
KODAL MINERALS PLC
UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

Kodal Minerals Plc (“Kodal Minerals” or the “Company” and, with its subsidiaries, the “Group”) the mineral development and exploration company owning extraction and exploration licences in Norway, announces to shareholders today its unaudited interim results for the six months ended 30 September 2015.

It continues to be a very difficult time for mining and exploration companies. The market prices of most major commodities have continued to fall and appetite for funding exploration and development work is very limited.

During the 6 months to 30 September 2015, the Group completed the drilling programme on the Grimeli Project, a copper zinc deposit in western Norway. The results of this programme were announced in March 2015 and August 2015 with the highest grades reported being 8.39% copper and 6.98% zinc. The Group has continued to analyse the results from the drilling programme as well as the historic data and believes there is a good case for further exploration work in the area. A work programme involving ground based geophysics is being developed which may be implemented once general market conditions improve and further funding is available.

As was reported in September 2015, the Board conducted an impairment review of the carrying value of the Kodal Project and, in the audited results for the year to 31 March 2015, recognised an impairment charge of £3,412,000 relating to exploration and evaluation costs relating to the Kodal Project which had previously been capitalised in accordance with the Group’s accounting policy. In the period to 30 September 2015, the Group has recognised a further impairment charge on the Kodal Project of £41,000 representing exploration and evaluation costs capitalised in the period 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.

Since the date of the impairment review, 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 Group has recorded a loss for the 6 month period to 30 September 2015 of £270,000 compared to £262,000 for the 6 months to 30 September 2014 and £3,956,000 for the year to 31 March 2015.

Cash balances as at 30 September were £283,000 compared to £996,000 at 30 September 2014 and £307,000 at 31 March 2015.

In this environment, the Board has focused on controlling expenditure and making efficient use of the Group’s resources. Management continues to seek and evaluate other projects to add to the Group’s portfolio.

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KODAL MINERALS PLC

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

	Note	Unaudited 6 months to 30 September 2015 £	Unaudited 6 months to 30 September 2014 £	Audited Year ended 31 March 2015 £
Continuing operations				
Revenue		-	-	-
Impairment charge	3	(41,338)	-	(3,411,664)
Administrative expenses		(209,860)	(205,869)	(459,435)
Share based payments	5	(23,778)	(56,111)	(88,555)
OPERATING LOSS	2	(274,976)	(261,980)	(3,959,654)
Finance income		5	-	78
LOSS BEFORE TAX		(274,971)	(261,980)	(3,959,576)
Taxation	6	-	-	-
LOSS FOR THE PERIOD/YEAR		(274,971)	(261,980)	(3,959,576)
OTHER COMPREHENSIVE INCOME				
Items that may be subsequently reclassified to profit and loss				
Currency translation gain		4,669	252	3,287
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR		(270,302)	(261,728)	(3,956,289)
Loss per share				
Basic and diluted – loss per share on continued operations - pence per share	4	(0.0281)	(0.0338)	(0.5107)
Basic and diluted – loss per share on total earnings - pence per share	4	(0.0281)	(0.0338)	(0.5107)

KODAL MINERALS PLC

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015**

	Note	Unaudited as at 30 September 2015 £	Unaudited as at 30 September 2014 £	Audited as at 31 March 2015 £
NON CURRENT ASSETS				
Intangible assets	7	555,064	3,319,724	298,741
Property, plant and equipment	8	74,252	80,126	119,860
		<u>629,316</u>	<u>3,399,850</u>	<u>418,601</u>
CURRENT ASSETS				
Other receivables		5,692	16,690	28,095
Cash and cash equivalents		282,535	995,541	306,843
		<u>288,227</u>	<u>1,012,231</u>	<u>334,938</u>
TOTAL ASSETS		<u>917,543</u>	<u>4,412,081</u>	<u>753,539</u>
CURRENT LIABILITIES				
Trade and other payables		(33,957)	(90,140)	(83,715)
TOTAL LIABILITIES		<u>(33,957)</u>	<u>(90,140)</u>	<u>(83,715)</u>
NET ASSETS		<u>883,586</u>	<u>4,321,941</u>	<u>669,824</u>
EQUITY				
Attributable to owners of the parent:				
Share capital	10	328,079	242,140	243,186
Share premium account	10	4,937,410	4,553,063	4,562,017
Share based payment reserve		137,889	81,667	114,111
Translation reserve		7,711	7	3,042
Retained deficit		(4,527,503)	(554,936)	(4,252,532)
TOTAL EQUITY		<u>883,586</u>	<u>4,321,941</u>	<u>669,824</u>

KODAL MINERALS PLC

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

	Note	Share capital £	Share premium account £	Retained deficit £	Share based payments reserve £	Translation reserve	Total equity £
At 31 March 2014 (audited)		240,700	4,527,078	(292,956)	33,056	(245)	4,507,633
Comprehensive income							
Loss for the period		-	-	(261,980)	-	-	(261,980)
Currency translation gain		-	-	-	-	252	252
Total comprehensive income for the year		-	-	(261,980)	-	252	(261,728)
Transactions with owners							
Shares in settlement of services		1,125	18,800	-	-	-	19,925
Transfer from option reserve		315	7,185	-	(7,500)	-	-
Share based payment		-	-	-	56,111	-	56,111
At 30 September 2014 (unaudited)		242,140	4,553,063	(554,936)	81,667	7	4,321,941
Comprehensive income							
Loss for the period		-	-	(3,697,596)	-	-	(3,697,596)
Other comprehensive income							
Currency translation loss		-	-	-	-	3,035	3,035
Total comprehensive income for the period		-	-	(3,697,596)	-	3,035	(3,694,561)
Transactions with owners							
Shares in settlement of services		597	4,403	-	-	-	5,000
Transfer from option reserve		449	4,551	-	(5,000)	-	-
Share based payment		-	-	-	37,444	-	37,444
At 31 March 2015 (audited)		243,186	4,562,017	(4,252,532)	114,111	3,042	669,824
Comprehensive income							
Loss for the period		-	-	(274,971)	-	-	(274,971)
Other comprehensive income							
Currency translation gain		-	-	-	-	4,669	4,669
Total comprehensive income for the period		-	-	(274,971)	-	4,669	(270,302)
Transactions with owners							
Proceeds from shares issued	10	69,444	330,556	-	-	-	400,000
Share issue expenses	10	-	(24,000)	-	-	-	(24,000)
Shares in settlement of services		15,449	68,837	-	-	-	84,286
Share based payment		-	-	-	23,778	-	23,778
At 30 September 2015 (unaudited)		328,079	4,937,410	(4,527,503)	137,889	7,711	883,586

KODAL MINERALS PLC

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

	Unaudited 6 months to 30 September 2015 £	Unaudited 6 months to 30 September 2014 £	Audited Year ended 31 March 2015 £
Cash flows from operating activities			
Loss before tax	(274,976)	(261,980)	(3,959,576)
Adjustments for non-cash items:			
Impairment charge	41,338	-	3,411,664
Equity settled transactions	84,286	-	37,425
Share based payments	23,778	83,536	88,555
Operating cash flow before movements in working capital	<u>(125,574)</u>	<u>(178,444)</u>	<u>(421,932)</u>
Movement in working capital			
Decrease in receivables	22,403	66,304	54,899
Decrease in payables	<u>(49,758)</u>	<u>(7,790)</u>	<u>(14,215)</u>
Net movements in working capital	<u>(27,355)</u>	<u>58,514</u>	<u>40,684</u>
Net cash outflow from operating activities	<u>(152,929)</u>	<u>(119,930)</u>	<u>(381,248)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	-	(16,355)	(75,051)
Purchase of intangible assets	<u>(241,172)</u>	<u>(365,200)</u>	<u>(748,089)</u>
Net cash outflow from investing activities	<u>(241,172)</u>	<u>(381,555)</u>	<u>(823,140)</u>
Cash flow from financing activities			
Interest received	5	-	78
Net proceeds from share issues	<u>376,000</u>	<u>-</u>	<u>-</u>
Net cash inflow from financing activities	<u>376,005</u>	<u>-</u>	<u>78</u>
Decrease in cash and cash equivalents	<u>(18,096)</u>	<u>(501,485)</u>	<u>(1,204,310)</u>
Cash and cash equivalents at beginning of the period	306,843	1,501,343	1,501,343
Exchange (loss)/gain on cash	<u>(5,636)</u>	<u>(4,317)</u>	<u>9,810</u>
Cash and cash equivalents at end of the period	<u>282,535</u>	<u>995,541</u>	<u>306,843</u>

KODAL MINERALS PLC

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

General information

Kodal Minerals plc is a public limited company incorporated and domiciled in England & Wales. The Company's shares are publicly traded on the AIM market of the London stock exchange. Kodal Minerals Plc and its subsidiaries are involved in mineral development and exploration in Norway and own extraction and exploration licences for a phosphate and iron ore project in southern Norway (the "Kodal Project") and exploration licences for a copper project in western Norway (the "Grimeli Project").

Basis of preparation

These unaudited condensed consolidated interim financial statements for the six months ended 30 September 2015 were approved by the board and authorised for issue on [14] December 2015.

The basis of preparation and accounting policies set out in the Annual Report and Accounts for the year ended 31 March 2015 have been applied in the preparation of these condensed consolidated interim financial statements. These interim financial statements have been prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards ('IFRS') as adopted by the EU that are expected to be applicable to the consolidated financial statements for the year ending 31 March 2015 and on the basis of the accounting policies expected to be used in those financial statements.

The figures for the six months ended 30 September 2015 and 30 September 2014 are unaudited and do not constitute full accounts. The comparative figures for the year ended 31 March 2015 are extracts from the 2015 audited accounts, which are available on the Company's website, and have been delivered to the Registrar of Companies, and do not constitute full accounts. The independent auditor's report on the 2015 accounts was unqualified and did not contain statements under sections 498(2) or (3) (accounting records or returns inadequate, accounts not agreeing with records and returns or failure to obtain necessary information and explanations) of the Companies Act 2006.

Going Concern

The Group is not yet revenue generating 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 30 September 2015, the Group held cash balances of £282,535.

The Directors have prepared cash flow forecasts for the period ending 31 December 2016. The forecasts identify unavoidable third party running costs of the Group and assume that during the period the Group will be able to raise sufficient cash as required to enable it to continue its operations, and continue to meet, as and when they fall due, its liabilities for at least the next twelve months from the date of approval of these interim financial statements. Accordingly, the accounts have been prepared on a going concern basis.

The Directors plan to secure the necessary financing through the issue of new equity. Nevertheless there can be no assurance that any such initiative will be successful.

KODAL MINERALS PLC

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

1. SEGMENTAL REPORTING

The operations and assets of the Group are focused in the United Kingdom and Norway and comprise one class of business: the exploration and evaluation of mineral resources. The Directors have determined that the Group has two operating segments being the Kodal Project and the Grimeli Project. The parent Company acts as a holding company. At 30 September 2015, the Group had not commenced commercial production from its exploration sites and therefore had no revenue for the period.

As described in note 3 to these interim financial statements, the Board conducted an impairment review of the carrying value of the Kodal Project in September 2015 and, in the audited results for the year to 31 March 2015, recognised an impairment charge of £3,411,664 relating to exploration and evaluation costs relating to the Kodal Project which had previously been capitalised in accordance with the Group's accounting policy. In the period to 30 September 2015, the Group has recognised a further impairment charge on the Kodal Project of £41,338 representing exploration and evaluation costs capitalised in the period 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.

Six months to 30 September 2015 (Unaudited)	UK	Norway Kodal Project	Norway Grimeli Project	Total
	£	£	£	£
Other income	5	-	-	5
Impairment	-	(41,338)	-	(41,338)
Administration expenses	(190,156)	(13,561)	(6,143)	(209,860)
Share based payments	(23,778)	-	-	(23,778)
Loss for the period	(213,934)	(54,899)	(6,143)	(274,976)

At 30 September 2015				
Trade and other receivables	5,692	-	-	5,692
Cash and cash equivalents	282,535	-	-	282,535
Trade and other payables	(33,957)	-	-	(33,957)
Intangible assets - software	-	-	9,339	9,339
Intangible assets - exploration and evaluation expenditure	-	-	545,725	545,725
Property plant and equipment	-	-	74,252	74,252
Net assets	245,270	-	629,316	883,586

Six months to 30 September 2014 (Unaudited)	UK	Norway Kodal Project	Norway Grimeli Project	Total
	£	£	£	£
Administration expenses	(198,403)	(7,466)	-	(205,869)
Share based payments	(56,111)	-	-	(56,111)
Loss for the period	(254,514)	(7,466)	-	(261,980)

At 30 September 2014				
Trade and other receivables	9,378	7,312	-	16,690
Cash and cash equivalents	983,863	11,678	-	995,541
Trade and other payables	(90,140)	-	-	(90,140)
Intangible assets - software	-	18,370	-	18,370
Intangible assets - exploration and evaluation expenditure	-	1,364,382	103,677	1,468,059
Intangible asset - licence	-	1,833,295	-	1,833,295
Property plant and equipment	-	80,126	-	80,126
Net assets	903,101	3,315,163	103,677	4,321,941

KODAL MINERALS PLC

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

Year to 31 March 2015 (Audited)	UK	Norway Kodal Project	Norway Grimeli Project	Total
	£	£	£	£
Other income	-	78	-	78
Impairment	-	(3,411,664)	-	(3,411,664)
Administration expenses	(441,201)	(13,676)	(4,558)	(459,435)
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	245,375	74,827	349,622	669,824

2. OPERATING LOSS

The operating loss before tax is stated after charging:

	Unaudited 6 months to 30 September 2015 £	Unaudited 6 months to 30 September 2014 £	Audited Year ended 31 March 2015 £
Impairment charge (see note 3)	41,338	-	3,411,664
Audit services	-	-	27,500
Other fees payable to the Auditors	-	7,500	-
Legal fees	17,358	6,515	11,888
Consultants	7,847	12,780	26,664
Other professional fees	63,640	58,959	119,883
Share based payment	23,778	56,111	88,555
Directors' fees	60,000	80,000	151,154
Website costs	3,000	-	-
Stock exchange fees	7,640	8,473	10,170
Share register costs	3,979	1,863	3,687
Foreign exchange losses	15,563	-	36,588
Other corporate expenses	12,770	-	37,281
Sundry	18,063	29,779	34,620
	274,976	261,980	3,959,654

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

3. IMPAIRMENT CHARGE

The Group's accounting policy under IFRS 6 (Exploration for and Evaluation of Mineral Resources) is that, 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. The Group has identified two project areas being the Kodal Project and the Grimeli Project.

As set out more fully in the Group's audited financial statements for the year ended 31 March 2015 which were issued in September 2015, the Board conducted an impairment review in September 2015 of the carrying cost of the Kodal Project by performing a value in use calculation.

The review identified that using iron ore and phosphate prices based on the then prevailing prices, the economic model for the mine indicated that the project was no longer economic under prevailing market conditions and accordingly the Board determined to impair in full the carrying value of the exploration and evaluation assets relating to the Kodal Project. This resulted in an impairment charge in the year to 31 March 2015 of £3,411,664.

In the 6 months ended 30 September 2015, the Group has recognised a further impairment charge in relation to the Kodal Project of £41,338 (30 September 2014: £nil) representing exploration and evaluation expenditure incurred in the period prior to the completion of the impairment review in September 2015 and the write off of property, plant and equipment assets associated with the Kodal Project for which an alternative use has not been identified.

At 30 September 2015, the carrying value of the Kodal Project was £nil (30 September 2014: £2,921,137 and 31 March 2015: £74,827) – see note 1 to these interim financial statements.

Since the date of the impairment review, no further expenditure is being incurred on the Kodal Project other than the costs of maintaining the extraction and exploration licences and limited costs relating to the ongoing planning process in Norway.

The impairment charge comprises

	Unaudited 6 months to 30 September 2015	Unaudited 6 months to 30 September 2014	Audited Year ended 31 March 2015
Impairment of exploration and evaluation assets	12,702	-	3,411,664
Write off of property, plant and equipment	28,636	-	-
	41,338	-	3,411,664

4. LOSS PER SHARE

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

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

Loss per Share from continued operations £	Loss per Share from total loss £	Weighted average number of Shares	Basic loss per Share (pence)
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KODAL MINERALS PLC

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

Six months to 30 September 2015	(274,971)	(274,971)	978,105,003	(0.0281)
Six months to 30 September 2014	(261,980)	(261,980)	773,336,363	(0.0338)
Year ended 31 March 2015	(3,959,576)	(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 period 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 earnings 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.

	Unaudited 6 months to 30 September 2015	Unaudited 6 months to 30 September 2014	Audited Year ended 31 March 2015
Share options outstanding			
Opening balance	40,000,000	40,000,000	40,000,000
Issued in the period	<u>-</u>	<u>-</u>	<u>-</u>
Closing balance	<u>40,000,000</u>	<u>40,000,000</u>	<u>40,000,000</u>

A share based payment charge of £23,778 for the period to 30 September 2015 (6 months to 30 September 2014: £56,111, year to 31 March 2014: £88,555) has been recognised in the profit and loss in relation to these options.

6. TAXATION

There is no taxation charge for the period to 30 September 2015 (6 months to 30 September 2014: £nil, year to 31 March 2015: £nil) as the group continues to incur losses.

No deferred tax asset has been recognised in respect of losses as the timing of their utilisation is uncertain at this stage.

KODAL MINERALS PLC

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

7. INTANGIBLE ASSETS

	<u>Exploration and evaluation</u> £	<u>Software</u> £	<u>Total</u> £
COST			
At 31 March 2014	2,921,137	27,295	2,948,432
Additions in the period	380,881	-	380,881
Effects of foreign exchange	(664)	-	(664)
At 30 September 2014	3,301,354	27,295	3,328,649
Additions in the period	400,371	-	400,371
Effects of foreign exchange	(5,163)	-	(5,163)
At 31 March 2015	3,696,562	27,295	3,723,649
Additions in the period	277,309	-	264,607
Effects of foreign exchange	(3,780)	-	(3,780)
At 30 September 2015	3,970,091	27,295	3,997,386
AMORTISATION			
At 31 March 2014	-	4,363	4,363
Amortisation charge for the period	-	4,562	4,562
At 30 September 2014	-	8,925	8,925
Amortisation charge for the period	-	4,527	4,527
Impairment charge (see note 3)	3,411,664	-	3,411,664
At 31 March 2015	3,411,664	13,452	3,425,116
Amortisation charge for the period	-	4,504	4,504
Impairment charge (see note 3)	12,702	-	12,702
At 30 September 2015	3,424,366	17,956	3,442,322
NET BOOK VALUES			
At 30 September 2015 (Unaudited)	545,725	9,339	555,064
At 30 September 2014 (Unaudited)	3,301,354	18,370	3,319,724
At 31 March 2015 (Audited)	284,898	13,843	298,741

Segment analysis of exploration and evaluation assets:

	<u>Kodal Project</u> £	<u>Grimeli Project</u> £	<u>Total</u> £
At 30 September 2015 (Unaudited)	-	545,725	545,725
At 30 September 2014 (Unaudited)	3,197,677	103,677	3,301,354
At 31 March 2015 (Audited)	-	284,899	284,899

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

8. PROPERTY, PLANT AND EQUIPMENT

	<u>Fixtures, fittings and equipment</u>	<u>Plant and machinery</u>	<u>Motor vehicles</u>	<u>Total</u>
	£	£	£	£
COST				
At 31 March 2014	42,017	15,606	23,578	81,201
Additions in the period	16,355	-	-	16,355
Effects of foreign exchange	(688)	(718)	(1,085)	(2,491)
At 30 September 2014	57,684	14,888	22,493	95,065
Additions in the period	40,839	17,857	-	58,696
Effects of foreign exchange	(2,075)	(2,072)	(2,735)	(6,882)
At 31 March 2015	96,448	30,673	19,758	146,879
Effects of foreign exchange	(2,415)	(1,349)	(1,486)	(5,250)
At 30 September 2015	94,033	29,324	18,272	141,629
DEPRECIATION				
At 31 March 2014	2,841	138	1,065	4,044
Charge for the period	6,329	1,908	2,882	11,119
Effects of foreign exchange	(64)	(48)	(112)	(224)
At 30 September 2014	9,106	1,998	3,835	14,939
Charge in the period	7,689	3,161	2,602	13,452
Effects of foreign exchange	(412)	(356)	(604)	(1,372)
At 31 March 2015	16,383	4,803	5,833	27,019
Impairment write off (see note 3)	19,671	8,965	-	28,636
Charge in the period	6,061	2,181	2,403	10,645
Effects of foreign exchange	1,939	(310)	(552)	1,077
At 30 September 2015	44,054	15,639	7,684	67,377
NET BOOK VALUES				
At 30 September 2015 (Unaudited)	49,979	13,685	10,588	74,252
At 30 September 2014 (Unaudited)	48,578	12,890	18,658	80,126
At 31 March 2015 (Audited)	80,065	25,870	13,925	119,860

KODAL MINERALS PLC

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

9. SUBSIDIARY ENTITIES

The consolidated financial statements include the following subsidiary companies:

<u>Company</u>	<u>Subsidiary of</u>	<u>Country of incorporation</u>	<u>Equity holding</u>	<u>Nature of Business</u>
Kodal Norway (UK) Limited	Kodal Minerals Plc	United Kingdom	100%	Operating company
Kodal Mining AS	Kodal Norway (UK) Limited	Norway	100%	Mining exploration
Kodal Phosphate AS	Kodal Norway (UK) Limited	Norway	100%	Mining exploration

The Group structure remains the same as that reported in its Annual Report and Accounts for the year ended 31 March 2015.

10. ORDINARY SHARES

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
April 2014 – note (a)	£0.0003125	2,358,681	737	16,788
July 2014 – note (b)	£0.0003125	2,250,000	703	9,197
At 30 September 2014		774,849,428	242,140	4,553,063
October 2014 – note (c)	£0.0003125	1,436,781	449	4,551
January 2015 – note (d)	£0.0003125	1,908,397	597	4,403
At 31 March 2015		778,194,606	243,186	4,562,017
May 2015 – note (e)	£0.0003125	222,222,222	69,444	330,556
Share issue costs - note (e)		-	-	(24,000)
May 2015n- note (f)	£0.0003125	22,867,135	7,146	35,158
June 2015 – note (g)	£0.0003125	26,570,886	8,303	33,679
At 30 September 2015		1,049,854,849	328,079	4,937,410

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

Notes:

- On 22 April 2014, a total of 2,358,681 Shares were issued to a supplier of the Company and Mr Eyi (a Director) in settlement of their services provided to the Company at an issue price of 0.743 pence per Share.
- 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 provided to the Company at an issue price of 0.44 pence per Share.
- On 9 October 2014, a total of 1,436,781 Shares were issued to Mr Eyi (a Director) in settlement of their services provided to the Company at an issue price of 0.348 pence per Share.
- 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.
- On 14 May 2015, 222,222,222 Shares were issued at 0.18 pence per Share in a placing. The associated share issue costs have been allocated against the Share Premium reserve.
- On 19 May 2015, a total of 22,867,135 Shares were issued at a price of 0.185 pence per Share to a drilling contractor as part payment under a drilling contract.
- On 23 June 2015, a total of 26,570,886 Shares were issued at a price of 0.158 pence per Share to a drilling contractor as part payment under a drilling contract.

11. RESERVES [DO WE NEED THIS??]

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Share based payment reserve	Comprises the 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.
Foreign exchange 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.

12. RELATED PARTY TRANSACTIONS

Transactions with subsidiary companies

Kodal Norway (UK) Limited

During the six months ended 30 September 2015, Kodal Minerals Plc purchased assets for a cost of £nil (6 months to 30 September 2014: £255,706, year to 31 March 2015: £17,922) on behalf of Kodal Norway (UK) Limited which it subsequently sold to Kodal Norway (UK) Limited at cost.

During the six months ended 30 September 2015, Kodal Minerals Plc advanced a loan to Kodal Norway (UK) Limited of £43,184, which was outstanding at the period end (30 September 2014: £70,800, 31 March 2015: £161,239), to support ongoing activity.

Transactions with related parties

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 six months ended 30 September 2015, the Company has paid fees to SP Angel of £12,500 (6 months to 30 September 2014: £12,500, year to 31 March 2015 £25,000) for its services as broker.

SP Angel was reimbursed by the Group for travel and other sundry expenses in the six months to 30 September 2015 of £877 (6 months to 30 September 2014: £4,089, year to 31 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 six months to 30 September 2015 and received fees of £43,500 (6 months to 30 September 2014: £84,000, year to 31 March 2015: £168,500). During the six months ended 30 September 2015 Novoco was reimbursed £1,092 for expenses (6 months to 30 September 2014: £6,123, year to 31 March 2015: £8,863). At 30 September 2015 £399 (30 September 2014: £18,691, 31 March 2015: £11,034) was owed by the Group to Novoco which was paid in November.

13. CONTROL

No one party is identified as controlling the Group.