

7 April 2016

Kodal Minerals plc
(“Kodal Minerals” or the “Company”)

**Proposed Acquisition, Board Changes, Conditional Fundraising &
Notice of General Meeting**

Kodal Minerals, the mineral development and exploration company, announces the proposed acquisition of certain gold exploration properties in Mali and Côte d’Ivoire from Taruga Gold Limited. This acquisition, together with an accompanying fundraising are subject to shareholder approval.

The Company gives notice of a general meeting to be held at 12.00 noon on 13 May 2016 at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT to enable shareholders to vote on the proposals. The Company has today published a circular to shareholders and notice of general meeting which provides further information on the proposals; this is being posted to shareholders today and can also be viewed on the Company’s website, www.kodalminerals.com. The material elements of this circular are extracted below, but shareholders are recommended to read the full circular, which includes additional diagrams and matters relating to voting at the general meeting.

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ACQUISITION OF INTERNATIONAL GOLDFIELDS (BERMUDA) LIMITED

PLACING AND SUBSCRIPTION

APPOINTMENT OF DIRECTOR

NOTICE OF GENERAL MEETING

1. Introduction

As announced on 15 December 2015 in the Company’s unaudited interim results for the six months ended 30 September 2015, the Board recognises the challenging environment

for mining and exploration companies currently and has sought to identify and evaluate other projects to add to the Group's portfolio in order to generate shareholder value.

The Company was pleased to announce today that it has identified an opportunity to acquire interests in various gold exploration properties in Mali and Côte d'Ivoire (the "West African Exploration Projects") that are currently owned by Taruga Gold Limited ("Taruga"), an Australian Securities Exchange ("ASX") listed company. Taruga's interests in the West African Exploration Projects are held through a wholly-owned subsidiary, International Goldfields (Bermuda) Limited ("IGS"). The Company is proposing to acquire 100 per cent. of the issued share capital of IGS for a consideration of £410,000 to be satisfied through the issue of 1,025,000,000 new Ordinary Shares (the "Consideration Shares") to Taruga (the "Acquisition"). Further information on the proposed Acquisition is set out below.

Further details of the West African Exploration Projects are set out in Part II of this document.

In conjunction with the Acquisition, the Company is proposing to carry out the Fundraising, which is intended to raise up to £680,000 (before expenses).

In order to conclude the Acquisition and the Fundraising it is necessary to seek an extension to the existing shareholder authorities obtained at the last annual general meeting to enable the Directors, amongst other matters, to allot the Fundraising Shares for cash on a non-pre-emptive basis and to allot the Consideration Shares pursuant to the Acquisition.

The purpose of this document is to explain the background to the Proposals and to seek your approval for the Resolutions which are being proposed at the General Meeting to be held at 12.00 noon on 13 May 2016 at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT, notice of which is set out at the end of this document.

2. Background to the Proposals

Background

Kodal Minerals is a mining and exploration company currently operating in Norway. The Company holds extraction licences over the Kodal phosphate and iron deposit in southern Norway ("Kodal Project") and is exploring a copper-zinc deposit in western Norway ("Grimeli Project").

The Group has completed a drilling programme on the Grimeli Project and announced the results of this programme, with the highest grades reported being 8.39 per cent. copper and 6.98 per cent. zinc. The Group has continued to analyse the results from the drilling programme as well as the historical data and believes there is a good case for further exploration work in the area. A work programme involving ground based geophysics is being developed which may be implemented once general market conditions improve and further funding is available.

In relation to the Kodal Project, and reflecting the very significant fall in the price of iron ore, the Group has recognised a total impairment charge of £3,453,000 relating to 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. No further expenditure is being incurred on the Kodal Project currently other than the costs of maintaining the extraction and exploration licences and limited consulting work to advance the Norwegian planning application.

Further to these developments in Norway and in recognising the current challenging market conditions for mining and exploration companies, the Board has sought to identify

and evaluate other projects to add to the Group's portfolio in order to generate shareholder value. The Board believes that the Acquisition, details of which are set out below, will be beneficial to the Company and its members as a whole and diversify its geographic and resource focus.

Acquisition

The Company has identified an opportunity to acquire interests in various gold exploration properties in Mali and Côte d'Ivoire that are currently owned by Taruga, an ASX-listed company. Taruga's interests in the West African Exploration Projects are held through a wholly-owned subsidiary, IGS. The Company is proposing to acquire 100 per cent. of the issued share capital of IGS for a consideration of £410,000, which is to be satisfied through the issue of the Consideration Shares to Taruga. As part of the Acquisition, Taruga will then distribute the Consideration Shares to its shareholders as an in specie distribution soon after completion.

On 7 April 2016, the Company and Taruga entered in the Acquisition Agreement, which governs the terms of the Acquisition. The principal terms of which are as follows:

- The Company will acquire the entire issued share capital of IGS, together with four subsidiaries of IGS. The consideration of £410,000 will be satisfied by the issue by the Company of the 1,025,000,000 Consideration Shares to Taruga.
- Completion of the Acquisition is conditional on, amongst other things, the satisfaction or waiver of the following conditions on or before 16 May 2016 (or such later date as the parties may agree): (i) each of the agreements relating to the Subscription having been executed and not having been terminated in accordance with their terms; (ii) the Placing Agreement having become unconditional and not having been terminated in accordance with its terms; (iii) the approval of the shareholders of Taruga to the disposal of its shares in IGS to the Company; (iv) the approval of the shareholders of Taruga to authorise and effect an in specie distribution of the Consideration Shares to the shareholders of Taruga; (v) Shareholders approving the Resolutions; and (vi) Admission.
- Taruga has given the Company certain customary warranties in respect of IGS. The Company has also given Taruga certain customary warranties relating to the Company.
- Both the Company and Taruga have the right to terminate the Acquisition Agreement in certain circumstances, including, where (i) a warranty given by a party has been breached, is untrue or is misleading, or the other party has a reasonable expectation that any of those things might occur; (ii) a party is in material breach of or default under any other term of the Acquisition Agreement; or (iii) any other event occurs which affects or is likely to affect to a material degree the assets or financial or trading position of IGS.

The IGS Group had no revenue in the year to 30 June 2015 or the six months to 31 December 2015. The IGS 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 are being capitalised prior to completion of the Acquisition).

Proposed Board Changes

In connection with the Acquisition, it is intended that Mr Bernard Aylward will join the Board as Chief Executive Officer of the Company on completion of the Acquisition. Kodal

Minerals has been looking to appoint an experienced geologist to lead the Company due to increasing exploration work and opportunities. The Board believes that Mr Aylward's considerable experience as a manager and exploration geologist will greatly benefit the Company as it moves forward and diversifies its operations.

The Company's current Chief Executive Officer, Mr Luke Bryan, will remain as an executive director and will take on the new role of Technical Director. As such, on completion of the Acquisition, the terms of Mr Bryan's existing service agreement will be amended such that he receives a salary of £20,000 per annum subject to three months' notice of termination by either party and will receive no compensation for loss of office.

It is intended that Mr Markus Ekberg will step down as a non-executive director on completion of the Acquisition. Mr Ekberg will receive no compensation for loss of office.

Bernard Michael Aylward, aged 47 - Proposed Chief Executive Officer

Mr Bernard Aylward is a geologist with over 20 years' experience as a manager and exploration geologist in the mining and exploration industry in a variety of commodities. Mr Aylward's experience includes serving as the Managing Director of Taruga Gold Limited from its initial listing on the ASX, Chief Operating Officer of International Goldfields Ltd, General Manager of Azumah Resources Ltd (Ghana), and Exploration Manager for Croesus Mining NL.

Mr Aylward has been involved in the discoveries and management of the Bepkong, Julie, Collette and Kunche deposits in Ghana, as well as the Deep South gold deposit, Gladstone North deposit, St Patrick's, Norseman Reef, and the Safari Bore gold deposit in Western Australia. Mr Aylward has experience operating in Europe (Greece Sappes deposit), Siberia, South America and extensive experience throughout West Africa.

The Directors believe Mr Aylward will bring considerable relevant skills and experience to the Board. He is a Member of the Australasian Institute of Mining and Metallurgy.

Mr Aylward holds or has held the following directorships or partnerships in the past five years:

Present Directorships/Partnerships

Frontline Exploration PTY Limited
International Goldfields (Bermuda) Limited
International Goldfields CIV SARL
Jigsaw Resources CIV Limited
Matlock Geological Services Pty Limited
Taruga Gold Limited
Ulysses Mining Pty Limited

Past Directorships/Partnerships

Amazon Minerals Limited
Glory Resources Limited
Hellenic Gold Investments (UK) Limited
International Goldfields Limited
Kyprou Gold Limited
Latin Gold Limited
Plumridge Gold Pty Limited
Quetico Minerals Pty Limited
Rhodopi Minerals Limited
Scarborough Minerals Overseas Holdings Limited
Tulasi Gold Pty Limited

On completion of the Acquisition, the Company and Mr Aylward have agreed to enter into a letter of appointment pursuant to which Mr Aylward will be appointed as executive director and Chief Executive Officer of the Company, subject to Admission ("Letter of Appointment"). The Letter of Appointment provides for the obligations of Bernard Aylward as an executive director of the Company. The term of appointment will continue until the earlier of: (i) the termination of the consultancy agreement between the Company and Matlock Geological Services Pty Ltd (as described below); and (ii) termination by either

the Company or Bernard Aylward on three months' prior written notice. Mr Aylward is required to devote at least five working days in each calendar month to his services under the Letter of Appointment. A salary of £20,000 per annum is to be paid by the Company to Mr Aylward. No compensation will be payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Aylward is in material breach of the terms of the appointment.

Under an agreement to be entered into on completion of the Acquisition between the Company and Matlock Geological Services Pty Ltd ("MGS"), a company wholly owned by Bernard Aylward, MGS agreed to provide consulting and other services to the Company ("Consultancy Agreement"). These services are to be provided by Bernard Aylward or, with the agreement of the Company, a person of equivalent skills and experience, for no less than 15 days in any one month period. The fees payable by the Company to MGS are at a rate of A\$9,167 per calendar month. The Consultancy Agreement is subject to termination by three months' notice given by either the Company or MGS at any time.

Fundraising

The Company proposes to raise £305,000 (before expenses) through the issue of the Placing Shares at the Placing Price. The Placing Shares will represent approximately 20.20 per cent. of the Company's Enlarged Issued Share Capital.

The Placing has been arranged by SP Angel, as agent of the Company.

The Company is also carrying out a direct Subscription with certain investors. The Company proposes to raise £375,000 (before expenses) through the issue of the Subscription Shares at the Placing Price. The Subscription Shares will represent approximately 24.84 per cent. of the Company's Enlarged Issued Share Capital.

Accordingly, it is expected that the Fundraising will raise, in aggregate, £680,000 (before expenses).

The Placing and the Subscription are conditional, amongst other things, on: (i) the Acquisition Agreement becoming unconditional in accordance with its terms; (ii) the passing of the Resolutions to be proposed at the General Meeting; and (iii) Admission occurring on or before 8.00 a.m. on 16 May 2016 (or such later date as SP Angel and the Company may agree being not later than 8.00 a.m. on 30 June 2016).

The Fundraising Shares, which represent approximately 45.03 per cent. of the Enlarged Issued Share Capital, will be allotted and credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on or after the date on which they are issued.

The Directors believe that there is currently an opportunity to raise funds from a small number of institutional and other investors rather than by offering all shareholders the opportunity to acquire further shares and that this opportunity may not be present in the future given the current uncertain market conditions. The Directors believe that the additional cost and delay incurred in connection with an offering to all Shareholders would not have been in the best interests of the Company.

It is intended that the proceeds of the Fundraising will be utilised as set out in the table below:

Intended use of proceeds	Amount
Mali	
• Local admin, licence payments & government fees	£120,000

• Exploration (RAB/Aircore drilling, RC Drilling and assay)	£170,000
Côte d'Ivoire	
• Exploration (Geochemistry)	£55,000
• Ground acquisition, project review and initial exploration	£35,000
Norway	
• Advance Kodal Project through the planning process	10,000
• Review of geophysical options at Grimeli	15,000
General working capital and corporate overheads (12 months)	£275,000
TOTAL	£680,000

The total expenses incurred by the Company in connection with the Acquisition and Fundraising are expected to be approximately £135,000.

Admission

Application will be made to the London Stock Exchange for the Consideration Shares and the Fundraising Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence on or around 16 May 2016.

Shareholdings in the Company

Following the issue of the New Ordinary Shares, the holdings of the Directors of Kodal Minerals and other shareholders currently holding in excess of 3 per cent. of the Company are expected to be, to the best of the knowledge of the Board, as follows:

Name of shareholder	Interest in Ordinary Shares as at the date of this document	Interest in Ordinary Shares as at Admission	% interest in Enlarged Issued Share Capital
Tetra Minerals Oy*	250,000,000	250,000,000	6.62
David Steinepreis	65,000,000	65,000,000	1.72
Robert Wooldridge (Director)	50,417,949	50,417,949	1.34
John Mackay	50,081,476	50,081,476	1.33
Luke Bryan (Director)	48,500,000**	48,500,000**	1.28
Paul Johnson	37,500,000	37,500,000	0.99
Ismail Emin Eyi	35,302,488	35,302,488	0.94
SP Angel Corporate Finance LLP	34,950,857	34,950,857	0.93
David Jones (Director)	7,808,000	7,808,000	0.21

* Tetra Minerals Oy is a company associated with Mr Markus Ekberg, Non-Executive Director

** Held by Novoco Mine Engineering Limited, a company wholly owned by Luke Bryan

Bernard Aylward, the proposed Director, is interested in 2,324,386 ordinary shares in Taruga, which represents approximately 9.27 per cent. of the issued share capital of Taruga. It is expected that Mr Aylward will receive Ordinary Shares in the Company further to the proposed in specie distribution of the Consideration Shares to Taruga Shareholders shortly after completion of the Acquisition. An announcement providing details of his interest in Ordinary Shares in the Company will be made once the in specie distribution has occurred.

3. Action to be taken

General Meeting

Set out at the end of this document is a notice convening the General Meeting to be held at 12.00 noon on 13 May 2016 at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT, at which the Resolutions will be proposed. The Resolutions can be summarised as follows:

Resolutions

Resolution 1 - This Resolution, to be proposed as an ordinary resolution, relates to the grant to the Directors of the authority to allot ordinary shares and grant rights to subscribe for or convert securities into ordinary shares with such authority expiring at the conclusion of the annual general meeting of the Company to be held in 2016, unless the authority is renewed or revoked prior to such time. This authority is limited to the issue of the Fundraising Shares, the Consideration Shares and also an additional authority, which represents approximately 150 per cent. of the Enlarged Issued Share Capital.

Resolution 2 - This Resolution, to be proposed as an ordinary resolution, seeks approval from Shareholders to appoint Mr Aylward as a director of the Company, with effect from Admission.

Resolution 3 - The Act requires that, if the Directors decide to allot ordinary shares in the Company for cash, the shares proposed to be issued be first offered to existing shareholders in proportion to their existing holdings. These are known as shareholders' pre-emption rights. However, to act in the best interests of the Company, the Directors may require flexibility to allot shares for cash without regard to the provisions of Section 561(1) of the Act. Therefore this Resolution, to be proposed as a special resolution, seeks authority to enable the Directors to allot equity securities for cash free of such pre-emption rights, with such authority expiring at the conclusion of the annual general meeting of the Company to be held in 2016, unless the authority is renewed or revoked prior to such time. This authority is limited to the allotment of the Fundraising Shares and also an additional authority, which represents approximately 100 per cent. of the Enlarged Issued Share Capital.

Shareholders should note that if the Resolutions are not passed, the Proposals will not go ahead. At the time (4 September 2015) of the publication of the Company's annual results for the year to 31 March 2015, the Directors concluded it had sufficient working capital to last 12 months; however with the passage of time and costs incurred related to the Proposals, the Directors will have to re-consider the current status of the Company. Shareholders should be aware that should the Proposals not go ahead, the Company may not be in a position to continue its operations as a going concern and there is a possibility that the Directors may be required to consider placing the Company into an insolvency process.

You will find a form of proxy for use in connection with the General Meeting accompanying this document. The Form of Proxy should be completed in accordance with the instructions printed thereon, whether or not you intend to be present at the General Meeting, and returned to the Company's registrar as soon as possible and in any event so that it is received not later than 12.00 noon on 11 May 2016. Completion and return of the Form of Proxy will not prevent you from attending the General Meeting and voting in person, if you so wish.

4. Irrevocable undertakings

Tetra Minerals Oy, SP Angel Corporate Finance LLP and John Mackay have irrevocably undertaken to vote in favour of the Resolutions in respect of their holdings of Existing Ordinary Shares, amounting to 335,032,333 Existing Ordinary Shares (in aggregate), which represent approximately 31.91 per cent. (in aggregate) of the voting rights of the Company.

5. Recommendation

The Directors consider that the Resolutions are fair and reasonable and in the best interests of the Shareholders and the Company as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions.

The Directors intend to vote their own beneficial shareholdings in the Company, amounting to 106,725,949 Existing Ordinary Shares (in aggregate and excluding Tetra Minerals Oy which is included in paragraph 4 above), which represent approximately 10.17 per cent. (in aggregate) of the voting rights of the Company as at the date of this document, in favour of the Resolutions.

Yours faithfully

David Jones CBE
Non-executive Chairman

PART II

DETAILS OF THE ACQUISITION, WEST AFRICAN EXPLORATION PROJECTS AND CONTINUING OPERATIONS

The Acquisition

Kodal Minerals has agreed to purchase 100 per cent. of the issued and to be issued share capital of International Goldfields (Bermuda) Limited ("IGS") from Taruga Gold Limited ("Taruga"), a company listed on the Australian Securities Exchange. IGS is a company registered in Bermuda with four subsidiaries (see the full general meeting circular). Further information on Taruga can be found at www.tarugagold.com.au. The assets of IGS and its subsidiaries (the "IGS Group") are a collection of gold exploration targets in West Africa consisting of interests in eight mineral exploration licences, four in Côte d'Ivoire and four in Mali, together with two further mineral exploration licence applications submitted in Côte d'Ivoire.

The consideration for the Acquisition of £410,000 is to be satisfied by the Company by the issue of the 1,025,000,000 Consideration Shares to Taruga (representing a price of 0.04 pence per Consideration Share). Taruga intends to distribute the Consideration Shares in specie to existing Taruga shareholders as soon as practicable following completion of the Acquisition.

IGS Group Assets

The IGS Group has an interest in a total of eight mineral exploration licences and two mineral licence applications via three 100 per cent. owned subsidiary companies, one with a further intermediary company holding the licences. A summary of the mineral exploration licences and two mineral exploration licence applications are set out in the table below and their locations can be seen in Figure 2.

<i>Subsidiary name</i>	International Goldfields Mali SARL ("IGS Mali")	International Goldfields Côte d'Ivoire SARL ("IGS CI")	Jigsaw Resources CIV Ltd ("Jigsaw")
<i>Country of registration</i>	Mali	Côte d'Ivoire	Bermuda
<i>Intermediary name</i>			Corvette CIV SARL
<i>Country of registration</i>			Côte d'Ivoire
<i>Licence name</i>	<ul style="list-style-type: none"> • Djelibani Sud • Kambali • Nangalasso • Sotian 	<ul style="list-style-type: none"> • Korhogo • Dabakala 	<ul style="list-style-type: none"> • Niele • Tiebissou
<i>Applications</i>		<ul style="list-style-type: none"> • Boundiali 	<ul style="list-style-type: none"> • M'Bahaikro

The following table shows further details of the exploration licences:

<i>Name</i>	<i>Expiry Date</i>	<i>Renewal Option (Y/N)</i>	<i>Size (km2)</i>	<i>Spending Commitment</i>
<i>Djelibani Sud*</i>	<i>28/10/2016</i>	<i>Y</i>	<i>106</i>	<i>Expenditure met</i>
<i>Kambali*</i>	<i>13/07/2016</i>	<i>n</i>	<i>33</i>	<i>Expenditure met</i>
<i>Nangalasso*</i>	<i>03/02/2020</i>	<i>Y</i>	<i>95</i>	<i>301 Million FCFA</i>
<i>Sotian*</i>	<i>29/04/2017</i>	<i>n</i>	<i>250</i>	<i>Expenditure met</i>
<i>Korhogo</i>	<i>07/01/2017</i>	<i>Y</i>	<i>361</i>	<i>90 Million FCFA</i>
<i>Dabakala</i>	<i>07/01/2017</i>	<i>Y</i>	<i>395</i>	<i>90 Million FCFA</i>
<i>Niele</i>	<i>11/03/2017</i>	<i>Y</i>	<i>388</i>	<i>99 Million FCFA</i>
<i>Tiebissou</i>	<i>30/09/2018</i>	<i>Y</i>	<i>306</i>	<i>99 Million FCFA</i>

*Interests held under option agreements, further details of which are set out below.

Côte d'Ivoire

IGS has six exploration licences in Côte d'Ivoire. The licence areas were targeted based on geological review, presence of artisanal workings and proximity of known mineralisation. IGS has been active in the exploration licence areas that are granted, and has also entered into a Farm-In agreement with Newcrest Mining Limited for one concession, and a Joint Venture agreement with Resolute Mining Limited for three concessions.

Key Terms of the Newcrest Farm-In Agreement

On 15 December 2015, Taruga entered into a farm-in agreement on the Dabakala project in Côte d'Ivoire with Newcrest Mining Limited ("Newcrest") (the "Farm-In Agreement"). The Dabakala project, which is covered by exploration licence number PR-426 is adjacent to concession areas already held by Newcrest.

IGS CI holds exploration licence number PR-426 and upon Newcrest satisfying sole funding expenditures of US\$1.7 million, it has the option to require IGS CI to transfer the exploration licence to a joint venture company ("JV Company") with Newcrest holding a 75 per cent. interest in the JV Company and IGS CI holding a 25 per cent. interest in the JV Company.

Pursuant to the Farm-In Agreement, Newcrest must incur the following commitments to elect to be issued 75 per cent. of the shares in the JV Company:

1. minimum expenditure of US\$750,000 ("Minimum Commitment") on exploration activities by 14 December 2016; and
2. expenditure of at least US\$1.7 million by 14 December 2018.

Expenditure means all costs, expenses and liabilities incurred in the connection with exploration activities, including amounts expended by Newcrest and its related bodies corporate and any clean-up or management of environmental conditions before the date of the Farm-In Agreement and a management fee of 5% of all such amounts.

In accordance with the terms of the Farm-In Agreement, IGS has granted a share pledge over 100 per cent. of the shares in IGS CI in favour of Newcrest, in order to guarantee the obligations under the Farm-In Agreement. IGS has received total payments of US\$100,000 from Newcrest pursuant to the Farm-In Agreement. Under the terms of the share pledge agreement, IGS has agreed not to do anything that will materially adversely affect Newcrest's security or rights.

Newcrest can terminate the Farm-In Agreement 20 Business Days after meeting the Minimum Commitment if it has fully rehabilitated the tenement area. IGS CI can terminate the Farm-In Agreement if Newcrest fails to meet the Minimum Commitment (US\$750,000) by 14 December 2016.

About the Dabakala project

The Dabakala project is located in central Côte d'Ivoire and is 100 per cent. owned by IGS Group. Exploration licence PR-426 was granted to IGS Group in 2014.

Prior to entering into the Farm-In Agreement, Taruga completed first pass geochemical sampling that outlined extensive surface gold anomalism associated with a major shear structure.

On 22 December 2014, Taruga announced the following results from exploration work at the Dabakala project:

- Dabakala geochemical samples defined numerous anomalous zones, including an extensive (9,000m x 3,000m) anomaly consistent with geological interpretation; and
- anomalous values peaking at 198ppb gold returned from very wide spaced sampling of 2km lines and 250m spaced samples.

Newcrest has commenced activity on the Dabakala project, with geological reconnaissance and mapping being completed over areas of known surface gold anomalism. Newcrest has planned auger sampling programmes to target potentially gold mineralised structures identified from early geochemical sampling and the programme of stream sediment sampling completed by Newcrest during its due diligence period.

The auger geochemical sampling program initially consists of 395 sample locations, with line clearing and preparation commenced in early January 2016. Preliminary results from the programme are expected by the end of June 2016. The next stage of exploration for the Dabakala concession will require reconnaissance drill testing to test the geochemical anomalies.

Resolute Joint Venture

On 26 February 2015, Taruga announced it had entered into a joint venture agreement with Resolute Mining Limited ("Resolute") over concessions held by Taruga in Côte d'Ivoire ("JV Agreement").

The JV Agreement establishes a joint venture over three concessions in Côte d'Ivoire which are 100 per cent. owned by Jigsaw Resources, namely Tiebissou and Niele exploration licences and the M'Bahaikro licence application. Resolute has the right to acquire 75 per cent. of the shares in Jigsaw Resources if, prior to the end of the Earn-In Period (as defined below):

- (a) Resolute sole funds Jigsaw Resources' working capital; and
- (b) the joint venture incurs expenditure of at least US\$3 million.

Expenditure means all costs, expenses and liabilities incurred on exploration, development and mining.

The Earn-In Period is the period commencing on 25 February 2015 until the earlier of:

the date Resolute gives notice of its withdrawal from the JV Agreement;
the date Resolute acquires a participating interest; and
25 February 2019.

If the joint venture does not incur expenditure of at least US\$3 million, then Resolute must transfer its loan balance to Taruga for nil consideration.

Resolute may withdraw from the JV Agreement after it has contributed a minimum of US\$500,000 to the working capital of Jigsaw Resources.

Upon completion of the Earn-In Period, Taruga is not required to make any further financial contribution until completion of a feasibility study while retaining a 25 per cent. interest.

About the Tiebissou and Niele licence, and the M'Bahaikro licence application

Resolute has been focussing on exploration activities at the Tiebissou exploration licence, which is located in central Côte d'Ivoire and is along strike from the Agbaou Gold Mine (Endeavour Mining Corporation) and the Bonikro Gold Mine (Newcrest Mining Limited).

Resolute has completed a programme of geological mapping, geochemical sampling and interpretation. The results of the geochemical sampling confirmed an extensive surface gold anomaly.

Resolute completed a programme of reconnaissance aircore drilling in February 2016, and results are pending for this programme.

The Niele exploration licence is located in northern Côte d'Ivoire, approximately 20km north of the Tongon Gold mine operated by Randgold Resources Limited. Resolute has completed a program of geological mapping and reconnaissance. In addition, Resolute plans to undertake a first-pass geochemical sampling program to test the Niele exploration licence area.

The M'Bahaikro exploration licence is in application. The exploration licence is located in central Côte d'Ivoire. No exploration has been completed on the M'Bahaikro exploration licence area. Following grant, the expected exploration program will consist of geological mapping and reconnaissance. A first-pass geochemical sampling program will be completed to assess the potential of the M'Bahaikro exploration licence area to host gold mineralisation.

Additional assets in Côte d'Ivoire

The IGS Group also has a 100 per cent. interest in the Korhogo exploration licence and the Boundiali exploration licence application.

The Korhogo exploration licence is located in the north-central Côte d'Ivoire and is a 360.6 km² concession with a three year term. The concession is at an early stage of exploration and initial field reconnaissance has identified areas of significant artisanal workings and prospective geological structures and units. Taruga has completed a first phase geochemical sampling program, with gold anomalous values returned. The sampling was completed on a very wide reconnaissance grid, and infill and extension geochemical sampling is required to assess this exploration licence area.

No drill testing has been completed on the Korhogo exploration licence area.

The Boundiali exploration licence is located in northern Côte d'Ivoire. The exploration licence is in the application process and pending grant.

No exploration activity has been completed on the Boundiali exploration licence area by Taruga.

A field visit and review of historic data indicates low-level anomalism defined in the exploration licence area, however the majority of the exploration licence area has not been explored using modern exploration techniques.

Following grant, the work program for the Boundiali exploration licence area will consist of geological mapping and reconnaissance geochemical sampling.

Mali

Kodal Minerals is acquiring an interest in two projects in Mali the Nangalasso Project, located in southern Mali adjacent to the Syama mine, and the SLAM Project, located in south-west Mali.

Taruga has undertaken exploration on both projects and defined significant targets suitable for follow-up drilling.

Nangalasso Project

IGS Mali has been granted exclusive access rights for exploration and development of the Nangalasso and Sotian licence areas by Gold Corporation Mali SARL and La Societe Drame et Freres SARL respectively (together the "Nangalasso Project").

Under the terms of the agreement with Gold Corporation Mali SARL, IGS Mali pays an annual fee of US\$40,000 for its rights over the Nangalasso licence area, it has an option to acquire the Nangalasso licence for US\$500,000 and has agreed to pay a net smelter royalty of 3 per cent. on any future gold production from the licence area.

Under the terms of the agreement with La Societe Drame et Freres SARL, IGS Mali pays an annual fee of US\$30,000 for its rights over the Sotian licence area, it has an option to acquire the Sotian licence for US\$500,000 and has agreed to pay a net smelter royalty of 2 per cent. on any future gold production from the licence area.

The Nangalasso Project is located in a highly mineralised area located 15km from the world-class Syama gold mine, as well as being located along strike from the Tengrela prospect delineated by Perseus Mining Limited. Taruga has been actively exploring this project since October 2013. On 29 January 2015, Taruga announced results of an aircore drilling program at Nangalasso, which included the following interceptions:

- 3m at 7.12g/t gold within 21m at 1.25g/t gold
- 3m at 2.11g/t gold from 3m
- 3m at 1.33g/t gold from 3m
- 6m at 0.50g/t gold from 27m

The exploration activity completed to date has highlighted an extensive zone of surface gold anomalism, and the wide spaced reconnaissance drilling has indicated that primary gold mineralisation is associated with the anomalism. The next phase of exploration for the Nangalasso Project will be to complete further trenching to assist in the definition of drill targets and complete follow-up drilling.

SLAM Project

IGS Mali has been granted exclusive access rights for exploration and development of the Djelibani Sud and Kambali licence areas by Gold Corporation Mali SARL and Tourekounda SARL respectively (together the "SLAM Project").

Under the terms of the agreement with Gold Corporation Mali SARL, IGS Mali has an option to acquire the Djelibani Sud licence following a final payment of US\$25,000. Under the terms of the agreement with Tourekounda SARL ("Tourekounda"), IGS Mali has an option to acquire the Kambali licence following a final payment of US\$80,000 (however, a reduction of this amount is expected to be negotiated). The Kambali licence is currently in good standing, but it is due to expire in July 2016. IGS Mali intends to apply for an extension of term via Tourekounda and sees no impediment to it being granted. No further payment will be made to Tourekounda until the licence has been extended.

The SLAM project is located in south-western Mali, approximately 100km from the capital Bamako in the "Siguiri Basin" sequence, which hosts extensive gold mineralisation including the Siguiri Mine (Anglogold Ashanti Limited), the Lefa Gold Mine (NordGold N.V) and the Tri-K Project (Avocet Mining plc).

On 9 February 2015, Taruga announced results of an aircore drilling program at the Kambali prospect, within the SLAM Project. The results of the drilling program highlighted the prospectivity of the SLAM Project, with gold mineralisation returned from shallow depth, and the mineralised system remains open along strike. An extensive zone of artisanal workings is located within the Kambali exploration licence area, and reconnaissance drilling confirmed primary gold mineralisation beneath the shallow workings.

Results of the wide-spaced reconnaissance drilling included:

- 3m at 5.64g/t gold from 3m within a zone of 6m at 2.88g/t gold from 3m; and
- 6m at 1.12g/t gold from 30m to end of hole within a broad zone of 15m at 0.62g/t from 21m.

The next stage of work for the SLAM Project will require follow-up drilling at Kambali (subject to receiving an extension to the licence term) to attempt to define and extend the gold mineralised structure. It is anticipated that a second stage of reconnaissance aircore drilling will be completed prior to RC drilling.

No drilling has been completed on the Djelibani Sud exploration licence area. Review of the surface geochemistry has highlighted a strong surface anomaly that is associated with laterite material, and minor artisanal workings. This area requires infill geochemistry to define targets for drill testing.

Further information

Additional information on the IGS exploration licences and applications, exploration results and commercial agreements can be found on the Taruga website, www.tarugagold.com.au.

Qualified person statement relating to IGS Group information

The information in this document that relates to the assets of the IGS Group is based on information compiled by Mr Bernard Aylward. Mr Aylward is the Managing Director of Taruga Gold Limited and is a full-time employee of Taruga. It is proposed that Mr Aylward will be appointed as chief executive officer and director of Kodal Minerals on completion of the Acquisition. Mr Aylward is a member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and a Qualified Person under the AIM Note for Mining and Oil & Gas Companies, June 2009. Mr Aylward has reviewed the information in this document and consents to the inclusion in this document of matters based on his information in the form and context in which they appear.

Future Strategy

The Directors intend to continue the IGS 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 by the IGS Group with major mining and development companies in Resolute and Newcrest is a validation of the quality of the ground selection and of this approach.

IGS has applied for additional 100 per cent. owned properties in Mali and Côte d'Ivoire and Kodal Minerals intends to continue to assess and acquire new opportunities.

The Board believes it has an active and experienced management team which has the ability to ensure successful implementation of the Company's strategy.

Continuing operations in Norway

The Company continues to review its existing projects in Norway being the iron-phosphate deposit in southern Norway referred to as the Kodal Project and the copper-zinc deposit in west Norway referred to as the Grimeli Project. Options for further geophysical testing

at the Grimeli Project may be trialled in the spring with a view to establishing a valid exploration approach.

While the current geophysics can guide the drilling onto the mineralised trend better information is required to target the potential zones of economic mineralisation. With the current information it is difficult to distinguish high grade massive sulphide zones from non-economic disseminated pyrrhotite zones. A combination of ground based electromagnetic and high resolution magnetic may offer potential.

With only a very small portion of many kilometres of potential target zone tested the Grimeli Project remains a very interesting early stage exploration project.

The Kodal Project continues to progress through the Norwegian municipal planning process.

In December 2015, the Company decided not to renew six of the seven exploration licences surrounding the three Kodal Project exploitation licences. The Company had applied for these licences in order to explore for additional mineralisation proximal to the main Kodal Project ore body. Following a detailed mapping exercise the Company decided there was no credible exploration potential on the six licences and so they were allowed to lapse. The one exploration licence which was retained has some outcropping mineralisation and will be the focus of additional test work when the Kodal Project develops.

The Company continues to assess additional options in Norway.

DEFINITIONS

The following definitions apply throughout this announcement, unless the context otherwise requires:

"A\$"	Australian dollars, the lawful currency of Australia;
"Act"	the Companies Act 2006 (as amended from time to time);
"Acquisition"	the proposed acquisition by the Company of the entire issued share capital of IGS pursuant to the terms of the Acquisition Agreement;
"Acquisition Agreement"	the agreement made between the Company and Taruga dated on or around the date of this document relating to the Acquisition;
"Admission"	admission of the New Ordinary Shares to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules;
"AIM"	the market of that name operated by the London Stock Exchange;
"AIM Rules"	the London Stock Exchange's rules and guidance notes contained in its "AIM Rules for Companies" publication relating to companies whose securities are traded on AIM, as amended from time to time;

"Allenby Capital"	Allenby Capital Limited, the Company's nominated adviser pursuant to the AIM Rules;
"Articles"	the articles of association of the Company which are in force as at the date of this document;
"ASX"	the Australian Securities Exchange;
"Company" or "Kodal Minerals"	Kodal Minerals plc, a company incorporated in England and Wales, with registered number 07220790; whose registered office is at Prince Frederick House, 4th Floor, London, W1S 2PP;
"Consideration Shares"	the 1,025,000,000 new Ordinary Shares to be issued by the Company to Taruga, pursuant to the Acquisition;
"CREST"	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force;
"Directors" or "Board"	the directors of Kodal Minerals;
"Enlarged Issued Share Capital"	the total number of Ordinary Shares in issue following the issue of the New Ordinary Shares upon completion of the Proposals;
"Euroclear"	Euroclear UK & Ireland Limited, a company incorporated in England & Wales with registration number 02878738, being the operator of CREST;
"Existing Ordinary Shares"	the 1,049,854,849 Ordinary Shares which are in issue as at the date of this document;
"FCA"	the United Kingdom's Financial Conduct Authority;
"FCFA"	the CFA Franc BCEAO, the currency used by eight independent states in West Africa: Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Sénégal and Togo;
"Form of Proxy"	the form of proxy for use by Shareholders at the General Meeting;
"Fundraising"	the Placing and the Subscription;
"Fundraising Shares"	the Placing Shares and the Subscription Shares;
"FSMA"	the Financial Services and Markets Act 2000;
"GBP" or "£"	Pounds Sterling, the lawful currency of the UK;

"General Meeting"	the general meeting of the Company convened for 12 noon on 13 May 2016 at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT;
"Group"	Kodal Minerals and its subsidiaries;
"IGS"	International Goldfields (Bermuda) Limited a company incorporated in Bermuda and a wholly owned subsidiary of Taruga;
"IGS Group"	IGS and its subsidiaries;
"London Stock Exchange"	London Stock Exchange Group plc;
"New Ordinary Shares"	the Consideration Shares and the Fundraising Shares;
"Notice"	the notice convening the General Meeting appearing at the end of this document;
"Official List"	the official list of the UK Listing Authority;
"Ordinary Shares"	ordinary shares of £0.0003125 each in the capital of the Company;
"Placees"	the investors who are participating in the Placing;
"Placing"	the proposed placing of the Placing Shares at the Placing Price pursuant to the terms of the Placing Agreement;
"Placing Agreement"	the conditional agreement dated 7 April 2016 between (1) the Company and (2) SP Angel, relating to the Placing;
"Placing Price"	0.04 pence per share;
"Placing Shares"	762,500,000 new Ordinary Shares to be issued by the Company to Placees;
"Proposals"	the Acquisition and Fundraising;
"Regulatory Information Service"	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;
"Resolutions"	the resolutions contained in the Notice;
"Shareholders"	holders of Ordinary Shares from time to time;
"SP Angel"	SP Angel Corporate Finance LLP, the Company's financial adviser and broker;
"Subscription"	the subscription by certain investors directly with the Company for the Subscription Shares at the Placing Price;
"Subscription Shares"	937,500,000 new Ordinary Shares;

"Taruga"	Taruga Gold Limited, a company incorporated in Australia with number ACN 153 868 789, whose registered office is at Office J, Level 2, 1139 Hay Street, West Perth, WA 6005;
"Taruga General Meeting"	the general meeting of Taruga convened for 10.00 a.m. WST on 13 May 2016 for the purposes of seeking approval from the shareholders of Taruga, <i>inter alia</i> , for the disposal of its shares in IGS to the Company;
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland, its territories and dependencies;
"UK Listing Authority"	the UK Listing Authority, being the FCA acting as competent authority for the purposes of Part VI of FSMA;
"uncertificated" or "in uncertificated form"	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST; and
"WST"	Western Standard Time.

-ENDS-