Registration number 07220790 (England and Wales)

KODAL MINERALS PLC

GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

KODAL

MINERALS

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STRATEGIC REPORT

for the year ended 31 March 2019 – 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 2019.

This has been a very significant year for the Group with our focus on advancing our flagship Bougouni Lithium Project in southern Mali towards development. We have completed and documented all technical and social requirements for our Environmental and Social Impact Assessment ("ESIA") and lodged this report with the environmental control department within the Mali government in August 2019. There is now a process of review and discussion with the government department following which an updated and final ESIA report will be submitted with a final decision to be delivered within the statutory 45-day approval period from this final submission date. The Group has developed strong relations with the local community and relevant government departments and this is reflected in the very positive feedback the Group has received to its activities at, and plans for, the Bougouni Lithium Project.

Importantly, in addition to the ESIA, the Group has been continuing to work towards completing the feasibility study for the development of a mining and processing operation at Bougouni to support the Group's application for a mining licence. The feasibility work is based on the updated JORC Mineral Resource estimate that was announced in March 2019 as well as extensive engineering reviews, processing assessments and metallurgical studies undertaken by the Group utilising leading consultants with expertise in lithium mining and processing. The metallurgical test work programme has taken longer to complete than initially expected as the Group has expanded the testing to de-risk the project as we look to finalise the preferred processing plant design. These activities have been overseen by our Project Manager Steve Zaninovich who was appointed in November 2018. This has been a key appointment for Kodal as we look to transition to a development and mining company. The feasibility study will form the basis of our submission for a mining licence at Bougouni, which we expect to file before the end of 2019.

The Group has continued with a limited exploration work programme to seek to expand the JORC resource at Bougouni as well as target new exploration targets both at Bougouni and within the new "Bougouni West" licence areas acquired in January 2019.

In addition to our technical work, the Company has strengthened its Board of Directors as it looks to evolve into a development and mining company. The appointment of Charles Joseland as non-executive director and Chair of our Audit and Risk Committee adds extensive corporate, accounting and financial experience to our team, and the appointment of Mark Pensabene as a non-executive director further adds current technical expertise in lithium mine development. The Board would also like to thank Luke Bryan, who stepped down as a director after the year end, for all his efforts on behalf of the Company.

The Group has continued to maintain its suite of West African gold projects and has been able to announce an update of successful gold exploration by our Joint Venture partner in Cote d'Ivoire and we look forward to reporting further exploration results.

Kodal has been able to maintain its funding through the support of its shareholders and we look forward to being able to report back to you during the year as our Group proceeds through the approval and permitting phase of the Bougouni Lithium Project and then the exciting phase of project development and mining.

Robert Wooldridge
Non-executive Chairman

30 August 2019

STRATEGIC REPORT (continued)

for the year ended 31 March 2019 – Operational Review

Operational Review

Kodal's operational focus during this year has been the advancement of our key Bougouni Lithium Project with the update of our JORC Mineral Resource to contain a large portion of "Indicated" status resource, and the continuation of our engineering development including mining optimisation, processing plant review and our metallurgical studies. The Company has completed the ESIA report and lodged it with the Mali government following an extensive period of environmental review and social consultation.

The engineering and processing work programme has been designed to allow the Company to complete a feasibility study to support its application for a mining licence at Bougouni. The Company has undertaken extensive metallurgical testing that has indicated very positive metallurgical recoveries for the Bougouni mineralisation and the Company is completing the process flowsheet that will be implemented in the proposed processing plant. The Company has also organised site visits for specialist engineers reviewing the Project for logistical support, open pit mining, geotechnical assessment and the management of water storage and tailings management. This engineering overview will be utilised by the Company in finalising the open pit mining optimisation studies and preparing a mining schedule that will allow the Company to complete the feasibility study and submit its application for a mining licence.

In addition to the focus on the engineering and development of our project, the Company has maintained an exploration drilling campaign at Bougouni to continue to define lithium mineralisation to support a long-life mining operation at Bougouni. In addition, the Company has undertaken a maiden drilling programme at our newly acquired Bougouni West project. The Bougouni West project consists of the Mafele Ouest and Nkemene Ouest concessions totalling 200km^2 located within 25km of Kodal's advanced Bougouni Lithium Project in which the Company has the right to acquire an 80% interest via an option agreement entered into in January 2019 as detailed further below.

This Operational Review details the status of the West African concessions and rights for both our lithium exploration projects and our gold projects, and provides a summary of the project development work and an update on the ESIA and exploration activities. Finally, we will provide an outline of the proposed activities for the coming year.

Concession and Exploration Licence Review

Lithium Projects

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

For the Bougouni Project, the Dogobola and Foulalaba 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 a 90% interest in 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 the right to become the registered holder of the licence. Kodal has completed all required payments for the Madina concession An application for an additional year of validity has been lodged; a letter from DNGM has been received confirming receipt of the application and the pre-emptive right to the ground.

As highlighted above, Kodal acquired the exclusive rights to explore, and an option to acquire, the Bougouni West licences of Mafele Ouest and Nkemene Ouest via agreed staged payments made under an agreement entered into in January 2019 ("the Agreement"). The Agreement is with a local Malian company Bambara Resources SARL ("Bambara"), and under the terms of the Agreement, Kodal and/or Future Minerals will be required to make the following payments to Bambara in order to secure access to the concessions and acquire the 80% interest:

- upon signing the Agreement on 30 January 2019, £35,000 in cash and £65,000 in new ordinary shares in Kodal, issued at mid-market closing price; this payment has been completed and the shares were issued in February 2019.

- six months after the execution of the Agreement on 30 July 2019, £70,000 in cash and £65,000 in new ordinary shares in Kodal, issued at a price equivalent to the 10-day VWAP (volume weighted average price) of Kodal ordinary shares prior to the payment date.

- 12 months after the execution of the Agreement on 30 January 2020, £80,000 in cash and £65,000 in new ordinary shares in Kodal, issued at a price equivalent to the 10-day VWAP (volume weighted average price) of Kodal ordinary shares prior to the payment date.

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, a wholly owned subsidiary of Kodal Minerals PLC.

STRATEGIC REPORT (continued)

for the year ended 31 March 2019 – 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	Licence valid and in good standing. Arrêté No. 2018-1115 granted on 13 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	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 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. Application for an additional year of validity has been lodged. A letter from DNGM has been received confirming receipt of the application and the pre-emptive right to the ground
Mafele Ouest	Mali	Held through Option to Purchase giving right to acquire 80% economic interest	Bougouni West	Licence valid and in good standing. Arrêté No. 2018-4537 granted on 31 December 2018 for initial 3-year period, with option for 2 extensions of 2 years validity each
NKemene Ouest	Mali	Held through Option to Purchase giving right to acquire 80% economic interest	Bougouni West	Licence valid and in good standing. Arrêté No. 2018-4486 granted on 28 December 2018 for initial 3-year period, with option for 2 extensions of 2 years validity each
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. Arrêté No. 2018-3609 granted on 16 October 2018 for an initial 3 years with option for 2 extensions of 2 years validity each. Transfer to Future Minerals to be finalised

All licences remain valid and in good standing. All fees have been paid and reports lodged with the Directorate Nationale de la Géologie et des Mines ("DNGM", Malian National Directorate of Geology and Mines). The new concessions of Dogobola and Foulalaba are replacing the former Kolassokora concession.

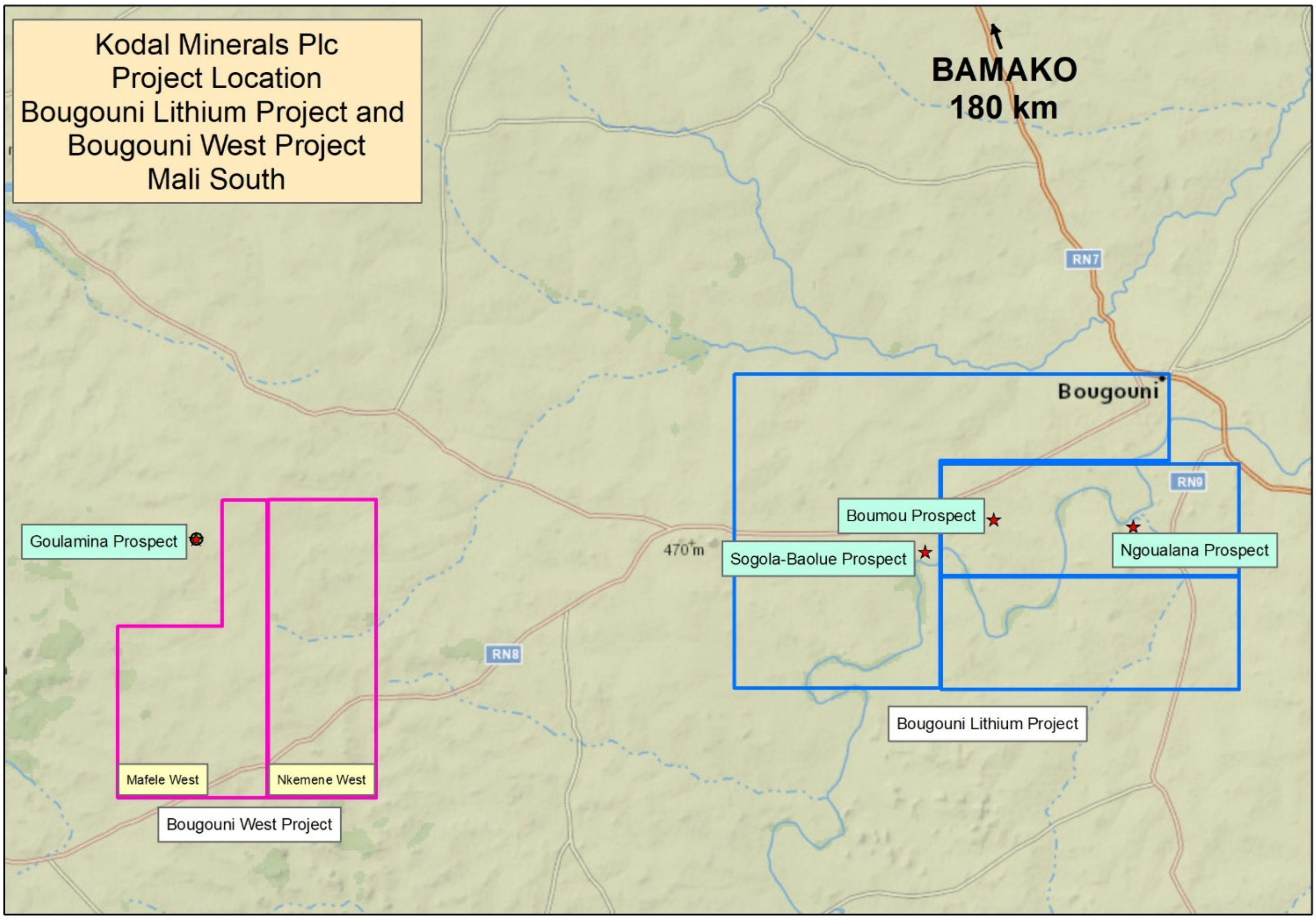

Figure 1: Location of Kodal Bougouni and Bougouni West Lithium projects and prospect, Mali

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 (the Djelibani Sud licence). Kodal is now the 100% beneficial owner of the Nangalasso project concessions following completion of all payments due under the original option to purchase agreements. For the SLAM Project, the Djelibani Sud licence is held by the Kodal subsidiary company IGS Mali SARL. 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 Company has reviewed the Kambali licence and following discussions with the DNGM considers that the potential for an extension of the licence to be granted is low and consequentially the Company considers the licence no longer to be valid and has removed the licence from the table of concessions.

STRATEGIC REPORT (continued)

for the year ended 31 March 2019 – 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 (covering the Tiebissou and Nielle licences and the M'Bahiakro application), with Resolute Mining Limited ("Resolute") which is 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, and Renewal decree received on the 28 February 2018 for a 3-year period
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 expired 30 September 2018. An application for first renewal has been lodged, and acknowledged
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 Project	Convention d'Etablissement granted on 21 December 2018. Application for Arrêté made and remains pending
Nangalasso	Mali	100% direct ownership following completion of option payments	Nangalasso Project	First renewal of licence granted on 1 November 2017; valid for 2 years with a further 2-year renewal available
Sotian	Mali	Held through Option Agreement giving right to acquire 100% ownership	Nangalasso Project	Arrêté No. 2018-1925 granted on 12 June 2018 for initial 3-year period, with option for 2 extensions of 2 years validity each
Tiedougoubougou	Mali	Held through Option Agreement giving right to acquire 100% ownership	Nangalasso Project	Arrêté No. 2018-3319 granted on 4 September 2018 for initial 3-year period, with option for 2 extensions of 2 years validity each

All licences remain valid and in good standing pending receipt of formal documents for renewals or arrêtés. In Côte d'Ivoire, the Group is continuing to pursue the Boundiali and M'Bahaikro applications with the Direction Generale des Mines et de la Geologie and is looking to advance the process this year and finalise the renewal of the Tiebissou concession.

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

STRATEGIC REPORT (continued)

for the year ended 31 March 2019 – Operational Review (continued)

Bougouni Project Mineral Resource Estimate

Kodal released an updated JORC Mineral Resource estimate for Bougouni in February 2019 of 21.3Mt at 1.11% Li_2O, with 11.6Mt at 1.13% Li_2O in the Indicated category and 9.7Mt at 1.08% Li_2O in the Inferred category. Further details are set out below:

Prospect	Indicated			Inferred			Total		
	Tonnes (Mt)	Li_2O% Grade	Contained Li_2O (kt)	Tonnes (Mt)	Li_2O% Grade	Contained Li_2O (kt)	Tonnes (Mt)	Li_2O% Grade	Contained Li_2O (kt)
Sogola-Baoule	8.4	1.09	91.9	3.8	1.13	42.8	12.2	1.10	134.8
Ngoualana	3.1	1.25	39.2	2.0	1.12	22.1	5.1	1.20	61.3
Boumou				4.0	1.02	40.4	4.0	1.02	40.4
TOTAL	**11.6**	**1.13**	**131.2**	**9.7**	**1.08**	**105.3**	**21.3**	**1.11**	**236.5**

Notes: Mineral resources are reported using a 0.5%Li_2O cut-off. Figures may not sum due to rounding. The contained metal is determined by the estimated tonnage and grade.

The estimate was prepared by independent geological consultants CSA Global. Kodal supplied a geological database and verified the geological interpretation that was used to define the lithium mineralised pegmatite bodies. Resource updates were completed for the Sogola-Baoule, Ngoualana and Boumou prospects following additional drilling and a site visit completed by the independent resource geologist from CSA Global. The resource is reported using a lower cut-off grade of 0.5% Li_2O; no upper cut-off has been used. This application of a lower cut-off applies a potential economic constraint to the resource estimate.

The geological interpretation has demonstrated strong continuity of mineralisation in the major pegmatite veins as well as the smaller subsidiary veins that have been identified in each prospect. The geological model developed for the maiden resource estimate has proven to be very reliable and demonstrated the high level of confidence in the Mineral Resource estimate.

Bougouni Project Development and Environmental Assessment

Kodal's focus is on the potential development of the flagship Bougouni Lithium Project. To continue to fast track this process the Company appointed Steve Zaninovich as the Project Manager in November 2018. Mr Zaninovich is a highly accomplished senior executive in the resources sector with more than 25 years' experience in project management encompassing all stages of mine development. Mr Zaninovich's most recent experience was with the delivery and successful commissioning of ASX-listed lithium producer Tawana Resources Ltd's Bald Hill Lithium Project in Western Australia.

The Company has continued to make significant steps in advancing the engineering operations at our Bougouni Lithium Project. The large amount of technical work that is currently underway represents significant components of our upcoming feasibility study and we are using the most experienced consultants to ensure we achieve the best result. Site visits have been completed by specialist engineering consultants to review the proposed mining project and current planned infrastructure layout. The studies have confirmed that the proposed processing facility site location is suitable as there is ample flat land for construction, very low risk of flooding, with minimal need for bulk earthworks for site preparation. In addition, suitable locations for the tailings storage facility and water storage dams have been identified.

The work on optimisation of the potential open pits is continuing following the site visits by the consultant geotechnical engineer to assess the geology for open pit stability implications, as well as by the mine development engineers to review the proposed open pit areas and confirm the geological database.

An infrastructure specialist group based in West Africa has also completed a site visit to review and provide cost estimates for the development of site offices, maintenance areas, access roads and additional accommodation required.

Baoule River – Bougouni Project

Project Transport Review

The Company's management team has completed a site visit to the San Pedro port in Côte d'Ivoire. This is the preferred port for the export of the final lithium concentrate. A meeting was held with key representatives from the San Pedro Port Authority ("SPAP") who escorted the Company's management team on a tour of the facilities, including the bulk materials handling establishments. The SPAP is currently servicing exports of many bulk commodities, including iron ore and manganese concentrate, noting that iron ore export tonnes out of San Pedro are more than double the Company's future demands. Very positive feedback was received from the SPAP personnel, expressing their interest to assist with the project, and providing the confidence that the San Pedro Port has the knowledge and capacity to handle bulk material exports for the Bougouni Project.

The Company has also completed a route survey of the road between the Bougouni project and the San Pedro port to confirm the suitability for transport. In addition, the Company has received indicative pricing for the transport of material from a highly experienced shipping and logistics company with relevant experience in bulk commodity transport throughout West Africa. This information is being utilised in our mining optimisation studies.

STRATEGIC REPORT (continued)

for the year ended 31 March 2019 – Operational Review (continued)

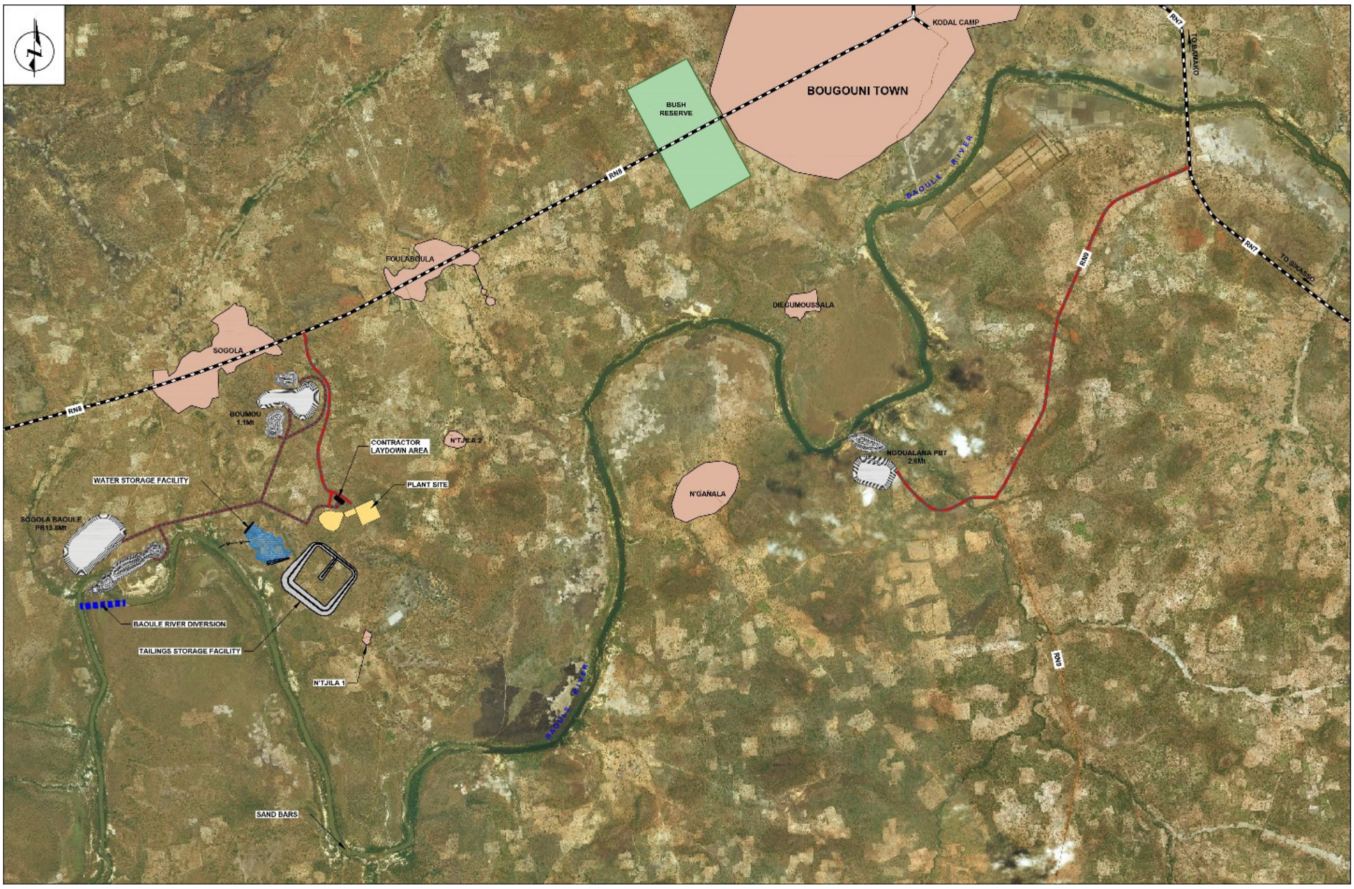

Figure 3 – Bougouni proposed site layout

Environmental and Social Impact Assessment ("ESIA")

In August 2019, Kodal submitted the ESIA report to the Direction Nationale De L'Assainissement et du Contrôle des Pollutions et des Nuisances ("DNACPN"), the governing administration for environmental matters in Mali.

This followed the completion of all specialist baseline studies relating to the soils, wetlands, surface water, social impact, heritage, closure planning and the community development plan. The Company utilised the services of specialist environmental consultants Digby Wells.

The community consultation was undertaken from 21 to 24 May 2019 and was attended by Kodal staff members as well as community leaders including regional officials of Prefet and Sous-Prefet, as well as the village chiefs and mayors of the two main communes of Bougouni and Kola. All sites were visited, and larger community meetings were held at local Mayoral offices to present the project, receive community questions and provide feedback.

Kodal and community visit to field site

Following formal ESIA submission, the DNACPN will send a delegation to the Bougouni site to conduct a standard validation visit, after which the delegation will attend a workshop session with the Company to provide their feedback on the ESIA. Following the incorporation of further material to address any matters raised by the DNACPN in this feedback session, an updated final ESIA submission is tendered, and the DNACPN statutory approval period of 45 days commences.

The Company has maintained close communication with the DNACPN and all relevant groups throughout the period of ESIA report preparation and anticipates no significant issues with the submission. The Company expects formal approval of the ESIA within the legislated timeframe.

STRATEGIC REPORT (continued)

for the year ended 31 March 2019 – Operational Review (continued)

Technical Presentation to DNGM

Metallurgy Testwork

Initial metallurgical test work results reported in September 2018 indicated recoveries above 60% via a Dense Media Separation ("DMS") process, with the expectation that follow-up flotation test work would improve overall recoveries.

A metallurgical test work programme was established to test both conventional DMS and flotation circuit recoveries at the Bougouni Lithium Project, in support of the feasibility study. DMS test work via laboratory scale heavy liquid separation (HLS) was initially performed on the first pegmatite mineralisation discovery at the Ngoualana deposit, to provide "sighter" test work results to support the more extensive feasibility study programme.

The results from this first Ngoualana composite sample HLS (heavy liquid separation) test work with head grade of 1.42% showed encouraging results from the very coarse crush size, indicating an overall DMS recovery of 49.8% at a grade of 4.3% Li_2O.

On the basis of the sighter testwork results, Kodal commissioned Independent Metallurgical Operations (IMO) in Perth, Western Australia, to carry out the feasibility study DMS HLS test work programme. Intervals for preparation of a master composite were selected across multiple diamond drill holes to spatially cover both the Sogola-Baoulé and Ngoualana deposits. As well as spatial distribution across both resources, the master composite was selected at a 70:30 ratio respectively, based on replicating the Indicated JORC Resource estimate distributions.

The results indicated the following:

- For the master composite sample, a Li_2O grade and recovery of 6.26% and 26.6% respectively at a 2.96 SG cut point from the -6.30 +0.50 mm size fraction;
- An increase in recovery to approximately 30% lead to a decrease in Li_2O grade to 6.0%;
- As the particle size fraction tested decreased, so too did the recovery to a 6.00% Li_2O grade concentrate, which indicates that spodumene liberation improved with decreasing particle size; and
- Excellent liberation was demonstrated for particles coarser than 0.5mm with >60% recovery to 6.00% Li_2O grade for particles in the 1.18 to 0.5 mm fractions.

The original sighter test work showed higher recoveries from HLS test work than was observed from the master composite results. The original sighter test work was conducted only on Ngoualana material, indicating that the coarser pegmatite grain structure at Ngoualana (as compared with the finer grains observed at Sogola-Baoulé and Boumou), is more amenable to DMS processing.

The master composite test work was followed up with four variability samples for separate HLS testing of Ngoualana and Sogola-Baoulé materials. This work confirmed that the unliberated spodumene in the master composite was attributable predominantly to Sogola-Baoulé and HLS recoveries are higher for Ngoualana samples when compared to Sogola-Baoulé, supporting the premise that the former is more amenable to DMS processing.

Feasibility Study Flotation Testwork Programme

On the basis of the HLS test work results above, Kodal commissioned Nagrom the Mineral Processor (Nagrom) in Perth, Western Australia, to carry out the feasibility study Flotation test work programme. The programme was supervised by the feasibility study plant engineering consultant, DRA Global (formerly Minnovo Pty Ltd) in Perth.

The master composite created for the DMS work was also used for the flotation development programme. Therefore, it also represented a 70:30, Sogola-Baoulé: Ngoualana, ratio. The assay produced a head grade of 1.27% Li_2O, and low Fe_2O_3 grade of 0.57%.

The programme demonstrated that the target final concentrate quality of 6% Li_2O can be achieved using three stages of flotation (roughing and two stages of cleaning), once the ore has been effectively prepared by: rejection of slime particles (-20 micron), magnetic particles removal (via magnetic separation) and mica removal.

The results of the laboratory test work demonstrated that the Bougouni Lithium Project can achieve a 6% Li_2O concentrate grade at 75% Li_2O recovery with respect to feed.

Summary of the Metallurgical Test work Programme

Overall, the results of the metallurgical test work programme were very encouraging, confirming Ngoualana ores are amenable to simple, convention DMS processing, with further upgrade in recoveries possible using downstream flotation processing for all materials, to produce a saleable Li_2O grade with recoveries in the order of 75%.

STRATEGIC REPORT (continued)

for the year ended 31 March 2019 – Operational Review (continued)

Forward Work Plan

DRA Global will utilise the results of the test work programme to finalise the feasibility study process flowsheet for upfront DMS processing of Ngoualana ores, followed by downstream flotation processing. The design concept for the Bougouni Lithium Project will be to defer installation of the flotation circuit to reduce upfront capital costs, given Ngoualana material is amenable to DMS only processing.

Bulk Sample

The Company has prepared a bulk sample of 980 tonnes of pegmatite from the Ngoualana deposit which is being shipped to the Ruifu Chemical plant in China to provide additional valuable information about the processing characteristics of the material via processing of the ore in an operation-scale plant. The results of the test work will then be combined with Kodal's ongoing metallurgical testing programme to finalise the processing plant design. The bulk sample has now been shipped from Dakar port and is currently en-route to China.

The original intention was to produce a bulk sample of 5,000 tonnes, but the Company terminated the bulk sample mining at Ngoualana early due to concerns over the performance of the contractor. In particular the key concerns identified by Kodal were the lack of experienced technical staff mobilised to the project and a lack of focus on safe work practices. The level of metallurgical studies combined with the 980 tonnes of material already extracted will provide sufficient detailed information for planning and the Company does not intend to re-commence the bulk sample to recover further tonnage at this stage.

Exploration Programme

The Company maintained an extensive drilling programme at the Bougouni Lithium project during the year, with an initial focus on the extension and definition of the Ngoualana, Sogola-Baoule and Boumou prospects that provided the foundation of the updated JORC Mineral Resource estimate that the Company announced in March 2019.

In addition to the definition drilling, Kodal has also continued reconnaissance exploration with exploration drilling completed at the new prospect "Marigo" in the Bougouni project and a maiden drilling programme at the new Bougouni West project where reconnaissance drilling will test initial targets within the Mafele concession.

The Marigo prospect is defined by geological mapping that identified outcropping pegmatite veins with abundant coarse spodumene minerals. The prospect is located mid-way between the Boumou and Sogola-Baoule prospects and the pegmatite veins are interpreted as striking in an east-west direction similar to the prospects in the region. The geological mapping of the prospect identified outcrop and sub-crop material extending for several hundred metres, and a ground magnetic geophysical survey highlighted structural control of the veins that has been targeted by this reconnaissance drilling. The drilling programme consisted of 4 drill holes for 474m with all holes intersecting pegmatite veins, with a thickest intersection of 22m from shallow depth in drill hole MDRC130. The drilling has been completed on a very wide spacing and will require follow up drilling to define the pegmatite veins and potential for additional mineralisation to be identified. The assay results are expected to be received shortly.

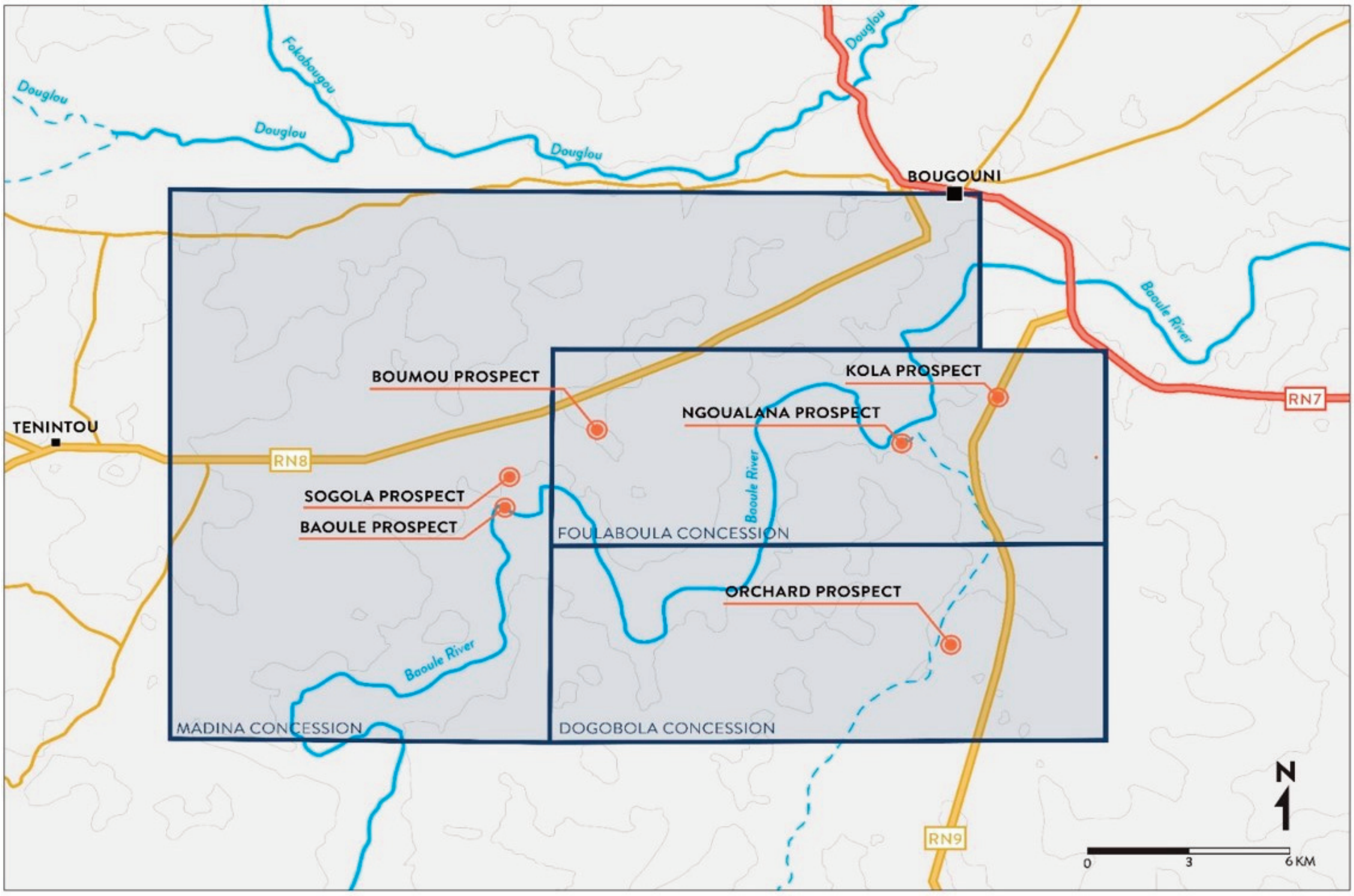

Figure 4 – Bougouni Project – Exploration prospect location

The Mafele concession is within the new Bougouni west project which is located approximately 25km to the west of the Bougouni Lithium Project and was acquired by Kodal in January 2019. This maiden drilling programme is a reconnaissance drill test of several geological and geophysical targets. Kodal's exploration team has completed initial geological mapping and a ground geophysical survey. The concession area is largely covered by transported material and outcropping geology is very limited. The exploration team has defined initial targets based on interpretation of the geology and geophysics and comparison to the neighbouring Goulamina concession owned by Mali Lithium Limited (formerly Birimian Limited) and host to the Goulamina resource of 103Mt at 1.3%Li_2O. The assay results are expected to be received shortly.

Gold Projects – Exploration Review

Kodal maintains a suite of gold exploration projects in Mali and Cote d'Ivoire. Kodal has managed the Mali projects directly and has renewed tenure where possible and maintains the licences in good standing. Kodal continues to review these gold projects and look for opportunities to generate value for shareholders. For the licences in Côte d'Ivoire 100% owned by Kodal, the Company has maintained good standing with continuing exploration review and fieldwork on the Korhogo and Dabakala projects.

STRATEGIC REPORT (continued)

for the year ended 31 March 2019 – Operational Review (continued)

Resolute Joint Venture

The Tiebissou and, Nielle licences and the M'Bahiakro application in Côte d'Ivoire are held under a Joint Venture with Resolute Mining Limited ("Resolute").

Kodal is the 100% owner of the Cote d'Ivoire registered company Corvette SARL and the Resolute Joint Venture is with this subsidiary whereby Resolute is required to spend a minimum of US$3 million on the three licences to earn a 75% interest. Resolute has spent approximately US$1.35 million on exploration for the Joint Venture with programmes of work consisting of geological mapping, geochemical sampling and drilling completed at the Tiebissou and Nielle licences. The exploration programme is focussed on continued drilling and definition at the Nielle licence and, when granted, undertaking early stage reconnaissance exploration at the M'Bahiakro licence. Kodal has agreed to extend the earn-in period of the Joint Venture as the exploration programme is active and continuing to return encouraging results and there have been delays in finalising concession extensions and grants. The earn-in period has been extended to a final date of 25 February 2021 with the previous date being 25 February 2019. Kodal will remain "free carried" through to completion of a Feasibility Study.

Resolute has been exploring the Nielle licence, located in the north of Côte d'Ivoire approximately 50km to the north of the Tongon Gold mine operated by Randgold Resources Limited. Exploration completed during this year has consisted of a programme of reverse circulation drilling ("RC") with a total of 28 RC drill holes for 3,135m completed (one failed hole for 18m included) with a total of 1,722 composite samples collected (including QAQC). Drilling was completed on a 100m spaced section with 50m between drill holes. A strike length of 1,100m has been targeted by this initial reconnaissance RC drilling programme and further drilling is required to define the mineralisation. All samples were analysed by fire assay with a 0.01g/t gold detection limit. Significant intersections include:

- 10m at 2.00g/t gold from 26m in drill hole NLRC0004;
- 8m at 4.26g/t gold from 8m in drill hole NLRC0006
  Including **2m at 11.63g/t gold from 10m**;
- 14m at 1.73g/t gold from 26m in drill hole NLRC0008;
- 26m at 1.95g/t gold from 32m in drill hole NLRC0012;
  Including **4m at 5.51g/t gold from 42m**; and
- 26m at 1.79g/t gold from 108m in drill hole NLRC0018;
  Including **2m at 6.07g/t gold from 110m**.

These results confirm wide zones of gold mineralisation, with areas of high-grade gold up to 13.88g/t gold over 2m returned. The next phase of exploration will focus on continuing to extend the anomalous mineralisation along strike and undertake infill drilling to attempt to define continuity of high-grade mineralisation.

Future Strategy and Work programme for 2019/20

The focus of the Company is on the development of the Bougouni Lithium Project and the commencement of a mining and processing operation on site. To this end, the Company has finalised and submitted an ESIA application, approval of which is pending. Following approval of the ESIA, the Company expects to finalise its application for a mining licence and to lodge it with the Mali government before the end of 2019.

The Company anticipates approval of the mining licence permit in the first half of 2020 and following this the Company will be working to complete mine and processing design with an objective of moving to construction as soon as possible.

In addition to the move to mining development, the Company will continue with its successful exploration programme at the Bougouni Lithium Project where high priority exploration targets have been identified for reconnaissance drilling as well as the further extension and definition drilling of the defined Mineral Resource areas that can add future mineralisation to the mine plan. The Company will also continue the reconnaissance exploration of the Bougouni West project with the aim of identifying new zones of pegmatite hosted lithium mineralisation that may have a significant impact on the long-term future of a mining operation in this region of Mali.

I look forward to being able to report back on our development strategy during the coming year.

Bernard Aylward
Chief Executive Officer

30 August 2019

STRATEGIC REPORT (continued)

for the year ended 31 March 2019 – Finance Review

FINANCE REVIEW

Results of operations

For the year ended 31 March 2019, the Group reported a loss for the year of £713,000 before Other Comprehensive Income compared to a loss of £857,000 in the previous 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 £3,463,000 (2018: £2,190,000) in exploration and evaluation expenditure on its various projects, the large majority of which related to its Bougouni Lithium Project. As a result, the carrying value of the Group's capitalised exploration and evaluation expenditure increased from £3,508,000 to £6,951,000. At 31 March 2019, the carrying value of the gold projects in Mali and Cote d'Ivoire was £1,070,000 (2018: £977,000) and of the lithium projects in Mali was £5,881,000 (2018: £2,531,000).

Cash balances as at 31 March 2019 were £1,408,000, a decrease of £1,727,000 on the previous year's level of £3,124,000. Net assets of the Group at the year-end were £7,803,000 (2018: £6,313,000).

Financing

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

In June 2018, Kodal announced that it has completed a fundraising of £1,500,000 before expenses through a subscription and placing of 1,153,846,149 ordinary shares for the purpose of further developing the Bougouni Lithium Project. This included a subscription for £1,200,000 from the Company's major shareholder, Suay Chin International Pte ("Suay Chin"), demonstrating its ongoing support for the Company and its Bougouni Lithium Project. The Company announced a further fundraising in March 2019 of £700,000 before expenses through a placing of 500,000,000 ordinary shares.

Following the end of the financial year, in July 2019, the Company announced a fundraising of £575,000 before expenses through the issue of 718,750,000 ordinary shares including 250,000,000 shares for £200,000 placed with SVS Securities plc ("SVS"), a London based broking firm regulated by the Financial Conduct Authority ("FCA"). The shares were issued and admitted to trading on AIM on 2 August 2019 and the fundraising became unconditional at this time. On 5 August 2019, the FCA announced that SVS had entered special administration and subsequently SVS defaulted on its contractual commitment to pay for its shares. Under legal advice, the Company has terminated the contract with SVS and has reserved its rights in relation to the recovery of damages and costs arising from SVS's breach of its obligations. The Company confirms that the 250,000,000 shares relating to SVS have not been delivered to SVS and that the shares are held on behalf of the Company by its broker's custodian and therefore remain under the control of the Company. The Company may in due course aim to place these shares with other investors to seek to recover its damages, being the £200,000 due, plus other costs incurred as a result of SVS's default.

Going concern and funding

The Group has not earned revenue during the year to 31 March 2019 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 2019, the Group held cash balances of £1,408,000 (2018: £3,124,000). The Group's cash balances at 29 August 2019 were £570,000.

The Directors have prepared cash flow forecasts for the period ending 30 September 2020. The forecasts include the costs of progressing the feasibility study at the Bougouni Lithium Project through to the submission of its mining licence application as well as the overheads of the Group. Further fund raising will be required at an appropriate time in order to continue the development work and undertake limited additional exploration work, and the Group has historically been successful in raising additional funds in such circumstances. However, the forecasts demonstrate that following the submission of the mining licence application, by curtailing further 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.

Utilising key performance indicators ("KPIs")

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

KPI	**31 March 2019**	31 March 2018
Cash and cash equivalents	1,408,393	3,123,549
Cash based administrative expense	613,450	517,184
Exploration and evaluation expenditure	3,462,593	2,190,105

The directors consider these KPIs to be satisfactory given the current evolution of the Group and in line with its 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 2019 – Principal Risks and Uncertainties

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is exposed to a number of 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 the decision-making process to focus resources and expenditure upon key exploration and development targets.
Reliability of Mineral Resources and Mineral Reserves The Group has reported Mineral Resources for its Bougouni lithium project 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 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.
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.

Risk	Comment and Mitigating Actions
Political Risk The Group has significant activities in Mali and Cŏte d'Ivoire in West Africa. The success of the Group will be influenced by associated legal, political and economic situation in Mali, Cŏte 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.	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. The President Ibrahim Keita was returned for a second 5 year term following election in 2018 in a peaceful election process. In April 2019, the Prime Minister and Government (Ministerial positions) resigned and a new Prime Minister and Government was appointed on 22 April 2019. 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 Cŏte 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 Cŏte 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 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.

STRATEGIC REPORT (continued)

for the year ended 31 March 2019 – Principal Risks and Uncertainties (continued)

Risk	Comment and Mitigating Actions
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 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. 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 maintains an active focus on the all regulatory developments applicable to the Group, in particular in relation to the mining codes. 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

30 August 2019

REPORT OF THE DIRECTORS

for the year ended 31 March 2019

The Directors present their report, together with the audited consolidated financial statements for Kodal Minerals Plc for the year ended 31 March 2019.

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 and has its registered office at Prince Frederick House, 35-39 Maddox Street, London W1S 2PP. Its principal place of business as at 31 March 2019 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	(resigned 2 July 2019)
Charles Joseland	(appointed 17 April 2019)
Mark Pensabene	(appointed 8 May 2019)
Robert Wooldridge	
Qingtao Zeng	

Biographical details of the Directors

Bernard 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.

Charles Joseland (Independent Non-executive Director)

Charles is a Chartered Accountant with 32 years' experience. After graduating with a degree in Classics from Cambridge University, he joined PwC where he was an audit partner for 20 years as part of its Energy, Utilities & Mining Group, including secondments to Moscow and Madrid. Charles has been responsible for providing services to many international resources groups, including those with operations in Russia, Kazakhstan and Africa, as well as North & South America. Charles has also acted as reporting accountant and advisor for many companies quoted on both LSE's AIM and Main Market.

Mark Pensabene (Independent Non-executive Director)

Mark is a Project Manager and company executive with key industry experience in mineral processing and gas plant construction and associated infrastructure development. Mark holds Bachelor degrees in Engineering and Commerce from the University of Western Australia and has over 20 years' industry experience, including as COO for ASX listed Galaxy Resources Limited where Mark led the optimisation and improvement of the Mount Cattlin Lithium mine in Western Australia. Mark is currently General Manager – Infrastructure and Development at Mineral Resources Limited.

REPORT OF THE DIRECTORS (continued)

for the year ended 31 March 2019

Robert 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 2019 are as follows:

Directors	**Shares 31 March 2019**	Shares 31 March 2018
Bernard Aylward	**94,834,948**	94,834,948
Robert Wooldridge	**76,938,144**	76,938,144

Events after the reporting period

Events after the reporting period are outlined in note 17 to the financial statements on page 68.

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.

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 30 August 2019.

Robert Wooldridge
Director
30 August 2019

CORPORATE GOVERNANCE REPORT

for the year ended 31 March 2019

Chairman's introduction

We formally adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the "QCA Code") in September 2018, believing it to be the most appropriate code for an AIM quoted company of our size and stage of development. As chairman, I am responsible for leading the board; ensuring its composition with people of the right experience and engagement; and focusing on our strategy to bring our African lithium projects to production.

As we have moved from our pure exploration focus towards being a development and mining company, I wanted to strengthen the board in the areas of finance and lithium mine development, as well as increasing the number of independent directors. Accordingly we have appointed to the board Charles Joseland and Mark Pensabene, whose biographies are set out above on page 25.

As a small company, we are aware that the board's and senior management's actions and attitude have a strong impact on the culture of our organisation; the regular, on site presence of our CEO and Project Manager in Mali and Cote d'Ivoire, as well as regular communication with our local manager are important aspects of conveying and monitoring our culture and values.

I believe for the size of our company we have a well-functioning board, the right corporate structures, appropriate engagement and information flow with our small senior management team, and a clear strategy to drive value for our shareholders, employees, communities where we operate, and our suppliers. We have engaged closely with local communities and the Malian government through the ESIA process and taken their considerations into account; in addition to our market updates, our CEO makes regular presentations, gives media interviews and engages with shareholders, to keep stakeholders informed and understand expectations. We explain more under the QCA Code's ten principles below.

Principle 1. Establish a strategy and business model which promote long-term value for shareholders

Kodal's primary focus is to continue to explore and develop its Bougouni Lithium Project ("Bougouni" or the "Project") located in southern Mali. The medium term objective is to develop the Project through feasibility studies and bring it in to production as rapidly as possible. The Strategic and Operational Review, and Principal Risks, above explain the strategy, key areas of focus and challenge, and management action.

The Company has already secured a strategic investor and off-take partner and will continue to explore similar opportunities to fund mine and plant construction in order to enter production rapidly.

The key drivers to the continued growth of the lithium market are the increasing demand for electric vehicles and battery storage as well as growth in the use of personal electric devices driven by social choice, government regulations and an improvement in the performance and affordability of high quality battery products.

In addition to the lithium prospects in Mali, the Company holds a suite of gold assets in Mali and Cote d'Ivoire. The Company continues to assess and rank the projects it holds directly to determine priorities for further exploration or for ways to deliver value to our shareholders.

Principle 2. Seek to understand and meet shareholder needs and expectations

The Board is committed to communicating openly and regularly with both its private and institutional shareholders to ensure that its strategy and performance are understood. Significant developments are disseminated through RNS announcements which are then made available on the Company's website.

The Company communicates regularly with private shareholders through investor evenings and similar events; audio and video interviews; periodic webcast Question & Answer sessions. The Company's website also contains its latest corporate presentations and interview recordings. In addition, the Company encourages all shareholder to attend the Annual General Meeting which provides an excellent opportunity to meet with management and engage directly with them.

Kodal has an active and effective investor relations programme which includes regular institutional road-shows to meet shareholders and potential shareholders. It also meets its corporate brokers and other research analysts to assist them in preparing and publishing their research on the Company.

These promotional and marketing activities are co-ordinated by its corporate broker and financial PR advisers.

Principle 3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board believes that long-term success requires good relations with a range of different stakeholder groups both internal and external. The board has identified Kodal's stakeholders to include employees and consultants working for the Company, the local communities in Mali and Cote d'Ivoire in which it operates, local governments, suppliers, customers and partners. The Company's CEO, Project Manager and Country Manager in Mali regularly visit the locations in which Kodal operates and meets with these stakeholders in order to gain their feedback on the company's operations. Any concerns raised are communicated to the Board for further consideration.

A key part of Kodal's business model is assessing the impact that the company's business activities will have on the host communities and environment in which it operates. As part of its application for a mining licence at Bougouni, the Company has recently carried out an Environmental and Social Impact Assessment (ESIA) engaging with and responding to comments from officials of the departments of Geology & Mines, Forestry & Water, Heritage & Culture, as well as the local community as a whole.

The Company is also committed to ensuring the safety of its workers on site and has strict health and safety policies which it firmly enforces.

Principle 4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board is responsible for identifying and managing areas of significant business risk for the Company; the Audit & Risk Committee assists the board in ensuring that there is an effective system for risk management in place.

At each Board meeting, the Directors review ongoing operational performance, discuss budgets and forecasts and new risks associated with ongoing operations; appropriate mitigating actions and controls are discussed with management, and subsequently monitored by the Directors. The Board formally reviews and documents the principal risks to the business at least annually as part of the annual audit process.

The Company has in place an anti-bribery and corruption policy as well as other policies and procedures to which employees, management, consultants and, where appropriate, key suppliers are required to adhere. Robust financial procedures and safeguards are in place regarding expenditure and accounting functions.

The principal risk areas identified by the board and the mitigating actions are set in the 'Principal Risks' section above.

CORPORATE GOVERNANCE REPORT (continued)

for the year ended 31 March 2019

Principle 5. Maintaining the Board as a well-functioning, balanced team led by the Chair

The Board meets approximately each month throughout the year to discuss important operational and strategic matters and to review financial and operational performance. In addition, there are additional board meetings to consider specific proposals, including for example to issue further shares to raise funds or to consider significant contracts or actions. Board papers are provided in advance with the information necessary to facilitate a proper assessment of the issues under consideration. The non-executive directors spend between 2 and 6 days a month working on company matters.

The structure and composition of the Board has been kept under review by the Chair during the year. As the Company has moved further into its development activities at Bougouni, two new independent non-executive directors, Charles Joseland and Mark Pensabene, have been appointed to the Board shortly after the year-end. Although these directors hold some share options and company shares, the holdings are not considered to be of sufficient size to impact their independent judgments. Biographical details of all the directors are set out on pages 25 to 26.

The Directors believe that this Board provides the Company and its shareholders with the necessary skills and experience to drive the business forward balanced by a sufficient level of independent analysis and judgement to provide challenge and oversight. As a Board, the Directors are also mindful of the need to control costs and provide value for shareholders.

In the year ended 31 March 2019 there were 13 board meetings of which Robert Wooldridge attended 13, Bernard Aylward 12, Luke Bryan 11 and Qingtao Zeng 8.

The Board has an Audit & Risk Committee which during the year to 31 March 2019 comprised Robert Wooldridge (Chair) and Qingtao Zeng and met three times. Charles Joseland has taken over as the chair from the date of his appointment in April 2019 and the committee now also includes Robert Wooldridge and Mark Pensabene. The Board also has a Remuneration & Nomination Committee which during the year to 31 March 2019 comprised Robert Wooldridge (Chair) and Luke Bryan. The Remuneration & Nomination Committee meets as required and at least once each year. The Committee for the current year now comprises Robert Wooldridge (Chair), Charles Joseland and Qingtao Zeng.

Principle 6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

Biographical details of the Directors are on pages 25 to 26, including for the two new directors appointed after the year-end.

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience, including in the areas of geology, mineral exploration, mine engineering and development, public company and capital markets, finance and corporate governance.

The directors keep their skillsets up to date by attending industry and qualification relevant seminars and training sessions. The Directors seek advice from their corporate advisers (including the Company's nominated adviser, lawyers and accountants) as necessary.

When considering the composition of the Board and the appointment of new Directors, the Board has established a Remuneration & Nomination Committee to oversee this process and make recommendations to the Board. The Board recognises that it currently has limited diversity, and this will form a part of any future recruitment consideration.

Principle 7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Board reviews the performance of individual Directors on an on-going basis and assesses each Director's contribution to the effective operation and management of the Company.

For the coming year, there will be a formal Board evaluation process. The Chairman has set individual objectives for each Director within the context of the overall strategy and objectives for the Company and at the end of the year, there will be a formal process to review each director's performance, including the level of achievement of his objectives, and to assess his overall contribution to the performance of the Company. The review will establish further objectives for the coming year, identifying any additional training or other support that may be required. This review will feed into the annual remuneration process conducted by the Remuneration and Nomination Committee.

Succession planning is the responsibility of the Remuneration and Nomination Committee and is reviewed by the Board at least on an annual basis. When considering succession planning, the Remuneration and Nomination Committee takes into account the skills and experience required as the Company grows and develops its projects.

Principle 8. Promote a culture that is based on ethical values and behaviours

As a small company the Board's and senior management's actions and attitude have a strong impact on the culture of our organisation. The Board believes that it has established a culture of responsible and ethical behaviour which it follows and which it believes has been successfully transmitted to its employees overseas.

Foremost amongst these are its focus on:

- the health and safety of its workers and consultants;
- an awareness of the environmental and social impact of its operations on the local communities and efforts to mitigate and minimise them;
- contributing to the overall development of the local communities in which it operates;
- conducting honest and transparent dealings with employees, consultants and suppliers; and
- adopting a zero tolerance to bribery.

At this stage of its development, Kodal has only approximately eight non-Board employees all of whom are based at its offices in Mali and Cote d'Ivoire. There is near daily contact with these offices and regular visits by the CEO. This enables the Board to monitor employees' conduct and behaviour to ensure that the Company's ethical values and standards are recognised and respected, and appropriate action taken where necessary.

Principle 9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

Kodal's key strategic, financial and operational decisions are reserved exclusively for the decision of the Board. The Board seeks to meet formally approximately once a month and is supplied with appropriate and timely information ahead of each meeting. The Directors are free to seek any further information they consider necessary. In addition, there are additional Board meetings to consider specific matters that require decision between the regular board meetings and to which all Directors are invited. In addition to the formal meetings, there is regular contact and communication between the Board members to discuss day-to-day operational matters.

Robert Wooldridge, the Non-executive Chairman, is responsible for the running of the Board and Bernard Aylward, the Chief Executive Officer, has executive responsibility for running the Company's operational activities. Bernard Aylward and Robert Wooldridge take responsibility for the Company's liaison with shareholders.

CORPORATE GOVERNANCE REPORT (continued)

for the year ended 31 March 2019

The Company has a significant shareholder, Suay Chin International Pte Ltd ("Suay Chin"), which owns 25.65% of the Company's issued share capital. It is a Singapore registered company which has extensive connections with the Chinese lithium market including lithium carbonate producers and lithium-ion battery manufacturers. Suay Chin has entered into a Relationship Agreement with the Company and its advisers, under which it undertakes to do all such things as it is reasonably able to do to ensure that the Company is capable of carrying on its business independently of Suay Chin. Under this agreement, it also has the right to appoint a Director to the Board of Kodal and Qingtao Zeng has been appointed in this capacity.

The Board is supported by the Audit & Risk Committee and the Remuneration & Nomination Committee. The reports of those committees are set out below.

The Board continues to monitor its governance framework on an ongoing basis. The Directors have not engaged the services of external governance advisers

Principle 10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board attaches great importance to providing shareholders with clear and transparent information on the Group's activities, strategy and financial position. All material information is released to the London Stock Exchange via RNS announcements which are then made available on the Company's website. The Company prepares and updates a corporate presentation which is also available on its website along with other news and information about the Company and its operations.

As detailed in Principle 2 above, the directors believe that the Company has an effective and well-established programme for communicating with both its institutional and private shareholders.

The Company will disclose the outcome of all shareholder votes on its website and in the case of 20% of independent votes being case against a resolution, provide an explanation of the actions that will be taken to enable the Board to understand the reasons for this result and any future actions it will take to address such concerns.

The Company's website contains historic annual reports for the past five years and going forward, notices of general meetings will be retained on the website for a period of five years.

Report from the Audit & Risk Committee

The Audit & Risk Committee comprised Robert Wooldridge and Qingtao Zeng and was chaired by Robert Wooldridge during the year; Charles Joseland has taken over as chair of the committee with effect from his appointment in April 2019. The Committee meets at least twice a year to consider the integrity of the financial statements of the Group, including its annual and interim accounts, the accounting policies and auditor reports, as well as the terms of appointment and remuneration for the auditors, the effectiveness of the Group's internal controls and risk management systems, and external compliance matters.

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. During the year the Board considered a report on the status of the internal financial controls, systems, policies and procedures of the Group. No material weaknesses were identified and the Company has developed an action plan to further enhance procedures in some areas over the short and medium term.

The Committee met with the auditors to discuss their audit plan and scope of work, and also the findings from their audit. There was specific focus on the fair presentation of the Company's exploration and development activities, the assumptions underlying the calculation of warrants and share options, the carrying value and any potential impairment of the evaluation and exploration assets and inter-company balances, compliance with laws and regulations including the status of the licences, and the going concern assumption.

The Committee also considered the process for identifying and considering risks and their mitigating actions, and their disclosure in the Annual Report on pages 22 to 24. They also considered the need for an internal audit function but decided the size and complexity of the Group did not justify it at present. However, it will keep this decision under annual review.

Report from the Remuneration & Nomination Committee

The Remuneration Committee performs both remuneration and nomination functions and during the year ended 31 March 2019 comprised Robert Wooldridge (Chair) and Luke Bryan. The committee membership has been revised in the current year to include Robert Wooldridge (Chair), Qingtao Zeng and Charles Joseland. It meets as and when required but at least annually. The purpose of the remuneration function is to ensure that the 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 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 potential new directors to the Board as considered necessary and make recommendations on such appointments to be considered by the Board as a whole.

REMUNERATION REPORT

for the year ended 31 March 2019

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 2019 was as follows:

	Fees and salary year to 31 March 2019 £	Share based payments year to 31 March 2019 £	Total year to 31 March 2019 £	Total year to 31 March 2018 £
Bernard Aylward	115,711	20,615	136,326	230,840
Luke Bryan (1)	20,000	20,615	40,615	134,108
Robert Wooldridge	45,000	10,308	55,308	101,222
Qingtao Zeng (2)	25,000	4,701	29,701	42,169
	205,711	56,239	261,950	508,339

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 £12,075 (2018: £13,400).

2 In addition to the amounts included above, Geosmart Consulting Pty Ltd, a company wholly owned by Qingtao Zeng, provided consultancy services to the Group during the year and received fees of £44,660 (2018: £nil).

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, Charles Joseland's, Mark Pensabene'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 2019

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 2019 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 2019 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 group and parent company 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 group and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (continued)

for the year ended 31 March 2019

Group key audit 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 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

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

Our work included:

- Assessing the appropriateness of the valuation model used by management
- Obtaining the warrant agreement 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.

Parent company key audit matters

Carrying value of non-current intercompany receivables

At 31 March 2019 the Parent Company balance sheet includes amounts owed by subsidiary undertakings of £6,511,913 (2018: £2,950,132). There is a risk that these balances may not be recoverable owing to the pre-revenue state of the Group's subsidiary undertakings and the uncertainty over the future cashflows.

The recoverability of these balances is judgmental, and the Directors have provided us with their assessment of recoverability which includes considering recovery through performing an impairment testing (with reference to the present value of future cash flows).

We performed work on the Directors assessment as follows:

- challenging the assumptions used in determining the present value of future cash flows, including growth rates, discount rates and the availability of future production capacity;
- considering the sensitivity of key assumptions on the timing of repayment; and
- ensuring adequate disclosure in the notes to the financial statements.

As a result, the carrying value of the inter-company receivables was considered to be a key audit matter.

The related disclosures are included in the accounting policies 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. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. During planning, materiality for the group financial statements as a whole was calculated as £85,000, which was revised to £80,000 as the audit progressed. Materiality for the parent company financial statements as a whole was calculated as £77,000, which was not significantly 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 and parent company materiality and an assessment of risk at group and parent company 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.

INDEPENDENT AUDITOR'S REPORT (continued)

for the year ended 31 March 2019

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 26-27 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.

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.

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

30 August 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2019

	Note	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Continuing operations			
Revenue		–	–
Administrative expenses		(613,450)	(517,184)
Share based payments	5	(109,241)	(341,372)
OPERATING LOSS		(722,691)	(858,556)
Finance income		10,080	1,499
LOSS BEFORE TAX	2	(712,611)	(857,057)
Taxation	6	–	–
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		(712,611)	(857,057)
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to profit or loss			
Currency translation loss		(113,844)	(18,002)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(826,455)	(875,059)
Loss per share			
Basic and diluted – loss per share on total earnings (pence)	4	(0.0096)	(0.0136)

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 2019

Registered number: 07220790

	Note	Group 31 March 2019 £	Group 31 March 2018 £	Company 31 March 2019 £	Company 31 March 2018 £
NON-CURRENT ASSETS					
Intangible assets	7	**6,951,209**	3,508,499	**–**	–
Property, plant and equipment	8	**19,901**	3,085	**–**	–
Amounts due from subsidiary undertakings		**–**	–	**6,511,913**	2,950,132
Investments in subsidiary undertakings	9	**–**	–	**512,373**	512,373
		6,971,110	3,511,584	**7,024,286**	3,462,505
CURRENT ASSETS					
Other receivables	10	**21,011**	8,765	**21,011**	8,765
Cash and cash equivalents		**1,408,393**	3,123,549	**1,299,397**	3,074,325
		1,429,404	3,132,314	**1,320,408**	3,083,090
TOTAL ASSETS		**8,400,514**	6,643,898	**8,344,694**	6,545,595
CURRENT LIABILITIES					
Trade and other payables	11	**(597,251)**	(331,391)	**(194,401)**	(79,733)
TOTAL LIABILITIES		**(597,251)**	(331,391)	**(194,401)**	(79,733)
NET ASSETS		**7,803,263**	6,312,507	**8,150,293**	6,465,862
EQUITY					
Attributable to owners of the parent:					
Share capital	12	**2,566,418**	2,038,903	**2,566,418**	2,038,903
Share premium account	12	**12,147,792**	10,467,337	**12,147,792**	10,467,337
Share based payment reserve		**690,597**	581,356	**690,597**	581,356
Translation reserve		**(135,443)**	(21,599)	**–**	–
Retained deficit		**(7,466,101)**	(6,753,490)	**(7,254,514)**	(6,621,734)
TOTAL EQUITY		**7,803,263**	6,312,507	**8,150,293**	6,465,862

The Company's loss for the year ended 31 March 2019 was £632,780 (2018: £822,439).

The financial statements were approved and authorised for issue by the board of directors on 30 August 2019 and signed on its behalf by

Robert Wooldridge
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

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 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	3,682,655	–	–	–	4,038,352
At 31 March 2018	**2,038,903**	**10,467,337**	**581,356**	**(21,599)**	**(6,753,490)**	**6,312,507**
Comprehensive income						
Loss for the year	–	–	–	–	(712,611)	(712,611)
Other comprehensive income						
Currency translation loss	–	–	–	(113,844)	–	(113,844)
Total comprehensive income for the year	–	–	–	(113,844)	(712,611)	(826,455)
Transactions with owners						
Share based payment	–	–	109,241	–	–	109,241
Proceeds from shares issued	527,515	1,680,455	–	–	–	2,207,970
At 31 March 2019	**2,566,418**	**12,147,792**	**690,597**	**(135,443)**	**(7,466,101)**	**7,803,263**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

	Share capital £	Share premium account £	Share based payment reserve £	Retained deficit £	Total equity £
COMPANY					
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	3,682,655	–	–	4,038,352
At 31 March 2018	**2,038,903**	**10,467,337**	**581,356**	**(6,621,734)**	**6,465,862**
Comprehensive income					
Loss for the year	–	–	–	(632,780)	(632,780)
Total comprehensive income for the year	–	–	-	(632,780)	(632,780)
Transactions with owners					
Share based payment	–	–	109,241	–	109,241
Proceeds from shares issued	527,515	1,680,455	–	–	2,207,970
At 31 March 2019	**2,566,418**	**12,147,792**	**690,597**	**(7,254,514)**	**8,150,293**

CONSOLIDATED AND PARENT COMPANY STATEMENTS OF CASH FLOWS

for the year ended 31 March 2019

	Note	**Group Year ended 31 March 2019 £**	Group Year ended 31 March 2018 £	**Company Year ended 31 March 2019 £**	Company Year ended 31 March 2018 £
Cash flows from operating activities					
Loss before tax		**(712,611)**	(857,057)	**(632,780)**	(822,439)
Adjustments for non-cash items:					
Share based payments		**109,241**	341,372	**109,241**	341,372
Operating cash flow before movements in working capital		**(603,370)**	(515,685)	**(523,539)**	(481,067)
Movement in working capital					
(Increase)/decrease in receivables		**(12,246)**	7,464	**(12,246)**	24,473
Increase/(decrease) in payables		**265,859**	6,178	**114,667**	(242,165)
Net movements in working capital		**253,613**	13,642	**102,421**	(217,692)
Net cash outflow from operating activities		**(349,757)**	(502,043)	**(421,118)**	(698,759)
Cash flows from investing activities					
Purchase of tangible assets		**(20,014)**	(3,702)	**–**	–
Purchase of intangible assets		**(3,371,781)**	(2,190,105)	**–**	
Loans to subsidiary undertakings		**–**	–	**(3,561,780)**	(2,028,934)
Net cash outflow from investing activities		**(3,391,795)**	(2,193,807)	**(3,561,780)**	(2,028,934)
Cash flow from financing activities					
Net proceeds from share issues	12	**2,207,970**	4,109,002	**2,207,970**	4,109,002
Net cash inflow from financing activities		**2,207,970**	4,109,002	**2,207,970**	4,109,002
(Decrease)/increase in cash and cash equivalents		**(1,533,582)**	1,413,152	**(1,774,928)**	1,381,309
Cash and cash equivalents at beginning of the year		**3,123,549**	1,722,950	**3,074,325**	1,693,016
Exchange loss on cash		**(181,574)**	(12,553)	**–**	–
Cash and cash equivalents at end of the year		**1,408,393**	3,123,549	**1,299,397**	3,074,325

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

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 March 2019

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 2019 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 2019, the Group held cash balances of £1,408,393 (2018: £3,123,549). The Group's cash balances at 29 August 2019 were £570,000.

The Directors have prepared cash flow forecasts for the period ending 30 September 2020. The forecasts include the costs of progressing the feasibility study at the Bougouni Lithium Project through to the submission of its mining licence application as well as the overheads of the Group. Further fund raising will be required at an appropriate time in order to continue the development work and undertake limited additional exploration work, and the Group has historically been successful in raising additional funds in such circumstances. However, the forecasts demonstrate that following the submission of the mining licence application, by curtailing further 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 : £0.0892 (2018: NOK 1 : £0.0910) and its West African subsidiary undertakings were converted using an end of year rate of XOF 1 : £0.00131 (2018: XOF 1 : £0.00134).

PRINCIPAL ACCOUNTING POLICIES (continued)

for the year ended 31 March 2019

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 down to their residual value, 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.

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.

PRINCIPAL ACCOUNTING POLICIES (continued)

for the year ended 31 March 2019

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.

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.

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.

PRINCIPAL ACCOUNTING POLICIES (continued)

for the year ended 31 March 2019

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 2019 was £7.0 million (2018: £3.5 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.

Recoverability of Intercompany Balances to Subsidiary Undertakings

The Company has outstanding intercompany balances from its directly held subsidiaries resulting from the primary method of financing the activity of those subsidiaries. The balances are shown in the Company balance sheet. However, there is a risk that the subsidiaries will not commence sufficient revenue generating activities and that the carrying amount of the intercompany balances will, therefore, exceed the recoverable amount. Sensitivity analysis prepared by management on the recoverability of the Company's intercompany balances is based on the performance of the underlying operations. Any downside in these estimates could result in an impairment of the underlying investments and balances.

Adoption of New and Revised Standards

The Group has adopted all of the new or amended Accounting Standards and interpretations issued by the International Accounting Standards Board ("IASB") that are mandatory and relevant to the Group's activities for the current reporting period.

IFRS 9 *Financial instruments* introduced new classification and measurement models for financial assets, financial liabilities and some contracts to buy or sell non-financial items. Management has considered the impact of IFRS 9 *Financial instruments* on the carrying value of the Company's financial assets and liabilities, in particular the intercompany balances. The review of the NPV of the underlying assets has concluded the balance is expected to be fully recoverable and consequently impairment of the balance is not required.

The introduction of IFRS 15 *Revenue from contracts with customers* has had no impact on the Group's financial statements as the Group is pre-revenue.

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
IFRS3 Business Combinations	Amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not.	1 January 2020
IAS 1 Presentation of Financial Statements	Amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition.	1 January 2020
IAS 28 Investments in Associates and Joint Ventures	Amendments to clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests).	1 January 2019

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 2019

1. SEGMENTAL REPORTING

The operations and assets of the Group in the year ended 31 March 2019 are focused in the United Kingdom, West Africa and Norway and comprise one class of business: the exploration and evaluation of mineral resources. Management have 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 2019, the Group had not commenced commercial production from its exploration sites and therefore had no revenue for the year.

Year ended 31 March 2019	UK £	West Africa Gold £	West Africa Lithium £	Norway £	Total £
Administrative expenses	(570,829)	(478)	(38,541)	(3,602)	(613,450)
Share based payments	(109,241)	–	–	–	(109,241)
Finance income	10,080	–	–	–	10,080
Loss for the year	**(669,990)**	**(478)**	**(38,541)**	**(3,602)**	**(712,611)**
At 31 March 2019					
Other receivables	21,011	–	–	–	21,011
Cash and cash equivalents	1,299,397	34,412	72,673	1,911	1,408,393
Trade and other payables	(194,401)	–	(402,850)	–	(597,251)
Tangible assets	–	–	19,901	–	19,901
Intangible assets – exploration and evaluation expenditure	–	1,070,348	5,880,861	–	6,951,209
Net assets at 31 March 2019	**1,126,007**	**1,104,760**	**5,570,585**	**1,911**	**7,803,263**

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**

2. LOSS BEFORE TAX

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

	Group Year ended 31 March 2019 £	Group Year ended 31 March 2018 £
Fees payable to the Company's auditor	**30,500**	29,500
Share based payments (note 5)	**109,241**	341,372
Directors' salaries and fees	**136,061**	134,768
Employer's National Insurance	**3,645**	3,602

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 2019 £	Group Year ended 31 March 2018 £
Audit services		
– statutory audit of parent and consolidated accounts	**30,500**	29,500

3. EMPLOYEES' AND DIRECTORS' REMUNERATION

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

	Group 31 March 2019 Number	Group 31 March 2018 Number	**Company 31 March 2019 Number**	Company 31 March 2018 Number
Average number of employees (including directors):	**7**	6	**3**	3

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

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Directors' remuneration	**136,061**	134,768
Directors' social security costs	**3,645**	3,602
Total	**139,706**	138,370

In addition to the amounts included above, £69,650 (2018: £70,367) of the directors' remuneration cost has been treated as Exploration and Evaluation expenditure.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

3. EMPLOYEES' AND DIRECTORS' REMUNERATION (continued)

	Directors' salary and fees year ended 31 March 2019 £	Share based payments year ended 31 March 2019 (see note 5) £	Total year ended 31 March 2019 £
Luke Bryan (1)	**20,000**	**20,615**	**40,615**
Robert Wooldridge	**45,000**	**10,308**	**55,308**
Bernard Aylward	**115,711**	**20,615**	**136,326**
Qingtao Zeng (2)	**25,000**	**4,701**	**29,701**
	205,711	**56,239**	**261,950**

	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	116,732	114,108	230,840
Qingtao Zeng (2)	24,236	17,933	42,169
	205,135	303,204	508,339

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 £12,075 (2018: £13,400).

2 In addition to the amounts included above, Geosmart Consulting Pty Ltd, a company wholly owned by Qingtao Zeng, provided consultancy services to the Group during the year and received fees of £44,660 (2018: £nil).

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 2019	**(712,611)**	**7,444,317,009**	**0.0096**
Year ended 31 March 2018	(857,057)	6,324,339,191	0.0136

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 2019 Number	Year ended 31 March 2018 Number
Opening balance	**195,000,000**	40,000,000
Issued in the year	**–**	155,000,000
Closing balance	**195,000,000**	195,000,000

Warrants outstanding	Year ended 31 March 2019 Number	Year ended 31 March 2018 Number
Opening balance	**25,000,000**	–
Issued in the year	**180,000,000**	25,000,000
Closing balance	**205,000,000**	25,000,000

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

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 £109,241 (2018: £412,022). Included within operating losses is a charge for issuing share options and making share-based payments of £109,241 (2018: £341,372). In addition, a charge of £nil (2018: £70,650) 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 2019:

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	4.41 years

5. SHARE BASED PAYMENTS (continued)

Warrants issued in the year to 31 March 2019

The Company entered into a warrant agreement dated 23 November 2018 with Zivvo Pty Ltd ("Zivvo"), a company controlled by a key member of personnel, under which up to 180 million warrants may be issued to Zivvo in three tranches as follows:

Exercise price per share	Tranche 1	Tranche 2	Tranche 3	Total
0.14p	13,333,333	16,666,667	30,000,000	60,000,000
0.25p	13,333,333	16,666,667	30,000,000	60,000,000
0.38p	13,333,333	16,666,667	30,000,000	60,000,000
Total	39,999,999	50,000,001	90,000,000	180,000,000

Tranche 1 vested and became exercisable from 1 March 2019, the date the services became provided on a full-time basis. Tranche 2 will vest and become exercisable from the date on which a mining licence for the project is awarded to the Company and Tranche 3 from the date on which commercial production commences. Each warrant is exercisable into one ordinary share of the Company and has a life of 5 five years from vesting.

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

	23 November 2018
Strike price	0.14p – 0.38p
Share price	0.05p – 0.08p
Volatility	69%
Expiry date	23 November 2023 – 28 February 2026
Risk free rate	0.56% – 0.80%
Dividend yield	0.0%

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, 25 million options to the Chairman, Rob Wooldridge, and 10 million options to Mohamed Niaré, Mali country manager and director of Future Minerals SARL. 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 vest 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 vest 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 vest immediately, with a further 25 per cent. vesting in one year and the remaining 25 per cent. vesting in two years' time.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

5. SHARE BASED PAYMENTS (continued)

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 2019 £	Group Year ended 31 March 2018 £
Taxation charge for the year	**–**	–
Factors affecting the tax charge for the year		
Loss from continuing operations before income tax	**(712,611)**	(857,057)
Tax at 19% (2017: 20%)	**(135,396)**	(162,841)
Expenses not deductible	**1,204**	1,596
Losses carried forward not deductible	**113,436**	96,384
Deferred tax differences	**20,756**	64,861
Non-current assets temporary differences	**–**	–
Income tax expense	**–**	–

The Group has tax losses and other potential deferred tax assets totalling £1,837,000 (2018: £1,128,000) which will be able to be offset against future income. No deferred tax asset has been recognised in respect of these losses as the timing of their utilisation is uncertain at this stage.

7. INTANGIBLE ASSETS

GROUP	Exploration and evaluation £
COST	
At 1 April 2017	**5,460,552**
Additions in the year	2,190,105
Effects of foreign exchange	(4,832)
At 1 April 2018	**7,645,825**
Additions in the year	3,462,593
Effects of foreign exchange	(19,883)
At 31 March 2019	**11,088,535**
AMORTISATION	
At 1 April 2017 and 1 April 2018 and 31 March 2019	**4,137,326**
NET BOOK VALUES	
At 31 March 2019	**6,951,209**
At 31 March 2018	3,508,499
At 31 March 2017	1,323,226

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

8. PROPERTY, PLANT AND EQUIPMENT

GROUP	Plant and machinery £
COST	
At 1 April 2017 and 1 April 2018	**3,702**
Additions in the year	20,014
Effects of foreign exchange	2,731
At 31 March 2019	**26,447**
DEPRECIATION	
At 1 April 2017	617
Depreciation charge	5,929
At 1 April 2018	617
Depreciation charge	5,929
At 31 March 2019	**6,546**
NET BOOK VALUES	
At 31 March 2019	**19,901**
At 31 March 2018	3,085
At 31 March 2017	–

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 Company did not have any Property, Plant and Equipment as at 31 March 2017, 2018 and 2019.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

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 2019.

Carrying value of investment in subsidiaries	**Year ended 31 March 2019 £**	Year ended 31 March 2018 £
Opening balance	**512,373**	512,373
Impairment in the year	**–**	–
Closing balance	**512,373**	512,373

10. OTHER RECEIVABLES

	Group 31 March 2019 £	Group 31 March 2018 £	**Company 31 March 2019 £**	Company 31 March 2018 £
Other receivables	**21,011**	8,765	**21,011**	8,765
	21,011	8,765	**21,011**	8,765

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

11. TRADE AND OTHER PAYABLES

	Group 31 March 2019 £	Group 31 March 2018 £	**Company 31 March 2019 £**	Company 31 March 2018 £
Trade payables	**192,940**	212,381	**118,101**	21,514
Other payables	**404,311**	119,010	**76,300**	58,219
	597,251	331,391	**194,401**	79,733

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 2018		**6,524,482,828**	**2,038,903**	**10,467,337**
Issue (Note 1)	£0.0003125	230,769,226	72,112	212,857
Issue (Note 2)	£0.0003125	923,076,923	288,462	911,538
Issue (Note 3)	£0.0003125	34,210,526	10,691	54,309
Issue (Note 4)	£0.0003125	500,000,000	156,250	501,750
At 31 March 2019		**8,212,539,503**	**2,566,418**	**12,147,792**

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

Note 1: On 15 June 2018, a total of 230,769,226 shares were issued to Suay Chin International Pte Ltd at an issue price of 0.13 pence per share.

Note 2: On 29 June 2018, a total of 923,076,923 shares were issued to Suay Chin International Pte Ltd at an issue price of 0.13 pence per share.

Note 3: On 8 February 2019, a total of 34,210,526 shares were issued to Bambara Resources SARL at an issue price of 0.19 pence per share.

Note 4: On 8 March 2019, a total of 500,000,000 shares were issued in a placing at an issue price of 0.14 pence per share.

13. RESERVES

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

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 2019 earned interest of £10,080 (2018: £1,499). Due to the Group's relatively low level of interest-bearing assets and the very low interest rates available in the market the Group is not exposed to any significant interest rate risk.

Credit risk

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

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

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

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial instruments by category – Group

31 March 2019	Loans and receivables £	Other financial liabilities at amortised cost £	Total £
Assets			
Other receivables	**21,011**	**–**	**21,011**
Cash and cash equivalents	**1,408,393**	**–**	**1,408,393**
Total	**1,429,404**	**–**	**1,429,404**
Liabilities			
Trade and other payables	**–**	**(597,251)**	**(597,251)**
Total	**–**	**(597,251)**	**(597,251)**
31 March 2018			
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)

Foreign exchange risk

Throughout the periods presented in the consolidated financial statements, the functional currency for the Group's West African subsidiaries has been the CFA Franc.

The Group incurs certain exploration costs in the CFA Franc, US Dollars and Australian Dollars and has exposure to foreign exchange rates prevailing at the dates when Sterling funds are translated into other currencies. The CFA Franc has a fixed exchange rate to the Euro and the Group therefore has exposure to movements in the Sterling : Euro exchange rate. The Group has not hedged against this foreign exchange risk as the Directors do not consider that the level of exposure poses a significant risk.

The Group continues to keep the matter under review as further exploration and evaluation work is performed in West Africa 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2019

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial instruments by currency – Group

31 March 2019	GBP denominated £	NOK denominated £	XOF denominated £	Total £
Assets				
Other receivables	**21,011**	**–**	**–**	**21,011**
Cash and cash equivalents	**1,299,397**	**1,911**	**107,085**	**1,408,393**
Total	**1,320,408**	**1,911**	**107,085**	**1,429,404**
Liabilities				
Trade and other payables	**(566,654)**	**–**	**(30,597)**	**(597,251)**
31 March 2018				
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)

Liquidity risk

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

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

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

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

Capital management

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

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

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

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 2019, the Company paid fees to SP Angel of £82,550 (2018: £31,052).

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 2019 and received fees of £12,075 (2018: £13,400).

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 2019 and received fees of £80,711 (2018 £82,982). These fees are included within the remuneration figure shown for Bernard Aylward in note 3.

Geosmart Consulting Pty Ltd ("Geosmart"), a company wholly owned by Qingtao Zeng, a Director, provided consultancy services to the Group during the year ended 31 March 2019 and received fees of £44,660 (2018: £nil).

Kodal, through its wholly owned subsidiary Future Minerals, entered into an agreement with Bambara Resources SARL ("Bambara") in January 2019 which gives the Company exclusive rights to explore and an option to acquire two new concessions in Southern Mali. These concessions were presented to Kodal by Mohamed Niaré who is engaged by Kodal as a consultant in Mali and acts as the Company's logistics and Country Manager and is a director of Future Minerals. Mohamed Niare is the sole shareholder of Bambara.

In June 2018, the Company raised £1,500,000 through the issue of ordinary shares which included a subscription from Suay Chin International Pte ("Suay Chin") for £1,200,000. Suay Chin is a substantial shareholder in the Company holding more than 20% of its issued share capital and currently holding 25.46%.

16. CONTROL

No one party is identified as controlling the Group.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

17. EVENTS AFTER THE REPORTING PERIOD

Following the end of the financial year, in July 2019, the Company announced a fundraising of £575,000 before expenses through the issue of 718,750,000 ordinary shares including 250,000,000 shares for £200,000 placed with SVS Securities plc ("SVS"), a London based broking firm regulated by the Financial Conduct Authority ("FCA"). The shares were issued and admitted to trading on AIM on 2 August 2019 and the fundraising became unconditional at this time. On 5 August 2019, the FCA announced that SVS had entered special administration and subsequently SVS defaulted on its contractual commitment to pay for its shares. Under legal advice, the Company has terminated the contract with SVS and has reserved its rights in relation to the recovery of damages and costs arising from SVS's breach of its obligations. The Company confirms that the 250,000,000 shares relating to SVS have not been delivered to SVS and that the shares are held on behalf of the Company by its broker's custodian and therefore remain under the control of the Company. The Company may in due course seek to place these shares with other investors to seek to recover its damages, being the £200,000 due, plus other costs incurred as a result of SVS's default.

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 Monday 30 September 2019 at 12.00 p.m. for the purposes of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 to 7 (inclusive) will be proposed as ordinary resolutions and Resolution 8 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 2019 and the reports of the directors of the Company (the "**Directors**") and the auditors thereon.

2. To re-appoint Bernard Aylward 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 Charles Joseland as a Director, who retires in accordance with article 24.2 of the Articles and offers himself for re-appointment.

4. To re-appoint Mark Pensabene as a Director, who retires in accordance with article 24.2 of the Articles and offers himself for re-appointment.

5. To re-appoint RSM UK Audit LLP as the auditors of the Company until the next Annual General Meeting.

6. To authorise the Directors to fix the auditor's remuneration.

Special Business

7. 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 £1,405,740.80 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 2020 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.

8. That, conditional on the passing of Resolution 7, 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 7 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

NOTICE OF ANNUAL GENERAL MEETING (continued)

(b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £843,444.48,

and the power hereby granted shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2020 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

4 September 2019

Notes:

Entitlement to attend, speak and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company has specified that only those members entered on the register of members at 12.00 p.m. on 26 September 2019 (or in the event that this meeting is adjourned, on the register of members 48 hours excluding non-business days before the time of any adjourned meeting) shall be entitled to attend, speak and vote at the meeting in respect of the number of ordinary shares in the capital of the Company held in their name at that time. Changes to the register after 12:00 p.m. on 26 September 2019 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, at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR by hand, or sent by post, or by email to voting@shareregistrars.uk.com so as to be received not less than 48 hours excluding non-business days before the time fixed for the holding of the meeting or any adjournment thereof (as the case may be).

Appointment of proxies using CREST

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

7. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: 7RA36) by 12.00 p.m. on 26 September 2019. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

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

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

Corporate representatives

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

NOTICE OF ANNUAL GENERAL MEETING (continued)

Resolutions

11. Resolution 1 – This resolution seeks approval from shareholders of the directors' and auditors' reports and the financial statements for the year ended 31 March 2019.

12. Resolution 2 – This resolution seeks approval from shareholders to re-appoint Bernard Aylward 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. Resolutions 3 and 4 – These resolutions seek approval from the shareholders to re-appoint each of Charles Joseland and Mark Pensabene as a director of the Company who retire and offer themselves for re-appointment pursuant to Article 24.2 of the Company's Articles of Association.

14. Resolution 5 and 6 – At each general meeting at which financial statements are laid before the shareholders, the Company is required to appoint an auditor to hold office until the next such meeting. RSM UK Audit LLP is willing to continue in office and resolution 5 will reappoint them. Resolution 6 will authorise the Directors to determine the auditor's remuneration.

15. Resolution 7 – 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 2020, unless the authority is renewed or revoked prior to such time. This authority is limited to the issue of a maximum of 4,498,370,560 ordinary shares (representing approximately 50 per cent. of the Company's entire issued share capital as at the date of this notice).

16. Resolution 8 – 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 2020. This authority is limited to the allotment of a maximum of 2,699,022,336 ordinary shares for cash, free of pre-emption rights (representing approximately 30 per cent. of the Company's entire issued share capital as at the date of this notice).

Issued shares and total voting rights

17. As at 6.00 p.m. on 4 September 2019, the Company's issued share capital comprised 8,996,741,119 ordinary shares of £0.0003125 each fully paid. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 4 September 2019 is 8,996,741,119. The Company does not hold any shares in treasury.