Registration number 07220790 (England and Wales)

KODAL MINERALS PLC

GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

CONTENTS

COMPANY INFORMATION

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STRATEGIC REPORT

for the year ended 31 March 2018 – Chairman's Statement

Chairman's Statement

I am pleased to present the Annual Report of Kodal Minerals plc ("Kodal" or the "Company" and together with its subsidiaries, the "Group") for the year ended 31 March 2018.

Kodal's principal focus for this year has been the continued exploration and development of our exciting Bougouni Lithium Project located in southern Mali ("Bougouni" or "the Project"). The lithium market has remained strong throughout the year and we believe our focus on a rapid exploration and development of Bougouni places us in a very strong position to take advantage of this opportunity. The key drivers to the continued growth of the lithium market are the increasing demand for electric vehicles, battery storage and growth in use of personal electric products driven by social choice, government regulations and an improvement in the performance and affordability of high quality battery products.

We have had a very busy year of exploration with a total of 199 reverse circulation ("RC") drill holes for 24,426m completed. Our exploration efforts have been very successful in the delineation of high-grade mineralisation and we now have three advanced prospects at Ngoualana, Sogola-Baoule and Boumou which are likely to form the basis of our maiden mineral resource estimate expected in the autumn of 2018. In parallel with the drilling, we have also continued the development assessment work with further metallurgical test work highlighting the quality of the spodumene concentrate produced from our samples and the key ability to produce a battery grade lithium carbonate from the concentrate. We have also commenced extraction of a 5,000t bulk sample designed to provide us with key mining and processing data as well as the initiation of environmental review and monitoring to assist us in the future mining licence application.

The Company has been well supported and funded to allow us to undertake this extensive work programme. The Suay Chin International Pte Limited ("Suay Chin") subscription agreement was completed on 3 November 2017 with a total of £4.3 million invested, bringing the total investment of Suay Chin to £4.825 million and giving it a 20% shareholding in the Company at the year end. Following the end of the financial year, the Company raised an additional £1.5 million in June 2018 at a price of 0.13 pence per share including a further subscription by Suay Chin of £1.2 million to bring its holding in the Company to 29%. This additional funding, driven by the continued support of Suay Chin, ensures the Company can maintain the rapid exploration and development programme at the Bougouni Lithium Project.

In addition to the lithium assets, Kodal has also maintained its gold interests in Mali and Côte d'Ivoire. In Côte d'Ivoire the joint venture with Resolute Mining Limited ("Resolute") is continuing and we have been very pleased with the progress, particularly at the Niéllé prospect where exploration activity has identified a new zone of gold mineralisation. The work completed by Resolute includes auger geochemistry and reconnaissance aircore drilling that returned promising results such as 16m at 1.16g/t gold from surface and 4m at 3.04g/t gold from 12m. This new zone is being tested with RC drilling and we are eagerly awaiting an update. Newcrest Mining Limited ("Newcrest") has withdrawn from the Dabakala joint venture and the licence remains 100% owned by Kodal. We are reviewing opportunities for our Côte d'Ivoire gold assets as well as assessing priorities for our Mali gold projects at Nangalasso and SLAM.

Kodal has also strengthened its board of directors during the year with the appointment of Dr Qingtao Zeng. Dr Zeng is the representative of Suay Chin and brings considerable geological experience as well as commercial skills and knowledge of the lithium market that will be of great assistance to the board as we look to the development of our Project.

In this coming financial year, we are entering a very exciting phase for the Bougouni Lithium Project as we continue our exploration and development programme. We anticipate being able to announce a maiden mineral resource estimate for the Project and will be able to undertake a preliminary mining assessment that will further focus our expenditure to potential mining development. With the continued support of our major shareholder, Suay Chin, we will be reviewing potential processing plant and treatment designs and looking to finalise our off-take agreement for spodumene concentrate produced from our site. We anticipate significant progress over this coming financial year and we expect to be adding significantly to the value of our Company as we transition from early stage explorer to developer.

We look forward to being able to report back to you during the year on developments.

Robert Wooldridge
Non-executive Chairman

24 July 2018

STRATEGIC REPORT (continued)

for the year ended 31 March 2018 – Operational Review

Operational Review

I am delighted to present this operational review following a very busy year of exploration and development activities. The focus of our fieldwork this year has been the Bougouni Lithium Project where we believe we have the strong potential to delineate high-grade lithium mineralisation that is amenable to open pit mining and production of a spodumene concentrate on site.

We have been very encouraged by our exploration drilling results where we have been able to define three advanced targets at the Ngoualana, Sogola-Baoule and Boumou prospects and we expect to complete a maiden mineral resource estimate in the autumn of 2018. In addition to our advanced prospects, we have also been able to continue drilling at a range of exploration prospects as we continue to build a pipeline of prospects that will support future mining development.

The Company is always conscious of its rights and titles to exploration ground in its West African projects located in Mali and Côte d'Ivoire and maintains an active monitoring of its compliance and reporting. In December 2017, Kodal announced it had identified an irregularity with the Kolossakoro concession that is part of the Bougouni Lithium Project. Following subsequent discussions with the Directorate Nationale de la Géologie et des Mines ("DNGM", the Malian National Directorate of Geology and Mines) the Company established that the licence may be considered to have expired as a result of the registered holder not replying to correspondence sent to it by DNGM. Furthermore, a local company, Triumvirat Mining Company SARL ("Triumvirat"), had made an application to DNGM for two new licences within the Kolassokoro licence area. Kodal reached an agreement with Triumvirat under which Triumvirat withdrew its applications and Kodal filed new applications over two new 100 square kilometre licences covering the high priority areas within the former Kolassokoro area. Kodal subsequently received new arrêtés that are valid for an initial three-year term, with rights to two renewals for two years each giving a total life of seven years for the new licences. The new licences have been issued in the name of Future Minerals SARL ("Future Minerals"), a 100% owned subsidiary of Kodal, and pursuant to the agreement with Triumvirat, Kodal has a 90% interest in these new licences with Triumvirat having a 10% interest. Kodal has maintained full rights to the project area.

This Operational Review will summarise the status of our existing concessions and rights for both our lithium exploration projects and our gold projects and provide an update of the exploration and development activities undertaken across all projects. Finally, we will provide an outline of the proposed activities for the coming year.

Concession and Exploration Licence Review

Lithium Projects

Kodal's Bougouni and Diendio lithium exploration projects are located in southern Mali, with the rights and concessions held by subsidiary company Future Minerals, a Malian registered company owned 100% by the Group.

Within the Bougouni Project, the Dogobola and Foulaboula concessions are held directly in the name of Future Minerals, with Kodal holding a 90% economic interest in the concessions. In addition, Future Minerals holds the rights to the Madina concession via an option to purchase agreement that grants Kodal exclusive rights to explore and exploit all minerals in the licence areas and upon completion of agreed staged payments allow Future Minerals to become the registered holder and owner of a 90% economic interest in the licence.

For the Diendio project Kodal has completed the staged payments that were due under the original option to purchase agreements and is now the beneficial owner of 100% of the licences and is finalising the transfer of the licences to the name of Future Minerals.

STRATEGIC REPORT (continued)

for the year ended 31 March 2018 – Operational Review (continued)

The lithium project licences are tabled below:

Table of Concessions – Mali Lithium projects

Tenements	Country	Kodal Economic Ownership	Project/ Joint Venture	Validity
Dogobala	Mali	90% economic interest via direct ownership following completion of option payments	Bougouni	New licence replacing part of previous Kolassokoro licence. Licence valid and in good standing. Arrêté No. 2018-1115 granted on13 April 2018 for initial 3-year period, with option for 2 extensions of 2 years validity each
Foulaboula	Mali	90% economic interest via direct ownership following completion of option payments	Bougouni	New licence replacing part of previous Kolassokoro licence. Licence valid and in good standing. Arrêté No. 2018-1116 granted on 13 April 2018 for initial 3-year period, with option for 2 extensions of 2 years validity each
Madina	Mali	Held through Option to Purchase Agreement giving right to acquire 90% economic interest	Bougouni	Licence valid and in good standing. Second renewal granted on 19 September 2017, valid for 2-year period. An application for an additional year of validity has been lodged. A letter from DNGM has been received confirming the application and the pre-emptive right to the ground
Diendio Sud	Mali	100% direct ownership following completion of option payments	Diendio	Licence valid and in good standing. Second renewal granted on 17 October 2017 for a 2-year period. Transfer to Future Minerals to be finalised
Diossyan Sud	Mali	100% direct ownership following completion of option payments	Diendio	Licence valid and in good standing. Second renewal granted on 17 October 2017 for a 2-year period Transfer to Future Minerals to be finalised
Manankoro Nord\	Mali	100% direct ownership following completion of option payments	Diendio	Licence valid and in good standing. Licence is in the form of a signed convention, valid for an initial 3 years with option for 2 extensions of 2 years validity each. Fixed research permit fees have been fully paid. Transfer to Future Minerals to be finalised

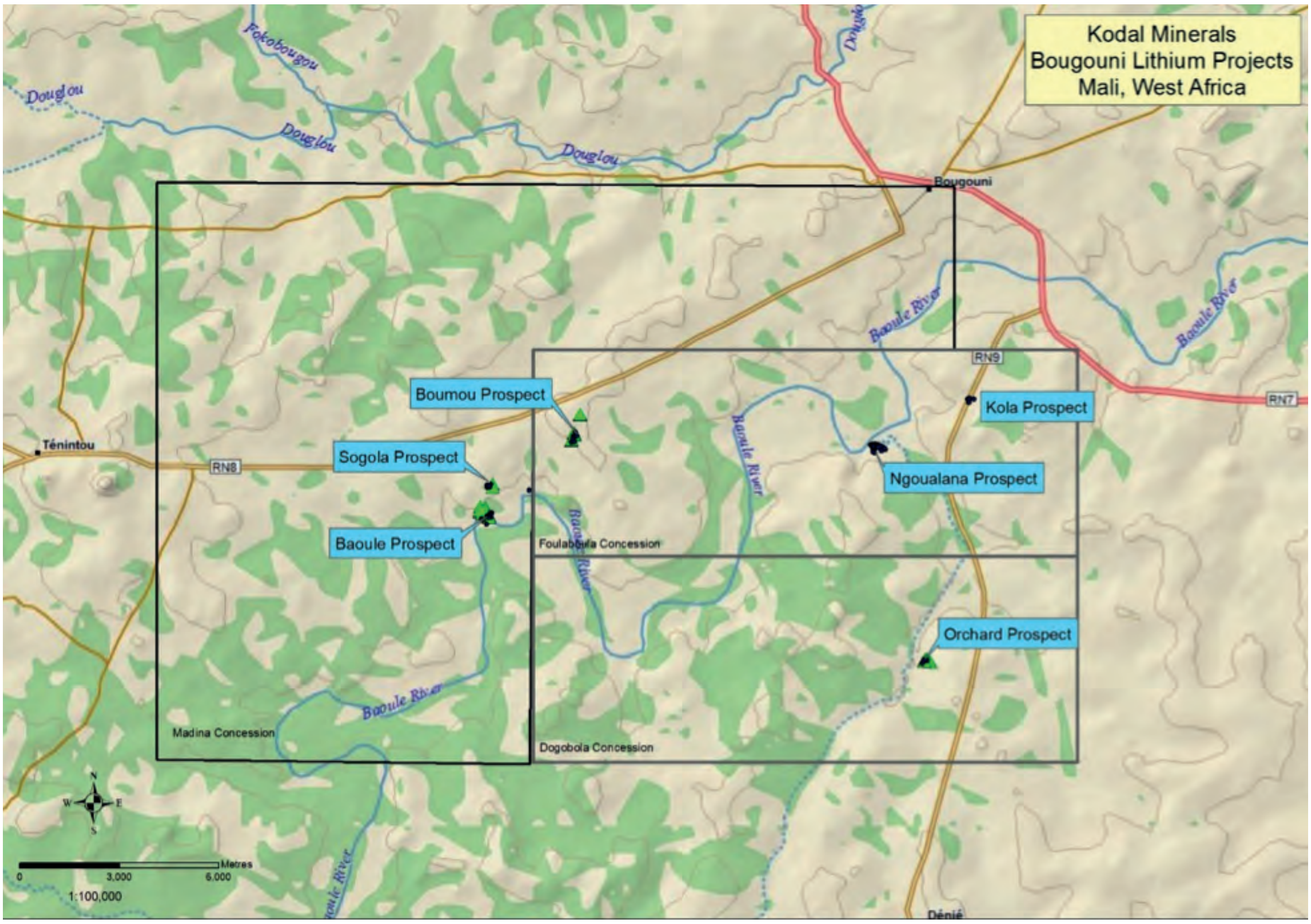

Figure 1: Location of Kodal Bougouni Lithium projects and prospects, Mali

Gold Projects

The Group's Gold Projects are located in Côte d'Ivoire and Mali and consist of licences either directly 100% owned by the Group or held via option agreements granting the Group exclusive rights to explore and exploit minerals over the area and containing a right to purchase the licences. In Mali, the licences are held through subsidiary company International Goldfields Mali SARL ("IGS Mali"), a Malian registered company, and in Côte d'Ivoire by International Goldfields Côte d'Ivoire SARL ("IGS CIV") and Corvette SARL ("Corvette"), Côte d'Ivoire registered companies.

In Mali, the Group has two projects, the Nangalasso Project (including the Nangalasso, Sotian and Tiedougoubougou licence areas) and the SLAM Project (including the Djelibani Sud and Kambali licences). The Nangalasso Project licences are held through option to purchase agreements that grant the Company exclusive rights to explore and operate over the licences and allow the Company to acquire the licence outright. Kodal is now the 100% beneficial owner of the Nangalasso concession following final option payments, and transfer of title to Kodal's Mali registered subsidiary company is in progress. For the SLAM Project, the Djelibani Sud licence is held outright following the completion of the final option payment. The licence area has been renewed as a new mining convention application and a new arrêté will be applied for when the paperwork confirming the grant of the convention is received. The Kambali licence remains subject to the DNGM granting an extension and our option partner is continuing discussions with the DNGM.

STRATEGIC REPORT (continued)

for the year ended 31 March 2018 – Operational Review (continued)

In Côte d'Ivoire, the Group is the 100% owner of the Korhogo and Dabakala licences having secured the licence via direct Government application and is applying for the Boundiali licence. The Group is also continuing with an active joint venture in Côte d'Ivoire, with Resolute responsible for the maintenance and good standing of the licences.

The gold exploration licences are tabled below:

Table of Licences – Gold Exploration projects

Tenements	Country	Kodal Economic Ownership	Project/ Joint Venture	Validity
Boundiali	Côte d'Ivoire	100% direct ownership (under application)		Licence application submitted and in process
Korhogo	Côte d'Ivoire	100% direct ownership		Licence valid and in good standing. Renewal granted on 19 September 2017 for a 3-year term
Dabakala	Côte d'Ivoire	100% direct ownership		Licence valid and in good standing. Renewal granted on 19 September 2017 for a 3-year term
Niéllé	Côte d'Ivoire	100% direct ownership; may be reduced to 25% under JV agreement	Resolute JV	Licence valid and in good standing. Initial licence expired on 7 January 2017. Renewal application lodged, and all fees paid. Awaiting formal notification of renewal
Tiebissou	Côte d'Ivoire	100% direct ownership; may be reduced to 25% under JV agreement	Resolute JV	Licence valid and in good standing. Initial term expires 30 September 2018. Renewal will be applied for
M'Bahiakro	Côte d'Ivoire	100% direct ownership; may be reduced to 25% under JV agreement	Resolute JV	Licence application submitted and in process
Djelibani Sud	Mali	100% direct ownership	SLAM	Licence expired on 29 October 2017. Application was lodged on 22 December 2017 for transfer of the licence to IGS Mali and for extension
Kambali	Mali	Held through Option Agreement giving right to acquire 100% ownership.	SLAM	Licence expired in 2016. Application for an additional year of validity has been lodged; awaiting acceptance letter from DNGM
Nangalasso	Mali	100% direct ownership following completion of option payments	Nangalasso	First renewal of licence granted on 1 November 2017; valid for 2 years with a further 2-year renewal available

Tenements	Country	Kodal Economic Ownership	Project/ Joint Venture	Validity
Sotian	Mali	Held through Option Agreement giving right to acquire 100% ownership.	Nangalasso	New licence replacing part of previous Sotian licence. Arrêté No. 2018-1925 granted on 12 June 2018 for initial 3-year period, with option for 2 extensions of 2 years validity each
Tiedougou-bougou	Mali	Held through Option Agreement giving right to acquire 100% ownership.	Nangalasso	New licence replacing part of previous Sotian licence. Convention signed. Application for arrêté completed, all fees paid and pending receipt of signed arrêté documents

Figure 2: Location of Kodal Gold Exploration projects, West Africa

STRATEGIC REPORT (continued)

for the year ended 31 March 2018 – Operational Review (continued)

Exploration Activity Review

The focus of Kodal's exploration activity for the year has been the advancement of the Bougouni Lithium Project. The Company has completed a major drilling campaign totalling 199 RC drill holes for 24,426m completed. In addition, the Company has undertaken geophysical surveys (ground magnetics and HRIP surveys) in an attempt to delineate extensions and offset positions to the known mineralised bodies and continued geological mapping and rock chip sampling to identify and rank new prospect areas. These exploration activities have been very successful, and the Company now has three advanced prospects at Ngoualana, Sogola-Baoule and Boumou, and a pipeline of developing prospects including the new Bougouni South prospect where first pass reconnaissance drilling has intersected lithium mineralisation.

In parallel to the exploration work, the Company has also continued with the metallurgical testing and commenced extraction of a 5,000t bulk sample to allow testing of the mining and processing characteristics of the Bougouni mineralisation.

Exploration activity completed by Kodal targeting our gold projects was limited to an infill and extension geochemical sampling programme at Korhogo in central Côte d'Ivoire. This programme confirmed several anomalous areas that require further testing, and this will be reviewed and followed up in the coming field season.

The joint venture exploration completed by Resolute has been very positive with the identification of a new zone of gold mineralisation within the Niéllé project, located in the north of Côte d'Ivoire. This work programme is continuing to determine the potential size and significance of this new zone.

Bougouni Lithium Project Exploration Highlights

The Bougouni Lithium Project consists of three concessions – the Madina, Dogobola and Foulalaba concessions covering a contiguous area of 450km2, located in southern Mali. Access to the Project area is excellent with bitumen roads from the capital city of Bamako direct to site, and good quality access roads within the Project area.

The Company has undertaken a major exploration drilling campaign during this field season, with the drilling focused mainly on our three advanced prospects to ensure we have sufficient data to support a JORC compliant mineral resource estimate. In addition, drilling has also targeted new exploration prospects as we continue to assess opportunities to expand the potential of the Project to host a long-term mining operation.

The completed drilling for the 2017/2018 year is tabled below:

Prospect	Reverse Circulation Drilling	
	Holes	Metres
Ngoualana	66	7,894
Sogola-Baoule	75	9,632
Boumou	41	4,597
Filon B	6	947
Bougouni South	11	1,356
Grand Total	**199**	**24,426**

The total drilling completed at the Bougouni Lithium Project is tabled below. A total of eight prospects have now had initial drill testing, with more detailed drilling being completed at the three advanced prospects.

Prospect	Diamond Drilling		Reverse Circulation Drilling	
	Holes	Metres	Holes	Metres
Ngoualana	5	362.12	108	13,830
Sogola-Baoule			89	11,959
Boumou			47	5,439
Filon B			6	947
Kola			4	196
Orchard			4	544
Sogola			6	415
Bougouni South			11	1,356
Grand Total	**5**	**362.12**	**275**	**34,686**

Exploration Drilling and Geological Exploration

Ngoualana Prospect

The Ngoualana prospect is located approximately 7km to the south of the town of Bougouni, and high-grade lithium mineralisation has been defined over a strike length of 850m and remains open along strike to the east and at depth.

The prospect was a high priority for drill testing with the identified presence of a large outcropping pegmatite body returning high grade rock chip samples. Drilling has consisted predominantly of RC drilling targeting the strike extensions of the pegmatite as well as diamond drilling completed to provide further control on the geological model and continuity of mineralisation. The drilling completed during the 2017/2018 field season has consisted of RC drilling designed principally to complete infill and definition drilling to support a JORC compliant mineral resource estimate. It has also targeted strike extensions of the known mineralisation, targeted offset structures and attempted to define additional mineralisation to the south of the main Ngoualana vein. Significant mineralised intersections include:

- **31m at 1.61% Li_2O** from 65m in drill KLRC061
- **26m at 1.67% Li_2O** from 83m in drill KLRC086
- **20m at 1.71% Li_2O** from 25m in drill KLRC068
- **20m at 1.69% Li_2O** from 71m in drill KLRC060
- **19m at 1.68% Li_2O** from 123m in drill KLRC089
- **18m at 1.75% Li_2O** from 18m in drill KLRC069
- **16m at 1.65% Li_2O** from 59m in drill KLRC056
- **16m at 1.64% Li_2O** from 79m in drill KLRC057

The drilling results continue to return wide, high-grade intersections from shallow depths and confirm our geological model. The next phase of exploration work at Ngoualana is to complete the geological interpretation and validate all geological data. This model will then be used to undertake a JORC compliant minerals resource estimate.

STRATEGIC REPORT (continued)

for the year ended 31 March 2018 – Operational Review (continued)

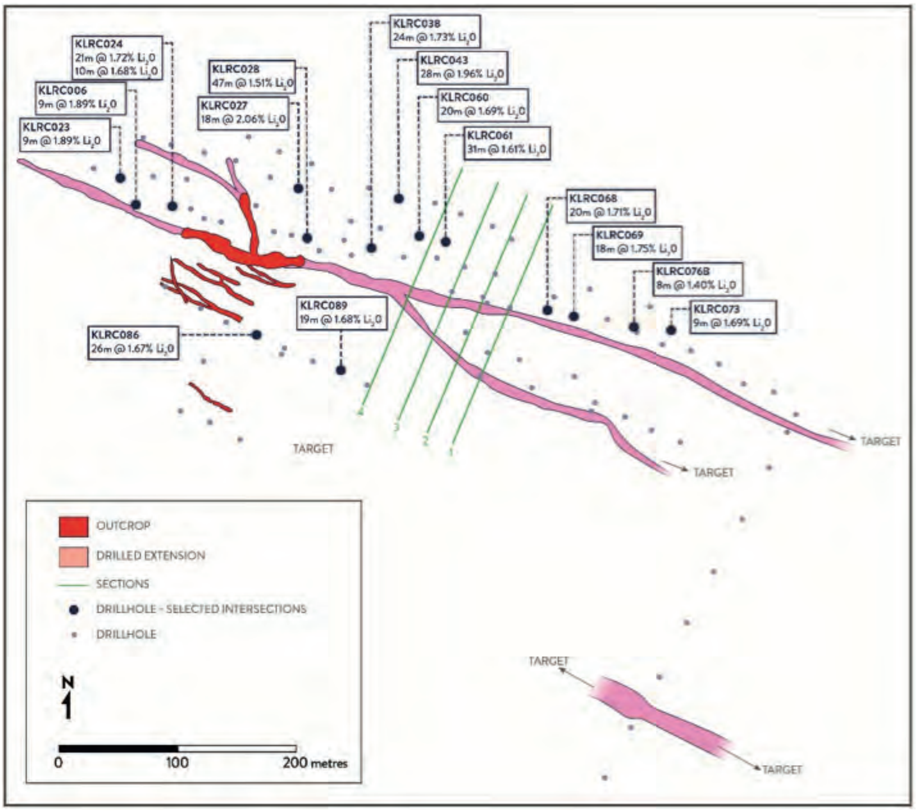

Figure 3: Ngoualana Prospect Drill hole location and Results Update, West Africa

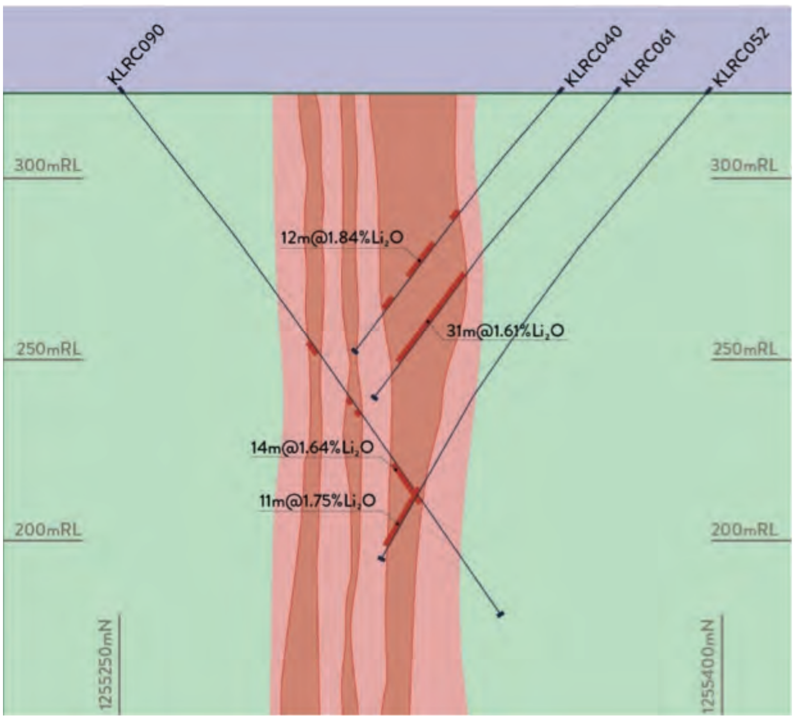

Figure 4: Ngoualana Prospect Drill Section (section 4 on Figure 3)

Additional drilling is planned to continue targeting the strike extensions and offset structures that may host additional mineralised pegmatite veins.

Sogola-Baoule Prospect

The Sogola-Baoule prospect is located approximately 15km to the southwest of the town of Bougouni. This prospect was originally identified by outcropping pegmatite bodies returning high grade rock chip samples. Initial reconnaissance drilling and trench sampling confirmed the presence of lithium mineralisation.

Geological mapping and interpretation of a ground magnetic survey completed at the Sogola-Baoule prospect indicated potential fault offsets to the pegmatite bodies, and possible extensions of the mineralised zones that had not been tested in the initial reconnaissance drilling.

The focus of the 2017/2018 field season drilling was to complete infill and extension drilling and target the extensions of the identified mineralisation. This drilling programme has been very successful with the drilling defining an extensive pegmatite body intersected beneath shallow cover of between 6 and 10m depth. The current strike length exceeds 1,400m and remains open at depth and along strike. The interpretation of the Sogola-Baoule prospect is continuing to develop as we have identified a continuous main vein up to 26m in width with additional hanging wall and footwall pegmatite veins up to 10m in width that will add to the potential economic viability of a mining operation at this prospect.

Significant intersections from the drilling include:

- **22m at 1.58% Li_2O** from 110m in drill hole MDRC083
- **20m at 1.43% Li_2O** from 34m in drill hole MDRC084
- **15m at 1.19% Li_2O** from 70m and **13m at 1.76% Li_2O** from 117m in drill hole MDRC066;
- **13m at 1.76% Li_2O** from 123m in drill hole MDRC073;
- **21m at 1.60% Li_2O** from 87m in drill hole MDRC062
- **14m at 1.53% Li_2O** from 92m in drill hole MDRC064

The pegmatite bodies intersected by the drilling are typical of the Bougouni project and are spodumene rich with drill holes such as MDRC066, MDRC073 and MDRC083 demonstrating the consistent width and tenor of mineralisation. Geological logging of drillholes targeting the eastern extension of the prospect has revealed intersections up to 45m in down-hole width and this may indicate the convergence of hanging wall pegmatite veins with the main vein; however, assay results for this final drilling at Sogola-Baoule are pending at the time of this report.

It is expected that the results will support the Sogola-Baoule prospect contributing to the Company's JORC mineral resource estimate for Bougouni.

STRATEGIC REPORT (continued)

for the year ended 31 March 2018 – Operational Review (continued)

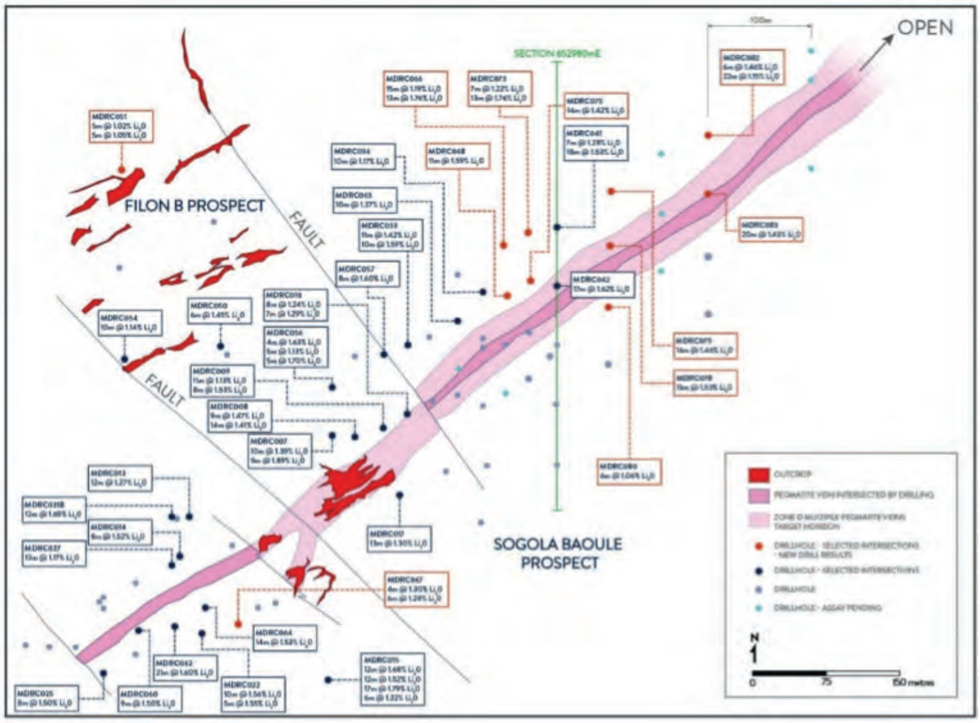

Figure 5: Sogola-Baoule Prospect Drill hole location and Results Update, West Africa

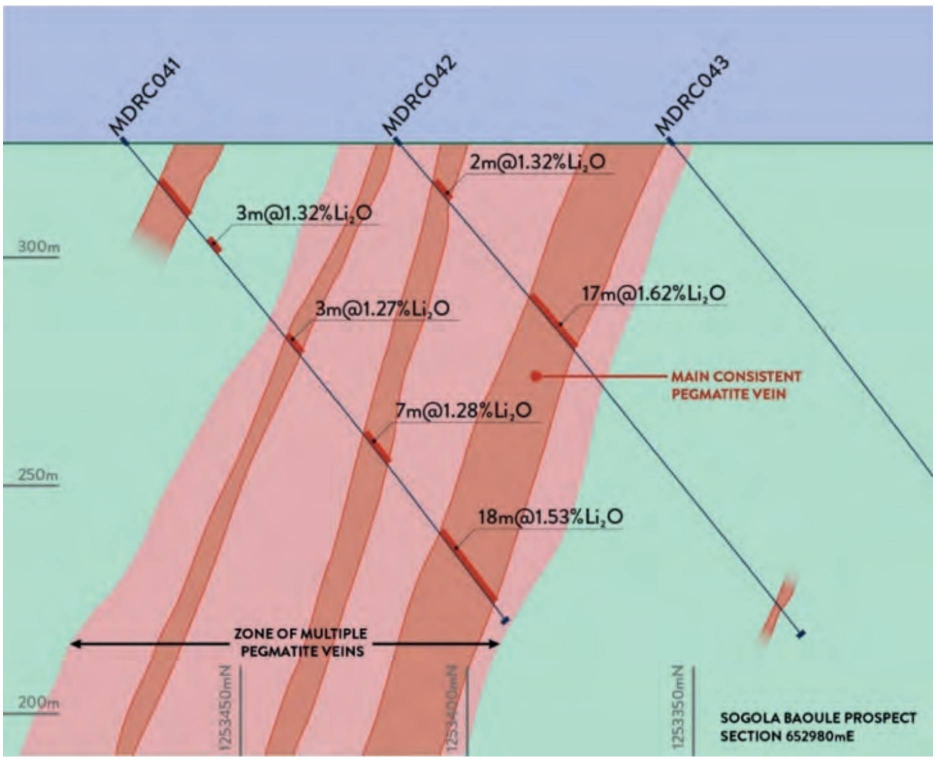

Figure 6: Sogola-Baoule Prospect Drill Section

The next phase of exploration at Sogola-Baoule will incorporate diamond drilling to allow detailed geological logging, metallurgical testwork and geotechnical review of ground conditions to be incorporated in a mining assessment. Exploration drilling will also focus on infill and definition work as well as continue to test for extensions to the target zone. This drilling is expected to commence as soon as possible following the completion of the rainy season.

Boumou Prospect

The Boumou prospect is located 3.5km to the northeast of the Sogola-Baoule prospect. Exploration activity at the prospect prior to the RC drilling programme completed this year has consisted of geological mapping and rock chip sampling that returned high-grade assay results up to 2.52% Li_2O trenching and reconnaissance RC drill testing that confirmed mineralised pegmatite veins.

The drilling programme completed during the 2017/2018 field season consisted of 41 drill holes for 4,597m completed.

The geological logging of the drill holes indicated multiple lithium mineralised pegmatite veins had been intersected across the prospect area, and the receipt of all assay results has confirmed the presence of lithium mineralisation. It is noted that at this stage of exploration, drilling has targeted shallow depth mineralisation and these results confirm the continuity of the pegmatite bodies from surface outcrop and they currently remain open at depth and along strike.

Significant intersections from the drilling include:

- **19m at 1.40% Li_2O** from 69m in drill hole KLRC105;
- **11m at 1.58% Li_2O** from 39m in drill hole KLRC108;
- **11m at 1.55% Li_2O** from 41m in drill hole KLRC121;
- **15m at 1.46% Li_2O** from 45m in drill hole KLRC129

In the southern portion of the prospect, drilling has identified four closely spaced pegmatite veins with mineralised widths up to 19m (downhole) that confirm previous reconnaissance drill testing and surface mapping. This area requires further drill testing to target the strike extensions and the depth extensions of the veins, and geological review indicates a possible convergence of structures to the west.

In the northern portion of the prospect a consistent pegmatite vein extending for over 400m with downhole mineralisation up to 15m width has been confirmed by drilling. Follow-up drilling will target the western extension of the zone where the structure remains open along strike and also indicates a possible convergence of structures.

The Boumou prospect is the Company's third advanced prospect and we anticipate continuing with exploration drilling in the coming year.

The Company is reviewing the Boumou prospect for the potential to define a mineral resource to contribute to the Company's maiden JORC Mineral Resource estimate.

Bougouni South Prospect

The Bougouni South prospect was identified by geological mapping and reconnaissance sampling completed in January 2018. The prospect is located just 3km to the south of the Bougouni town, and reconnaissance drilling has targeted several zones of outcropping pegmatite veins. The geological reconnaissance indicates this is potentially a large prospect area, and the wide-spaced reconnaissance drill testing has returned mineralisation and confirmed that the zones of interest are up to 30m in width.

STRATEGIC REPORT (continued)

for the year ended 31 March 2018 – Operational Review (continued)

Follow-up drilling is planned to target along strike of the identified veins, to target extensions to the mineralised veins and to complete reconnaissance testing of the areas under shallow transported cover. This next phase of drilling is planned to determine the potential of the prospect to host significant mineralisation and allow prioritisation of our growing number of exploration prospects.

Bougouni Lithium Project – Development Activities

The Company is continuing with the rapid exploration and development assessment of the Bougouni Lithium Project and in conjunction with the exploration drilling campaign, Kodal has a range of activities occurring in parallel as the Company attempts to fast track the development of the Bougouni project.

The extraction of the 5,000t bulk sample has commenced with the mobilisation of a mining fleet to site. Sampling will commence with the extraction of high grade mineralisation at Ngoualana. Progress at the project has not been as rapid as expected, due to the contractor experiencing operational difficulties. However, initial road repair and site clearing has been completed to allow truck access for loading of material to transport to the sea port at Dakar and approximately 1,200t of material has been extracted and crushed ready for transportation. Further updates will be provided as work progresses.

Environmental assessment has commenced with the Company contracting environmental consultants Digby Wells Environmental (Jersey) Limited to undertake an initial review and commence site water sampling and preliminary community social consultations. This assessment work is an important starting point for future applications for mining licences and to inform community interaction as we look to develop the Bougouni Lithium Project.

Metallurgical Test work

In June 2017, the Company announced the results of initial metallurgical test work on samples collected from the initial RC drilling at the Ngoualana prospect. This indicated that the ore could produce high grade spodumene concentrate with good levels of recovery.

This initial test work used flotation tests only, as the samples comprised reverse circulation drill chips which contain a significant portion of very fine material not suitable for other techniques. The metallurgical recoveries ranged from 80% to 87% using only a flotation process and produced high grade spodumene concentrate with grades ranging between 5.5% and 6.7% Li_2O. The level of mineralisation is of suitable grade and quality for the production of lithium carbonate to be used in the manufacture of lithium batteries and other industrial applications.

In addition to the production of a spodumene concentrate, Kodal continued with additional metallurgical testing with the objective of demonstrating the suitability of the Bougouni spodumene concentrate to fit into a downstream processing plant and demonstrate the production of high quality, battery grade lithium carbonate.

This metallurgical testing was completed at the Shandong Ruifu Lithium Co Ltd ("Shandong Ruifu") lithium carbonate and lithium hydroxide plant in the Tai'An region of the Shandong province of China. Shandong Ruifu has a close relationship with Kodal's major shareholder Suay Chin. Shandong Ruifu recently completed an upgrade to the processing plant and is looking to secure supply of quality lithium bearing mineralisation.

The lithium carbonate produced by the process is reported as a high quality, low impurity product suitable for battery production. The final analysis of the grade of the lithium carbonate is tabled below:

Table 4: Comparison of Lithium Carbonate analysis to Industry standard

Element	Li_2CO_3	Na	Mg	Ca	K	Fe
Analysis	99.52%	0.020%	0.0003%	0.0031%	<0.001%	0.0002%
Industry Standard comparison	>99.5%	<0.025%	<0.008%	<0.005%	<0.001%	<0.001%

The Company is continuing metallurgical test work on samples of diamond drill core with analysis currently being completed at laboratories in Australia and China to provide validation and confirmation of the initial results. This test work will also focus on the potential gravity separation of the spodumene mineral and is expected to be the major component of the mineral processing on site at Bougouni.

All results for this work are pending at the time of this report.

Gold Projects – Exploration Review

Gold exploration activity on Kodal's projects for the year consisted of work completed by Resolute as part of it joint venture activities in Côte d'Ivoire, and by Newcrest Mining Limited ("Newcrest") on the Dabakala project prior to withdrawing from this joint venture.

Resolute is actively exploring the Niéllé licence, located in the north of Côte d'Ivoire approximately 50km to the north of the Tongon Gold mine operated by Randgold Resources Limited ("Randgold"). Exploration activity completed by Resolute consists of surface geochemical sampling, auger geochemistry and a recently completed 7,000m aircore drilling campaign completed as a reconnaissance test of the surface geochemical anomalies.

Results have been received for the initial aircore drill sections and have provided encouragement for the potential for a new gold mineralised zone to be delineated. The drilling has tested the auger anomaly on a reconnaissance spacing of over 200m between drill sections and 40m between drill holes. The prospect remains open along strike to the north and south and further results are pending. Initial drill results include:

- 16m at 1.14g/t gold from surface;
- 4m at 3.40g/t gold from 12m;
- 8m at 1.53g/t gold from 16m;
- 12m at 2.39g/t gold from surface, including 4m at 6.62g/t gold from surface;
- 4m at 1.76g/t gold from 20m.

Final results are pending for the reconnaissance aircore drilling, however the combination of the auger geochemical anomaly and these initial results indicated further exploration work is warranted. A programme of reverse circulation drilling is proposed to test further this area of new gold anomalism.

The Niéllé project consists of one licence of 400km2 that was granted in 2014 and has recently been renewed for a further 3-year period. Resolute is earning into the licence via the joint venture agreement, and at this stage the licence is still 100% owned by Kodal. The area is underexplored; however it is well located in the Tongon-Banfora greenstone belt that is host to multi-million ounce gold resources at the Tongon Gold mine (operated by Randgold) and the Banfora gold deposit (owned by Teranga Gold).

Kodal is maintaining its gold exploration projects in Mali and Côte d'Ivoire and is reviewing opportunities and strategies to realise value for these projects.

Work programme for 2018/19

The Group has an extensive work programme for 2018/19 which is principally focussed on the Bougouni Lithium Project and preliminary work at the Diendio Lithium Project in southern Mali. The focus of work at the Bougouni Project will be further exploration drilling aimed at the continued infill and definition of lithium mineralisation as well as targeting new prospects. A key component of the work programme will be the completion of additional diamond drilling that will provide key information on

STRATEGIC REPORT (continued)

for the year ended 31 March 2018 – Operational Review (continued)

geological controls and ground conditions for planning of open pit mining operations at our advanced prospects. In addition, metallurgical testing of the Sogola-Baoule and Boumou prospects is also planned to ensure compatibility of all areas in a proposed mining hub development with a central plant treating ore from multiple sites.

The work programme is also planned to ensure that the environmental assessment and testing continues and that reporting of activities to the DNGM continues. The aim of this work is to allow Kodal to be in a position to apply for a Mining Licence as early as possible and continue the move towards development of the Bougouni Lithium Project.

Future Strategy

The focus of the Company is on the exploration and development of the Bougouni Lithium Project in southern Mali. The Company has completed an extensive drilling campaign and defined advanced prospects that are expected to form the basis of a JORC compliant maiden resource estimate. Following the resource estimate, the Company will be undertaking an assessment of the mining potential of the project and will focus additional drilling and development activity to maximise the potential for future mine development. The Company is currently well-funded to undertake this work and we are planning to continue with the approach of attempting to fast track the development of this exciting project.

I look forward to being able to report back with positive news.

Bernard Aylward
Chief Executive Officer

24 July 2018

STRATEGIC REPORT (continued)

for the year ended 31 March 2018 – Finance Review

Finance Review

Results of operations

For the year ended 31 March 2018, the Group reported a loss for the year of £857,000 compared to a loss of £1,178,000 in the previous year. The loss for the year of £857,000 compared to £503,000 (excluding impairment charges) in 2017, reflected the higher share-based payment charges of £341,000 compared to £15,000 in 2017 as a result of the grant of new share options in the year. Operational activity has remained broadly in line with last year as the Group has continued the running of an office in Mali.

During the year, the Group invested £2,190,000 (2017: £535,000) in exploration and evaluation expenditure on its various projects, the large majority of which related to its West African Lithium Projects. As a result, the carrying value of the Group's capitalised exploration and evaluation expenditure increased from £1,323,000 to £3,508,000. At 31 March 2018, the carrying value of the Gold Projects was £977,000 (2017: £714,000) and of the Lithium Projects was £2,531,000 (2017: 609,000).

Cash balances as at 31 March 2018 were £3,124,000, an increase of £1,401,000 on the previous year's level of £1,723,000. Net assets of the Group at the year-end were £6,313,000 (2017: £2,737,000).

Financing

During the year, the Group has successfully completed a number of equity fundraisings.

Most significantly, in May 2017, Kodal announced the conclusion of a formal subscription agreement with Singapore-based investment company Suay Chin International Pte Limited together with a binding off-take term sheet covering the Group's lithium production. Following an initial subscription in March 2017 for £0.5 million, the first stage of the investment by Suay Chin was completed in May 2017 for £3.3 million, followed in July by £1.03 million and in November 2017 by a final £0.3 million, bringing Suay Chin's total investment to £4,825,000. Suay Chin is now the largest shareholder in the Company, with a holding of 20% at the end of the financial year (and now at 29% following a further subscription for shares since the year end). The net proceeds of the subscriptions from Suay Chin will be used to continue exploration work on the lithium projects and for general corporate purposes.

Following the end of the financial year, the Company completed a fundraising of £1,500,000 through a subscription and placing of 1,153,846,149 ordinary shares.

Going concern and funding

The Group has not earned revenue during the year to 31 March 2018 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 2018, the Group held cash balances of £3,124,000 (2017: £1,723,000). The Group's cash balances at 20 July 2018 were £3,585,000.

The Directors have prepared cash flow forecasts for the period ending 30 September 2019. The forecasts include the costs of progressing the Lithium Projects, further limited work on the Gold Projects as well as the overheads of the Group. Further fund raising will be required at an appropriate time in order to undertake additional phases of the exploration and development work and the Group has historically been successful in raising additional funds in such circumstances. However, the forecasts demonstrate that by reducing the level of discretionary exploration and development activity 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 2018 – Finance Review (continued)

Utilising key performance indicators ("KPIs")

The following KPIs are used by the Group to assist it in monitoring and assessing costs and exploration and development activities:

KPI	**31 March 2018** **£**	31 March 2017 £
Cash and cash equivalents	3,123,549	1,722,950
Cash based administrative expense	517,184	488,376
Exploration and evaluation expenditure	2,190,105	857,022

The directors consider these KPIs to be satisfactory and in line with the Group's strategy.

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 gold and lithium, 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, CFA Franc 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.

STRATEGIC REPORT (continued)

for the year ended 31 March 2018 – Principal Operating Risks and Uncertainties

Principal Operating Risks and Uncertainties

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 potential 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 licences as well as ensuring the relevant operation licences, permits and regulatory consents are valid. The licences and regulatory permits may be withdrawn or made subject to limitations. The granting of 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 requirements 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. 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. Presidential elections are scheduled to be held on 29 July 2018. The elections are expected to proceed normally, and initial indications are all parties are supporting a well-established process peacefully.

STRATEGIC REPORT (continued)

for the year ended 31 March 2018 – Principal Operating Risks and Uncertainties (continued)

Risk	Comment and Mitigating Actions
Political risk (continued) The Group has significant activities in Mali and C te d'Ivoire in West Africa. The success of the Group will be influenced by associated legal, political and economic situation in Mali, C te 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 most 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 C te 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 C te 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 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 in Norway; no mineral resource has yet been declared in West Africa. Any estimates will be 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. 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 is exposed to the risk of bribes both being paid on the Group's behalf and accepted by any persons associated with it in any of the jurisdictions in which it has a presence.	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. It is the Group's policy to conduct all of its business in an honest and ethical manner and it takes a zero-tolerance approach to bribery. In particular, as a UK listed company, the Company takes steps to ensure compliance with the UK Bribery Act 2010 (the "Bribery Act"), in respect of its conduct both in the UK and overseas.
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.

Signed on behalf of the Board

Bernard Aylward
Chief Executive Officer

24 July 2018

REPORT OF THE DIRECTORS
for the year ended 31 March 2018

The Directors present their report, together with the audited consolidated financial statements for Kodal Minerals Plc for the year ended 31 March 2018.

Principal activity

The Company was incorporated for the purposes of exploring and developing mineral assets. The Company's shares are traded on AIM.

Domicile and principal place of business

Kodal Minerals Plc is domiciled in the United Kingdom. Its principal place of business as at 31 March 2018 was West Africa.

Directors

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

Bernard Aylward	
Luke Bryan	
Robert Wooldridge	
Qingtao Zeng	Appointed 20 November 2017

Biographical details of the Directors

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 Chairman)

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.

Qingtao Zeng (Non-executive Director)

Dr Zeng completed a PhD in geology at the University of Western Australia in 2013. Dr Zeng has been engaged as a consulting geologist, principally working with CSA Global based in Perth, Australia, and has a range of geological and commercial specialities. Since 2015, Dr Zeng has been extensively involved in the lithium exploration and development sector and through his strong network of contacts throughout China has helped clients complete a range of contracts relating to the supply or purchase of lithium in the form of concentrate or direct shipping ores.

Directors' interests

The beneficial interests in the Company's shares of the current Directors and their families, as at 31 March 2018 are as follows:

Directors	Shares 31 March 2018	Shares 31 March 2017	Notes
Bernard Aylward	**94,834,948**	94,834,948	
Luke Bryan	**48,500,000**	48,500,000	1
Robert Wooldridge	**76,938,144**	50,417,949	

Notes:

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

Events after the reporting period

Events after the reporting period are outlined in note 17 to the financial statements on page 61.

Directors' and Officers' liability insurance

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

Strategic Report

The Directors have chosen to include information required by s414(c) of the Companies Act in the Strategic Report.

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.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report and 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.

REPORT OF THE DIRECTORS (continued)
for the year ended 31 March 2018

The Group 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 Group and Company 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 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 24 July 2018.

Robert Wooldridge
Director
24 July 2018

CORPORATE GOVERNANCE REPORT

for the year ended 31 March 2018

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 Robert Wooldridge.

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 Robert Wooldridge and Bernard Aylward and is chaired by Robert Wooldridge. 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.

Remuneration

The Remuneration Committee performs both remuneration and nomination functions, and comprises Robert Wooldridge and Luke Bryan and is chaired by Robert Wooldridge. 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 Chairman has no personal interest in the outcome of the committee's decision and 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.

REMUNERATION REPORT

for the year ended 31 March 2018

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 of the Company who served during the year ended 31 March 2018 was as follows:

	Fees and salary year to 31 March 2018 £	Share based payments year to 31 March 2018 £	Total year to 31 March 2018 £	Total year to 31 March 2017 £
Bernard Aylward [1]	33,750	114,108	147,858	31,667
Luke Bryan [2]	20,000	114,108	134,108	38,744
Robert Wooldridge	44,167	57,055	101,222	30,635
Qingtao Zeng	24,236	17,933	42,169	–
Markus Ekberg	–	–	–	1,667
David Jones	–	–	–	8,769
	122,153	303,204	425,357	111,482

1 In addition to the amounts included above, Matlock Geological Services Pty Ltd, a company wholly owned by Bernard Aylward, provided consultancy services to the Group during the year and received fees of £82,982 (2017: £91,106).

2 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 £13,400 (2017: £24,300).

Notice periods of the Directors

Bernard Aylward's 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. Luke Bryan's, Robert Wooldridge's and Qingtao Zeng's service agreements are subject to three months' notice of termination by either party.

Pensions

In compliance with the Pensions Act 2008 the Company has established a Workplace Pension Scheme for its UK based employees and Directors with effect from 1 July 2017. Prior to this date, the Company has not made any pension arrangements for the Directors. The Company made no contributions into the scheme on behalf of the Directors in the year.

INDEPENDENT AUDITOR'S REPORT

for the year ended 31 March 2018

Opinion

We have audited the financial statements of Kodal Minerals Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the Consolidated Statement of Comprehensive Income, Statements of Financial Position (Consolidated and Parent Company), Statements of Changes in Equity (Consolidated and Parent Company), Statements of Cash Flows (Consolidated and Parent Company) and notes to the financial statements, including a summary of significant accounting policies. 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.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2018 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 company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of intangible exploration and evaluation assets

IFRS 6 requires that exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Given the judgment required in

INDEPENDENT AUDITOR'S REPORT (continued)

for the year ended 31 March 2018

making this assessment and the significance of these assets to the Statement of Financial Position, the valuation of intangible exploration and evaluation assets was considered to be a key audit matter.

Our work included:

- Discussing exploration results and future work plans with management to understand the outlook for each project
- Reviewing copies of correspondence with relevant licensing authorities and the terms of the licence agreements
- Considering the results of exploration activities, changes in commodity prices and foreign exchange fluctuations
- Audit of the disclosures included in the financial statements with reference to IFRS 6

The related disclosures are included in note 7 in the financial statements.

Valuation of warrants and share options

Accounting for the new warrants and share options issued in the year required management to make significant judgments and estimates in their valuations. As a result, the valuation of the warrants and share options was considered to be a key audit matter.

Our work included:

- Assessing the appropriateness of the valuation model used by management
- Obtaining the share options agreements and checking inputs used in the valuation model
- Challenging management where appropriate on the underlying assumptions in the calculations
- Audit of the disclosures included in the financial statements with reference to IFRS 2

The related disclosures are included in note 5 in the financial statements.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures and to evaluate the effects of misstatements, both individually and on the financial statements as a whole. During planning we determined a magnitude of uncorrected misstatements that we judge would be material for the financial statements as a whole (FSM). During planning FSM was calculated as £71,000, which was not changed during the course of our audit. We agreed with the Audit Committee that we would report to them all unadjusted differences in excess of £5,000, as well as differences below those thresholds that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The audit was scoped to ensure that we obtained sufficient and appropriate audit evidence in respect of:

- the significant business operations of the group;
- other operations which, irrespective of size, are perceived as carrying a significant level of audit risk whether through susceptibility to fraud, or for other reasons; and
- the appropriateness of the going concern assumption used in the preparation of the financial statements.

The audit was scoped to support our audit opinion on the group and company financial statements of Kodal Minerals Plc and was based on group materiality and an assessment of risk at group level.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 25 to 26, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (continued)

for the year ended 31 March 2018

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

GRAHAM RICKETTS (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

24 July 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2018

	Note	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Continuing operations			
Revenue		–	–
Impairment of exploration and evaluation assets	7	–	(675,236)
Administrative expenses		**(517,184)**	(488,376)
Share based payments	5	**(341,372)**	(14,667)
OPERATING LOSS		**(858,556)**	(1,178,279)
Finance income		**1,499**	–
LOSS BEFORE TAX	2	**(857,057)**	(1,178,279)
Taxation	6	–	–
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(857,057)**	(1,178,279)
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to profit or loss			
Currency translation loss		**(18,002)**	(5,497)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(875,059)**	(1,183,776)
Loss per share			
Basic and diluted – loss per share on total earnings (pence)	4	**(0.0136)**	(0.0299)

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

CONSOLIDATED AND PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

as at 31 March 2018

Registered number: 07220790

	Note	**Group 31 March 2018 £**	Group 31 March 2017 £	**Company 31 March 2018 £**	Company 31 March 2017 £
NON-CURRENT ASSETS					
Intangible assets	7	**3,508,499**	1,323,226	**–**	–
Property, plant and equipment	8	**3,085**	–	**–**	-
Amounts due from subsidiary undertakings		**–**	–	**2,950,132**	921,198
Investments in subsidiary undertakings	9	**–**	–	**512,373**	512,373
		3,511,584	1,323,226	**3,462,505**	1,433,571
CURRENT ASSETS					
Other receivables	10	**8,765**	16,229	**8,765**	33,238
Cash and cash equivalents		**3,123,549**	1,722,950	**3,074,325**	1,693,016
		3,132,314	1,739,179	**3,083,090**	1,726,254
TOTAL ASSETS		**6,643,898**	3,062,405	**6,545,595**	3,159,825
CURRENT LIABILITIES					
Trade and other payables	11	**(331,391)**	(325,213)	**(79,733)**	(321,898)
TOTAL LIABILITIES		**(331,391)**	(325,213)	**(79,733)**	(321,898)
NET ASSETS		**6,312,507**	2,737,192	**6,465,862**	2,837,927
EQUITY					
Attributable to owners of the parent:					
Share capital	12	**2,038,903**	1,683,206	**2,038,903**	1,683,206
Share premium account	12	**10,467,337**	6,784,682	**10,467,337**	6,784,682
Share based payment reserve		**581,356**	169,334	**581,356**	169,334
Translation reserve		**(21,599)**	(3,597)	**–**	–
Retained deficit		**(6,753,490)**	(5,896,433)	**(6,621,734)**	(5,799,295)
TOTAL EQUITY		**6,312,507**	2,737,192	**6,465,862**	2,837,927

The Company's loss for the year ended 31 March 2018 was £822,439 (2017: £1,087,958).

The financial statements were approved and authorised for issue by the board of directors on 24 July 2018 and signed on its behalf by

Robert Wooldridge
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2018

Attributable to the owners of the Parent

	Share capital £	Share premium account £	Share based payment reserve £	Translation reserve £	Retained deficit £	Total equity £
GROUP						
At 31 March 2016	328,080	4,937,405	154,667	1,900	(4,718,154)	703,898
Comprehensive income						
Loss for the year	–	–	–	–	(1,178,279)	(1,178,279)
Other comprehensive income						
Currency translation loss	–	–	–	(5,497)	–	(5,497)
Total comprehensive income for the year	–	–	–	(5,497)	(1,178,279)	(1,183,776)
Transactions with owners						
Shares in settlement of services	8,771	22,629	–	–	–	31,400
Share based payment	–	–	14,667	–	–	14,667
Proceeds from shares issued	1,346,355	1,993,645	–	–	–	3,340,000
Share issue expenses	–	(168,997)	–	–	–	(168,997)
At 31 March 2017	**1,683,206**	**6,784,682**	**169,334**	**(3,597)**	**(5,896,433)**	**2,737,192**
Comprehensive income						
Loss for the year	–	–	–	–	(857,057)	(857,057)
Other comprehensive income						
Currency translation loss	–	–	–	(18,002)	–	(18,002)
Total comprehensive income for the year	–	–	–	(18,002)	(857,057)	(875,059)
Transactions with owners						
Share based payment	–	–	412,022	–	–	412,022
Proceeds from shares issued	355,697	3,969,567	–	–	–	4,325,264
Share issue expenses	–	(286,912)	–	–	–	(286,912)
At 31 March 2018	**2,038,903**	**10,467,337**	**581,356**	**(21,599)**	**(6,753,490)**	**6,312,507**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2018

	Share capital £	Share premium account £	Share based payment reserve £	Retained deficit £	Total equity £
COMPANY					
At 31 March 2016	328,080	4,937,405	154,667	(4,711,337)	708,815
Comprehensive income					
Loss for the year	–	–	–	(1,087,958)	(1,087,958)
Total comprehensive income for the year	–	–	–	(1,087,958)	(1,087,958)
Transactions with owners					
Shares in settlement of services	8,771	22,629	–	–	31,400
Share based payment	–	–	14,667	–	14,667
Proceeds from shares issued	1,346,355	1,993,645	–	–	3,340,000
Share issue expenses	–	(168,997)	–	–	(168,997)
At 31 March 2017	**1,683,206**	**6,784,682**	**169,334**	**(5,799,295)**	**2,837,927**
Comprehensive income					
Loss for the year	–	–	–	(822,439)	(822,439)
Total comprehensive income for the year	–	–	–	(822,439)	(822,439)
Transactions with owners					
Share based payment	–	–	412,022	–	412,022
Proceeds from shares issued	355,697	3,969,567	–	–	4,325,264
Share issue expenses	–	(286,912)	–	–	(286,912)
At 31 March 2018	**2,038,903**	**10,467,337**	**581,356**	**(6,621,734)**	**6,465,862**

CONSOLIDATED AND PARENT COMPANY STATEMENTS OF CASH FLOWS

for the year ended 31 March 2018

	Note	Group Year ended 31 March 2018 £	Group Year ended 31 March 2017 £	Company Year ended 31 March 2018 £	Company Year ended 31 March 2017 £
Cash flows from operating activities					
Loss before tax		**(857,057)**	(1,178,279)	**(822,439)**	(1,087,958)
Adjustments for non-cash items:					
Loss on sale of property, plant and equipment		**–**	41,994	**–**	–
Impairment of exploration and evaluation assets	7	**–**	675,236	**–**	–
Impairment of investments in subsidiaries and intercompany balances		**–**	–	**–**	653,887
Share based payments		**341,372**	14,667	**341,372**	14,667
Equity settled transactions		**–**	20,000	**–**	20,000
Operating cash flow before movements in working capital		**(515,685)**	(426,382)	**(481,067)**	(399,404)
Movement in working capital					
Decrease/(increase) in receivables		**7,464**	(13,245)	**24,473**	(17,255)
Increase/(decrease) in payables		**6,178**	220,858	**(242,165)**	223,131
Net movements in working capital		**13,642**	207,613	**(217,692)**	205,876
Net cash outflow from operating activities		**(502,043)**	(218,769)	**(698,759)**	(193,528)
Cash flows from investing activities					
Purchase of subsidiary undertakings		**–**	–	**–**	(102,373)
Disposal of property, plant and equipment		**–**	10,000	**–**	–
Purchase of tangible assets		**(3,702)**	–	**–**	–
Purchase of intangible assets		**(2,190,105)**	(961,205)		–
Loans to subsidiary undertakings		–	–	**(2,028,934)**	(906,609)
Net cash outflow from investing activities		**(2,193,807)**	(951,205)	**(2,028,934)**	(1,008,982)
Cash flow from financing activities					
Net proceeds from share issues	12	**4,109,002**	2,761,003	**4,109,002**	2,761,003
Net cash inflow from financing activities		**4,109,002**	2,761,003	**4,109,002**	2,761,003
Increase in cash and cash equivalents		**1,413,152**	1,591,029	**1,381,309**	1,558,493
Cash and cash equivalents at beginning of the year		**1,722,950**	134,801	**1,693,016**	134,523
Exchange loss on cash		**(12,553)**	(2,880)	**–**	–
Cash and cash equivalents at end of the year		**3,123,549**	1,722,950	**3,074,325**	1,693,016

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

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 March 2018

The Group has adopted the accounting policies set out below in the 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 2018 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 2018, the Group held cash balances of £3,123,549 (2017: £1,722,950). The Group's cash balances at 20 July 2018 were £3,585,000.

The Directors have prepared cash flow forecasts for the period ending 30 September 2019. The forecasts include the costs of progressing the Lithium Projects, further limited work on the Gold Projects as well as the overheads of the Group. Further fund raising will be required at an appropriate time in order to undertake additional phases of the exploration and development work and the Group has historically been successful in raising additional funds in such circumstances. However, the forecasts demonstrate that by reducing the level of discretionary exploration and development activity 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 : £0.0910 (2017: NOK 1 : £0.0926) and its West African subsidiary undertakings were converted using an end of year rate of XOF 1 : £0.00134 (2017: XOF 1 : £0.00130).

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.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation, which is included in administrative expenses, 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 2018

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. Where the carrying amount exceeds the recoverable amount, an impairment is recognised in profit or loss.

Intangible assets and impairment

Externally acquired intangible assets are initially recognised at cost and subsequently amortised over their useful economic lives. Amortisation, which is included in administrative expenses, 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

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.

Financial instruments

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.

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

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

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.

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 also granted equity settled options and warrants. 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 recipient 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 conditions (vesting conditions), other than performance conditions linked to the price of the shares of the 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 profit and loss, with a corresponding entry in equity.

PRINCIPAL ACCOUNTING POLICIES (continued)

for the year ended 31 March 2018

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.

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.

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 2017, the directors undertook an impairment review of the carrying value of the Grimeli Project in Norway. The impairment review was conducted following an assessment by the directors of the exploration data on the Grimeli Project which led to a decision not to commit any further expenditure to the project. The Group has subsequently relinquished these licence areas.

The directors have assessed the Group's Gold Projects in Mali and Côte d'Ivoire that are not part of the joint venture agreements and determined that they remain prospective. Accordingly, the directors have determined to continue to maintain these licences and explore ways for the Group to advance these prospective areas most effectively. Accordingly, no impairment review has been conducted on these assets.

The directors have assessed the Group's Lithium Projects in Mali. These projects are currently under development and there is no indication of impairment. Accordingly, no impairment review has been conducted on these assets.

The Group's exploration activities and future development opportunities are dependent upon maintaining the necessary licences and permits to operate, which typically require periodic renewal or extension. In Mali and Côte d'Ivoire, the process of renewal or extension of a licence can only be initiated on expiry of the previous term and takes time to be processed by the relevant government authority. Until formal notification is received there is a risk that renewal or extension will not be granted.

As detailed in the Operational Review, at the date of these financial statements, the Group's key exploration licences are current. As detailed in note 7, the total carrying value of the exploration and evaluation assets at 31 March 2018 was £3.5 million (2017: £1.3 million). The Group complies with the prevailing laws and regulations relating to these licences and ensures that the regulatory reporting and government compliance requirements for each licence are met.

Valuation of warrants and share options

In accordance with the Group's accounting policy for equity settled transactions, all equity settled share based payments are measured at fair value at the date of issue. Fair value is determined by using the Black-Scholes option pricing model based on the terms of the options and warrants, the Company's share price at the time and assumptions for volatility and exercise date. The assumptions used to value the options and warrants are detailed in note 5.

For options awarded to the directors, the award has been considered to be in relation to their overall contribution to the Group and, accordingly, the charge has been included within operating costs in the Consolidated Statement of Comprehensive Income rather than treated as an exploration and evaluation cost and capitalised against specific projects. For the award of warrants associated with the raising of funds through the issue of new shares, the charge has been treated as a share issue expense and offset against the share premium account.

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.

Standard	Details of amendment / New Standards and Interpretations	Annual periods beginning on or after
IFRS 2 Classification and Measurement of Share-based Payment Transactions	To clarify the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payment (SBP) transactions, the accounting for SBP transactions with a net settlement feature for withholding tax obligations, and the effect of a modification to the terms and conditions of a SBP that changes the classification of the transaction from cash-settled to equity-settled.	1 January 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	New Interpretation To provide guidance clarifying that the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency is the one at the date of initial recognition of the non-monetary prepayment asset or deferred income liability.	1 January 2018

PRINCIPAL ACCOUNTING POLICIES (continued)

for the year ended 31 March 2018

Standard	Details of amendment / New Standards and Interpretations	Annual periods beginning on or after
IFRIC 23 Uncertainty over Income Tax Treatments	New Interpretation To provide guidance on how to reflect the effects of uncertainty in accounting for income taxes under IAS 12, in particular (i) whether uncertain tax treatments should be considered separately, (ii) assumptions for taxation authorities' examinations, (iii) determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits, and tax rates, and (iv) effect of changes in facts and circumstances.	1 January 2019
IFRS 9 Financial Instruments	New Standard Requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting, recognition and derecognition.	1 January 2018

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 2018

1. SEGMENTAL REPORTING

The operations and assets of the Group in the year ended 31 March 2018 are focused in the United Kingdom, West Africa and Norway and comprise one class of business: the exploration and evaluation of mineral resources. Management has determined that the Group had four operating segments being the West African Gold Projects, the West African Lithium Projects, the Norway Projects and the UK administration operations. The Parent Company acts as a holding company. At 31 March 2018, the Group had not commenced commercial production from its exploration sites and therefore had no revenue for the year.

Year ended 31 March 2018	**UK**	**West Africa Gold**	**West Africa Lithium**	**Norway**	**Total**
	£	**£**	**£**	**£**	**£**
Administrative expenses	(492,819)	(7,283)	(3,143)	(13,939)	(517,184)
Share based payments	(341,372)	–	–	–	(341,372)
Finance income	1,499	–	–	–	1,499
Loss for the year	**(832,692)**	**(7,283)**	**(3,143)**	**(13,939)**	**(857,057)**
At 31 March 2018					
Other receivables	8,765	–	–	–	8,765
Cash and cash equivalents	3,074,325	25,437	23,761	26	3,123,549
Trade and other payables	(36,317)	–	(295,042)	(32)	(331,391)
Tangible assets	–	–	3,085	–	3,085
Intangible assets - exploration and evaluation expenditure	–	977,192	2,531,307	–	3,508,499
Net assets at 31 March 2018	**3,046,773**	**1,002,629**	**2,263,111**	**(6)**	**6,312,507**

Year ended 31 March 2017	UK	West Africa Gold	West Africa Lithium	Norway	Total
	£	£	£	£	£
Administrative expenses	(443,035)	(160)	(160)	(45,021)	(488,376)
Impairment charge	–	–	–	(675,236)	(675,236)
Share based payments	(14,667)	–	–	–	(14,667)
Loss for the year	**(457,702)**	**(160)**	**(160)**	**(720,257)**	**(1,178,279)**
At 31 March 2017					
Other receivables	13,189	–	1,040	2,000	16,229
Cash and cash equivalents	1,693,016	11,423	11,423	7,088	1,722,950
Trade and other payables	(170,137)	–	(155,076)	–	(325,213)
Intangible assets - exploration and evaluation expenditure	–	714,085	609,141	–	1,323,226
Net assets at 31 March 2017	**1,536,068**	**725,508**	**466,528**	**9,088**	**2,737,192**

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2018

2. LOSS BEFORE TAX

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

	Group Year ended 31 March 2018 £	Group Year ended 31 March 2017 £
Impairment of intangible assets	–	675,236
Fees payable to the Company's auditor	**29,500**	37,500
Share based payments (note 5)	**341,372**	14,667
Directors' salaries and fees	**101,903**	96,815
Employer's National Insurance	**3,602**	2,311

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 2018 £	Group Year ended 31 March 2017 £
Audit services		
– statutory audit of parent and consolidated accounts	**29,500**	27,500
– statutory audit of subsidiaries	–	2,500
– review of interim accounts	–	7,500
	29,500	37,500

3. EMPLOYEES' AND DIRECTORS' REMUNERATION

The average number of people employed in the Group is as follows:

	Group 31 March 2018 Number	Group 31 March 2017 Number	Company 31 March 2018 Number	Company 31 March 2017 Number
Average number of employees (including directors):	**6**	6	**3**	3

The remuneration expense for directors of the Company is as follows:

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Directors' remuneration	**101,903**	96,815
Directors' social security costs	**3,602**	2,311
Total	**105,505**	99,126

3. EMPLOYEES' AND DIRECTORS' REMUNERATION (continued)

In addition to the amounts included above, £20,250 (2017: £19,000) of the directors' remuneration cost has been treated as Exploration and Evaluation expenditure.

	Directors' salary and fees year ended 31 March 2018 £	Share based payments year ended 31 March 2018 (see note 5) £	Total year ended 31 March 2018 £
Luke Bryan [(1)]	**20,000**	**114,108**	**134,108**
Robert Wooldridge	**44,167**	**57,055**	**101,222**
Bernard Aylward [(2)]	**33,750**	**114,108**	**147,858**
Qingtao Zeng	**24,236**	**17,933**	**42,169**
	122,153	**303,204**	**425,357**

	Directors' salary and fees year ended 31 March 2017 £	Share based payments year ended 31 March 2017 £	Total year ended 31 March 2017 £
Luke Bryan [(1)]	24,077	14,667	38,744
Markus Ekberg	1,667	–	1,667
David Jones	8,769	–	8,769
Robert Wooldridge	30,635	–	30,635
Bernard Aylward [(2)]	31,667	–	31,667
	96,815	14,667	111,482

1 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 £13,400 (2017: £24,300).

2 In addition to the amounts included above, Matlock Geological Services Pty Ltd, a company wholly owned by Bernard Aylward, provided consultancy services to the Group during the year and received fees of £82,982 (2017: £91,106).

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2018

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 result and share data used in the computations:

	Loss £	Weighted average number of shares	Basic loss per share (pence)
Year ended 31 March 2018	**(857,057)**	**6,324,339,191**	**0.0136**
Year ended 31 March 2017	(1,178,279)	3,942,928,822	0.0299

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 2018 Number**	Year ended 31 March 2017 Number
Opening balance	**40,000,000**	40,000,000
Issued in the year	**155,000,000**	–
Closing balance	**195,000,000**	40,000,000

Warrants outstanding	**Year ended 31 March 2018 Number**	Year ended 31 March 2017 Number
Opening balance	–	–
Issued in the year	**25,000,000**	–
Closing balance	**25,000,000**	–

KODAL MINERALS

5. SHARE BASED PAYMENTS (continued)

Options outstanding for each of the directors at the year end are outlined below:

Exerciseable between	Bernard Aylward	Luke Bryan	Robert Wooldridge	Qingtao Zeng
30 Dec 2014 – 30 Dec 2024	–	13,333,333	–	–
30 Dec 2015 – 30 Dec 2025	–	13,333,333	–	–
30 Dec 2016 – 30 Dec 2026	–	13,333,333	–	–
8 May 2017 – 8 May 2022	25,000,000	25,000,000	12,500,000	–
8 May 2018 – 8 May 2023	12,500,000	12,500,000	6,250,000	–
8 May 2019 – 8 May 2024	12,500,000	12,500,000	6,250,000	–
20 Nov 2017 – 20 Nov 2022	–	–	–	5,000,000
20 Nov 2018 – 20 Nov 2023	–	–	–	2,500,000
20 Nov 2019 – 20 Nov 2024	–	–	–	2,500,000
Closing balance	**50,000,000**	**89,999,999**	**25,000,000**	**10,000,000**

The total value of options and warrants granted in the year was £412,022. Included within operating losses is a charge for issuing share options and making share-based payments of £341,372 (2017: £14,667). In addition, a charge of £70,650 (2017: £nil) has been allocated against the Share Premium reserve in respect of warrants issued in consideration for services provided to the Company in connection with the issue of shares in the Company.

Details of share options and warrants outstanding at 31 March 2018:

Date of grant	Number of options	Option price	Exercisable between
20 December 2013	13,333,333	0.7 pence	30 Dec 2014 – 30 Dec 2024
20 December 2013	13,333,333	0.7 pence	30 Dec 2015 – 30 Dec 2025
20 December 2013	13,333,333	0.7 pence	30 Dec 2016 – 30 Dec 2026
8 May 2017	72,500,000	0.38 pence	8 May 2017 – 8 May 2022
8 May 2017	36,250,000	0.38 pence	8 May 2018 – 8 May 2023
8 May 2017	36,250,000	0.38 pence	8 May 2019 – 8 May 2024
22 May 2017	12,500,000	0.38 pence	22 May 2017 – 22 May 2022
22 May 2017	6,250,000	0.38 pence	22 May 2018 – 22 May 2023
22 May 2017	6,250,000	0.38 pence	22 May 2019 – 22 May 2024
20 November 2017	5,000,000	0.38 pence	20 Nov 2017 – 20 Nov 2022
20 November 2017	2,500,000	0.38 pence	20 Nov 2018 – 20 Nov 2023
20 November 2017	2,500,000	0.38 pence	20 Nov 2019 – 20 Nov 2024

Additional disclosure information:

Weighted average exercise price of share options and warrants:

• outstanding at the beginning of the period	0.7 pence
• granted during the period	0.38 pence
• outstanding at the end of the period	0.44 pence
• exercisable at the end of the period	0.48 pence

Weighted average remaining contractual life of share options outstanding at the end of the period	5.41 years

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2018

5. SHARE BASED PAYMENTS (continued)

Options issued in the year to 31 March 2018

The Company entered into option agreements dated 8 May 2017 with directors and certain key personnel. Options over a total of 145 million ordinary shares were granted, including 50 million options to each of the executive directors, Bernard Aylward and Luke Bryan, and 25 million options to the Chairman, Rob Wooldridge. All the options are exercisable at a price of 0.38 pence per share and have a life of 5 years from vesting. 50 per cent. of the options vested immediately, with a further 25 per cent. vesting in one year and the remaining 25 per cent. vesting in two years' time.

The Company entered into a warrant agreement dated 22 May 2017 with SP Angel Corporate Finance LLP ("SP Angel") under which the Company granted warrants over 25,000,000 shares to SP Angel. The warrants are exercisable at a price of 0.38 pence per share and have a life of five years from vesting. 50 per cent. of the warrants vested immediately, with a further 25 per cent. vesting in one year and the remaining 25 per cent. vesting in two years' time.

The Company entered into option agreements dated 20 November 2017 with Qingtao Zeng, non-executive director, under which options over 10,000,000 shares were granted. The options are exercisable at a price of 0.38 pence per share and have a life of 5 years from vesting. 50 per cent. of the options vested immediately, with a further 25 per cent. vesting in one year and the remaining 25 per cent. vesting in two years' time.

The fair values of the options and warrants granted were calculated using the Black-Scholes valuation model. The inputs into the model were:

	8 May 2017	22 May 2017	20 November 2017
Strike price	0.38p	0.38p	0.38p
Share price	0.31p	0.32p	0.205p
Volatility	143%	143%	129%
Expiry date	8 May 2022	22 May 2022	20 November 2022
Risk free rate	0.87%	0.80%	1.09%
Dividend yield	0.0%	0.0%	0.0%

Options issued in the year to 31 March 2014

In respect of services provided in connection with the Company's admission to AIM, the Company entered into option agreements dated 20 December 2013 between the Company and Novoco Mine Engineering Limited ("Novoco"), a company wholly owned by Luke Bryan, and between the Company and David Hakes (a consultant to the Group at the time). Under these agreements, the Company granted to Novoco and David Hakes respectively options over 25,000,000 shares and 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.

Tetra Option Agreement

In December 2013, the Group entered into an option agreement (the "Agreement") with Tetra Minerals Oy ("Tetra") a company registered in Finland, under which it granted to Tetra an option (the "Option") to subscribe for new shares in the Company. Under the terms of the Agreement, which is governed by English law, Tetra could not assign its right to the Option to another party. In March 2017, Kodal was informed that on 1 February 2017, under a demerger plan in accordance with Finnish law, Tetra's assets had been transferred equally to two new Finnish companies and Tetra had been dissolved. The Company believes, based on legal advice, that as a result of the restriction in the Agreement on assigning the Option and the dissolution of Tetra, the Option is no longer capable of being exercised.

6. TAXATION

	Group Year ended 31 March 2018 £	Group Year ended 31 March 2017 £
Taxation charge for the year	**–**	–
Factors affecting the tax charge for the year		
Loss from continuing operations before income tax	**(857,057)**	(1,178,279)
Tax at 19% (2017: 20%)	**(162,841)**	(235,656)
Expenses not deductible	**1,596**	232
Losses carried forward not deductible	**96,384**	89,044
Deferred tax differences	**64,861**	137,981
Non-current assets temporary differences	**–**	8,399
Income tax expense	**–**	–

The Group has tax losses and other potential deferred tax assets totalling £1,128,000 (2017: £790,000) 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 2018

7. INTANGIBLE ASSETS

GROUP	Exploration and evaluation £	Software £	Total £
COST			
At 1 April 2016	**4,058,645**	**27,295**	**4,085,940**
Additions in the year – acquisition of IG Bermuda	535,134	–	535,134
Additions in the year – other expenditure	857,022	–	857,022
Disposals in the year	–	(27,295)	(27,295)
Effects of foreign exchange	9,751	–	9,751
At 1 April 2017	**5,460,552**	**–**	**5,460,552**
Additions in the year	2,190,105	–	2,190,105
Effects of foreign exchange	(4,832)	–	(4,832)
At 31 March 2018	**7,645,825**	**–**	**7,645,825**
AMORTISATION			
At 1 April 2016	**3,462,090**	**22,459**	**3,484,549**
Amortisation charge	–	3,306	3,306
Disposals in the year	–	(25,765)	(25,765)
Impairment (see note below)	675,236	–	675,236
At 31 March 2017 and 2018	**4,137,326**	**–**	**4,137,326**
NET BOOK VALUES			
At 31 March 2018	**3,508,499**	**–**	**3,508,499**
At 31 March 2017	1,323,226	–	1,323,226
At 31 March 2016	596,555	4,836	601,391

In connection with the preparation of the financial statements for the year ended 31 March 2017, the directors undertook an impairment review of the carrying value of the Grimeli Project in Norway. The impairment review was conducted following an assessment by the directors of the exploration data on the Grimeli Project which led to a decision not to commit any further expenditure to the project. The Company has subsequently relinquished these licence areas. At 31 March 2018, the carrying value of the Grimeli Project was £nil compared to £nil in 2017. No further expenditure is being incurred on the Grimeli Project.

8. PROPERTY, PLANT AND EQUIPMENT

GROUP	Fixtures, fittings and equipment £	Plant and machinery £	Motor vehicles £	Total £
COST				
At 1 April 2016	**96,597**	**30,758**	**19,851**	**147,206**
Disposals in the year	(96,597)	(30,758)	(19,851)	(147,206)
At 1 April 2017				
Additions in the year	–	3,702	–	3,702
At 31 March 2018	**–**	**3,702**	**–**	**3,702**
DEPRECIATION				
At 1 April 2016	**53,832**	**18,964**	**10,829**	**83,625**
Depreciation charge	8,704	2,248	2,668	13,620
Disposals in the year	(62,536)	(21,212)	(13,497)	(97,245)
At 1 April 2017				
Depreciation charge	–	617	–	617
At 31 March 2018	**–**	**3,085**	**–**	**3,085**
NET BOOK VALUES				
At 31 March 2018	**–**	**3,085**	**–**	**3,085**
At 31 March 2017	–	–	–	–
At 31 March 2016	42,765	11,794	9,022	63,581

For those tangible assets wholly associated with exploration and development projects, the amounts charged in respect of depreciation are capitalised as evaluation and exploration assets within intangible assets. The assets disposed of in 2017 all related to the projects in Norway.

The Company did not have any Property, Plant and Equipment as at 31 March 2016, 2017 and 2018.

9. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

The consolidated financial statements include the following subsidiary companies:

Company	Subsidiary of	Country of incorporation	Registered office	Equity holding	Nature of business
Kodal Norway (UK) Ltd	Kodal Minerals Plc	United Kingdom	Prince Frederick House, 35-39 Maddox Street, London W1S 2PP	100%	Operating company
Kodal Mining AS	Kodal Norway (UK) Ltd	Norway	c/o Tenden Advokatfirma ANS, 3210 Sandefjord Norway	100%	Mining exploration
Kodal Phosphate AS	Kodal Norway (UK) Ltd	Norway	c/o Tenden Advokatfirma ANS, 3210 Sandefjord Norway	100%	Mining exploration
International Goldfields (Bermuda) Limited	Kodal Minerals Plc	Bermuda	MQ Services Ltd Victoria Place, 31 Victoria Street, Hamilton HM 10 Bermuda	100%	Holding company
International Goldfields Côte d'Ivoire SARL	International Goldfields (Bermuda) Limited	Côte d'Ivoire	Abidjan Cocody Les Deux Plateaux 7eme Tranche BP Abidjan Côte d'Ivoire	100%	Mining exploration
International Goldfields Mali SARL	International Goldfields (Bermuda) Limited	Mali	Bamako, Faladi, Mali Univers, Rue 886 B, Porte 487 Mali	100%	Mining exploration
Jigsaw Resources CIV Ltd	International Goldfields (Bermuda) Limited	Bermuda	MQ Services Ltd Victoria Place, 31 Victoria Street, Hamilton HM 10 Bermuda	100%	Mining exploration
Corvette CIV SARL	International Goldfields (Bermuda) Limited	Côte d'Ivoire	Abidjan Cocody Les Deux Plateaux 7eme Tranche BP Abidjan Côte d'Ivoire	100%	Mining exploration
Future Minerals SARL	International Goldfields (Bermuda) Limited	Mali	Bamako, Faladi, Mali Univers, Rue 886 B, Porte 487 Mali	100%	Mining exploration

9. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS (continued)

Kodal Minerals plc has issued a guarantee under section 479C to its subsidiary, Kodal Norway (UK) Ltd ("Kodal Norway", company number 08491224) in respect of its activities for the year ended 31 March 2018 to allow Kodal Norway to take advantage of the exemption under s479A of the Companies Act 2006 from the requirements of the Act relating to audit of its individual accounts for the year ended 31 March 2018.

Carrying value of investment in subsidiaries	**Year ended 31 March 2018 £**	Year ended 31 March 2017 £
Opening balance	**512,373**	476,752
Acquisition of IG Bermuda (see below)	–	512,373
Impairment in the year	–	(476,752)
Closing balance	**512,373**	512,373

Acquisition of International Goldfields (Bermuda) Limited ("IG Bermuda")

On 20 May 2016, Kodal Minerals Plc completed the acquisition of IG Bermuda which through its four subsidiaries has interests in a number of gold exploration projects in Mali and C te 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. Due to the lack of processes and outputs relating to IG Bermuda at the time of purchase, the Board does not consider the entities acquired to meet the definition of a business. As such, the Group accounted for the acquisition of IG Bermuda as an asset purchase.

Including fees and expenses, the total cost of the acquisition was £512,373. The relative fair values of the identifiable assets and liabilities acquired and included in the consolidation were:

	£
Intangible assets – exploration and evaluation	535,134
Cash	39
Other liabilities	(22,800)
	512,373

10. OTHER RECEIVABLES

	Group 31 March 2018 £	Group 31 March 2017 £	**Company 31 March 2018 £**	Company 31 March 2017 £
Other receivables	**8,765**	16,229	**8,765**	33,238
	8,765	16,229	**8,765**	33,238

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2018

11. TRADE AND OTHER PAYABLES

	Group 31 March 2018 £	Group 31 March 2017 £	Company 31 March 2018 £	Company 31 March 2017 £
Trade payables	**212,381**	238,200	**21,514**	238,200
Other payables	**119,010**	87,013	**58,219**	83,698
	331,391	325,213	**79,733**	321,898

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 2017		**5,386,254,850**	**1,683,206**	**6,784,682**
Issue (Note 1)	£0.0003125	868,421,052	271,382	2,863,618
Issue (Note 2)	£0.0003125	182,709,973	57,097	515,288
Issue (Note 3)	£0.0003125	87,096,953	27,218	303,749
At 31 March 2018		**6,524,482,828**	**2,038,903**	**10,467,337**

Share issue costs, including the charge for the issue of warrants to SP Angel outlined in note 5, have been allocated against the Share Premium reserve.

Note 1: On 8 May 2017, a total of 868,421,052 shares were issued to Suay Chin International Pte Ltd at an issue price of £0.0038 per share.

Note 2: On 31 July 2017, a total of 182,709,973 shares were issued to Suay Chin International Pte Ltd at an issue price of £0.0038 per share.

Note 3: On 3 November 2017, a total of 87,096,953 shares were issued to Suay Chin International Pte Ltd at an issue price of £0.0038 per share.

13. RESERVES

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Share based payment reserve	Cumulative fair value of options and share rights recognised as an expense. Upon exercise of options or share rights, any proceeds received are credited to share capital. The share-based payment reserve remains as a separate component of equity.
Translation reserve	Gains/losses arising on re-translating the net assets of overseas operations into sterling.
Retained earnings	Cumulative net gains and losses recognised in the consolidated statement of financial position.

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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

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

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

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

Market risk

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

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

Interest rate risk

The Group does not have any borrowings and does not pay interest.

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

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

The Group in the year to 31 March 2018 earned interest of £1,499 (2017: £nil). 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2018

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

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 – Group

31 March 2018	Loans and receivables £	Other financial liabilities at amortised cost £	Total £
Assets			
Other receivables	**8,765**	–	**8,765**
Cash and cash equivalents	**3,123,549**	–	**3,123,549**
Total	**3,132,314**	–	**3,132,314**
Liabilities			
Trade and other payables	–	**331,391**	**331,391**
Total	–	**331,391**	**331,391**
31 March 2017			
Assets			
Other receivables	16,229	–	16,229
Cash and cash equivalents	1,722,950	–	1,722,950
Total	1,739,179	–	1,739,179
Liabilities			
Trade and other payables	–	325,213	325,213
Total	–	325,213	325,213

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 ("NOK") and for the Group's West African subsidiaries has been the CFA Franc ("XOF").

The Group incurs certain exploration costs in the CFA Franc and US Dollars 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.

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 West Africa, 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 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 – Group

31 March 2018	GBP denominated £	NOK denominated £	XOF denominated £	Total £
Assets				
Other receivables	**8,765**	**–**	**–**	**8,765**
Cash and cash equivalents	**3,074,325**	**26**	**49,198**	**3,123,549**
Total	**3,083,090**	**26**	**49,198**	**3,132,314**
Liabilities				
Trade and other payables	**331,358**	**33**	**–**	**331,391**
31 March 2017				
Assets				
Other receivables	15,189	–	1,040	16,229
Cash and cash equivalents	1,693,016	7,088	22,846	1,722,950
Total	1,708,205	7,088	23,886	1,739,179
Liabilities				
Trade and other payables	325,213	–	–	325,213

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2018

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

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 described above.

15. RELATED PARTY TRANSACTIONS

The Directors represent the key management personnel of the Group and details of their remuneration are provided in note 3.

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 2018, the Company paid fees to SP Angel of £31,052 (2017: £148,891) and issued warrants over 25,000,000 ordinary shares (2017: nil) to SP Angel for its services as broker.

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 2018 and received fees of £13,400 (2017: £24,300).

Matlock Geological Services Pty Ltd ("Matlock") a company wholly owned by Bernard Aylward, a Director, provided consultancy services to the Group during the year ended 31 March 2018 and received fees of £82,982 (2017 £91,106).

During the year, Suay Chin International Pte ("Suay Chin"), which currently owns 29% of the Company's issued share capital, transferred £20,000 (2017: £nil) to the Company which amount was paid by the Company to RSM Corporate Finance LLP to settle corporate finance fees owed to RSM Corporate Finance LLP by Suay Chin. There were no outstanding balances between the Group and Suay Chin as at 31 March 2018 (2017: £nil).

16. CONTROL

No one party is identified as controlling the Group.

17. EVENTS AFTER THE REPORTING PERIOD

On 26 June 2018 the Company announced a fundraising to raise gross proceeds of £1,500,000 through a subscription and placing of 1,153,846,149 ordinary shares.

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 Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT on Thursday 6 September 2018 at 1.00 p.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 2018 and the reports of the directors of the Company (the "**Directors**") and the auditors thereon.

2. To re-appoint Robert Ian Wooldridge as a Director, who retires in accordance with article 30.2 of the articles of association of the Company (the "**Articles**") and offers himself for re-appointment.

3. To re-appoint Dr Qingtao Zeng as a Director, who retires in accordance with article 24.2 of the Articles and offers himself for re-appointment.

4. To re-appoint RSM 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 £1,799,608 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 2019 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.

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 £1,199,739

and the power hereby granted shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2019 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

30 July 2018

NOTICE OF ANNUAL GENERAL MEETING (continued)

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 1:00pm on 4 September 2018 (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 1:00pm on 4 September 2018 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 1.00pm on 4 September 2018. 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.

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 2018.

12. Resolution 2 - 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 30.2 of the Company's Articles of Association.

13. Resolution 3 - This resolution seeks approval from the shareholders to re-appoint Dr Qingtao Zeng as a director of the Company who retires and offers himself for re-appointment pursuant to Article 24.2 of the Company's Articles of Association.

14. Resolution 4 - This resolution seeks approval from shareholders to reappoint RSM 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 2019, unless the authority is renewed or revoked prior to such time. This authority is limited to the issue of a maximum of 5,758,746,733 ordinary shares (representing approximately 75 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 2019 .This authority is limited to the allotment of a maximum of 3,839,164,489 ordinary shares for cash, free of pre-emption rights (representing approximately 50 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 27 July 2018, the Company's issued share capital comprised 7,678,328,977 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 27 July 2018 is 7,678,328,977. The Company does not hold any shares in treasury.

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