Registration number 07220790 (England and Wales)

KODAL MINERALS PLC

GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

CONTENTS

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STRATEGIC REPORT
for the year ended 31 March 2016 – Chairman's Statement

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

STRATEGIC REPORT (continued)

for the year ended 31 March 2016 – Operational Review

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 exploration project 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 high grade 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 incurred 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	• Djelibani Sud • Kambali • Nangalasso • 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.

STRATEGIC REPORT (continued)

for the year ended 31 March 2016 – Operational Review (continued)

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

The project locations are detailed in Figure 1 below:

Figure 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 are 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.

Bernard Aylward
Chief Executive Officer

16 June 2016

STRATEGIC REPORT (continued)

for the year ended 31 March 2016 – Description of Projects

Description of Projects

The Dabakala Project and Farm-in Agreement with Newcrest

The Dabakala Gold Project in Côte d'Ivoire is one of the projects acquired by the Group as part of the acquisition in May 2016 of IG Bermuda from Taruga.

It is subject to a Farm-in Agreement which Taruga signed with Newcrest Mining Limited ("Newcrest") on 15 December 2015 (the "Farm-In Agreement") and which was novated to Kodal Minerals on completion of the Acquisition. The Dabakala Project, which is covered by exploration licence number PR-426 is adjacent to concession areas already held by Newcrest.

Key Terms of the Newcrest Farm-In Agreement

The exploration licence number PR-426 which covers the Dabakala Project is owned by the Group through its subsidiary IG CI. Upon Newcrest satisfying sole funding expenditures of US$1.7 million, Newcrest has the option to require the Group 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 the Group 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 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, IG Bermuda has granted a share pledge over 100 per cent. of the shares in IG CI in favour of Newcrest, in order to guarantee the obligations under the Farm-In Agreement. Under the terms of the share pledge agreement, IG Bermuda 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. IG CI can terminate the Farm-In Agreement if Newcrest fails to meet the Minimum Commitment (US$750,000) by 14 December 2016.

Description of the Dabakala Project

The Dabakala Project is located in central Côte d'Ivoire and is covered by exploration concession PR-426 which was granted in January 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.

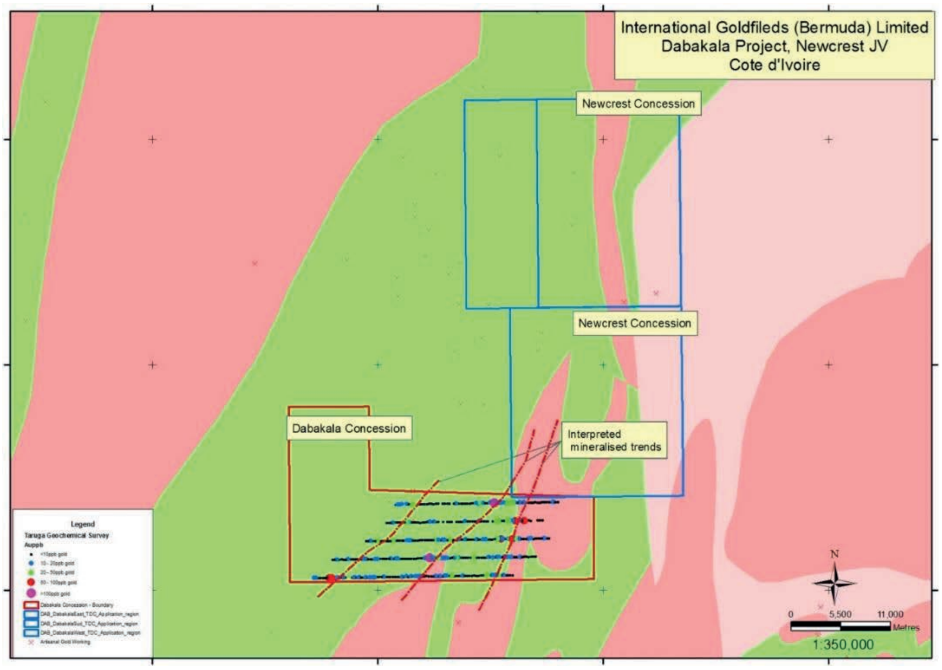

Figure 2. Dabakala project exploration concession

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 programme initially consists of 395 sample locations, with line clearing and preparation commenced in early January 2016. Progress in completing the programme has been delayed due to access and local farming conditions. Work is expected to continue through the following months, with results anticipated in the second half of the year. The next stage of exploration for the Dabakala concession will require reconnaissance drill testing to test the geochemical anomalies.

STRATEGIC REPORT (continued)

for the year ended 31 March 2016 – Description of Projects (continued)

Resolute Joint Venture Agreement, the Tiebissou and Nielle concessions and the M'Baihaikro concession application

The Tiebissou and Nielle concessions, and the M'Baihaikro concession application in Côte d'Ivoire are projects acquired by the Group as part of the acquisition in May 2016 of IG Bermuda from Taruga.

The concessions are covered by a joint venture agreement which Taruga signed with Resolute Mining Limited ("Resolute") on 26 February 2015 (the "JV Agreement") and which was novated to Kodal Minerals on completion of the Acquisition.

Key terms of the Resolute Joint Venture Agreement

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

(a) Resolute solely 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 (i) the date Resolute gives notice of its withdrawal from the JV Agreement; (ii) the date Resolute acquires a participating interest; and (iii) 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 the Group 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, the Group is not required to make any further financial contribution until completion of a feasibility study while retaining a 25 per cent. interest.

Description of the Tiebissou and Nielle 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 Nielle 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 programme of geological mapping and reconnaissance. In addition, Resolute plans to undertake a first-pass geochemical sampling programme to test the Nielle 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 programme will consist of geological mapping and reconnaissance. A first-pass geochemical sampling programme will be completed to assess the potential of the M'Bahaikro exploration licence area to host gold mineralisation.

Additional concessions in Côte d'Ivoire – Korhogo and Boundiali

The Korhogo exploration licence and the Boundiali exploration licence application in Côte d'Ivoire were acquired by the Group as part of its acquisition of IG Bermuda in May 2016. The Group has a 100% interest in these projects.

The Korhogo exploration licence is located in the north-central Côte d'Ivoire and is a 360.6 km^2 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 had completed a first phase geochemical sampling programme, 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 or the Group. 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 programme for the Boundiali exploration licence area will consist of geological mapping and reconnaissance geochemical sampling.

Nangalasso Project – Mali

The Group acquired an interest in the Nangalasso Project in Mali as part of the acquisition of IG Bermuda from Taruga in May 2016. The project consists of two adjacent licence areas, Nangalasso and Sotian and is located in southern Mali adjacent to the Syama mine, owned by Resolute Mining Limited.

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

IG Mali has been granted exclusive access rights for exploration and development of the Nangalasso and Sotian concession 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, IG 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, IG 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 had been actively exploring this project since October 2013. On 29 January 2015, Taruga had announced results of an aircore drilling programme 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

STRATEGIC REPORT (continued)

for the year ended 31 March 2016 – Description of Projects (continued)

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

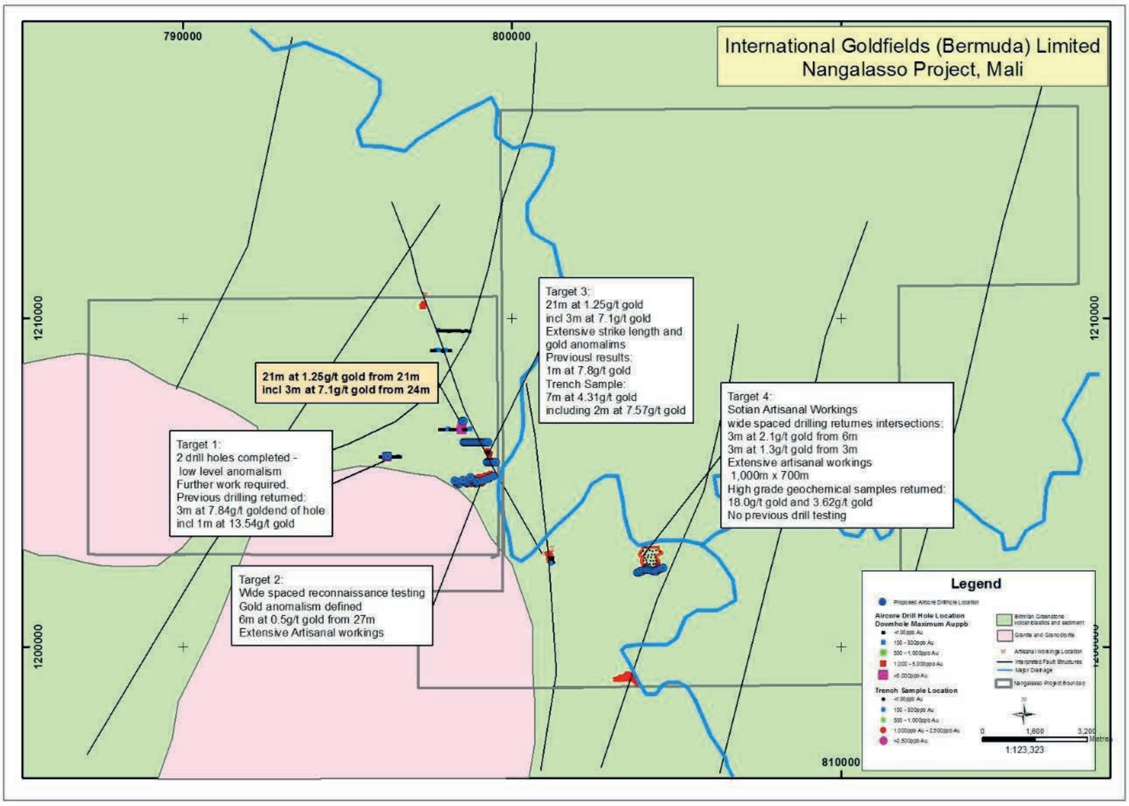

Figure 3. Nangalasso Project exploration concession

SLAM Project – Mali

The Group acquired an interest in the SLAM Project in Mali as part of the acquisition of IG Bermuda from Taruga in May 2016. The project consists of two nearby licence areas in south-west Mali, Djelibani Sud and Kambali.

IG Mali has been granted exclusive access rights for exploration and development of the Djelibani Sud and Kambali concession areas by Gold Corporation Mali SARL and Tourekounda SARL respectively.

Under the terms of the agreement with Gold Corporation Mali SARL, IG 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"), IG 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. IG 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 had announced results of an aircore drilling programme at the Kambali prospect, within the SLAM Project. The results of the drilling programme had 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

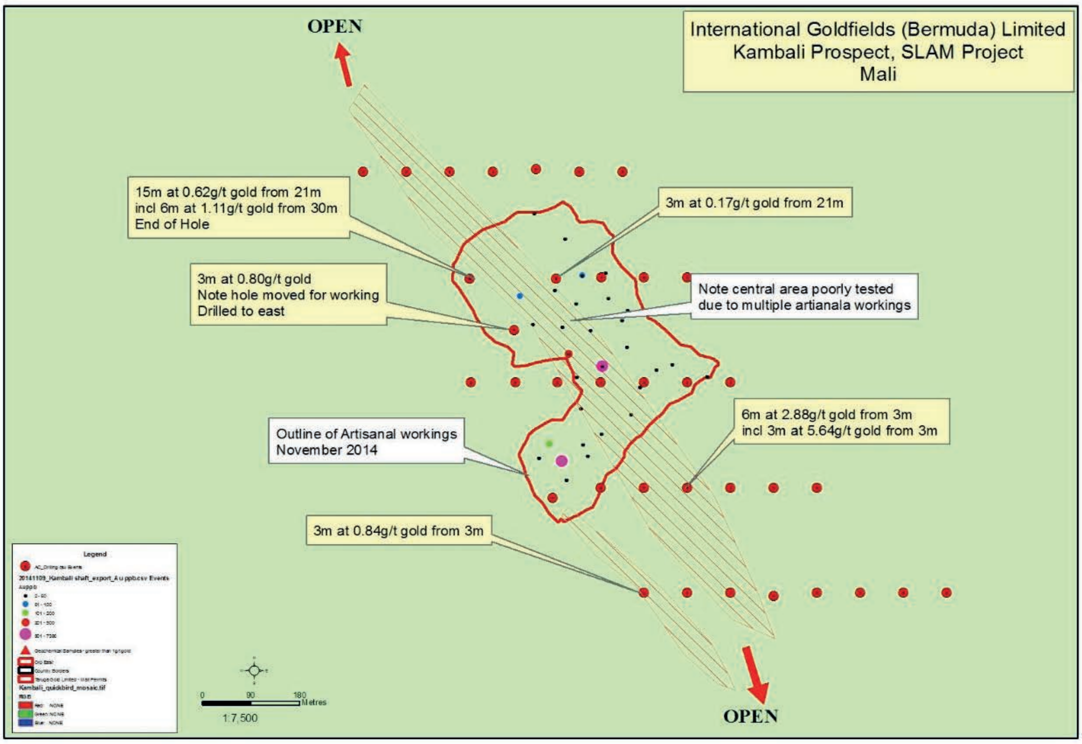

Figure 4. Kambali prospect, SLAM project

The next stage of work to be undertaken by the Group 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.

STRATEGIC REPORT (continued)

for the year ended 31 March 2016 – Description of Projects (continued)

Grimeli Project

The Grimeli Project is a copper-zinc exploration project in western Norway. It consists of three contiguous licences (Grimeli 1 – 3) over a total of 30 sq km which also cover three previously producing copper mines. The nearest substantial town is Førde, a municipality in the county of Sogn og Fjordane in western Norway which is approximately 50 km to the east of the project area. The licences are approximately 130 km north of Bergen.

The exploration licences were granted in July 2014 and are valid for seven years to July 2021.

Historic Production

The licence area covers three former copper mines:

a. Grimeli mines: The Grimeli copper mines were in production over three periods from 1759-1776, 1854-1883 and 1906-1920. The underground workings extend over two areas, the first approximately 200m vertical by 200m horizontal and the second about half those dimensions according to a mine plan dated 1929. At this stage it is thought that the Grimeli mines produced a hand cobbled high grade copper ore which was exported to England for smelting.

b. Vågendal mine: Vågendal was in operation as an underground copper mine between 1871 and 1880.

The Grimeli and Vågendal historic copper mines are located on opposite sides of a long hill forming a peninsular. The Grimeli copper mines, the larger of the two mining areas, is located within three hundred metres of the coast while the smaller Vågendal mine is located 7 km away to the east. The Company has traced a surface gossan for 1.6 km east toward Vågendal from Grimeli, encountering several historic test pits in the process before losing the trace under superficial cover.

The Group explored all the accessible mine openings at Grimeli and Vågendal. It appears the mineralisation was typically 1.5 to 3.0 metres wide.

Previous Works and Reports

The Group has located a number of historic reports in Norwegian and German most of which have been translated. While of interest and of some help in approximating the location of some physical features, the reports were on the whole of limited use due to either their age and lack of relevant geological or engineering comment or the fact that the more recent ones were completed after production had ended. No credible grade or production figures were obtained.

Of more interest was work completed by the Norwegian Geological Survey (NGU) in 1979 and 1981. The NGU conducted geophysical surveys east from Grimeli and west from Vågendal but apparently did not connect the two surveys, with some 5 km of untested ground between them. The diagram below shows the NGU geophysics and interpreted mineralised horizons over the old Grimeli mining area.

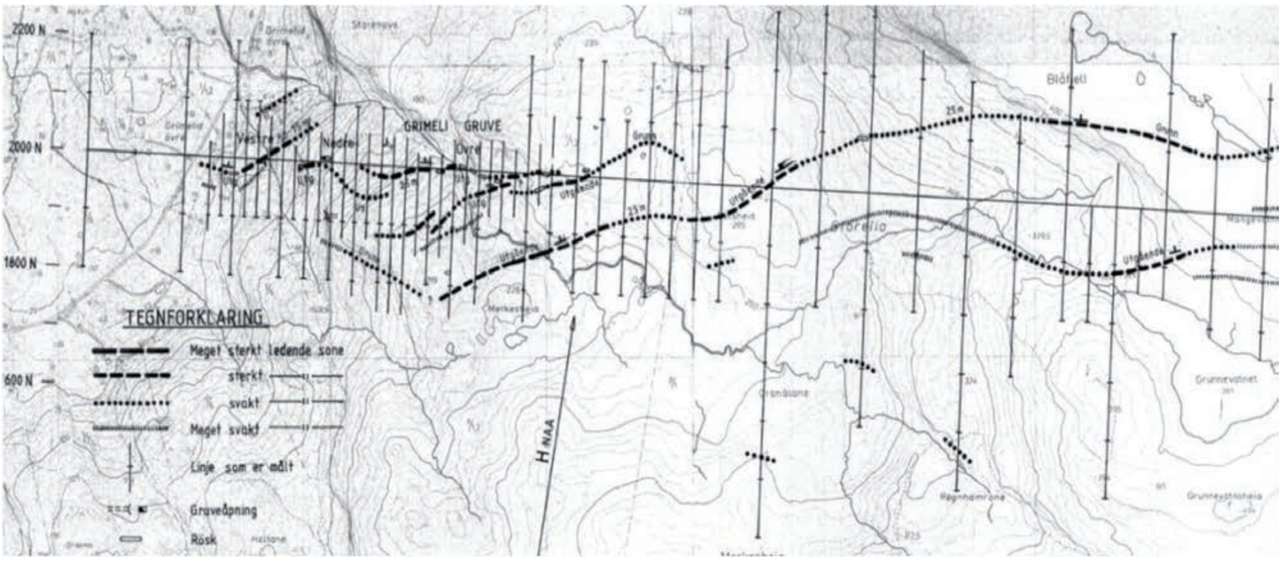

Diagram 1: NGU geophysics data at Grimeli Project

Geology

The mineralisation at Grimeli is hosted within the Solund-Stavfjord ophiolite complex and varies between massive sulphide and disseminated mineralisation along a number of closely associated stratiform horizons, with chalcopyrite, sphalerite and pyrite being the principal sulphides. At the time of acquiring the licences the Group believed there was potential for the recovery of both copper and zinc from the area although there was no evidence of zinc mineralisation in the mine spoil dumps.

Exploration Programme and Results

A ground based geophysics programme (magnetics) was completed over the most accessible parts of the Grimeli Project in September/October 2014. The results supported and expanded upon results from a survey completed by the Norwegian Geological Survey in about 1980. In total the survey yielded 3,200 metres of anomalous results spread over multiple horizons

Underground channel sampling was carried out in the old underground mines as announced in November 2014. Very encouraging results were obtained including:

Interval (m)	% Copper
1.74	7.24
0.96	4.93
0.50	4.89
0.86	4.70
0.50	4.19

Table 1: Channel sample results at Grimeli.

STRATEGIC REPORT (continued)

for the year ended 31 March 2016 – Description of Projects (continued)

Given the positive results from the geophysics and channel sampling, a 2,000 metre diamond drilling programme was started in February 2015. The results of this programme were announced in March 2015 and August 2015. Zinc mineralisation was encountered for the first time and the highest grades returned were 8.39% Copper and 6.98% Zinc (included within the intersections below).

The results included the following intersections:

Interval (m)	% Copper	% Zinc
0.97	6.39	0.82
0.50	4.29	6.98
0.51	4.92	0.82
0.48	2.77	1.10
1.00	0.26	2.44

Table 2: Channel sample results at Grimeli

A total of 21 holes were drilled from two groups of locations. The first group are adjacent to the access road to the site. The second group are on a plateau approximately 200 vertical metres above the first location. The drilling positions were limited by rugged topography.

The results listed in Table 2 above represent a previously un-mined, vein-like massive sulphide occurrence which has been defined over 150 metres strike and remains open in all directions. This occurrence is positioned adjacent to the old mining areas and has no surface expression. This confirms the potential for blind ore bodies nearby the former mines.

As part of the drilling programme the Group re-established a vehicle track up the mountain and now has limited four-wheel drive access to the plateau rising from about 200 metres above sea level.

Future Plans

The recently completed drill programme on the Grimeli Project was designed to test a number of horizons defined by historic geophysics and in the process provide the Group with information to guide future exploration efforts. Overall the programme was successful with the earlier holes locating a new high grade copper and zinc occurrence and the later drilling higher up the mountain returning wide intersections of iron sulphides which had negligible copper or zinc. However, the current geophysics does not appear to distinguish between the high grade copper zinc zones and the non-economic disseminated iron sulphides. The Group is currently assessing alternative techniques that may assist in targeting future drilling locations.

Kodal Project

The Kodal Project is located in the Vestfold county of Norway and the boundary between the Andebu and Larvik municipalities crosses the project area. It is a phosphorus (P) and iron (Fe) project and is situated in the Lågen valley, 20 km north of Larvik. The Kodal Project forms part of the Vestfold-Ringerike Graben geological structure and is located approximately 85 km south-west of Oslo.

The Kodal Project area is covered by three contiguous extraction licences issued by the Norwegian Directorate of Mining which expire in July 2023. The Group also owns an exploration licence issued in March 2014 covering an area adjacent to the extraction licences. The location of the Kodal Project licences is shown below.

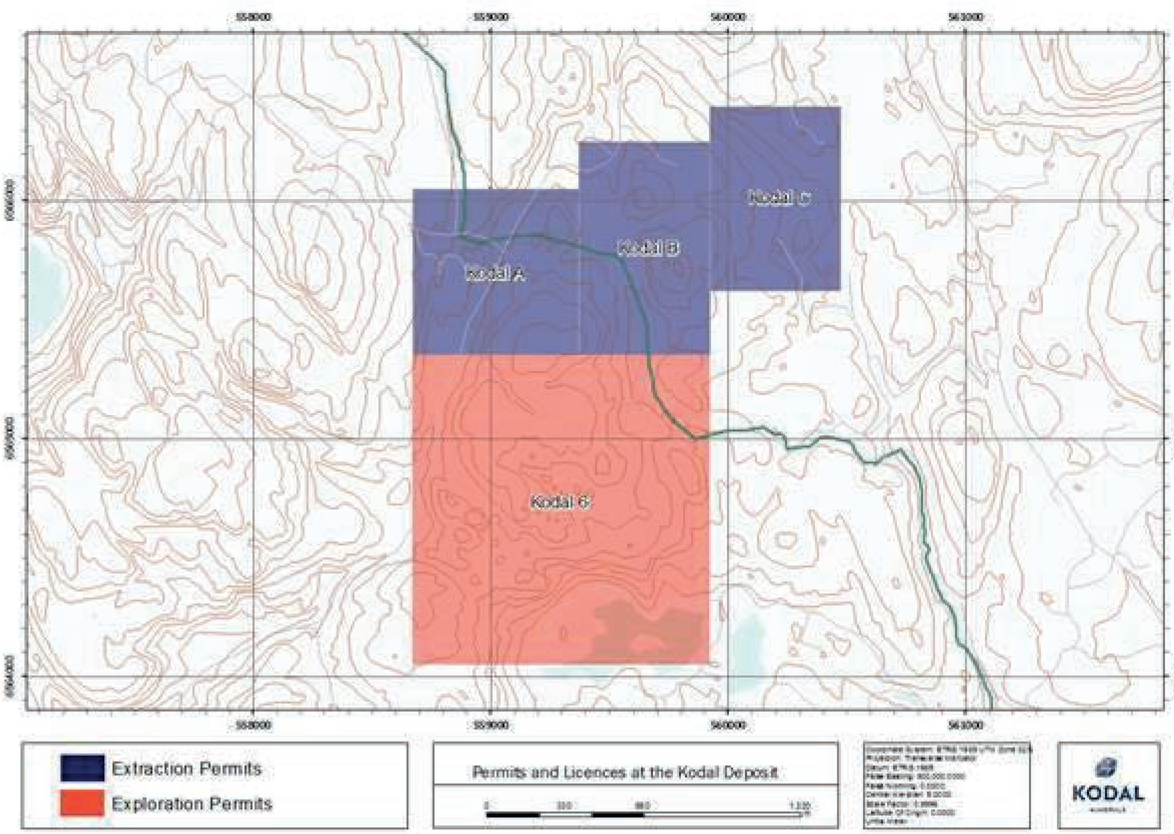

Diagram 2: Location map of the Kodal Project concessions

The Kodal Project has a JORC compliant total Indicated Resource of 14.6 million tonnes (Mt) at 2.26% P (5.18% P_2O_5) and 24.12% Fe with an Inferred Resource of 34.3 Mt at 2% P (4.59% P_2O_5) and 20.38% Fe. Table 4 below sets out a summary of the Kodal Project resource by status.

STRATEGIC REPORT (continued)

for the year ended 31 March 2016 – Description of Projects (continued)

	Gross					Net attributable					
	Tonnes (millions)	Grade		Contained Metal		Tonnes (millions)	Grade		Contained Metal		
Category		P_2O_5 (%)	Fe (%)	P_2O_5 (Mt)	Fe (Mt)		P_2O_5 (%)	Fe (%)	P_2O_5 (Mt)	Fe (Mt)	Operator
Ore/Mineral reserves per asset	–	–	–	–	–	–	–	–	–	–	
Proved	–	–	–	–	–	–	–	–	–	–	
Probable	–	–	–	–	–	–	–	–	–	–	
Sub-total	–	–	–	–	–	–	–	–	–	–	
Mineral resources per asset Measured	–	–	–	–	–	–	–	–	–	–	
Indicated	14.6	5.18	24.1	0.76	3.52	14.6	5.18	24.1	0.76	3.52	Kodal Minerals
Inferred	34.3	4.59	20.0	1.58	6.99	34.3	4.59	20.0	1.58	6.99	Kodal Minerals
Sub-total	48.9	4.77	21.49	2.34	10.51	48.9	4.77	21.49	2.34	10.51	Kodal Minerals
Total	**48.9**	**4.77**	**21.49**	**2.34**	**10.51**	**48.9**	**4.77**	**21.49**	**2.34**	**10.51**	Kodal Minerals

Table 4: Summary resources at the Kodal Project by status

Environmental Baseline Studies

Environmental baseline studies have been completed during 2014 and 2015. These studies covered all areas thought to be required by the Norwegian planning process and legislation. The areas of study were aquatic ecology, social baseline, community perception, fauna, recreation, forestry/agriculture land use, flora and vegetation and insects. The results have broadly been within expectations.

Future Plans

The Group will not commit substantial further funds to the development of the Kodal Project given the current market conditions. The extraction licences at Kodal do not expire until July 2023 and the Group may be able to renew them for a further 10 years. The Group will continue to monitor both iron ore and phosphate prices and will recommence development of the Kodal Project once conditions support that decision. In the meantime, the Kodal Project remains one of the most significant and technically advanced phosphate resources in Europe.

Given the fall in iron ore prices the Kodal Project is not currently economically viable. Should iron ore prices recover the Board will evaluate the project and may restart development. Until that time there is no capital requirement at the Kodal Project.

The Group intends to retain the Kodal extraction licences as they represent a very good option on world phosphate prices. They have low holding costs and are well located.

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.

STRATEGIC REPORT (continued)

for the year ended 31 March 2016 – Finance Review (continued)

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.

Principal Operating Risks

The Group is exposed to a number of operational risks which it seeks to mitigate as set out in the table below:

Risk	Comment and Mitigating Actions
Exploration and Development Risk The Group is a mineral exploration company and the success of the company is dependent on the discovery and/or acquisition of Mineral Reserves and Mineral Resources and the successful development of mines therefrom. Significant risk exists within technical, legal and financial aspects of the exploration for and the development of mines, which may have an adverse effect on the Group's business.	There is no assurance that the Group's exploration and potentially future development activities will be successful, and statistically few properties that are explored are ultimately developed into profitable producing mines. The Group ensures that there is regular review of projects, expenditure and exploration activity to maintain focus on targets and ensure best possible information in decision process to focus resources and expenditure upon key exploration and development targets.
Licensing and title risk The Group's exploration and future development opportunities are dependent upon maintaining clear tenure and access to concessions as well as ensuring the relevant operation licences, permits and regulatory consents are valid. The concessions and regulatory permits may be withdrawn or made subject to limitations. The granting of concessions, licences and permits are a practical matter subject to the discretion of the applicable Government or Government office. The interpretations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a material adverse impact on the Group's results of operations and financial condition.	The Group complies with existing laws and regulations. The Group ensures that the regulatory reporting and the government compliance for each licence are met. There is a risk that negotiations with a Government in relation to the grant, renewal or extension of a licence may not result in the grant, renewal or extension taking effect prior to the expiry of the previous licence period, and there can be no assurance of the terms of any extension, renewal or grant. The Group regularly monitors the good standing of its licences.
Political Risk The Group's activities are subject to various laws and regulations governing the mining industry. Although all activities are currently carried out in material compliance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail the Group's current activities and development plans and have a material adverse impact on the Group's financial position.	The Group maintains an active focus on the all regulatory developments applicable to the Group, in particular in relation to the mining codes. Norway is a politically and economically stable country. The Group monitors all relevant legislation and maintains contact with the relevant authorities. Mali is engaged in political recovery and stabilisation after a military coup in March 2012 and a French-led military intervention against the separatist Tuareg rebels in the north of Mali in January 2013.

STRATEGIC REPORT (continued)

for the year ended 31 March 2016 – Principal Operating Risks (continued)

Risk	Comment and Mitigating Actions
Political risk (continued) The Group has projects in Norway. Norway is a politically and economically stable country, but although unlikely, it cannot be guaranteed that this stability will exist during the entire life of Kodal Minerals' operations in Norway. In addition, the Norwegian Government may decide in the future to increase taxation on businesses in general or extractive industries in particular to a level where Kodal Minerals' operations in Norway no longer remain economic. Following the acquisition of International Goldfields Bermuda Limited and subsidiaries, the Group has significant activities in Mali and Côte d'Ivoire in West Africa. The success of the Group will be influenced by associated legal, political and economic situation in Mali, Côte d'Ivoire and the wider African region. Countries in the region have experienced political instability and economic uncertainty in the past. Government policy in the countries in which the Group operates can be unpredictable, and the institutions of government and market economy may be unstable and subject to rapid change, which may result in a material adverse effect on the Group's operations. The renewal of exploration and exploitation licences is an area of risk given the countries in which the Group operates. Whilst the Group has in place legal titles on the assets in its portfolio, there remains a risk to the Group that changes within regimes could put the ownership of these assets at risk. The Group is also at risk of taxation reviews that may change, or apply more stringently the laws and regulations of the countries in which it operates.	In general, the security risk in Mali remains high and The United Nations peacekeeping mission in Mali, established in April 2013 and consisting of over 11,000 military and police, has helped maintain the security situation throughout the remainder of the country but the situation in the north of the country remains fragile. Talks between the government and separatist rebels aimed at bringing about peaceful resolution ended inconclusively in March 2015 and there has been an increase in violence in the region including some isolated incidents in the south of the country during 2015. The most serious incidents have been the terrorist attack on a restaurant in Bamako in March 2015 in which seven people were killed, including six expatriates, and an attack on the Radisson Blu hotel in Bamako on 20 November 2015 in which 19 people were killed. In Côte d'Ivoire, the political situation has been calm since 2011. The election in 2015 returned the Government of President Ouattara with increased popular support. The economic situation in Côte d'Ivoire is improving dramatically with significant Government expenditure on infrastructure and development activity.
Financial Risk The Group is an exploration company and does not generate revenue or self-sustaining funding at this stage. The Group requires funds to support ongoing exploration and possible future development of mineral properties. The Group's access to funding will depend on its ability to obtain financing through the raising of equity capital, joint venture of projects, debt financing, farm outs or other means. There is no assurance that the Group will be successful in obtaining the necessary financing in a timely manner on acceptable terms to complete its investment strategy. If the Group is unable to obtain additional financing as needed, some interests may be relinquished and / or the scope of the operations reduced.	The Board regularly reviews the levels of discretionary spending on capital items and exploration expenditure. This includes regularly updating working capital models, reviewing actual costs against budget and assessing potential impacts on future funding requirements and performance targets. In the past, the Group has been successful in raising additional equity finance to support its ongoing activities.

Risk	Comment and Mitigating Actions
Reliability of Mineral Resources and Mineral Reserves The Group has reported mineral resources for the Kodal Deposit in Norway. The estimates based on a range of assumptions, including geological, metallurgical and technical factors; there can be no assurance that the anticipated tonnages or grades will be achieved.	The Mineral Resource estimates are prepared either by third party consultants who have considerable experience and are certified by appropriate bodies.
No mineral resource has been declared for the Grimeli Project in Norway or the West African projects.	Mineral Resources are reported as general indicators and should not be interpreted as assurances of minerals or the profitability of current or future operations.
Commodity Prices A significant fall in the commodity prices could have a potential impact on the economic viability of the Group's projects and the Group's ability to raise funds for the development of its exploration properties.	The Group regularly reviews changes in the commodity prices to ensure that feasibility studies take into account the Group's long term view on commodity prices.
Operational Risk A violation of health and safety laws or regulations could have a material adverse effect on the Group's business due to a requirement to implement new compliance measures. Exploration and development sites have inherent risks and liabilities associated with environmental laws and regulations, which are subject to ongoing Government review and modification.	The Group has a priority focus on the health and safety of its employees and the environment. The Group ensures all work practices are within Government guidelines and regulations and are subject to the required permits and licences.
Exposure to Cost Pressures The Group is exposed to increases in the prices for services and equipment (e.g. drilling contractors, drilling consumables and the price of diesel).	The Group maintains strong relationships with experienced contractors who provide high quality service and reliability. The Group monitors all costs in relation to its activities and negotiates rates.

Bernard Aylward
Chief Executive Officer

16 June 2016

REPORT OF THE DIRECTORS
for the year ended 31 March 2016

The Directors present their report, together with the audited consolidated financial statements for Kodal Minerals Plc for the year ended 31 March 2016.

The Company is registered in England and Wales, having been incorporated on 13 April 2010 under the Companies Act 2006 with registration number 07220790 as a private company limited by shares. By special resolutions dated 19 December 2013 the Company was converted to a public limited company and on 30 December 2013 its shares were admitted to trading on the AIM Market of the London Stock Exchange.

Principal activity

The Company was incorporated for the purposes of exploring and developing mineral assets.

Domicile and principal place of business

Kodal Minerals Plc is domiciled in the United Kingdom. Its principal place of business as at 31 March 2016 was Norway. Subsequent to the year end, the Company acquired a number of exploration assets in West Africa.

Directors

The current membership of the board and the Directors who held office during the year are set out below:

David Jones	
Bernard Aylward	Appointed 20 May 2016
Luke Bryan	
Robert Wooldridge	
Markus Ekberg	Resigned 20 May 2016

Biographical details of the Directors

David Harold Jones CBE (Chairman, Non-executive Director)

David was the group chief executive of National Grid plc, which was the owner and operator of the electricity power transmission system of England and Wales from 1994 to 2001. David was involved in matters of national energy policy and he also advanced National Grid plc's acquisitions in North America and internationally. David was chairman of UK Coal plc from 2003 to 2010 and held board positions at Teesside Power Ltd, United Utilities Group plc and Bull Information Systems Ltd. David was formerly Chief Executive of South Wales Electricity, having previously held senior engineering, commercial and management posts on the South Western and Midlands Electricity Boards.

Bernard Michael Aylward (Chief Executive Officer)

Bernard 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. Bernard'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. Bernard 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. Bernard has experience operating in Europe (Greece Sappes deposit), Siberia, South America and extensive experience throughout West Africa.

Luke Robert Bryan (Technical Director)

Luke is a mining engineer with over 20 years of international experience. Most recently he was chief executive officer of North River Resources plc, an AIM quoted mineral exploration company and prior to that he worked as an independent consultant. Luke has worked in Africa, Australia, the Former Soviet Union and Europe. He holds degrees in Mining Engineering and Economics from Auckland University. Luke is based in London and is a Fellow of the Geological Society.

Robert Ian Wooldridge (Non-executive Director)

Robert is currently a partner at SP Angel Corporate Finance LLP. After graduating with a degree in Natural Sciences from Cambridge University, he spent eight years at PricewaterhouseCoopers International Limited, qualifying as a chartered accountant in 1989. He left in 1994 to join the international equity capital markets division of HSBC Investment Bank where he spent a further eight years and was responsible for completing a number of landmark equity transactions across Europe, India and the Middle East & Africa. In 2003 he joined an investment banking boutique, to head up its corporate finance and securities operation and was then one of the founding partners of SP Angel in 2006. SP Angel is an independent corporate finance and broking operation which focuses on advising small and mid-cap companies in the mining, oil and gas, property and technology sectors.

Directors' interests

The beneficial interests in the Company's shares and share options of the current Directors and their families, as at 31 March 2016 are as follows:

Directors	Shares 31 March 2016	Shares 31 March 2015	Notes
David Jones	**7,808,000**	7,808,000	
Bernard Aylward	**–**	–	1
Luke Bryan	**48,500,000**	48,500,000	2, 3
Robert Wooldridge	**50,417,949**	50,417,949	4
Markus Ekberg	**250,000,000**	250,000,000	5

Notes:

1: Following the completion of the acquisition of IG Bermuda and the in specie distribution of the consideration shares on 3 June 2016, Bernard Aylward holds 94,834,948 shares in the Company.

2: These shares are held by Novoco Mine Engineering Limited ("Novoco"), a company wholly owned by Luke Bryan.

3: Under an option agreement between the Group and Novoco, the Company has 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.

4: In addition to the amounts included above, Robert Wooldridge is a partner of SP Angel Corporate Finance LLP which owns 34,950,857 shares.

5: These shares are held by Tetra Minerals Oy, a company associated with Markus Ekberg. Mr Ekberg resigned as a Non-Executive Director of the Company on 20 May 2016.

Directors' and Officers' liability insurance

The Group has Directors' and Officers' liability insurance to cover claims up to a maximum of £1.0 million.

Statement as to disclosure of information to auditors

The Directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors has confirmed that he has taken all the steps that he ought to have taken as a Director, in order to make himself aware of any relevant audit information and to establish that it has been communicated to the auditor.

REPORT OF THE DIRECTORS (continued)

for the year ended 31 March 2016

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and have elected under company law to prepare the Company financial statements in accordance with IFRS as adopted by the EU.

The financial statements are required by law and IFRS as adopted by the EU to present fairly the financial position of the Group and the Company and the financial performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose, with reasonable accuracy at any time, the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors and Annual General Meeting

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) offer themselves for reappointment as auditors in accordance with section 489(4) of the Companies Act 2006. A resolution to reappoint RSM UK Audit LLP will be proposed at the Annual General Meeting.

Approved by the board of directors and signed on behalf of the board on 16 June 2016.

Robert Wooldridge
Director
16 June 2016

CORPORATE GOVERNANCE REPORT

for the year ended 31 March 2016

Introduction

While not mandatory for an AIM company, the Directors take due regard, where practical for a company of this size and nature, of certain provisions of the principles of good governance and code of best practices under the UK Corporate Governance Code. The disclosures presented herein are limited and are not intended to constitute a corporate governance statement.

Directors

The Company supports the concept of an effective board leading and controlling the Group. The Board is responsible for approving Group policy and strategy. It meets on a regular basis and has a schedule of matters specifically reserved for decision. Procedures are in place for operational management to supply the Board with appropriate and timely information and the Directors are free to seek any further information they consider necessary.

The Directors that served during the year are detailed on page 24. The Non-Executive Chairman of the Board is David Jones.

Relations with shareholders

The Company values the views of its shareholders and recognises their interest in the Group's strategy and performance. The Annual General Meeting will be used to communicate with private investors and they are encouraged to participate. The Directors will be available to answer questions. Separate resolutions will be proposed on each issue so that they can be given proper consideration and there will be a resolution to approve the annual report and accounts.

Internal control

The Board is responsible for maintaining a strong system of internal control to safeguard shareholders' investments and the Group's assets and for reviewing its effectiveness. The system of internal financial control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

The Audit and Risk Committee comprises David Jones, Robert Wooldridge and Markus Ekberg up to the date of his resignation and is chaired by David Jones. It meets at least twice a year to consider the integrity of the financial statements of the Group, including its annual and interim accounts, the effectiveness of the Group's internal controls and risk management systems, auditor reports, and terms of appointment and remuneration for the auditors.

The Remuneration Committee performs both remuneration and nomination functions and comprises David Jones, Robert Wooldridge and Markus Ekberg up to the date of his resignation and is chaired by David Jones. It meets as and when required. The purpose of the remuneration function is to ensure that the executive directors are fairly rewarded for their individual contributions to the overall performance of the Group, to determine all elements of the remuneration of the executive directors and to demonstrate to the Group's shareholders that the remuneration of the executive directors is set by a Board committee whose members have no personal interest in the outcome of the committee's decision and who will have appropriate regard to the interests of the shareholders.

The purpose of the nomination function is to identify and nominate new directors to the Board as considered necessary.

The Board has considered the need for an internal audit function but has decided the size and complexity of the Group do not justify it at present. However, it will keep this decision under annual review.

REPORT ON REMUNERATION

for the year ended 31 March 2016

Directors' remuneration

The Board recognises that Directors' remuneration is of legitimate concern to shareholders and is committed to following current best practice. The Group operates within a competitive environment and its performance depends on the individual contributions of the Directors.

Policy on Directors' remuneration

The policy of the Board is to provide executive remuneration packages designed to attract, motivate and retain Directors of the calibre necessary to maintain the Group's position and to reward them for enhancing shareholder value and return. It aims to provide sufficient levels of remuneration to do this, but to avoid paying more than is necessary. The remuneration will also reflect the Directors' responsibilities and contain incentives to deliver the Group's objectives.

The amounts shown as "Share option expense" relate to a theoretical calculation of the non-cash cost to the Group of the share options granted to the directors, further details of which are provided in Note 5. These do not represent cash payments to the Directors either made in the past or due in the future.

The remuneration of the Directors who served during the year ended 31 March 2016 was as follows:

	Fees and salary year to 31 March 2016 £	Share based payments year to 31 March 2016 £	Total year to 31 March 2016 £	Total year to 31 March 2015 £
Luke Bryan *	50,000	25,347	75,347	105,347
Markus Ekberg	20,000	–	20,000	20,000
David Jones	30,000	–	30,000	30,000
Robert Wooldridge	20,000	–	20,000	20,000
	120,000	25,347	145,347	175,347

* In addition to the amounts included above, 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).

Directors' service agreements

Bernard Aylward. On completion of the acquisition of IG Bermuda, the Company and Mr Aylward entered into a letter of appointment pursuant to which Mr Aylward was appointed as executive director and Chief Executive Officer of the Company under a salary of £20,000 per annum. 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 (a company wholly owned by Mr Aylward); and (ii) termination by either the Company or Mr Aylward on three months' prior written notice. 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. Mr Aylward may also provide consultancy services to the Company.

Luke Bryan. On completion of the acquisition of IG Bermuda, the terms of Mr Bryan's service agreement as an executive director were amended such that his role became that of Technical Director for which 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. This amended his previous agreement under which Mr Bryan was appointed as an executive director of the Company to hold office as Chief Executive on a salary of £50,000 per annum. His appointment was subject to six months' notice of termination by either party and provided for payments in compensation for loss of office. Mr Bryan may also provide consultancy services to the Company.

David Jones. The letter of appointment for David Jones is for the position of non-executive Chairman of the Company. The terms of this letter provide for a monthly fee of £2,500. The appointment is subject to 3 months' notice of termination by either party. No compensation will be payable for loss of office and the appointment may be terminated immediately if, among other things, Mr. Jones is in material breach of the terms of the appointment.

Robert Wooldridge. The letter of appointment with Robert Wooldridge is for the position of non-executive Director of the Company. The terms of this letter provide for an annual fee of £20,000 and is subject to 3 months' notice of termination by either party. No compensation will be payable for loss of office and the appointment may be terminated immediately if, among other things, Robert Wooldridge is in material breach of the terms of the appointment.

Pensions

The Company does not operate a pension scheme for Directors or employees.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KODAL MINERALS PLC

We have audited the group and parent company financial statements ("the financial statements") on pages 32 to 60. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 26, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion

- the financial statements give a true and fair view of the state of the group's and the parent's affairs as at 31 March 2016 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Graham Ricketts (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

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 31 March 2016

Registered number: 07220790

	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

The financial statements were approved and authorised for issue by the board of directors on 16 June 2016 and signed on its behalf by

Robert Wooldridge
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2016

Attributable to the owners of the Parent

	Note	Share capital £	Share premium account £	Share based payment reserve £	Translation reserve £	Retained deficit £	Total equity £
GROUP							
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.

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 March 2016

The Group has adopted the accounting policies set out below in preparation of the financial statements. All of these policies have been applied consistently throughout the period unless otherwise stated.

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.

Basis of consolidation

The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to the statement of financial position date. Subsidiary undertakings are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The Group obtains and exercises control through voting rights.

Unrealised gains on transactions between the Company and its subsidiaries are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Foreign currency translation

Items included in the Group's consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are presented in pounds sterling ("£"), which is the functional and presentational currency of the Parent Company and the presentational currency of the Group. End of year balances in the Group's Norwegian subsidiary undertakings were converted using an end of year rate of NOK 1 : £0.0841 (2015: NOK 1 : £0.0837).

PRINCIPAL ACCOUNTING POLICIES (continued)

for the year ended 31 March 2016

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the reporting date and the gains or losses on translation are included in profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the original transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Deferred taxation

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax is realised or the deferred liability is settled.

Deferred tax assets are recognised to the extent that it is probable that the future taxable profit will be available against which the temporary differences can be utilised.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand.

Other receivables

Other receivables are carried at amortised cost less provision made for impairment of these receivables. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets' carrying amount and the recoverable amount. Provisions for impairment of receivables are included in profit or loss.

Trade and other payables

Trade payables and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. These amounts are carried at amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in profit or loss.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged so as to write off the costs of assets, over their estimated useful lives, using the straight line method, on the following basis:

Plant and machinery	4 years
Motor vehicles	4 years
Fixtures, fittings and equipment	4 years

Where property, plant and equipment are used in exploration and evaluation activities, the depreciation of the assets is capitalised as part of the cost of exploration and evaluation assets. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any provision for impairment. Where the recoverable amount of the investment is less than the carrying amount, an impairment is recognised.

Exploration and evaluation expenditure

In accordance with IFRS 6 (Exploration for and Evaluation of Mineral Resources), exploration and evaluation costs incurred before the Group obtains legal rights to explore in a specific area (a "project area") are taken to profit or loss.

Upon obtaining legal rights to explore in a project area, the fair value of the consideration paid for acquiring those rights and subsequent exploration and evaluation costs are capitalised as exploration and evaluation assets. The costs of exploring for and evaluating mineral resources are accumulated with reference to appropriate cost centres being project areas or groups of project areas.

Upon the technical feasibility and commercial viability of extracting the relevant mineral resources becoming demonstrable, the Group ceases further capitalisation of costs under IFRS 6.

Exploration and evaluation assets are not amortised prior to the conclusion of appraisal activities, but are carried at cost less impairment, where the impairment tests are detailed below.

Exploration and evaluation assets are carried forward until the existence (or otherwise) of commercial reserves is determined:

- where commercial reserves have been discovered, the carrying value of the exploration and evaluation assets are reclassified as development and production assets and amortised on an expected unit of production basis; or
- where a project area is abandoned or a decision is made to perform no further work, the exploration and evaluation assets are written off in full to profit or loss.

PRINCIPAL ACCOUNTING POLICIES (continued)

for the year ended 31 March 2016

Exploration and evaluation assets – impairment

Project areas, or groups of project areas, are determined to be cash generating units for the purposes of assessment of impairment.

With reference to a project area or group of project areas, the exploration and evaluation assets (along with associated production and development assets) are assessed for impairment when such facts and circumstances suggest that the carrying amount of the assets may exceed the recoverable amount.

Such indicators include, but are not limited to, those situations outlined in paragraph 20 of IFRS 6 and include the point at which a determination is made as to whether or not commercial reserves exist.

The aggregate carrying value is compared against the expected recoverable amount, generally by reference to the present value of the future net cash flows expected to be derived from production of the commercial reserves.

Intangible assets and impairment

Externally acquired intangible assets are initially recognised at cost and subsequently amortised over their useful economic lives. Amortisation is charged so as to write off the costs of intangible assets, over their estimated useful lives, using the straight line method, on the following basis:

Software	3 years

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Equity settled transactions (Share based payments)

The Group has issued shares as consideration for services received. Equity settled share based payments are measured at fair value at the date of issue.

The Group has granted equity settled options. The cost of equity settled transactions is measured by reference to the fair value at the date on which they were granted and is recognised as an expense over the vesting period, which ends on the date the employee becomes fully entitled to the award. Fair value is determined by using the Black-Scholes option pricing model.

In valuing equity settled transactions, no account is taken of any service and performance (vesting conditions), other than performance conditions linked to the price of the shares of the Parent Company (market conditions). Any other conditions which are required to be met in order for the recipients to become fully entitled to an award are considered to be non-vesting conditions. Market performance conditions and non-vesting conditions are taken into account in determining the grant value.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance or service conditions are satisfied.

At each reporting date before vesting, the cumulative expense is calculated; representing the extent to which the vesting period has expired and management's best estimate of the number of equity instruments that will ultimately vest. The movement in the cumulative expense since the previous reporting date is recognised in the profit and loss, with a corresponding entry in equity.

Where the terms of the equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if the difference is negative.

Where an equity based award is cancelled (including when a non-vesting condition within the control of the entity or employee is not met), it is treated as if it had vested on the date of the cancellation, and the cost not yet recognised in profit and loss for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors, which has been identified as the Chief Operating Decision Maker. The Board of Directors is responsible for allocating resources and assessing performance of the operating segments in line with the strategic direction of the company.

Financial instruments

IFRS 7 (Financial Instruments: Disclosures) requires information to be disclosed about the impact of financial instruments on the Group's risk profile, how the risks arising from financial instruments might affect the entity's performance, and how these risks are being managed.

Financial assets and financial liabilities are recognised on the Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

The Group's policies include that no trading in derivative financial instruments shall be undertaken.

The required disclosures have been made in Note 14 to the financial statements.

Critical accounting judgements and estimates

The preparation of these consolidated financial statements in accordance with International Financial Reporting Standards requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. IFRSs also require management to exercise its judgement in the process of applying the Group's accounting policies.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are addressed below.

PRINCIPAL ACCOUNTING POLICIES (continued)

for the year ended 31 March 2016

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.

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.

Share based payments

The Group has recorded charges for share based payments of £40,556 (2015: £88,555).

For option based share based payments, management estimate certain factors used in the option pricing model, including volatility, exercise date of options and number of options likely to be exercised. If these estimates vary from actual occurrence, this will impact the charges and reserves.

Further detailed analysis of the critical judgements and estimates relating to share based payments is addressed in Note 5.

Tetra option agreement (see note 5)

An agreement between the Group and Tetra Minerals Oy ("Tetra"), granted to Tetra an option to subscribe for new shares in the Company. 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 meets certain thresholds. Once vested, the options 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.

New standards and interpretations not applied

At the date of authorisation of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group. These are listed below.

The Board anticipates that all of the pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. The new standards and interpretations are not expected to have a material impact on the Group's consolidated financial statements.

PRINCIPAL ACCOUNTING POLICIES (continued)

for the year ended 31 March 2016

Standard	Details of amendment	Annual periods beginning on or after
IFRS 9 Financial Instruments	Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and de-recognition in July 2014.	1 January 2018
IFRS 10 Consolidated Financial Statements	Amendments regarding the application of the consolidation exception in December 2014	1 January 2016
IFRS 11 Joint Arrangements	Amendments regarding the accounting for acquisitions of an interest in a joint operation in May 2014	1 January 2016
IFRS 12 Disclosure of Interests in Other Entities	Amendments regarding the application of the consolidation exception in December 2014	1 January 2016
IAS 1 Presentation of Financial Statements	Amendments resulting from the disclosure initiative in December 2014	1 July 2016
IAS7 Disclosure Initiative	Amendments regarding the information provided to users of financial statements about an entities financing activities	1 January 2017
IAS 27 Equity Method in Separate Financial Statements	Restoration of the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.	1 January 2016
IAS 34 Interim Financial Reporting	Amendments resulting from September 2014 Annual Improvements to IFRSs in September 2014	1 January 2016
IAS 38 Intangible Assets	Amendments regarding the clarification of acceptable methods of depreciation and amortisation in May 2014	1 January 2016

There are other standards in issue but not yet effective, which are not likely to be relevant to the Group which have therefore not been listed.

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**

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2016

1. SEGMENTAL REPORTING (continued)

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2016

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.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2016

5. SHARE BASED PAYMENTS (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2016

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

GROUP	Fixtures, fittings and equipment £	Plant and machinery £	Motor vehicles £	Total £
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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2016

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

31 March 2016	Loans and receivables £	Other financial liabilities at amortised cost £	Total £
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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2016

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

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

31 March 2016	GBP denominated £	NOK denominated £	Total £
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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2016

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.

NOTICE OF ANNUAL GENERAL MEETING

Kodal Minerals plc

(Registered in England and Wales No. 07220790)

Notice is hereby given that the Annual General Meeting of Kodal Minerals plc (the "**Company**") will be held at the offices of Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, EC4R 3TT on Tuesday 2 August 2016 at 12.00p.m. for the purposes of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 to 5 (inclusive) will be proposed as ordinary resolutions and Resolution 6 will be proposed as a special resolution:

Ordinary Business

1. To receive and adopt the audited financial statements of the Company for the financial period ended 31 March 2016 and the reports of the directors of the Company (the "**Directors**") and the auditors thereon.

2. To re-appoint Luke Robert Bryan as a Director, who retires in accordance with article 30.3 of the articles of association of the Company (the "**Articles**") and offers himself for re-appointment.

3. To re-appoint Robert Ian Wooldridge as a Director, who retires in accordance with article 30.3 of the Articles and offers himself for re-appointment.

4. To re-appoint RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) as the auditors of the Company until the next Annual General Meeting and to authorise the Directors to fix their remuneration.

Special Business

5. That the Directors, and any committee to which the Directors delegate relevant powers, be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "**Act**") to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company ("**Rights**") up to a maximum aggregate nominal amount of £1,769,464 and this authority will (unless renewed, revoked or varied by the Company in general meeting) expire at the conclusion of the Annual General Meeting of the Company to be held in 2017 but the Company may, before this authority expires, make an offer or agreement which would or might require shares to be allotted or Rights to be granted after the authority expires and the Directors may allot shares or grant Rights pursuant to such offer or agreement as if the authority conferred hereby had not expired, such authority to be in substitution for any existing authorities conferred on the Directors pursuant to section 551 of the Act.

NOTICE OF ANNUAL GENERAL MEETING (continued)

6. That, conditional on the passing of Resolution 5, the Directors, and any committee to which the Directors delegate relevant powers, be and they are hereby generally empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by Resolution 5 above as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be in substitution for any previous powers conferred on the Directors pursuant to section 570 of the Act and shall be limited to:

   (a) the allotment of equity securities in connection with an issue in favour of the holders of ordinary shares of the Company in proportion (as nearly as may be) to their respective holdings of ordinary shares, subject only to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements, legal or practical problems arising in any overseas territory or the requirements of any regulatory body or stock exchange in any territory; and

   (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £1,179,643,

   and the power hereby granted shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2017 save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry but otherwise in accordance with the foregoing provisions of this power in which case the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

BY ORDER OF THE BOARD

Weaver Financial Limited
Company Secretary

Registered Office:

Prince Frederick House
35-39 Maddox Street
London W1S 2PP

17 June 2016

Notes:

Entitlement to attend, speak and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company has specified that only those members entered on the register of members at 12.00 p.m. on 29 July 2016 (or in the event that this meeting is adjourned, on the register of members 48 hours excluding non-business days before the time of any adjourned meeting) shall be entitled to attend, speak and vote at the meeting in respect of the number of ordinary shares in the capital of the Company held in their name at that time. Changes to the register after 12.00 p.m. on 29 July 2016 shall be disregarded in determining the rights of any person to attend, speak and vote at the meeting.

Appointment of proxies

2. Members are entitled to appoint a proxy or proxies to exercise all or any of their rights to attend, speak and vote at the meeting. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Please see the instructions on the enclosed Form of Proxy.

3. The completion and return of a Form of Proxy whether in hard copy form or in CREST will not preclude a member from attending in person at the meeting and voting should he or she wish to do so.

Appointment of proxies using hardcopy proxy form

4. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you) in the boxes indicated on the form. Please also indicate if the proxy instruction is one of multiple instructions being given. To appoint more than one proxy please see the instructions on the enclosed Form of Proxy. All forms must be signed and should be returned together in the same envelope.

5. To be valid, the Form of Proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be lodged at the offices of the Company's registrars, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR by hand, or sent by post, so as to be received not less than 48 hours excluding non-business days before the time fixed for the holding of the meeting or any adjournment thereof (as the case may be).

Appointment of proxies using CREST

6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from https://www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

7. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: 7RA36) by 12.00pm on 29 July 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Corporate representatives

10. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

NOTICE OF ANNUAL GENERAL MEETING (continued)

Resolutions

11. Resolution 1 – This resolution seeks approval from shareholders of the directors' and auditors' reports and the financial statements for the year ended 31 March 2016.

12. Resolution 2 – This resolution seeks approval from shareholders to re-appoint Luke Robert Bryan as a director of the Company who retires and offers himself for re-appointment pursuant to Article 30.3 of the Company's Articles of Association.

13. Resolution 3 – This resolution seeks approval from shareholders to re-appoint Robert Ian Wooldridge as a director of the Company who retires and offers himself for re-appointment pursuant to Article 30.3 of the Company's Articles of Association.

14. Resolution 4 – This resolution seeks approval from shareholders to reappoint RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) as the auditors of the Company and to authorise the directors to fix their remuneration as they see fit.

15. Resolution 5 – 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 2017, unless the authority is renewed or revoked prior to such time. This authority is limited to the issue of a maximum of 5,662,284,800 ordinary shares (representing approximately 150 per cent. of the Company's entire issued share capital as at the date of this notice).

16. Resolution 6 – The Companies Act 2006 (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 2017. This authority is limited to the allotment of a maximum of 3,774,857,600 ordinary shares for cash, free of pre-emption rights (representing approximately 100 per cent. of the Company's entire issued share capital as at the date of this notice).

Issued shares and total voting rights

17. As at 6.00 p.m. on 4 July 2016, the Company's issued share capital comprised 3,774,854,849 ordinary shares of £0.0003125 each fully paid. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 4 July 2016 is 3,774,854,849. The Company does not hold any shares in treasury.

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