mapping the new permit areas. It is likely that a ground geophysics programme will be completed over all or part of the new permit areas.

Commenting on today's update, Luke Bryan, CEO, said: "Since our AIM float, we have been working hard to establish the site and prepare for summer activity. Further, we are pleased to announce additional positive results from analysis of sample material. These results support the previous test work and confirm our view that the Kodal project will produce

a high-grade phosphate concentrate. We look forward to updating shareholders.”