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

17 June 2016

Kodal Minerals Plc ('Kodal Minerals' or 'the Company')

Final Results

Kodal Minerals, the mineral exploration and development company, is pleased to announce announces its final results for the year ended 31 March 2016.

CHAIRMAN'S STATEMENT

I am pleased to present the Annual Report of Kodal Minerals plc ("Kodal Minerals" or the "Company" and together with its subsidiaries the "Group") for the year ended 31 March 2016.

The most significant recent event for the Group was the acquisition of a suite of West African gold projects from Taruga Gold Limited ("Taruga") which completed in May 2016 (the "Acquisition") after the end of our financial year. This transaction has broadened the geographic scope of our operations and further expanded the range of minerals in which the Group is interested.

Further details of the West African gold projects are set out in the Operational Review but the key features are:

- Acquired interests in a total of eight exploration concessions and two further concession applications;
- Projects are located in proven gold mineralised districts in Côte d'Ivoire and Mali, based on the prospective geology of the West African Birimian Greenstone sequence;
- Excellent locations with access to infrastructure and cost efficient exploration;
- Existing joint venture and farm-in agreements with major global gold producing companies Newcrest Mining Limited ("Newcrest") and Resolute Mining Limited ("Resolute");
- Work programmes in place to progress exploration work on the other concessions in Mali and Côte d'Ivoire;
- Strategy of acquiring prospective ground, employing low cost exploration methods to highlight potential and seeking to develop the projects through joint venture partnerships.

I am delighted that, in conjunction with the Acquisition, Bernard Aylward, the former CEO of Taruga, has joined our Board as CEO. We believe that Bernard's considerable experience as a manager and exploration geologist will greatly benefit the Group as it moves forward to exploit its new African projects as well as the Group's existing Norwegian copper-zinc and phosphate-iron ore assets. At the same time, Markus Ekberg has stepped down from the

Board and I extend my thanks to him for his contribution to the Group over the last three years.

During the year to 31 March 2016, the focus of the Group's activities was on the copper-zinc deposit in western Norway referred to as the Grimeli Project. Final results from the 2,000 metre drilling programme were announced in August 2015 with some positive intersections as described more fully in the Operational Review. Further geophysical testing is required to establish a valid approach for further exploration. With only a small portion of many kilometres of potential target zone tested, the Grimeli Project remains a very interesting early stage exploration project.

The Group's other Norwegian project, the phosphate and titanomagnetite Kodal Project, is still being progressed through the Norwegian planning process. We continue to be disappointed with the pace at which the relevant Norwegian planning authorities make decisions and await further news on the scope of the environmental impact assessment work required.

At the same time as the Acquisition of the gold projects in May 2016, the Company completed a fundraising of £680,000 (before expenses of £135,000 relating to the acquisition and the fundraising) to finance further exploration work and other corporate costs. The Board remains focused on controlling costs to ensure that as much of the available funds as possible is spent on further exploration work to allow us to deliver a positive flow of news throughout the rest of this year. At the same time, the Group will continue to look for and appraise new projects. We look forward to being able to report back to you during the year on developments.

David Jones
16 June 2016

OPERATIONAL REVIEW

I am delighted to present my first operational Review for the Group following my appointment as Chief Executive Officer in May 2016.

Kodal Minerals has responded to both the challenges and opportunities presented to it by acquiring a suite of gold exploration assets in Côte d'Ivoire and Mali from Taruga, my former employer, through the acquisition of International Goldfields (Bermuda) Limited ("IG Bermuda") and its subsidiaries.

During the year ended 31 March 2016, the Group continued its exploration and development activities at its Norwegian projects, the Grimeli Project and the Kodal Project.

Grimeli Project
The Grimeli Project is a copper-zinc deposit around the site of former copper mines in western Norway. Channel sampling, geophysics and a 2,000 metre drilling programme have now been completed at this project. The drilling programme was carried out over the winter months in 2014/15 in extreme conditions and was completed as planned without any operational incidents. The project was the focus of much interest and support from local residents and the Group would like to thank the many individuals who went out of their way to assist.

The drilling campaign targeted geophysical anomalies that had been identified close to the historic mining area. The results were announced in February 2015 and August 2015 and returned significant intersections of copper and zinc mineralisation including 8.39% copper and 6.98% zinc. The drilling has indicated potential for new zones of mineralisation to be delineated parallel to and adjacent to the historically mined areas.

The Group is reviewing the drill results in conjunction with a re-interpretation of the geology and geophysics to determine the most effective technique to test this prospect. Field visits to the area indicate potential for strike extensions of the mineralisation to be delineated and this will also be reviewed to allow the Group to determine the size potential of any new discoveries.

Kodal Project
At the phosphate and titanomagnetite Kodal Project in southern Norway, progress was not as positive. There is no further exploration or other fieldwork left to complete until some progress is made at the municipal planning stage. Unfortunately, more than two years after agreeing that the project was of potential benefit and that the Group should proceed with development, neither of the two municipalities involved (Larvik and Andebu) has moved the project forward. There is no explanation for this lack of action nor has any route been identified whereby the Group can accelerate the process.

The Group is currently working with the municipalities to approve the format of the Environmental and Social Impact Assessment. There is no prescribed duration for this process and so the timing of the approval is uncertain.

In April 2016, Larvik municipality recommended that the impacts of the transport route from the mine to the port and the impacts of additional traffic volume at the port of Larvik be considered prior to any consideration of the impacts of the mine itself. While it is understood that even this recommendation is not yet final, if adopted it has the potential to add years to the planning process by obliging sequential rather than parallel processes.

On a positive note, the Group incurs very limited direct costs during this period.

Due to the significant fall in iron ore prices in 2014-15, the Group wrote off the carrying value of the Kodal Project and related equipment taking an impairment charge of £3,411,664 in the year ended 31 March 2015. Capitalised expenditure in respect of the Kodal Project has continued to be impaired in the year to 31 March 2016 as commodity prices have not yet recovered to a point at which the Kodal Project is potentially economic.

In December 2015, the Group allowed six of the seven previously held exploration licences surrounding the Kodal exploitation licences to lapse while retaining one exploration licence. This decision was made following detailed geological mapping of all seven licences. The retained licence area contains a mineralised outcrop which is of interest and is worthy of further investigation should the project move forward.

West African Projects

Following the Acquisition in May 2016, the Group has an interest in a total of eight mineral exploration concessions and two mineral exploration concession applications in Côte d'Ivoire and Mali owned by IG Bermuda through its subsidiaries. A summary of the mineral exploration concessions and two mineral exploration concession applications is set out in the table below.

Note: In general, in Mali and Côte d'Ivoire the term "concession" is used to describe what in Norway would be referred to as a licence.

Subsidiary name	**International Goldfields Mali SARL ("IG Mali")**	**International Goldfields Côte d'Ivoire SARL ("IG CI")**	**Jigsaw Resources CIV Ltd ("Jigsaw")**
Country of registration	Mali	Côte d'Ivoire	Bermuda
Intermediate holding company			**Corvette CIV SARL**
Country of registration			Côte d'Ivoire
Licence name	1. Djelibani Sud 2. Kambali 3. Nangalasso 4. Sotian	• Korhogo • Dabakala	• Nielle • Tiebissou
Applications		• Boundiali	• M'Bahaikro

The following table shows further details of the exploration licences:

Name	*Expiry Date*	*Renewal Option (Y/N)*	*Size (km2)*	*Spending Commitment*
MALI				
*Djelibani Sud**	*28/10/2016*	*Y*	*106*	Expenditure met
*Kambali**	*13/07/2016*	*N*	*33*	Expenditure met
*Nangalasso**	*03/02/2020*	*Y*	*95*	301 million FCFA

*Sotian**	*29/04/2017*	*N*	*250*	Expenditure met
CÔTE D'IVOIRE				
Korhogo	*07/01/2017*	*Y*	*361*	90 million FCFA
Dabakala	*07/01/2017*	*Y*	*395*	90 million FCFA
Nielle	*11/03/2017*	*Y*	*388*	99 million FCFA
Tiebissou	*30/09/2018*	*Y*	*306*	99 million FCFA

** Held under option agreements as set out in more detail in the respective project description sections.*

The Kambali and Sotian concessions in Mali are due to expire in July 2016 and April 2017 respectively and do not have renewal options. The Group intends to apply for an extension of term of each concession (through the licence owner) and sees no impediment to such extensions being granted. No further work will be undertaken or payments made to the licence owner in respect of these concessions if the extensions are not granted.

FCFA is the CFA Franc BCEAO, the currency used by eight independent states in West Africa, including Côte d'Ivoire and Mali. At 16 June 2016, the FCFA to Sterling exchange rate was 829.15:1.

Côte d'Ivoire
The Group has acquired four exploration concessions and two concession applications in Côte d'Ivoire. The concession areas were targeted by IG Bermuda based on geological review, presence of artisanal workings and proximity of known mineralisation. The Group has also acquired the IG Bermuda interests in a farm-in agreement with Newcrest Mining Limited for one concession, and a joint venture agreement with Resolute Mining Limited for three concessions.

Mali
Kodal Minerals has acquired an interest in two projects in Mali, the Nangalasso Project (covering the Nangalasso and Sotian concessions), located in southern Mali adjacent to the Syama mine, and the SLAM Project (covering the Djelibani Sud and Kambali concessions) located in south-west Mali.

Based on exploration work on both projects undertaken by Taruga, the Group has defined significant targets suitable for follow-up drilling.

Work programme for 2016/17 in West Africa
The Group has developed a work programme for 2016/17 on its acquired concession areas in West Africa.

The main activity is planned for Mali at the Nangalasso Project with a programme of trenching to follow-up previous drilling intersections and the recent artisanal workings close to the drilling. The trenching is required to provide geological control on the structural orientation of the mineralised zones and to attempt to identify preferred zones and enhance targeting for drilling. This may be followed by a programme of aircore drilling.

For the Kambali Project, a programme of geochemical sampling and trenching is planned. This is designed to provide further control on geological structures and extent of mineralisation. However, no work will be completed on the ground until the concession is extended.

In Côte d'Ivoire, a programme of geochemical sampling is planned for the Korhogo concession to follow-up previous gold anomalous zones identified in regional work undertaken by Taruga. Subject to the results of this, a programme of drilling could be undertaken later in the year.

In addition, the Group will continue the process of acquiring additional ground, and attempting to find joint venture partners for the existing projects.

Future Strategy

In Africa, the Group intends to continue the strategy of ground acquisition and early low cost exploration to highlight the potential value of exploration projects. The Directors expect that such early exploration activities will be followed by further detailed exploration alongside joint venture partners.

The Board believes that the joint ventures already achieved with major mining and development companies in Resolute and Newcrest is a validation of the quality of the ground selection and of this approach.

Additional concessions in Mali and Côte d'Ivoire have been applied for and Kodal Minerals intends to continue to assess and acquire new opportunities.

In Norway, the Group will continue its efforts to move the Kodal Project through the planning process, although the pace of progress to date has been disappointingly slow, and will undertake further review and appraisal work on the Grimeli Project.

The current challenging market conditions for mining exploration companies are expected to continue. With the acquisition of the West African projects, the Board has diversified its project risk and will continue to appraise other well valued opportunities for further acquisition and investment.

I look forward to being able to report back with positive news from our own and our joint venture partners' exploration work as the year progresses.

FINANCE REVIEW

Results of operations

For the year ended 31 March 2016, the Group reported a loss for the year of £466,000 compared to a loss of £3,956,000 in the previous year which included the majority of the cost of impairing the Kodal Project (as described below). Excluding the impairment charges, the loss for the year was £416,000 compared to £545,000 in 2015, reflecting the lower administrative charges of £375,000 compared to £459,000 as the Board continued to focus on controlling costs.

In September 2015, in connection with the preparation of the financial statements for the year ended 31 March 2015, the directors undertook an impairment review of the carrying value of the Kodal Project in Norway in response to the significant fall in the price of iron ore, by performing a value in use calculation. This resulted in an impairment charge in the year to 31 March 2015 of £3,411,664. In the year to 31 March 2016, the Group has recognised a further impairment charge on the Kodal Project of £50,426 representing exploration and evaluation costs in the year prior and the write off of property, plant and equipment associated with the Kodal Project for which an alternative use has not been identified.

The carrying value of the Group's capitalised exploration and evaluation expenditure, net of the impairment charge relating to the Kodal Project increased from £285,000 to £597,000 reflecting the additional work undertaken at the Grimeli Project.

Cash balances as at 31 March 2016 were £135,000, a reduction from the previous year's level of £307,000 although as discussed below, further funds have been raised subsequent to the year-end. Net assets of the Group at the year-end were £704,000 (2015: £670,000).

Financing

Following the end of the financial year, the Company raised £680,000 (before expenses of £135,000 relating to the acquisition of IG Bermuda and the fundraising) by way of a placing and subscription of 1,700,000,000 ordinary shares at 0.04 pence per share. The shares were placed with new investors and existing shareholders of the Company. The net proceeds of the placing will be used to continue exploration work and for general corporate purposes.

Going concern and funding

The Group has not earned revenue during the year to 31 March 2016 as it is still in the exploration and development phases of its business. The operations of the Group are currently being financed from funds which the Company has raised from the issue of new shares.

As at 31 March 2016, the Group held cash balances of £135,000. In May 2016, the Group raised a further £680,000 (before expenses) by way of an issue of new shares. The Group's cash balances at 31 May 2016 were £712,000.

The Directors have prepared cash flow forecasts for the period ending 30 June 2017. The forecasts include the costs of the initial planned exploration work on the Group's concessions in Mali and Côte d'Ivoire, the costs of progressing the Norwegian projects and the corporate and operational overheads of the Group. Further fund raising will be required at an appropriate time in order to undertake additional phases of the exploration work and the Group has historically been successful in raising additional funds in such circumstances. However, the forecasts demonstrate that by reducing certain corporate and operational overheads, including as appropriate relinquishing one of the concessions if not considered sufficiently prospective, the Group has sufficient cash resources available to allow it to continue as a going concern and meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements without the need for a further fund raising. Accordingly, the financial statements have been prepared on a going concern basis.

Utilising key performance indicators ("KPIs")

At this early stage of its exploration and development activities, Kodal Minerals does not consider KPIs to be a relevant performance metric.

Financial risk management objectives and policies

The Group's principal financial instruments comprise cash and trade and other payables. It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are liquidity risk, price risk and foreign exchange risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash reserves to fund the Group's exploration and operating activities. Management prepares and monitors forecasts of the Group's cash flows and cash balances monthly and ensures that the Group maintains sufficient liquid funds to meet its expected future liabilities. The Group intends to raise funds in discrete tranches to provide sufficient cash resources to manage the activities through to revenue generation.

Price risk

The Group is exposed to fluctuating prices of commodities, including phosphate, iron ore, copper, zinc and gold, and the existence and quality of these commodities within the licence and project areas. The Directors will continue to review the prices of relevant commodities as development of the projects continues and will consider how this risk can be mitigated closer to the commencement of mining.

Foreign exchange risk

The Group operates in a number of overseas jurisdictions and carries out transactions in a number of currencies including Sterling, Norwegian Kronor, CFA Franc BCEAO and US dollars. The Group does not have a policy of using hedging instruments but will continue to keep this under review. The Group operates foreign currency bank accounts to help mitigate the foreign currency risk.

Bernard Aylward
Chief Executive Officer
16 June 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

	Note	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Continuing operations			
Revenue		**-**	-
Impairment of exploration and evaluation assets	**7**	**(50,426)**	(3,411,664)
Administrative expenses		**(374,651)**	(459,435)
Share based payments	**5**	**(40,556)**	(88,555)
OPERATING LOSS		**(465,633)**	(3,959,654)
Finance income		**11**	78
LOSS BEFORE TAX	**2**	**(465,622)**	(3,959,576)
Taxation	**6**	**-**	-
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(465,622)**	(3,959,576)
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to profit or loss			
Currency translation (loss)/gain		**(1,142)**	3,287
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(466,764)**	(3,956,289)
Loss per share			
Basic and diluted – earnings per share on total earnings - pence per share	**4**	**(0.0458)**	(0.5107)

The loss for the current and prior years and the total comprehensive income for the current and the prior years are wholly attributable to equity holders of the parent company.

CONSOLIDATED AND PARENT COMPANY STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 2016

	Note	Group 31 March 2016 £	Group 31 March 2015 £	Company 31 March 2016 £	Company 31 March 2015 £
NON CURRENT ASSETS					
Intangible assets	**7**	**601,391**	298,741	**-**	**-**
Property, plant and equipment	**8**	**63,581**	119,860	**-**	**-**
Amounts due from subsidiary undertakings		**-**	-	**180,324**	-
Investments in subsidiary Undertakings	**9**	**-**	-	**476,752**	476,752
		664,972	418,601	**657,076**	476,752
CURRENT ASSETS					
Other receivables	**10**	**2,984**	28,095	**15,983**	29,690
Cash and cash equivalents		**134,801**	306,843	**134,523**	301,431
		137,785	334,938	**150,506**	331,121
TOTAL ASSETS		**802,757**	753,539	**807,582**	807,873
CURRENT LIABILITIES					
Trade and other payables	**11**	**(98,859)**	(83,715)	**(98,767)**	(62,812)
TOTAL LIABILITIES		**(98,859)**	(83,715)	**(98,767)**	(62,812)
NET ASSETS		**703,898**	669,824	**708,815**	745,061
EQUITY					
Attributable to owners of the parent:					
Share capital	**12**	**328,080**	243,186	**328,080**	243,186
Share premium account	**12**	**4,937,405**	4,562,017	**4,937,405**	4,562,017
Share based payment reserve		**154,667**	114,111	**154,667**	114,111
Translation reserve		**1,900**	3,042	**-**	-
Retained deficit		**(4,718,154)**	(4,252,532)	**(4,711,337)**	(4,174,253)
TOTAL EQUITY		**703,898**	669,824	**708,815**	745,061

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

Group	Note	Share capital £	Share premium account £	Share based payment reserve £	Translation reserve £	Retained deficit £	Total equity £
At 31 March 2014		240,700	4,527,078	33,056	(245)	(292,956)	4,507,633
Comprehensive income							
Loss for the year		-	-	-	-	(3,959,576)	(3,959,576)
Other comprehensive income							
Currency translation gain		-	-	-	3,287	-	3,287
Total comprehensive income for the year		-	-	-	3,287	(3,959,576)	(3,956,289)
Transactions with owners							
Shares in settlement of services	**12**	2,170	27,755	-	-	-	29,925
Transfer from share based payments reserve		316	7,184	(7,500)	-	-	-
Share based payment		-	-	88,555	-	-	88,555
At 31 March 2015		**243,186**	**4,562,017**	**114,111**	**3,042**	**(4,252,532)**	**669,824**
Comprehensive income							
Loss for the year		-	-	-	-	(465,622)	(465,622)

Other comprehensive income							
Currency translation loss		-	-	-	(1,142)	-	(1,142)
Total comprehensive income for the year		-	-	-	(1,142)	(465,622)	(466,764)
Transactions with owners							
Shares in settlement of services	**12**	15,449	68,837	-	-	-	84,286
Share based payment		-	-	40,556	-	-	40,556
Proceeds from share issue		69,445	330,551	-	-	-	399,996
Share issue expenses		-	(24,000)	-	-	-	(24,000)
At 31 March 2016		**328,080**	**4,937,405**	**154,667**	**1,900**	**(4,718,154)**	**703,898**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Note	Share capital	Share premium account	Share based payment reserve	Retained deficit	Total equity
Company		**£**	**£**	**£**	**£**	**£**
At 31 March 2014		240,700	4,527,078	33,056	(25,569)	4,775,265
Comprehensive income						
Loss for the year		-	-	-	(4,148,684)	(4,148,684)

Total comprehensive income for the year		-	-	-	(4,148,684)	(4,148,684)
Transactions with owners						
Shares in settlement of services	**12**	2,170	27,755	-	-	29,925
Transfer from share based payments reserve		316	7,184	(7,500)	-	-
Share based payment		-	-	88,555	-	88,555
At 31 March 2015		**243,186**	**4,562,017**	**114,111**	**(4,174,253)**	**745,061**
Comprehensive income						
Loss for the year		-	-	-	(537,084)	(537,084)
Total comprehensive income for the year		-	-	-	(537,084)	(537,084)
Transactions with owners						
Shares in settlement of services	**12**	15,449	68,837	-	-	84,286
Share based payment		-	-	40,556	-	40,556
Proceeds from shares issued		69,445	330,551	-	-	399,996
Share issue expenses		-	(24,000)	-	-	(24,000)
At 31 March 2016		**328,080**	**4,937,405**	**154,667**	**(4,711,337)**	**708,815**

CONSOLIDATED AND PARENT COMPANY STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

	Note	Group Year ended 31 March 2016 £	Group Year ended 31 March 2015 £	Company Year ended 31 March 2016 £	Company Year ended 31 March 2015 £
Cash flows from operating activities					
Loss profit before tax	**2**	**(465,622)**	(3,959,576)	**(537,084)**	(4,148,684)
Adjustments for non-cash items:					
Impairment of exploration and evaluation assets	**7**	**50,426**	3,411,664	**-**	-
Impairment of investments in subsidiaries and intercompany balances		-	-	**11,485**	3,656,899
Share based payments		**40,556**	88,555	**40,556**	88,555
Equity settled transactions		-	37,425	-	37,425
Operating cash flow before movements in working capital		**(374,640)**	(421,932)	**(485,043)**	(365,805)
Movement in working capital					
Decrease in receivables		**25,111**	54,899	**13,707**	43,640
Increase / (decrease) in payables		**(14,856)**	(14,215)	**5,955**	(22,308)
Net movements in working capital		**10,255**	40,684	**19,662**	21,332
Net cash outflow from operating activities		**(364,385)**	(381,248)	**(465,381)**	(344,473)
Cash flows from investing activities					
Purchase of property, plant and equipment		-	(75,051)	-	-
Purchase of intangible assets		**(182,764)**	(748,089)	**(11,485)**	-
Loans to subsidiary undertakings		**-**	-	**(66,038)**	(686,930)
Net cash outflow from investing activities		**(182,764)**	(823,140)	**(77,523)**	(686,930)
Cash flow from financing activities					
Interest received		**11**	78	**-**	-
Net proceeds from share issues	**12**	**375,996**	-	**375,996**	-
Net cash inflow from financing activities		**376,007**	78	**375,996**	-
Decrease in cash and cash equivalents		**(171,142)**	(1,204,310)	**(166,908)**	(1,031,403)
Cash and cash equivalents at beginning of the year		**306,843**	1,501,343	**301,431**	1,332,834
Exchange (loss) / gain on cash		**(900)**	9,810	**-**	-
Cash and cash equivalents at end of the year		**134,801**	306,843	**134,523**	301,431

Cash and cash equivalents comprise cash on hand and bank balances.

The financial statements have been prepared under the same accounting policies as applied in the previous year. For more information please see the Final Results statement announced on 4 September 2015.

Basis of preparation

The consolidated financial statements of Kodal Minerals Plc are prepared in accordance with the historical cost convention and in accordance with International Financial Reporting Standards ("IFRSs"), as adopted by the European Union ("EU") and in accordance with the provisions of the Companies Act 2006. The Company’s ordinary shares are quoted on AIM, a market operated by the London Stock Exchange.

Going concern

The Group has not earned revenue during the year to 31 March 2016 as it is still in the exploration and development phases of its business. The operations of the Group are currently being financed from funds which the Company has raised from the issue of new shares.

As at 31 March 2016, the Group held cash balances of £135,000. In May 2016, the Group raised a further £680,000 (before expenses) by way of an issue of new shares. The Group’s cash balances at 31 May 2016 were £712,000.

The Directors have prepared cash flow forecasts for the period ending 30 June 2017. The forecasts include the costs of the initial planned exploration work on the Group’s concessions in Mali and Côte d’Ivoire, the costs of progressing the Norwegian projects and the corporate and operational overheads of the Group. Further fund raising will be required at an appropriate time in order to undertake additional phases of the exploration work and the Group has historically been successful in raising additional funds in such circumstances. However, the forecasts demonstrate that by reducing certain corporate and operational overheads, including as appropriate relinquishing one of the concessions if not considered sufficiently prospective, the Group has sufficient cash resources available to allow it to continue as a going concern and meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements without the need for a further fund raising. Accordingly, the financial statements have been prepared on a going concern basis.

Exploration and evaluation expenditure

In accordance with the Group's accounting policy for exploration and evaluation expenditure, after obtaining licences giving legal rights to explore in the project area, all exploration and evaluation costs for each project are capitalised as exploration and evaluation assets.

The exploration and evaluation assets for each project are assessed for impairment when such facts and circumstances suggest that the carrying value of the assets may exceed the recoverable amount.

In connection with the preparation of the financial statements for the year ended 31 March 2015, the directors undertook an impairment review of the carrying value of the Kodal Project in Norway in response to the significant fall in the price of iron ore, by performing a value in use calculation.

The review identified that, using iron ore and phosphate prices based on the then prevailing prices, the project was uneconomic and accordingly the Board determined to impair in full the carrying value of the evaluation and exploration assets of the Kodal Project. This resulted in an impairment charge in the year to 31 March 2015 of £3,411,664. In the year to 31 March 2016, the Group has recognised a further impairment charge on the Kodal Project of £50,426 representing further exploration and evaluation costs and the write off of property, plant and equipment associated with the Kodal Project for which an alternative use has not been identified. At 31 March 2016 the carrying value of the Kodal Project was £nil compared to £nil in 2015.

No further expenditure is being incurred on the Kodal Project other than the costs of maintaining the extraction and exploration licences and limited consulting work to advance the Norwegian planning application.

The Grimeli Project is an early stage exploration project over which the Group holds exploration licences which are valid until July 2021. Exploration work in the area has generated positive initial drill results indicating the possible presence of further mineralisation and further appraisal and test work is planned in the year to 31 March 2017. The carrying value of the Grimeli Project as at 31 March 2016 was £668,234 (2015: £349,622) including exploration and evaluation assets at 31 March 2016 of £596,555 (2015: £284,898). The Board has considered the carrying value of these assets and concluded that no impairment is required due to the secure tenure, the positive results from completed exploration, the ongoing work programme and the potential for future discovery and development.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. SEGMENTAL REPORTING

The operations and assets of the Group in the year ended 31 March 2016 are focused in the United Kingdom and Norway and comprise one class of business: the exploration and evaluation of mineral resources. Management have determined that the Group had two operating segments being the Kodal Project and the Grimeli Project. The Parent Company acts as a holding company. At 31 March 2016, the Group had not commenced commercial production from its exploration sites and therefore had no revenue for the year.

Year ended 31 March 2016	UK	Norway Kodal Project	Norway Grimeli Project	Total
	£	£	£	£
Finance income	-	11	-	11
Administration expenses	(353,980)	(12,817)	(7,854)	(374,651)
Impairment charge	-	(50,426)	-	(50,426)
Share based payments	(40,556)	-	-	(40,556)
Loss for the year	**(394,536)**	**(63,232)**	**(7,854)**	**(465,622)**
At 31 March 2016				
Trade and other receivables	-	-	2,984	2,984
Cash and cash equivalents	134,523	-	278	134,801
Trade and other payables	(98,859)	-	-	(98,859)
Intangible assets - software	-	-	4,836	4,836
Intangible assets - exploration and evaluation expenditure	-	-	596,555	596,555
Property plant and equipment	-	-	63,581	63,581
Net assets at 31 March 2016	**35,664**	**-**	**668,234**	**703,898**

Year ended 31 March 2015	UK	Norway Kodal Project	Norway Grimeli Project	Total
	£	£	£	£
Finance income	-	78	-	78
Administration expenses	(441,201)	(13,676)	(4,558)	(459,435)
Impairment charge	-	(3,411,664)	-	(3,411,664)
Share based payments	(88,555)	-	-	(88,555)
Loss for the year	**(529,756)**	**(3,425,262)**	**(4,558)**	**(3,959,576)**
At 31 March 2015				
Trade and other receivables	21,514	6,581	-	28,095
Cash and cash equivalents	301,514	5,329	-	306,843
Trade and other payables	(77,653)	(6,062)	-	(83,715)
Intangible assets - software	-	13,843	-	13,843
Intangible assets - exploration and evaluation expenditure	-	-	284,898	284,898
Property plant and equipment	-	55,136	64,724	119,860
Net assets as at 31 March 2015	**245,375**	**74,827**	**349,622**	**669,824**

2. LOSS BEFORE TAX

The loss before tax from continuing activities is stated after charging:

	Group Year ended 31 March 2016 £	Group Year ended 31 March 2015 £
Impairment of intangible assets	50,426	3,411,664
Fees payable to the Company's auditor	22,500	28,300
Share based payments	40,556	88,555
Directors' salaries and fees	120,000	151,154
Employer's National Insurance	8,442	9,054
Foreign exchange losses	496	36,588

Amounts payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows;

	Group Year ended 31 March 2016 £	Group Year ended 31 March 2015 £
Audit services		
- statutory audit of parent and consolidated accounts	20,000	18,000
- statutory audit of subsidiaries	2,500	2,000
- review of interim accounts	-	7,500
Taxation advisory services	-	800
	22,500	28,300

3. EMPLOYEES' AND DIRECTORS' REMUNERATION

Apart from the Directors, who are considered to be the Group's key management personnel, there were no employees in the years to 31 March 2016 and 2015 respectively.

The remuneration paid to directors is as follows:

	Group Year ended 31 March 2016 £	Group Year ended 31 March 2015 £
Directors' remuneration	**120,000**	151,154
Directors' social security costs	**8,442**	9,054
Total	**128,442**	160,208

	Directors' salary and fees year ended 31 March 2016 £	Share based payments year ended 31 March 2016 £	Total year ended 31 March 2016 £
Luke Bryan (Note 1)	**50,000**	**25,347**	**75,347**
Markus Ekberg	**20,000**	**-**	**20,000**
David Jones	**30,000**	**-**	**30,000**
Robert Wooldridge	**20,000**	**-**	**20,000**
	120,000	**25,347**	**145,347**

	Directors' salary and fees year ended 31 March 2015	Share based payments year ended 31 March 2015	Total year ended 31 March 2015
	£	£	£
Luke Bryan	50,000	55,347	105,347
Guy Eastaugh (resigned 21 January 2015)	16,154	-	16,154
Markus Ekberg	20,000	-	20,000
Emin Eyi (resigned 21 January 2015)	15,000	-	15,000
David Jones	30,000	-	30,000
Robert Wooldridge	20,000	-	20,000
	151,154	55,347	206,501

Note 1 Novoco Mine Engineering Limited, a company wholly owned by Luke Bryan, provided consultancy services to the Group during the year and received fees of £46,750 (2015: £168,500) in cash.

4. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the computations:

	Loss	Weighted average number of shares	Basic loss per share (pence)
	£		
Year ended 31 March 2016	**(465,622)**	**1,015,307,538**	**0.0458**
Year ended 31 March 2015	(3,959,576)	775,195,325	0.5107

Diluted loss per share is calculated by dividing the loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. Options in issue are not considered diluting to the loss per share as the Group is currently loss making. Diluted loss per share is therefore the same as the basic loss per share.

5. SHARE BASED PAYMENTS

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

	Year ended 31 March 2016	Year ended 31 March 2015
Share options outstanding	£	£

Opening balance	**40,000,000**	40,000,000
Issued in the period	**-**	-
Closing balance	**40,000,000**	40,000,000

Options issued in the year to 31 March 2014

Under an option agreement between the Company and Novoco Mine Engineering Limited ("Novoco"), a company wholly owned by Luke Bryan, the Company granted to Novoco options over 25,000,000 shares ("Option Shares") at an exercise price of 0.7 pence per share. The options become exercisable in respect of one third of the total number of Option Shares on each of the first, second and third anniversaries of 30 December 2013. The options are exercisable for a period of ten years from the date on which they vest and become exercisable.

Under an option agreement between the Company and David Hakes, a consultant to the Group, the Company granted to David Hakes options over 15,000,000 shares ("Option Shares") at an exercise price of 0.7 pence per share. The options become exercisable in respect of one third of the total number of Option Shares on each of the first, second and third anniversaries of 30 December 2013. The options are exercisable for a period of ten years from the date on which they vest and become exercisable.

Details of share options outstanding at 31 March 2016:

Date of grant	*Number of options*	*Option price*	*Exercisable between*
30 December 2013	13,333,333	0.7 pence	30 Dec 2014 – 30 Dec 2024
30 December 2013	13,333,333	0.7 pence	30 Dec 2015 – 30 Dec 2025
30 December 2013	13,333,333	0.7 pence	30 Dec 2016 – 30 Dec 2026

Included within operating losses is a charge for issuing share options and making share based payments of £40,556 (2015: £88,555) which was recognised in accordance with the Group's accounting policies.

Additional disclosure information:

Weighted average exercise price of share options:

• outstanding at the beginning of the period	0.7 pence
• granted during the period	N/A
• outstanding at the end of the period	0.7 pence
• exercisable at the end of the period	0.7 pence

Weighted average remaining contractual life of share options outstanding at the end of the period	9.75 years

Tetra Option Agreement

The Group has granted to Tetra Minerals Oy ("Tetra") an option to subscribe for new shares. The maximum number of shares that are subject to the option is 714,285,714, corresponding to the number of shares that would be issued for a total amount of £5 million at 0.7 pence per share. The options vest and become exercisable only once the JORC indicated resource for phosphate minerals at the Kodal Project meet certain thresholds. These are as follows:

JORC Indicated Mineral Resource threshold reached of Tonnes of phosphate minerals	Proportion of maximum number Option Shares that will vest (%)
90,000,000	20
110,000,000	20
130,000,000	20
150,000,000	20
170,000,000	20

Once vested, the option may be exercised by Tetra at a subscription price of 10p per share for a period of three years after the date on which each tranche vests. If Kodal Phosphate AS relinquishes or does not renew the Kodal Project extraction licences before any of the options vest, then those options will lapse.

The Board has reviewed the Tetra option arrangements and determined that the fair value of the Tetra options is nil on the grounds that the option distribution is dependent on thresholds associated with the JORC phosphate mineral resources, the first of which, 90m tonnes, is well beyond the size of the current targeted ore body, which has a JORC mineral resource of 48.9m tonnes. Unless and until further exploration of the Kodal Project identifies a further potential ore body the likelihood of the thresholds being met is considered to be remote.

6. TAXATION

	Group Year ended 31 March 2016 £	Group Year ended 31 March 2015 £
Taxation charge for the year	**-**	-
Factors affecting the tax charge for the year		
Loss from continuing operations before income tax	**(465,622)**	(3,959,576)
Tax at 20% (2015: 20%)	**(93,124)**	(791,915)
Expenses not deductible	**53**	367,868
Overseas rate differences	**(3,043)**	(5,388)
Losses carried forward not deductible	**78,287**	92,570
Other temporary differences	**29,135**	332,899
Non-current assets temporary differences	**(11,308)**	3,966
Income tax expense	**-**	-

The Group has tax losses and other deferred tax assets totalling £582,000 (2015: £463,000) which will be able to be offset against future income. No deferred tax asset has been recognised in respect of these losses as the timing of their utilisation is uncertain at this stage.

7. INTANGIBLE ASSETS

GROUP	Exploration and evaluation £	Software £	Total £
COST			
At 1 April 2014	**2,921,137**	**27,295**	**2,948,432**
Additions in the year	781,252	-	781,252
Effects of foreign exchange	(5,827)	-	(5,827)
At 1 April 2015	**3,696,562**	**27,295**	**3,723,857**
Additions in the year	362,600	-	362,600
Effects of foreign exchange	(517)	-	(517)
At 31 March 2016	**4,058,645**	**27,295**	**4,085,940**
AMORTISATION			
At 1 April 2014	**-**	**4,363**	**4,363**
Amortisation charge		9,089	9,089
Impairment (see note)	3,411,664	-	3,411,664
At 31 March 2015	**3,411,664**	**13,452**	**3,425,116**
Amortisation charge	-	9,007	9,007
Impairment (see note)	50,426	-	50,426
At 31 March 2016	**3,462,090**	**22,459**	**3,484,549**
NET BOOK VALUES			
At 31 March 2016	**596,555**	**4,836**	**601,391**
At 31 March 2015	284,898	13,843	298,741
At 31 March 2014	2,921,137	22,932	2,944,069

The Group has capitalised all expenditure incurred in relation to exploration and evaluation of the Kodal Project and the Grimeli Project. The Board has considered the carrying value of the Grimeli Project and has concluded that no impairment is required due to due to the secure tenure, the positive results from completed exploration, the ongoing work programme and the potential for future discovery and development.

In September 2015, in connection with the preparation of the financial statements for the year ended 31 March 2015, the directors undertook an impairment review of the carrying value of the Kodal Project in Norway in response to the significant fall in the price of iron ore, by performing a value in use calculation. This resulted in an impairment charge in the year to 31 March 2015 of £3,411,664. In the year to 31 March 2016, the Group has recognised a further impairment charge on the Kodal Project of £50,426 representing exploration and evaluation costs capitalised in the year prior to the completion of the impairment review in September 2015 and the write off of property, plant and equipment associated with the Kodal Project for which an alternative use has not been identified.

8. PROPERTY, PLANT AND EQUIPMENT

	Fixtures, fittings and equipment	Plant and machinery	Motor vehicles	Total
GROUP	**£**	**£**	**£**	**£**
COST				
At 1 April 2014	**42,017**	**15,606**	**23,578**	**81,201**
Additions in the year	57,194	17,857	-	75,051
Effects of foreign exchange	(2,763)	(2,790)	(3,820)	(9,373)
At 1 April 2015	**96,448**	**30,673**	**19,758**	**146,879**
Effects of foreign exchange	149	85	93	327
At 31 March 2016	**96,597**	**30,758**	**19,851**	**147,206**
DEPRECIATION				
At 1 April 2014	**2,841**	**138**	**1,065**	**4,044**
Depreciation charge	14,051	5,092	5,489	24,632
Effects of foreign exchange	(509)	(427)	(721)	(1,657)
At 1 April 2015	**16,383**	**4,803**	**5,833**	**27,019**
Depreciation charge	17,036	4,405	4,969	26,410
Impairment charge/write off	20,393	9,738	-	30,131
Effects of foreign exchange	20	18	27	65
At 31 March 2016	**53,832**	**18,964**	**10,829**	**83,625**
NET BOOK VALUES				
At 31 March 2016	**42,765**	**11,794**	**9,022**	**63,581**
At 31 March 2015	80,065	25,870	13,925	119,860
At 31 March 2014	39,176	15,468	22,513	77,157

For those tangible assets wholly associated with exploration and development projects, the amounts charged in respect of depreciation and impairment are capitalised as evaluation and exploration assets within intangible assets.

The Company did not have any Property, Plant and Equipment as at 31 March 2014, 2015 and 2016.

9. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

The consolidated financial statements include the following subsidiary companies:

Company	Subsidiary of	Country of incorporation	Equity holding	Nature of business

Kodal Norway (UK) Ltd	Kodal Minerals Plc	United Kingdom	100%	Operating company
Kodal Mining AS	Kodal Norway (UK) Ltd	Norway	100%	Mining exploration
Kodal Phosphate AS	Kodal Norway (UK) Ltd	Norway	100%	Mining exploration

Carrying value of investment in subsidiaries	**Year ended 31 March 2016**	**Year ended 31 March 2015**
Opening balance	**476,752**	900,010
Impairment charge	-	(423,258)
Closing balance	**476,752**	476,752

10. OTHER RECEIVABLES

	Group 31 March 2016 £	**Group 31 March 2015 £**	**Company 31 March 2016 £**	**Company 31 March 2015 £**
Other receivables	**2,984**	28,095	**15,983**	29,690
	2,984	28,095	**15,983**	29,690

All receivables at each reporting date are current. No receivables are past due. The Directors consider that the carrying amount of the other receivables approximates their fair value.

11. TRADE AND OTHER PAYABLES

	Group 31 March 2016 £	**Group 31 March 2015 £**	**Company 31 March 2016 £**	**Company 31 March 2015 £**
Trade payables	**73,507**	51,857	**73,409**	36,830
Other payables	**25,352**	31,858	**25,358**	25,982
	98,859	83,715	**98,767**	62,812

All trade and other payables at each reporting date are current. The Directors consider that the carrying amount of the trade and other payables approximates their fair value.

12. SHARE CAPITAL

GROUP AND COMPANY

Allotted, issued and fully paid:

	Nominal Value	**Number of Ordinary Shares**	**Share Capital £**	**Share Premium £**
At 31 March 2014		**770,240,747**	**240,700**	**4,527,078**
Issue (Note 1)	£0.0003125	2,358,681	737	16,788
Issue (Note 2)	£0.0003125	2,250,000	703	9,197
Issue (Note 3)	£0.0003125	1,436,781	449	4,551

Issue (Note 4)	£0.0003125	1,908,397	597	4,403
At 31 March 2015		**778,194,606**	**243,186**	**4,562,017**
Issue (Note 5)	£0.0003125	222,222,222	69,445	306,551
Issue (Note 6)	£0.0003125	22,867,135	7,146	35,158
Issue (Note 7)	£0.0003125	26,570,886	8,303	33,679
At 31 March 2016		**1,049,854,849**	**328,080**	**4,937,405**

Share issue costs have been allocated against the Share Premium reserve.

Note 1: On 22 April 2014, a total of 2,358,681 shares were issued to a supplier of the Company, Mr Eyi (a Director) and Mr R Wooldridge (a director) in settlement of their services at an issue price of 0.743 pence per Share.

Note 2: On 9 July 2014, a total of 2,250,000 shares were issued to a supplier of the Company and Mr Eyi (a Director) in settlement of their services at an issue price of 0.44 pence per Share.

Note 3: On 9 October 2014, a total of 1,436,781 shares were issued to Mr Eyi (a Director) in settlement of his services provided to the Company at an issue price of 0.348 pence per Share.

Note 4: On 9 January 2015, a total of 1,908,397 shares were issued to Mr Eyi (a Director) in settlement of his services provided to the Company at an issue price of 0.262 pence per Share.

Note 5: On 14 May 2015, a total of 222,222,222 shares were issued in a placing at an issue price of 0.18 pence per share.

Note 6: On 19 May 2015, a total of 22,867,135 shares were issued to a supplier of the Company in part settlement of the services provided at an issue price of 0.185 pence per share.

Note 7: On 22 June 2015, a total of 26,570,886 shares were issues to a supplier of the Company in part settlement of the services provided at an issue price of 0.158 pence per share.

13. RESERVES

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Share based payment reserve	Cumulative fair value of options and share rights recognised as an expense. Upon exercise of options or share rights, any proceeds received are credited to share

	capital. The share-based payment reserve remains as a separate component of equity.
Translation reserve	Gains/losses arising on re-translating the net assets of overseas operations into sterling.
Retained earnings	Cumulative net gains and losses recognised in the consolidated statement of financial position.

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise cash and cash equivalents, other receivables and trade and other payables.

The main purpose of cash and cash equivalents is to finance the Group's operations. The Group's other financial assets and liabilities such as other receivables and trade and other payables, arise directly from its operations.

It has been the Group's policy, throughout the periods presented in the consolidated financial statements, that no trading in financial instruments was to be undertaken, and no such instruments were entered in to.

The main risk arising from the Group's financial instruments is market risk. The Directors consider other risks to be more minor, and these are summarised below. The Board reviews and agrees policies for managing each of these risks.

Market risk
Market risk is the risk that changes in market prices, and market factors such as foreign exchange rates and interest rates will affect the Group's results or the value of its assets and liabilities.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Interest rate risk
The Group does not have any borrowings and does not pay interest.

The Group's exposure to the risks of changes in market interest rates relates primarily to the Group's cash and cash equivalents with a floating interest rate. These financial assets with variable rates expose the Group to interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing.

In regard to its interest rate risk, the Group periodically analyses its exposure. Within this analysis consideration is given to alternative investments and the mix of fixed and variable interest rates. The Group does not engage in any hedging or derivative transactions to manage interest rate risk.

The Group in the year to 31 March 2016 earned interest of £11 (2015: £78). Due to the Group's relatively low level of interest bearing assets and the very low interest rates available in the market the Group is not exposed to any significant interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty could default on its contractual obligations resulting in financial loss to the Group. The Group's principal financial assets are cash balances and other receivables.

The Group has adopted a policy of only dealing with what it believes to be creditworthy counterparties and would consider obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure to and the credit ratings of its counterparties are continuously monitored. An allowance for impairment is made where there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables concerned.

Other receivables consist primarily of prepayments and other sundry receivables and none of the amounts included therein are past due or impaired.

Financial instruments by category

	Loans and receivables	Other financial liabilities at amortised cost	Total
31 March 2016	**£**	**£**	**£**
Assets			
Other receivables	**2,984**	**-**	**2,984**
Cash and cash equivalents	**134,801**	**-**	**134,801**
Total	**137,785**	**-**	**137,785**
Liabilities			
Trade and other payables	**-**	**98,859**	**98,859**
Total	**-**	**98,859**	**98,859**
31 March 2015			
Assets			
Other receivables	28,095	-	28,095
Cash and cash equivalents	306,843	-	306,843
Total	334,938	-	334,938
Liabilities			

Trade and other payables	-	83,715	83,715
Total	-	83,715	83,715

Foreign exchange risk

Throughout the periods presented in the consolidated financial statements, the functional currency for the Group's Norwegian subsidiaries has been the Norwegian Kronor.

The Group incurs certain exploration costs in Norwegian Kronor and US Dollars on the Kodal Project and Grimeli Project, and has exposure to foreign exchange rates prevailing at the dates when Sterling funds are translated into other currencies. The Group has not hedged against this foreign exchange risk as the Directors do not consider that the level of exposure poses a significant risk.

The Group continues to keep the matter under review as further exploration and evaluation work is performed in Norway and other countries, and will develop currency risk mitigation procedures if the significance of this risk materially increases.

The Group’s consolidated financial statements have a low sensitivity to a changes in exchange due to the low value of assets and liabilities (principally cash balances) maintained in foreign currencies. Once any project moves into the development phase a greater proportion of expenditure is expected to be denominated in foreign currencies which may increase the foreign exchange risk.

Financial instruments by currency

	GBP denominated	**NOK denominated**	**Total**
31 March 2016	**£**	**£**	**£**
Assets			
Other receivables	**2,984**	**-**	**2,984**
Cash and cash equivalents	**134,540**	**261**	**134,801**
Total	**137,524**	**261**	**137,785**
Liabilities			
Trade and other payables	**98,756**	**103**	**98,859**
31 March 2015			
Assets			
Trade and other receivables	21,514	6,581	28,095
Cash and cash equivalents	301,514	5,329	306,843
Total	323,028	11,910	334,938
Liabilities			
Trade and other payables	77,653	6,062	83,715

Liquidity risk
Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due.

The objective of managing liquidity risk is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions.

The Group has established policies and processes to manage liquidity risk. These include:

- Monitoring the maturity profiles of financial assets and liabilities in order to match inflows and outflows;
- Monitoring liquidity ratios (working capital); and
- Capital management procedures, as defined below.

Capital management
The Group's objective when managing capital is to ensure that adequate funding and resources are obtained to enable it to develop its projects through to profitable production, whilst in the meantime safeguarding the Group's ability to continue as a going concern. This is to enable the Group, once projects become commercially and technically viable, to provide appropriate returns for shareholders and benefits for other stakeholders.

The Group has historically relied on equity to finance its growth and exploration activity, raised through the issue of shares. In the future, the Board will utilise financing sources, be that debt or equity, that best suits the Group's working capital requirements and taking into account the prevailing market conditions.

Fair value
The fair value of the financial assets and financial liabilities of the Group, at each reporting date, approximates to their carrying amount as disclosed in the Statement of Financial Position and in the related notes.

The fair values of the financial assets and liabilities are included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The cash and cash equivalents, other receivables, trade payables and other current liabilities approximate their carrying value amounts largely due to the short-term maturities of these instruments.

Disclosure of Financial Instruments and Financial Risk management for the Company has not been performed as they are not significantly different from the Group's position noted above.

15. RELATED PARTY TRANSACTIONS

Robert Wooldridge, a Director, is a member of SP Angel Corporate Finance LLP (“SP Angel”) which acts as financial adviser and broker to the Company. During the year ended 31 March 2016, the Company has paid fees to SP Angel of £49,000 (2015: £25,000) for its services as broker.

SP Angel was reimbursed by the Group for travel and other sundry expenses in the year ended 31 March 2016 of £nil (March 2015: £3,408).

Novoco Mine Engineering Limited (“Novoco”), a company wholly owned by Luke Bryan, a Director, provided consultancy services to the Group during the year ended 31 March 2016 and received fees of £46,750 (2015: £168,500). During the year ended 31 March 2016, Novoco was reimbursed £1,283 (2015: £8,863) for expenses. At 31 March 2016 £42,250 (2015: £11,034) was owed by the Group to Novoco.

16. CONTROL

No one party is identified as controlling the Group.

17. EVENTS AFTER THE REPORTING PERIOD

Acquisition of International Goldfields (Bermuda) Limited (“IG Bermuda”) and Fundraising

On 20 May 2016, the Company completed the acquisition of IG Bermuda which through its four subsidiaries has interests in a number of gold exploration projects in Mali and Côte d’Ivoire in Western Africa. The consideration of £410,000 was satisfied by the issue of 1,025,000,000 ordinary shares of the Company, which were issued to Taruga Gold Limited (“Taruga”), a company listed on the Australian Stock Exchange and the previous owner of IG Bermuda. The consideration shares were subsequently distributed by Taruga to its shareholders as an in specie distribution. The Group intends to account for the acquisition of IG Bermuda as an asset purchase.

IG Bermuda and its subsidiaries (the “IG Group”) has interests in four licences in Mali and four exploration licences plus two further licence applications in Côte d’Ivoire. The IG Group has entered into a farm-in agreement with Newcrest Mining Limited over one of the Côte d’Ivoire licences and a joint venture agreement with Resolute Mining Limited over three licences and one licence application in Côte d’Ivoire.

The IG Group is currently loss making with a loss of A$54,000 for the year to 30 June 2015 (approximately £29,000) and a loss of A$60,000 (approximately £32,000) for the six months to 31 December 2015. As at 31 December 2015 its net assets were A$666,000 (approximately £358,000) (excluding inter-company loans which were capitalised prior to completion of the acquisition).

In conjunction with the acquisition of IG Bermuda, the Company completed a fundraising of £680,000 by way of a subscription and placing of 1,700,000,000 Shares. The funds are to be used to undertake further exploration on the IG Group licences in Mali and Côte d'Ivoire, as well as to progress the Company's Norwegian projects.

The expenses incurred by the Company in connection with the acquisition and the fundraising were approximately £135,000.

****ENDS****

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

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