THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document you should consult your stockbroker, bank manager, solicitor, accountant, financial adviser, or other person authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") who specialises in advising on the acquisition of shares and other securities. This Document, which comprises an AIM admission document, has been drawn up in accordance with the AIM Rules and does not constitute a prospectus under the Prospectus Rules published by the Financial Conduct Authority ("FCA") and has not been approved by or filed with the UK Listing Authority or any other authority which could be a competent authority for the purposes of the Prospectus Rules. The definitions used in this Document are at pages 8 to 11.

The Company and the Directors, whose names appear on page 6, accept responsibility, individually and collectively, for the information contained in this Document and for compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application has been made for all of the Ordinary Shares in issue and to be issued to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Enlarged Issued Share Capital will commence on AIM on 30 December 2013.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this Document. The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Ordinary Shares to the Official List. The Shares are not traded on any other recognised investment exchange and no application has been made for the Ordinary Shares to be listed on any other recognised investment exchange. The whole text of this Document should be read.

Your attention is drawn in particular to the risk factors set out in Part II of this Document.

Kodal Minerals plc

(a company incorporated in England & Wales under the Companies Act 2006 with company number 07220790)

Acquisition of Kodal Phosphate AS
Placing of 142,857,240 Ordinary Shares at 0.7 pence per share
Admission to trading on AIM

Nominated Adviser

Allenby CAPITAL

Financial Adviser & Broker

spangel

Allenby Capital Limited, which is authorised and regulated in the United Kingdom by the FCA and is a member of the London Stock Exchange, is the Company's Nominated Adviser in connection with the Admission and is acting exclusively for the Company and no one else in connection with the matters described herein and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Allenby Capital Limited or for advising any other person in respect of the proposed Placing and Admission. The responsibilities of Allenby Capital Limited, as Nominated Adviser under the AIM Rules, are owed solely to the London Stock Exchange and are not owed to the Company or any Director or to any other person, including in respect of their decision to acquire Ordinary Shares in reliance on any part of this Document.

SP Angel Corporate Finance LLP, which is authorised and regulated in the United Kingdom by the FCA and is a member of the London Stock Exchange, is the Company's Financial Adviser and Broker in connection with the Admission and is acting exclusively for the Company and no one else in connection with the matters described herein and will not be responsible to anyone other than the Company for providing the protections afforded to clients of SP Angel Corporate Finance LLP or for advising any other person in respect of the proposed Placing and Admission.

No person has been authorised to give any information or make any representations other than those contained in this Document and, if given or made, such information or representations must not be relied upon as having been so authorised. No representation or warranty, express or implied, is made by Allenby Capital Limited or SP Angel Corporate Finance LLP as to any of the contents of this Document. Neither Allenby Capital Limited nor SP Angel Corporate Finance LLP has authorised the contents of any part of this Document for any purpose and no liability whatsoever is accepted by Allenby Capital Limited or SP Angel Corporate Finance LLP for the accuracy of any information or opinions contained in this Document. Neither the

delivery of this Document nor any subsequent subscription or sale made for Ordinary Shares shall, under any circumstances, create any implication that the information contained in this Document is correct as of any time subsequent to the date of this Document.

This Document does not constitute an offer to sell, or the solicitation of an offer to buy, securities in any jurisdiction in which such offer or solicitation is unlawful and, in particular, is not for distribution into the United States of America, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa. The Ordinary Shares have not been and will not be registered under the applicable securities laws of the United States of America, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa and will not be made to any national, resident or citizen of the United States of America, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa. The distribution of this Document in other jurisdictions may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdictions. The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the accuracy or adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.

FOR THE ATTENTION OF EUROPEAN ECONOMIC AREA RESIDENTS

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a "**relevant member state**") with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the "**relevant implementation date**"), an offer of the Placing Shares described in this Document may not be made to the public in that relevant member state prior to the publication of a prospectus in relation to the Placing Shares approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Directive, except that, with effect from and including the relevant implementation date, an offer of securities may be offered to the public in that relevant member state at any time under the following exemptions under the Prospectus Directive:

(a) to any legal entity that is authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; or

(b) to any legal entity that has two or more of: (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43 million; and (3) an annual net turnover of more than €50 million, as shown in its last annual or consolidated accounts; or

(c) in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospective Directive.

The expression an "**offer to the public**" in relation to any Placing Shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Placing Shares to be offered so as to enable an investor to decide to purchase any Placing Shares, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state. No purchaser of the Placing Shares other than SP Angel is authorised to make any further offer of the Placing Shares on behalf of any other person.

Each purchaser of the Placing Shares described in this Document located within a relevant member state will be deemed to have represented, acknowledged to and agreed with the Company that it is a "**qualified investor**" within the meaning of the law in that relevant member state implementing Article 2(1)(e) of the Prospectus Directive.

In making any investment decision in respect of the Ordinary Shares, no information or representation should be relied upon other than as contained in this Document. No person has been authorised to give any information or make any representation other than that contained in this Document and, if given or made, such information or representation must not be relied upon as having been authorised.

IMPORTANT INFORMATION

Investment in the Company carries risk. There can be no assurance that the Company's strategy will be achieved and investment results may vary substantially over time. Investment in the Company is not intended to be a complete investment programme for any investor. The price of the Ordinary Shares and any income from Ordinary Shares can go down as well as up and investors may not realise the value of their initial investment. Potential Shareholders should carefully consider whether an investment in Ordinary Shares is suitable for them in light of their circumstances and financial resources and should be able and willing to withstand the loss of their entire investment (see further under "Part II: Risk Factors").

Potential investors contemplating an investment in the Ordinary Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant upon the performance of the Enlarged Group. No assurance is given, express or implied, that Shareholders will receive back the amount of their investment in the Ordinary Shares.

If you are in any doubt about the contents of this Document you should consult your stockbroker, bank manager, solicitor, accountant or your financial or other professional adviser authorised under the FSMA.

Investment in the Company is suitable only for financially sophisticated individuals and institutional investors who have taken appropriate professional advice, who understand and are capable of assuming the risks of an investment in the Company and who have sufficient resources to bear any losses which may result therefrom.

Potential Shareholders should not treat the contents of this Document as advice relating to legal, taxation, investment or any other matters. Potential Shareholders should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption, conversion or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares that they might encounter; and (c) the income and other tax consequences that may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares. Potential Shareholders must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Statements made in this Document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

This Document should be read in its entirety before making any investment in the Company.

FORWARD-LOOKING STATEMENTS

Certain statements contained herein are forward looking statements and are based on current expectations, estimates and projections about the potential returns of the Enlarged Group and industry and markets in which the Enlarged Group will operate, the Board's beliefs and assumptions made by the Board. Words such as "expects", "anticipates", "should", "intends", "plans", "believes", "seeks", "estimates", "projects", "pipeline" and variations of such words and similar expressions are intended to identify such forward looking statements and expectations. These statements are not guarantees of future performance or the ability to identify and consummate investments and involve certain risks, uncertainties, outcomes of negotiations and due diligence and assumptions that are difficult to predict, qualify or quantify. Therefore, actual outcomes and results may differ materially from what is expressed in such forward looking statements or expectations. Among the factors that could cause actual results to differ materially are: the general economic climate, competition, interest rate levels, loss of key personnel, the result of legal and commercial due diligence, the availability of financing on acceptable terms and changes in the legal or regulatory environment.

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EXPECTED TIMETABLE FOR THE PLACING AND ADMISSION

Publication of this Document	20 December 2013
Admission and commencement of dealings in Ordinary Shares on AIM	30 December 2013
CREST accounts credited with Ordinary Shares	30 December 2013
Latest date for despatch of share certificates in respect of Placing Shares	10 January 2014

PLACING AND ADMISSION STATISTICS

Placing Price	0.7p
Number of Ordinary Shares in issue as at the date of this Document	207,097,792
Ordinary Shares to be issued pursuant to the Acquisition	250,000,000
Ordinary Shares to be issued pursuant to the Placing	142,857,240
Number of Fee Shares to be issued on Admission	70,285,715
Number of Ordinary Shares in issue on Admission	670,240,747
Placing Shares as a percentage of the Enlarged Issued Share Capital	21.3%
Consideration Shares as a percentage of the Enlarged Issued Share Capital	37.3%
Market capitalisation of the Company on Admission at the Placing Price	£4.7 million
Number of outstanding Options on Admission	40,000,000
Fully diluted enlarged issued share capital*	710,240,747
Gross proceeds of the Placing	£1.0 million
Estimated proceeds of the Placing net of cash expenses	approx. £0.77 million
Tradable Instrument Display Mnemonic (TIDM)/"ticker"	KOD.L
International Security Identification Number (ISIN)	GB00BH3X7Y70
SEDOL	BH3X7Y7

*excluding the Tetra Options

DIRECTORS, SECRETARY AND ADVISERS

Directors	David Harold Jones CBE, *Chairman* Luke Robert Bryan, *Chief Executive Officer* Robert Ian Wooldridge, *Non-executive Director (responsible for Finance)* Ismail Emin Eyi, *Non-executive Director* Guy Edward Eastaugh, *Non-executive Director* All of Prince Frederick House 35-39 Maddox Street London W1S 2PP
Company Secretary	Weaver Financial Limited
Registered Office	Prince Frederick House 35-39 Maddox Street London W1S 2PP
Company website	www.kodalminerals.com
Nominated Adviser	Allenby Capital Limited 3 St Helen's Place London EC3A 6AB
Financial Adviser and Broker	SP Angel Corporate Finance LLP Prince Frederick House 35-39 Maddox Street London W1S 2PP
Reporting Accountants	Baker Tilly Corporate Finance LLP 25 Farringdon Street London EC4A 4AB
Auditors	Baker Tilly UK Audit LLP 25 Farringdon Street London EC4A 4AB
Solicitors to the Company as to English Law	Thomas Eggar LLP 14 New Street London EC2M 4HE
Legal advisers to the Company as to Norwegian Law	Tenden Advokatfirma ANS PO Box 423 3101 Tønsberg Norway
Solicitors to Allenby Capital and SP Angel	Field Fisher Waterhouse LLP 35 Vine Street London EC3N 2PX

Competent Person	CSA Global (UK) Limited 2 Peel House Barttelot Road Horsham RH12 1DE
Registrar	Share Registrars Limited Suite E, First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL

DEFINITIONS

In this Document, unless the context requires otherwise, the words and expressions set out below shall bear the following meanings:

"Acquisition"	the conditional acquisition of Kodal Phosphate by the Company pursuant to the Acquisition Agreement;
"Acquisition Agreement"	the conditional agreement between the Company and Tetra Minerals setting out the terms of the sale and purchase of Kodal Phosphate, details of which are set out in paragraph 12.1 of Part VII of this Document;
"Act"	the UK Companies Act 2006 (as amended);
"Admission"	admission of the Enlarged Issued Share Capital to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules;
"AIM"	the market of that name operated by the London Stock Exchange;
"AIM Rules for Companies" or "AIM Rules"	the rules which set out the obligations and responsibilities in relation to companies whose shares are admitted to AIM as published and amended from time to time by the London Stock Exchange;
"AIM Rules for Nominated Advisers"	the rules which set out the eligibility, obligations and certain disciplinary matters in relation to nominated advisers as published and amended from time to time by the London Stock Exchange;
"Applicable Employee"	as defined in the AIM Rules as, *inter alia*, any employee of the Company, together with that employee's family, who has a holding in 0.5 per cent. or more of the Ordinary Shares;
"Articles"	the articles of association of the Company, as amended from time to time;
"Board" or "Directors"	the directors of the Company whose names appear on page 6 of this Document;
"Broker" or "SP Angel"	SP Angel Corporate Finance LLP;
"Company" or "Kodal Minerals"	Kodal Minerals plc, a company incorporated in England and Wales, with registered number 07220790;
"Competent Person" or "CSA"	CSA Global (UK) Limited;
"Competent Person's Report" or "CPR"	the independent report from CSA Global (UK) Limited which appears in Part III of this Document;
"Consideration Shares"	the 250,000,000 Ordinary Shares to be issued to Tetra Minerals pursuant to the terms of the Acquisition Agreement;
"CREST"	the computer based system and procedures operated by Euroclear which enable title to securities to be evidenced and transferred without a written instrument;
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended;
"Document"	this AIM admission document;

"Enlarged Group"	the Company and its Subsidiaries following completion of the Acquisition;
"Enlarged Issued Share Capital"	the issued ordinary share capital of the Company on Admission, comprising the Existing Ordinary Shares, the Consideration Shares, the Fee Shares and the Placing Shares;
"Euroclear"	Euroclear UK & Ireland Limited, a company incorporated in England and Wales and the operator of CREST;
"Existing Issued Share Capital" or "Existing Ordinary Shares"	the 207,097,792 Ordinary Shares in issue at the date of this Document;
"Exploration Licence(s)"	an exploration permit granted by the Norwegian Directorate of Mining under the Norwegian Minerals Act to allow the holder to conduct exploration at a specified area;
"Extraction Licence(s)"	an extraction permit granted by the Norwegian Directorate of Mining under the Norwegian Minerals Act to allow the holder to extract and make use of deposits of minerals at a specified area;
"FCA"	the Financial Conduct Authority of the United Kingdom;
"Fee Shares"	the 70,285,715 Ordinary Shares to be issued on Admission to SP Angel, Allenby Capital, Thomas Eggar LLP and Novoco as set out in paragraphs 3.4 and 3.5 of Part VII of this Document;
"FSMA"	the Financial Services and Market Act 2000, as amended;
"Group"	the Company and its Subsidiaries as at the date of this Document;
"Group Company"	a member of the Group;
"Kodal Extraction Licences"	the Extraction Licences held by Kodal Phosphate as described in Table A on page 68 of Part III of this Document, which are the subject of the Kodal Project;
"Kodal Phosphate"	Kodal Phosphate AS, a company incorporated in Norway with registered number 00998591422;
"Kodal Project" or "Project"	the Kodal deposit which is located in the Vestfold County of Norway. It is a phosphate and titanomagnetite deposit and is situated in the Lagen valley, approximately 20 km north of Larvik;
"London Stock Exchange"	London Stock Exchange plc;
"Nominated Adviser" or "Allenby Capital"	Allenby Capital Limited;
"Norsk Hydro"	Norsk Hydro ASA, a part state owned Norwegian energy and resources group;
"Novoco"	Novoco Mine Engineering Limited, a company incorporated in the British Virgin Islands with registered number 1761895, which is wholly owned by Luke Bryan;
"Official List"	the Official List of the UK Listing Authority;
"Option Shares"	the Ordinary Shares that are either the subject of the Options or the Tetra Options as the context requires;

"Options"	the options to subscribe for Ordinary Shares granted to Novoco and to a consultant to the Company as described in paragraphs 9.1 and 9.2 of Part VII of this Document;
"Ordinary Shares"	ordinary shares of 0.03125 pence each in the share capital of the Company;
"Panel"	the UK Panel on Takeovers and Mergers, the independent body that issues and administers the Takeover Code;
"Placees"	subscribers for Placing Shares pursuant to the Placing;
"Placing"	the conditional placing of the Placing Shares with the Placees at the Placing Price by SP Angel as broker on behalf of the Company;
"Placing Agreement"	the conditional agreement relating to the Placing, dated 20 December 2013 between the Company, the Directors, Allenby Capital and SP Angel, further details of which are given in paragraph 12.7 of Part VII of this Document;
"Placing Price"	0.7 pence per Placing Share;
"Placing Shares"	the 142,857,240 new Ordinary Shares to be issued by the Company pursuant to the Placing;
"Proposals"	the Acquisition, Placing and Admission;
"Prospectus Rules"	the Prospectus Rules published by the FCA from time to time;
"QCA Code"	the Corporate Governance Code for Small and Mid-Size Quoted Companies 2013 as published by the Quoted Companies Alliance;
"Registrars"	Share Registrars Limited;
"Sami"	the Sami are Norway's indigenous people;
"Shareholders"	holders of Ordinary Shares;
"Significant Shareholders"	as defined in the AIM Rules as, *inter alia*, any person who holds any legal or beneficial interest directly or indirectly in three per cent. or more of the Ordinary Shares;
"Subsidiary"	a subsidiary undertaking as defined in section 1159 of the Companies Act 2006 and "Subsidiaries" shall be construed accordingly;
"Substantial Shareholders"	as defined in the AIM Rules as, *inter alia*, any person who holds any legal or beneficial interest directly or indirectly in 10 per cent. or more of the Ordinary Shares;
"Takeover Code"	the UK City Code on Takeovers and Mergers;
"Tetra Minerals"	Tetra Minerals Oy, a company incorporated in Finland with business identification number 2207386-8 and the vendor of Kodal Phosphate under the Acquisition Agreement;
"Tetra Option Agreement"	the option agreement to be dated on Admission between the Company and Tetra Minerals, further details of which are set out in paragraph 12.3 of Part VII of this Document;

"Tetra Options"	the options to be granted by the Company to Tetra Minerals under the Tetra Option Agreement to subscribe for up to 714,285,714 Ordinary Shares at a subscription price of 10p per Ordinary Share that becomes exercisable subject to certain conditions being met as described in the Tetra Option Agreement;
"Tetra Royalty Agreement"	the royalty agreement to be dated on Admission between the Company, Kodal Phosphate and Tetra Minerals in respect of royalties payable by Kodal Phosphate to Tetra Minerals details of which are set out in paragraph 12.2 of Part VII of this Document;
"UK Corporate Governance Code"	the UK Corporate Governance Code as published by the Financial Reporting Council;
"Uncertificated"	an ordinary share recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland;
"United States" or "US"	the United States of America, its territories and possessions;
"US$" or "$"	United States dollars, the lawful currency of the United States;
"US Securities Act"	the US Securities Act of 1933, as amended;
"VAT"	value added tax;
"€" and "Euro"	the lawful currency used by the Institutions of the European Union; and
"£", "pounds sterling" and "p"	the lawful currency of the United Kingdom.

PART I

INFORMATION ON THE ENLARGED GROUP

1. Introduction

The Company was incorporated on 13 April 2010 for the purposes of acquiring or discovering and developing mineral assets. The Company entered into the Acquisition Agreement with Tetra Minerals on 12 October 2012 pursuant to which the Company was granted the right to acquire the entire issued share capital of Kodal Phosphate, subject to certain conditions. Completion of the Acquisition is conditional, *inter alia*, upon Admission.

Kodal Phosphate is the registered holder of the Kodal Extraction Licences. Since October 2012, the Company has undertaken and financed a number of work programmes on the Kodal Project in southern Norway with the intention of validating available historical data on the project and establishing a resource estimation for the deposit. The Company is undertaking the Placing and Admission to finance the next work programme on the Kodal Project with a view to eventually bringing it into commercial production, subject to obtaining the necessary consents and approvals.

2. Overview of the Kodal Project

The Kodal Project is located in the Vestfold county of Norway and the boundary between the Andebu and Larvik municipalities crosses the project area. It is a phosphorus (P) and iron (Fe) project and is situated in the Lågen valley, 20 km north of Larvik. The Project forms part of the Vestfold-Ringerike Graben geological structure and is located approximately 85 km south-west of Oslo[1].

Figure 1. Location of Kodal Deposit, Norway (Source: CPR – paragraph 3.1, page 72, Part III of this Document.)

The Kodal Project has, using a 0.5 per cent. P cut off, a JORC compliant total Indicated Resource of 14.6Mt at 2.26 per cent. P (5.18 per cent. P_2O_5) and 24.12 per cent. Fe with an Inferred Resource of 34.31Mt at 2 per cent. P (4.59 per cent. P_2O_5) and 20.38 per cent. Fe[2].

[1] Source: CPR – Executive Summary, page 45, Part III of this Document

[2] Source: CPR – Executive Summary, page 48, Part III of this Document

The deposit forms part of the Vestfold-Ringerike Graben, itself part of the Permian Oslo rift formed during the latter part of the Variscan orogeny. The Larvikite-Ladalite ring complex dominates the southern portion of the Graben with a number of known, small, Fe-Ti-P mineral occurrences found in Nepheline bearing Larvikites in the region[3].

The potential of the mineralisation of the Project as a phosphate resource was first recognised by V.M. Goldsmidt during World War I in an evaluation of Norwegian phosphate resources. Norsk Hydro considered the Project as a possible source of apatite for its fertilizer production at Herøya and carried out investigations in 1959-62, 1973-75 and 1983-84 (Lindberg, 1985)[4].

Norsk Hydro investigated the area in and around the Project in some detail and only the Kodal Project was regarded as having economic potential. Due to the limited number of exposures, the investigation of the Project has, to a large extent, historically been based on drill cores[4].

The Project was drilled in 1960-1962, comprising mainly short holes over 20 profiles, with 18 longer drill holes completed in 1974-1975 to depths of 100-300 metres. These campaigns of drilling led to the commissioning of a pre-feasibility study ("PFS") undertaken by Norsk Hydro and the definition of "proven" and "probable" reserves of phosphate of 69 million tonnes. At that time, further mine planning works were required for a potential open-pit operation. It should be noted that reserves quoted in the PFS may not be considered JORC compliant and as such are historical, non-compliant estimates[4].

3. Kodal Extraction Licence area

The Project area was covered by six contiguous Exploration Licences, subsequently superseded with three contiguous Extraction Licences[5]. The location of the Kodal Extraction Licences is shown in Figure 2 below and they are summarised in Table 1 below.

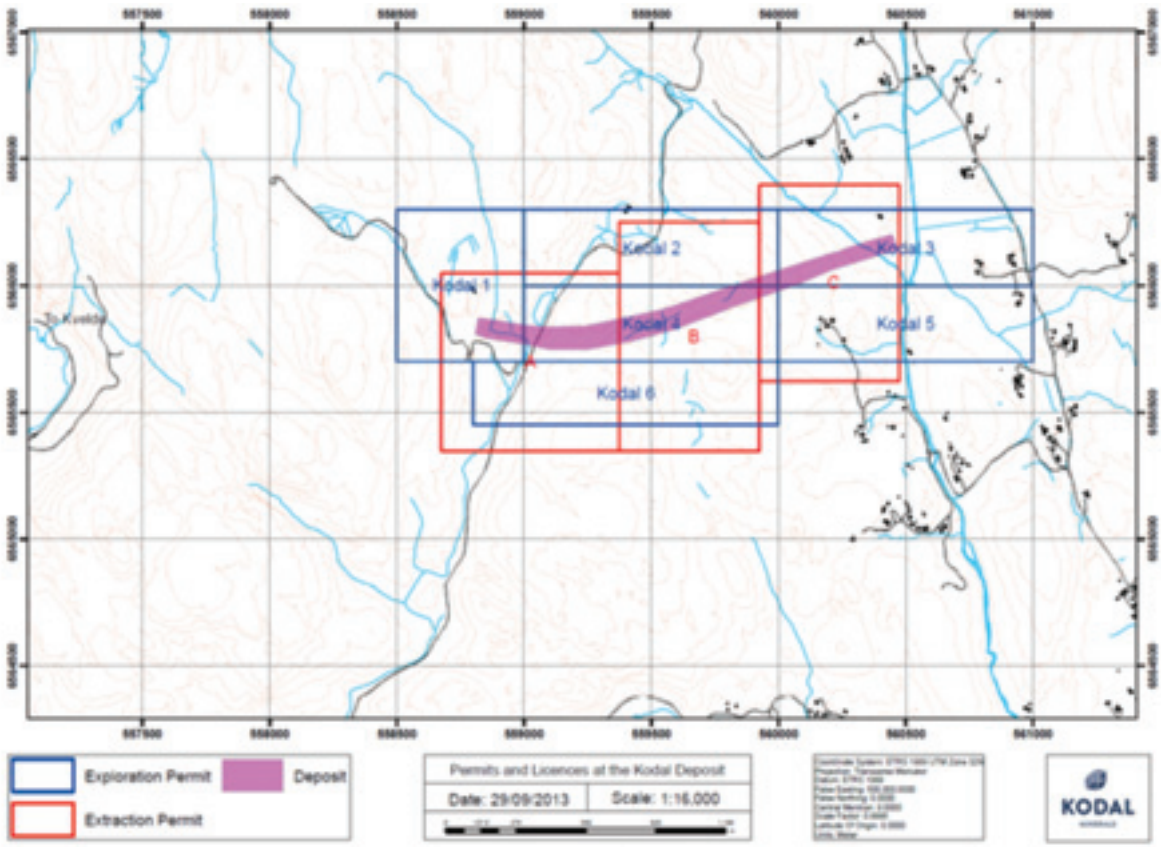


Figure 2. Location map of the project concessions. (Source: CPR – paragraph 3.1, page 74, Part III of this Document.)

[3] Source: CPR – Executive Summary, page 46, Part III of this Document.

[4] Source: CPR – Executive Summary, pages 45 to 46, Part III of this Document.

[5] Source: CPR – paragraph 3.1, page 72, Part III of this Document.

Table 1. Summary Table of Assets (Source: CPR – paragraph 1.3, page 68, Part III of this Document).

Asset	*Holder*	*Interest (%)*	*Status*	*Permit expiry date*	*Permit area*	*Comments*
Kodal Project, Norway	Kodal Phosphate AS	100	Development	11.07.2023	1.4 km^2	Extraction Licence split into 3 parts, A,B & C

There are no minimum work programme requirements to maintain the good standing of the Kodal Extraction Licences. The Kodal Extraction Licences attract a nominal total annual fee of approximately NOK14,000 (approximately £1,400) payable by the Extraction Licence holder.

The Extraction Licences over the Kodal Project are currently held by Kodal Phosphate, which is owned by Tetra Minerals. Kodal Minerals has an exclusive option to acquire Kodal Phosphate, which has been exercised and completion of the Acquisition is subject, *inter alia*, to Admission.

4. Exploration[6]

The Kodal Project's mineralised zone has been subject to two phases of historic exploration and geological modelling since the 1960s. All historic exploration was undertaken by Norsk Hydro.

The first phase was completed between 1960 and 1963 with 40 shallow (less than 50 metres) diamond drill holes over 20 profiles ("Generation A" drilling) with subsequent follow-up drilling between 1974-75 where an additional 20 diamond drill holes ("Generation B") were drilled. The Generation B holes are deeper, with depths ranging from 110 to 550 metres.

Historic drilling details are summarised in Table 4 of the CPR in Part III of this Document.

More recently, Kodal drilled seven diamond drill holes in 2012, comprising 918 metres of drilling, with depths ranging from 40 to 220 metres, designed to verify historical drill data. A summary of drilling undertaken on the Kodal Project is set out in Table 2 below.

Table 2. Drilling undertaken on the Kodal Project

	Years	*Metres*	*Hole IDs*	*Diameter*	
A	1961	2062.90 m	BH01 – BH39, LH01-LH02B	EX	18.6 mm
B	1974	4198.20 m	BH41 – BH58	BQ	36.5 mm
C	2012	918.40 m	BH60 – BH68	BQTK	40.5 mm
	Total	7179.5 m			

Drilling in 2012 was undertaken using a track mounted Onram 1000 rig operated by Diamantboring Nord AS. Collar surveying was undertaken by Ingeniorservice AS, completed with reference to two trigonometric beacons and three control points.

Subsequent to drilling, Kodal Minerals' undertook re-logging of all available historic core in 2013 and captured geological, mineralogical, alteration and geotechnical characteristics including core preservation, sampling and core recovery.

Historic data has been validated in three ways:

- CSA has validated hard-copy grade data versus the digital data supplied by Kodal Minerals;
- Kodal Minerals has undertaken a twin drilling programme, the results of which have been assessed by CSA; and
- Kodal Minerals has undertaken re-sampling and analysis of a portion of the available historic core, by current methods. This data has been assessed by CSA.

[6] Section source: CPR – Executive Summary, pages 47 to 48, Part III of this Document.

Historical mineral processing and metallurgical test work has been completed on samples obtained from the Kodal Project and reported as part of historical feasibility study work completed by Norse Hydro in the 1970s. In addition, recent preliminary test work has been completed by Kodal Minerals in 2013 on a bulk composite sample (23kg) of drill core.

Kodal Minerals engaged Z Star Mineral Resource Consultancy (Pty), South Africa ("Z Star") to undertake a Mineral Resource Estimation ("MRE") Study for the Kodal Project in 2013. This work was completed to provide an MRE suitable for internal study by Kodal Minerals and was not classified or reported externally under any international code. Z-Star did not validate data used in their estimate and assumed the data as presented, to be accurate.

Following on from this work, CSA took receipt of all data, information and documents connected with this work, conducted a review of the in-house MRE and improved upon this work, incorporating the reviews of historical and recent data, resulting in a JORC 2012 compliant MRE being prepared by CSA.

5. Geology

Summary

The Kodal Deposit is a well understood, cumulate-type tabular deposit now lying in a near vertical position. The deposit is approximately 1.9 kilometres in length, with a consistent main zone thickness of approximately 20 metres ("Main Zone"). The Main Zone is surrounded by a lower grade transitional zone, which averages approximately 50 metres in thickness ("Transition Zone"). Mineralisation is from surface and remains open at depth.

Regional geology[7]

The deposit forms part of the Vestfold-Ringerike Graben, itself part of the Permian Oslo rift formed during the latter part of the Variscan orogeny. The Larvikite-Ladalite ring complex dominates the southern portion of the Graben with a number of known, small, Fe-Ti-P mineral occurrences found in Nepheline bearing Larvikites in the region (see Figure 3).

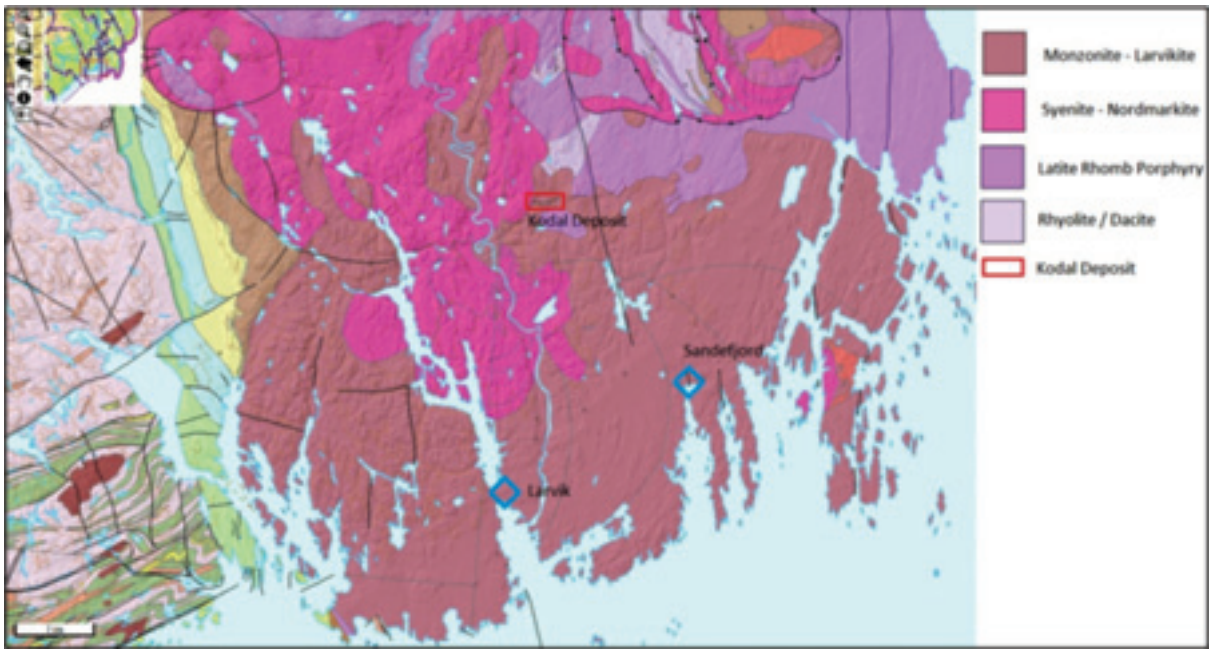


Figure 3. Geology of the Vestfold region taken from NGU bedrock mapping.

[7] Paragraph source: CPR – section 6, pages 78 to 79, Part III of this Document.

Local property geology[7]

Historical literature gives conflicting suggestions as to the emplacement mechanism of the deposit. What is established is that the deposit has a currently delineated strike extent of around 1900 metres at surface, is broadly tabular with some apophasis throughout. The eastern end becomes lensoidal as it reduces in thickness until extinction. The western end is cut by a roughly vertical Syenite intrusion. The deposit is seen to bend by 40 degrees at a third of its length from the west.

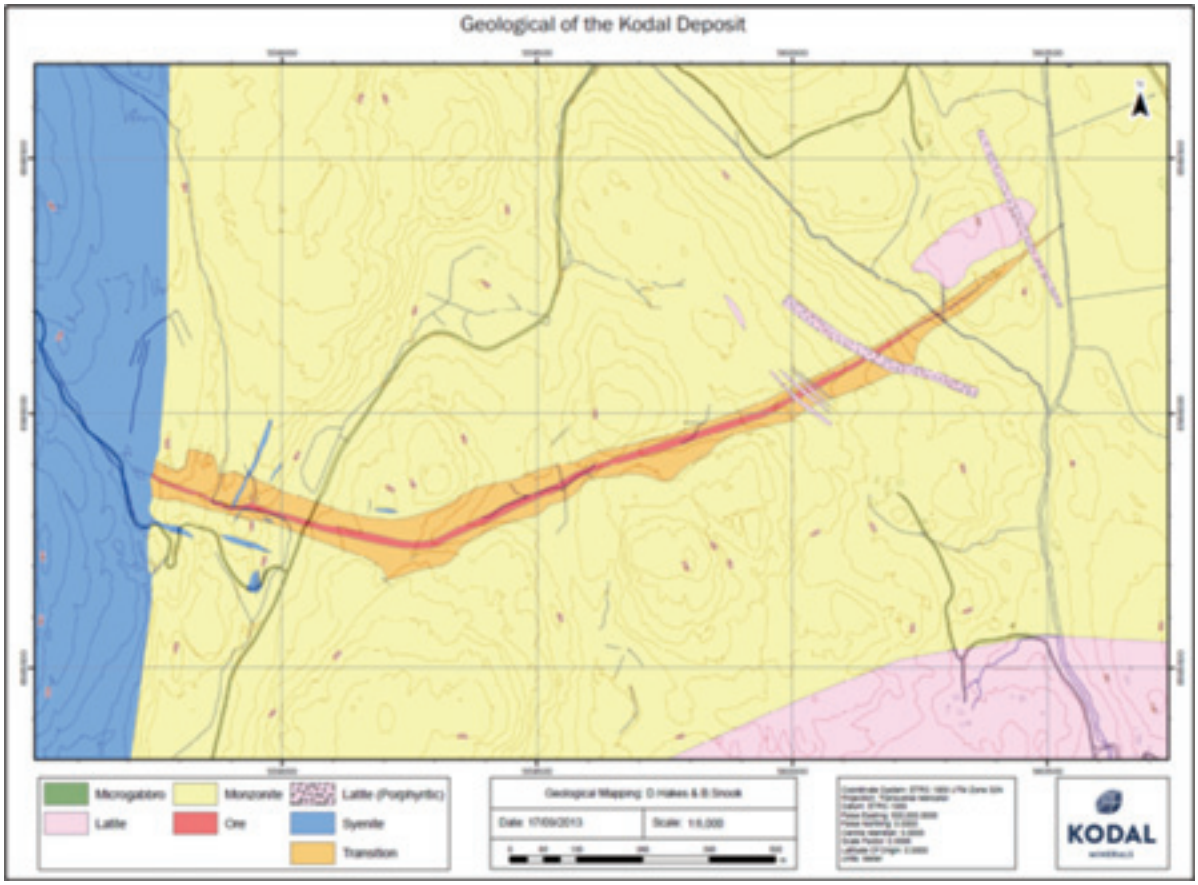


Figure 4. Local geological map of the Project.

Mineralisation[7]

The Kodal Deposit has two zones defined on mineralisation characteristics: the 'Main Zone' comprising higher concentrations of mineralisation, bounded by a variable thickness 'Transition Zone' on either side which shows gradational reduction in mineralisation away from the Main zone. The Transition Zone is hosted within Monzonite and eventually trends outwards to unaltered country rock. Transition Zone mineralisation typical starts at 30 per cent. melonchromatic mineralisation in proximity to the Main Zone and grades out over 20-60m. Figure 4 details the geology mapped at the deposit. Figure 5 shows the sharp contact between the Main Zone and Transition Zone from drill core.

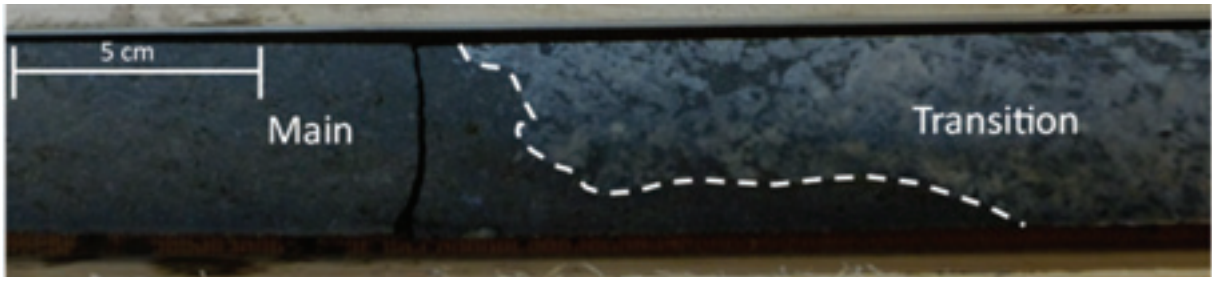


Figure 5. Drill hole DDH64 at 5.18 m, contact between Main Zone and Transition Zone material.

[7] Paragraph source: CPR – section 6, pages 78 to 79, Part III of this Document.

6. Mineral Resource[8]

The Kodal Project has, using a 0.5 per cent. P cut off, a JORC compliant total Indicated Resource of 14.6Mt at 2.26 per cent. P (5.18 per cent. P_2O_5) and 24.12 per cent. Fe with an Inferred Resource of 34.3Mt at 2 per cent. P (4.59 per cent. P_2O_5) and 20.38 per cent. Fe. Table 3 below sets out a summary of the Kodal Project Resources by status.

Table 3. Summary Resources by Status (Source: CPR – Executive Summary, page 58, Part III of this Document.)

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

CSA have produced a conceptual pit optimisation based upon the CSA Mineral Resource block model. Although conceptual in nature this optimisation shell presents the base case scenario, using available variables. CSA have used this optimisation shell as a limit to the Inferred material. All material outside of this optimisation shell is considered Exploration Target as defined under JORC 2012.

CSA reports, using a 0.5 per cent. cutoff a total Indicated Resource of 14.6Mt at 2.26 per cent. P (5.18 per cent. P_2O_5) and 24.12 per cent. Fe with an Inferred Resource of 34.3Mt at 2 per cent. P (4.59 per cent. P_2O_5) and 20.38 per cent. Fe.

Of the quoted Indicated Mineral Resource, 8.8Mt at 7.00 per cent. P_2O_5 and 31.20 per cent. Fe is contained within the Main Zone, and 5.8Mt at 2.44 per cent. P_2O_5) and 13.4 per cent. Fe is contained within the Transition Zone.

Of the quoted Inferred Mineral Resource, 15.7Mt at 7.26 per cent. P_2O_5 and 30.00 per cent. Fe is contained within the Main Zone, and 18.6Mt at 2.33 per cent. P_2O_5 and 12.24 per cent. Fe is contained within the Transition Zone.

Indicated material represents a coherent zone of material estimated in the first search pass, close to surface and supported by shallow, closely spaced drilling. Material below this, contained within the conceptual optimisation shell was classified as Inferred material.

[8] Section source: CPR – Executive Summary, page 48 to 49, Part III of this Document.

7. Location and infrastructure

The Kodal Project is situated on the boundary between the Communes of Andebu and Larvik and lies in an inclined topographical low through undulating forest situated between 230 and 170 m amsl. The forest is composed of various pine species which are used for forestry. Vegetation is seen to be at several ages through the project site with roads used for forestry activities cross the project, in various states of repair[9].

A private gravel road runs through the Project. This road is owned and maintained by the principal landowner. A car park accessed by this road is used by recreational users and is the natural point of access to the site. On the western portion of the project a number of publicly used and marked footpaths are present which follow drill roads from previous exploration campaigns. To the east and over the majority of the Project various forestry roads can be accessed by foot. The eastern extremity of the Project is open pasture[9].

A small number of well-spaced houses and farm buildings are present in the eastern section of the Project along with a second tarmac road which leads to the port of Sandefjord, some 15kms away to the south east[9].

The climate is typical of near coastal Scandinavia with warm, relatively dry summers and very cold dark winters with significant snowfall. Snow covers the ground until around May each year but all roads are kept open year round. Locally, large capacity power lines are available supplying domestic and light industrial properties with a small number of local quarrying operations also served. Power is well managed and readily available as would be expected in any populated area of a northern European country. The local workforce is historically mixed agricultural and livestock farmers and many still operate small family held properties[9].

Norsk Hydro, the world's first producer of artificial mineral nitrogen fertilisers, was established in 1905. During the following decades Norsk Hydro expanded into a vast array of businesses from fertilizers to oil and metals. The division mostly devoted to agricultural products and co-products, Yara International ASA ("Yara") was "spun out" and listed on the Oslo Stock Exchange in 2004. Yara is one of the world's leading suppliers of mineral fertiliser with a market share of approximately 8 per cent. and has one of its largest production units at the Herøya industrial park in the Porsgrunn industrial area, approximately 50 km away from the Kodal Project. Phosphorus, along with nitrogen and potassium, is a key component of commercial fertiliser.

The port of Larvik is a commercial enterprise owned by the Larvik municipality and is currently in a period of expansion. It is approximately 20 km away from the Project and supports recreation, fishing, ferries and container transport operators.

8. Mineral and Mining Legislation in Norway

The following section is extracted from section 1.4 of the CPR in Part III of this Document and is summarised from the Norwegian "Act of 19 June 2009 No.101" relating to the acquisition and extraction of mineral resources (the "Minerals Act"), reviewed as an official translation into English by the Norwegian state.

Fundamentally, the Norwegian mining law is designed to ensure that the following interests are safeguarded:

- value creation and industrial and commercial development;
- the foundation of Sami culture, commercial activity and social life;
- the surroundings and nearby areas while operations are being carried out;
- the environmental consequences of extraction; and
- long-term planning relating to subsequent use or reclamation of the area.

The system has three tiers of permits for various stages of a project's development: exploration licences, extraction licences and operating licences.

Kodal Phosphate has been granted extraction licences in respect of the Project. These documents state that "the extracting party may extract and utilise all deposits of minerals owned by the State in the extraction area. Deposits of minerals owned by a landowner may be extracted to the extent that this is necessary to extract deposits of minerals owned by the State."

[9] Source: CPR – section 4, page 75, Part III of this Document.

The Mining Act states that a number of minerals are 'owned by the state' of which iron and its ores are one. Ordinarily, phosphate and its ores would be the property of the landowner. However, if as is the case at the Kodal Project, it is deemed by the Directorate of Mining that state owned and non-state owned minerals occur in a circumstance that they cannot be reasonably extracted separately, then both types may be extracted as if they were state owned minerals.

Kodal Minerals holds a letter from the Directorate of Mining which classifies the deposits as "comingled", that the phosphate and metallic ores appear "in an intimate mixture" and that "the different mineral products can only be separated by processing the ore." As such, iron and phosphate can be extracted by Kodal Phosphate. An extraction licence allows exploration activities to continue within the licensed area.

An extraction licence is valid for 10 years or until it is superseded by an operating licence. Extraction licences may be extended by up to ten years at a time. The Directorate of Mining states that "deadline extensions shall normally be granted if the deposit is deemed to hold a reasonable reserve for the applicant's operations".

Should Kodal Phosphate wish to extract material, the extraction licences allow volumes of up to 500 m^3 to be extracted without notice. Should this be exceeded, the Directorate of Mining must be notified at least 30 days in advance (an upper limit of 10,000 m^3 applies before an operating licence is required).

The land over which the deposit is situated is privately owned by a series of landowners. The Directorate of Mining expects every effort to be made to agree terms with landowners, in the event that land and rights are required. Where terms cannot be negotiated, "an exploring party may apply to the Directorate of Mining for a permit to acquire compulsorily, the land and rights needed to be able to undertake mining".

A party wishing to extract a deposit of minerals owned by the State may apply to the Directorate of Mining for a permit to acquire compulsorily:

(a) the land and rights needed for extraction; and

(b) the land and rights needed for the processing of minerals.

Should this be the case, the law details the requirements for compensation. Compensation is defined by the State on the basis of the market price. Additional information relating to compensation is contained in the "Act of 6 April 1984 No.17" relating to compensation in connection with the compulsory acquisition of property. The compensation takes the form of a charge per extracted unit of the mineral, unless special reasons indicate that a different solution is appropriate. A minimum charge may be set that is to be paid regardless of the production volume. Awarded compensation shall be set as annual payments. However, a one-off compensation payment may be set if there are special reasons for doing so.

An operating licence shall be required at any point when more than 10,000m^3 of material is extracted. To be granted an operating licence it is necessary to first be granted an Extraction Licence. The Directorate of Mining states that "in the assessment of whether an operating licence should be granted, emphasis shall be given to whether the applicant is qualified to extract the deposit". However pilot plants can be permitted independently without the need for an operating licence, with a special permit and this is typically limited to a maximum of 2000 m^3 of processed material to be used to access the commercial viability of the deposit. Operating licences may be limited in time and subject to review periodically.

The parties involved in exploration and extraction have a duty to implement and maintain safe working practices throughout so that operations do not pose a danger to humans, farm animals or domesticated reindeer. The parties involved also have a duty to rehabilitate on cessation of any activities. They are also required to pay compensation for any damage caused. The Directorate or Mining can order any parties involved with exploration or extraction activities to provide financial security for the implementation of safety and clean up measures.

Change of Control of Kodal Phosphate, the holder of the Kodal Extraction Licences

The Directorate of Mining has published guidelines that the transfer of ownership of a company that holds Extraction Licences (as in the case of Kodal Phosphate and the Kodal Extraction Licences) needs to be approved by the Directorate of Mining. Accordingly, notification of the transfer of ownership of Kodal Phosphate pursuant to the Acquisition will be given to the Directorate of Mining and notice of approval is expected to be received following Admission, as an advance notification and approval is not possible. Otherwise, the Company has received advice that it is not subject to any legal requirements or demands in this regard, other than payment of the necessary fees which are nominal.

9. Principal terms of the Acquisition

Under the terms of the Acquisition Agreement, the Company has an option to acquire all of the issued and to be issued share capital of Kodal Phosphate, a holding company which is the registered holder of the Kodal Extraction Licences, from Tetra Minerals. The total consideration due to Tetra Minerals on Admission is as follows:

- £1,750,000 to be satisfied by the allotment and issue of 250,000,000 Ordinary Shares at the Placing Price, representing approximately 37.3 per cent. of the Enlarged Issued Share Capital;
- €100,000 payable in cash;
- Royalties to be paid on revenues under the Tetra Royalty Agreement referred to below; and
- Options to acquire further Ordinary Shares granted to Tetra Minerals under the Tetra Option Agreement referred to below.

The Acquisition is conditional, *inter alia*, on Admission. The Consideration Shares will rank *pari passu* in all respects with the Existing Ordinary Shares.

Tetra Royalty Agreement

As part of the consideration under the Acquisition Agreement, on Admission the Company will enter into the Tetra Royalty Agreement under which it is to pay Tetra Minerals a 1.5 per cent. royalty on revenue from mineral sales in connection with the Kodal Extraction Licences.

Further details of the Acquisition and the royalty are set out in the summaries of the Acquisition Agreement and the Tetra Royalty Agreement respectively in paragraphs 12.1 and 12.2 of Part VII of this Document.

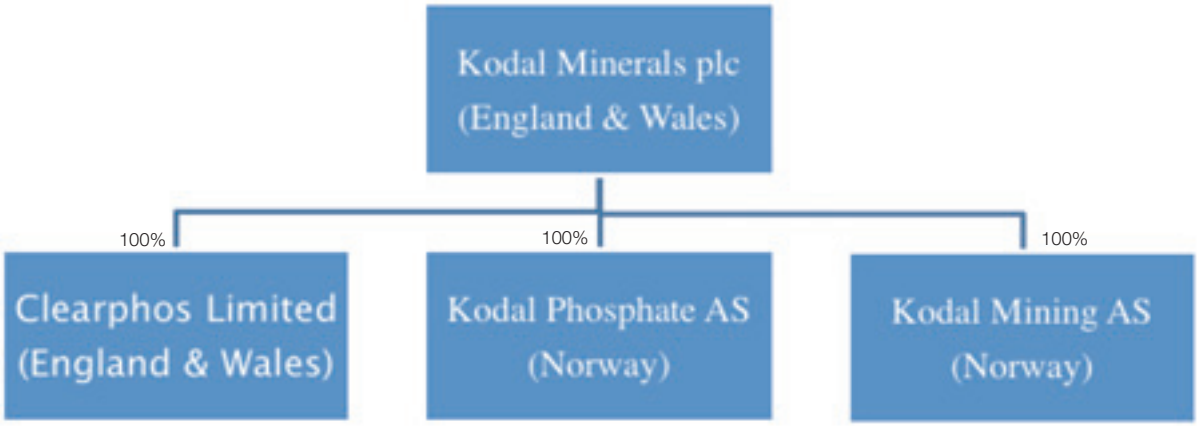
Tetra Option Agreement

As part of the consideration under the Acquisition Agreement, Tetra Minerals will be granted the Tetra Options on Admission. The Tetra Options grant to Tetra Minerals options to subscribe for up to 714,285,714 Ordinary Shares of the Company at 10 pence per share, subject to certain vesting conditions. The Tetra Options vest and become exercisable in tranches of 20 per cent. as JORC indicated resource levels at the Kodal Project meet thresholds that start at 90 million tonnes and end at 170 million tonnes of phosphate minerals. Once vested, each tranche of the option may be exercised by Tetra Minerals for a period of three years.

Further details of the Tetra Option Agreement are set out in paragraph 12.3 of Part VII of this Document. Although the Tetra Option Agreement covers an interest in a significant number of Ordinary Shares, the Tetra Options have not yet vested. Therefore the Tetra Options cannot yet be exercised. The Directors consider the vesting thresholds to be high and therefore believe the likelihood of the Tetra Options vesting and becoming exercisable in the near to medium term to be remote.

10. Corporate structure

On Admission, the corporate structure of the Enlarged Group will be as shown below:



11. Directors, employees and consultants

Directors

The Board comprises five Directors, whose biographies are set out below and further details are set out in paragraphs 10 and 11 of Part VII of this Document.

David Harold Jones CBE (aged 71) – *Chairman*

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

Luke Robert Bryan (aged 46) – *Chief Executive Officer*

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

Robert Ian Wooldridge (aged 49) – *Non-executive Director (responsible for finance)*

Robert is currently a partner at SP Angel. 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 and technology sectors.

Ismail Emin Eyi (aged 46) – *Non-executive Director*

Emin is currently managing director of Tri-Star Resources plc, an AIM listed integrated antimony development company. Prior to his current role, Emin was a partner of SP Angel Corporate Finance LLP where he conducted investment and advisory work for clients. He has particular experience of the mining and resource industry and is familiar with those who provide financing and who are active in the investment market for mining and resource companies. Mr. Eyi has 20 years' investment banking experience in the natural resource sector at a number of firms including Cazenove & Co, Barings, HSBC and Goldman Sachs. He is a graduate of Imperial College in London, with a Masters degree in Mining Engineering, and is a Fellow of the Geological Society.

Guy Edward Eastaugh (aged 51) – *Non-executive Director*

Guy began his career at PricewaterhouseCoopers International Limited in London, qualifying in 1987. Guy subsequently spent six years in investment banking before moving into industry in 1995. He worked at Enron Europe Limited, rising to vice president, before joining Hanson plc as head of corporate development in 1999. From 2003 to 2007 he was head of corporate finance and corporate director – strategy at GKN plc. In May 2007, Guy joined Invista Real Estate Investment Management Holdings plc as chief financial officer and a main board director. He remained part of the executive team that led the successful sale of the business in 2012. Guy is a qualified chartered accountant and a member of the Association of Corporate Treasurers. He holds a masters degree in Natural Sciences from Cambridge University.

Employees and consultants

There were no employees of the Group in the period to 31 March 2011 or in the years to 31 March 2012 and 2013 respectively. There were no employees of the Group in the six months to 30 September 2013. On Admission, the Enlarged Group will have no employees, excluding the Directors.

The Group has previously employed the services of consultants with expertise in geology, metallurgy and environmental and social matters. The Directors expect that the Enlarged Group will continue to utilise such consultants on an ad hoc basis as required following Admission.

12. Historical Financial Information

Part IV of this Document includes audited financial statements for the Company from incorporation on 13 April 2010 to 31 March 2013 and unaudited interim financial results for the six months to 30 September 2013.

Part V of this Document includes audited financial statements for Kodal Phosphate from incorporation on 10 April 2012 to 31 December 2012 and unaudited interim financial results for the six months to 30 June 2013.

13. Current trading and strategy

Since the execution of the Acquisition Agreement in October 2012, the Company has been focused on investigating the Kodal Project and completing the Acquisition.

Following Admission the Company will focus on expediting the development of the Kodal Project into an open pit mining operation producing phosphate and iron concentrates. The Company is targeting production to commence in 2016.

The net proceeds of the Placing are expected to be approximately £0.77 million and will be applied primarily to the development of the Kodal Project and the Company's working capital requirements. The Directors believe that, on Admission, the Company will have sufficient funds to progress an Environmental and Social Impact Assessment and advance conceptual engineering studies to further define the size, scope and costs of the Project, but will not have sufficient funds to complete the final feasibility study.

Shareholders should be aware that, whilst the Directors are satisfied that the Company will have sufficient working capital for at least 12 months from Admission, the Company will require substantial additional capital in the future in order to fund full development of the Kodal Project. The Board will consider the most appropriate funding mechanism at the relevant time which could include the issue of further equity or debt finance.

In the long term, it is anticipated that the planned works will advance broadly in the direction defined by the preliminary conceptual mining study set out in section 13.3 of the CPR in Part III of this Document. The Project appears to be most suited to a traditional open pit mining approach using mining trucks and hydraulic excavators. The mineral processing route is expected to utilise a combination of magnetic separation and flotation technologies. The exact combination remains to be determined from further test work.

The Board intends to continue to review other potential projects if opportunities arise.

14. Details of the Placing

The Company has conditionally raised £1.0 million gross (approximately £0.77 million net of cash expenses) through the Placing.

SP Angel has conditionally agreed, pursuant to the Placing Agreement and as agent for the Company, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing Shares are being placed with institutional and other investors. The Placing Shares will represent 21.3 per cent. of the Enlarged Issued Share Capital and will rank *pari passu* with the Existing Ordinary Shares. The Placing has not been underwritten and is conditional, *inter alia*, on Admission occurring and the Placing Agreement not being terminated by 8.00 a.m. on 30 December 2013 and in any event no later than 8.00 a.m. on 31 December 2013. Further details of the Placing Agreement are set out in paragraph 12.7 of Part VII of this Document. The Placing Agreement contains certain warranties from the Company and the Directors and indemnities from the Company in favour of Allenby Capital and SP Angel in relation, *inter alia*, to the accuracy of the information contained in this Document and certain matters relating to the Company.

Allenby Capital and SP Angel have certain rights to terminate the Placing Agreement prior to Admission, including for a material breach of warranty or the occurrence of certain force majeure events.

In the case of Placees requesting Placing Shares in Uncertificated Form, it is expected that the appropriate stock accounts of Placees will be credited with Ordinary Shares on or around 30 December 2013. In the case of Placees requesting Placing Shares in certificated form, it is expected that certificates in respect of the Placing Shares will be despatched by post within seven days of the date of Admission.

15. Use of Placing proceeds and reasons for the Placing and Admission

The gross proceeds of the Placing will be £1.0 million (approximately £0.77 million net of cash expenses). The Directors intend that the funds raised in the Placing will be used as follows:

Use of funds	£
€100,000 payment to Tetra Minerals under the Acquisition Agreement	85,000
Project expenditure	300,000
Working capital and corporate overheads	385,000
Cash expenses in relation to the Placing, Acquisition and Admission	230,000
Total	1,000,000

The Directors believe that the benefits of Admission are that it will:

- enable the Company to broaden its investor base and assist it in raising additional working capital, now and in the future;
- create a tradable currency in the Company's shares;
- raise the Company's corporate profile as a company whose shares are traded on AIM; and
- allow the Company to attract, retain and motivate high calibre personnel through the grant of share options.

16. Admission

Application will be made to the London Stock Exchange for the Enlarged Issued Share Capital to be admitted to trading on AIM. Admission of the Enlarged Issued Share Capital is expected to take place at 8.00 a.m. on 30 December 2013.

17. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument.

The Articles permit the Company to issue shares in Uncertificated form in accordance with the CREST Regulations. The Ordinary Shares are eligible for CREST settlement. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if the relevant Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

18. Lock-in and orderly market arrangements

Each of the Directors (in respect of themselves and their related parties (excluding Novoco)) and Tetra Minerals, who in aggregate will hold 340,894,624 Ordinary Shares on Admission (representing 50.9 per cent. of the Enlarged Issued Share Capital) have undertaken to the Company, Allenby Capital and SP Angel that, in accordance with rule 7 of the AIM Rules, they will not dispose of any of their respective interests in Ordinary Shares for a period of one year following Admission except in the certain limited circumstances permitted by rule 7 of the AIM Rules. Furthermore, each of the Directors (excluding Novoco) have undertaken that for a further 12 months after the first anniversary of Admission, they will only dispose of any interest in Ordinary Shares through the Broker (or the then broker of the Company) in order to maintain an orderly market in the Ordinary Shares.

Novoco, a company wholly owned by Luke Bryan, which will hold 48,500,000 Ordinary Shares on Admission (representing 7.2 per cent. of the Enlarged Issued Share Capital) has undertaken to the Company, Allenby Capital and SP Angel that, in accordance with rule 7 of the AIM Rules, it will not dispose of any of its interests in Ordinary Shares for a period of one year following Admission, and in respect of 50 per cent. of the Ordinary Shares in which it is interested, for a further period of one year, except in the certain limited circumstances permitted by rule 7 of the AIM Rules. In addition, Novoco has undertaken that for a further period of 12 months after the end of the respective restricted periods, it will only dispose of any interest in Ordinary Shares through the Broker (or the then broker of the Company) in order to maintain an orderly market in the Ordinary Shares.

SP Angel, which will hold 34,950,857 Ordinary Shares on Admission (representing 5.2 per cent. of the Enlarged Issued Share Capital), has undertaken to the Company and Allenby Capital that it will not dispose of any of its interests in Ordinary Shares for a period of one year following Admission. Furthermore, SP Angel has undertaken that for a further period of 12 months after the end of the restricted period, it will only dispose of any interest in Ordinary Shares through the Broker (or the then broker of the Company) in order to maintain an orderly market in the Ordinary Shares.

In addition, certain Shareholders, who in aggregate will hold 71,591,522 Ordinary Shares on Admission (representing 10.7 per cent. of the Enlarged Issued Share Capital), have undertaken to the Company, Allenby Capital and SP Angel that they will not dispose of any of their interests in Ordinary Shares for a period of one year following Admission. Furthermore, such Shareholders have undertaken that for a further period of 12 months after the end of the restricted period, they will only dispose of any interests in Ordinary Shares through the Broker (or the then broker of the Company) in order to maintain an orderly market in the Ordinary Shares.

Further details of the lock-in and orderly market arrangements are set out in paragraph 12.9 of Part VII of this Document.

19. Share Option Plan

The Directors believe that the Enlarged Group's success is dependent on the experience and loyalty of its Directors, employees, consultants and other persons providing services to the Enlarged Group. To assist in the recruitment, retention and motivation of such experienced individuals, the Enlarged Group needs an effective remuneration strategy. The Directors consider that an important part of the Enlarged Group's remuneration strategy is the ability to award equity incentives and, in particular, share options.

As at the date of this Document, Options have been granted to Novoco, a company wholly owned by Luke Bryan and to a consultant to the Company over a total of 40,000,000 new Ordinary Shares, representing 6.0 per cent. of the Enlarged Issued Share Capital, with one third of the Options vesting on the first anniversary of Admission, one third vesting on the second anniversary of Admission and the balance on the third anniversary of Admission. The Options are exercisable at the Placing Price and have an expiry date of ten years from the date of vesting.

Further details of the Options are set out in paragraphs 9.1 and 9.2 of Part VII of this Document.

20. Share Dealing Code

The Board has adopted a code of dealings in Ordinary Shares by Directors and Applicable Employees which conforms to the requirements of the AIM Rules ("Share Dealing Code"). The Company will be responsible for taking all proper and reasonable steps to ensure compliance by the Directors and Applicable Employees with the Share Dealing Code.

21. Corporate governance

The Company is not required to comply with the provisions of the UK Corporate Governance Code. However, the Board recognises the importance of sound corporate governance and the Directors intend to observe the requirements of the UK Corporate Governance Code and QCA Code to the extent they consider appropriate in light of the Company's size, stage of development and resources.

The Company will hold regular Board meetings throughout the year at which reports relating to the Enlarged Group's operations, together with financial reports will be considered. The Board is responsible for formulating, approving and reviewing the Enlarged Group's strategy, budgets, major items of expenditure and senior personnel appointments.

Audit and risk committee

An audit and risk committee will be established on Admission. The audit and risk committee will comprise Guy Eastaugh and David Jones and will be chaired by Guy Eastaugh. The committee will receive and review reports from management and from the auditor relating to the interim and annual accounts and to internal controls and risk management systems. The audit and risk committee will be responsible for meeting

regularly with the auditor, making recommendations to the Board on the appointment of the auditor and for approving the terms of engagement and remuneration of the auditor.

The audit and risk committee will review reports from management and the Company's auditor on the financial accounts and internal control and risk management systems used throughout the Enlarged Group. The audit and risk committee will also monitor the Company's procedures for detecting and preventing bribery and fraud and compliance with the AIM Rules, and liaise with the Company's Nominated Adviser when appropriate.

Remuneration and Nomination Committee

A remuneration and nomination committee will be established on Admission. The Remuneration and Nomination Committee will perform both remuneration and nomination functions and will comprise David Jones and Guy Eastaugh and will be chaired by David Jones.

The purpose of the remuneration function is to ensure that the executive directors are fairly rewarded for their individual contributions to the overall performance of the Company, to determine all elements of the remuneration of the executive directors and to demonstrate to the Company's shareholders that the remuneration of the executive directors is set by a Board committee whose members have no personal interest in the outcome of the committee's decision and who will have appropriate regard to the interests of the shareholders.

The role of the remuneration committee will be to determine and agree with the Board the framework or broad policy for the remuneration of the Company's directors and such other members of the executive management of the Enlarged Group as the remuneration committee considers appropriate. This will be done within the terms of the agreed policy, and in consultation with the Chairman as appropriate, to determine the total individual remuneration package of each Executive Director and other senior executives including bonuses, incentive payments and share options or other share awards, in all cases with due regard to the interests of Shareholders.

The remuneration committee will also be responsible for reviewing the design of all share incentive plans for approval by the Board and, if required, Shareholders. For any such plans, the remuneration committee will determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to Executive Directors and other senior executives and the performance targets to be used. In determining such remuneration packages and arrangements, due regard is given to any relevant legal requirements, the provisions and recommendations in the AIM Rules and the QCA Code.

The purpose of the nomination function is to provide for a formal, rigorous and transparent procedure for the appointment of new directors to the board and to make recommendations to the board on the proposed appointment of new directors to the board, so as to ensure that the Company is be headed by an effective board which is collectively responsible for the long-term success of the Company.

The role of the nomination committee will be to regularly review the structure, size and composition (including the skills, knowledge and experience) required of the board compared to its current position and make recommendations to the board with regard to any changes.

The nomination committee will also give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the board in the future.

The nomination committee will be responsible for identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise.

22. Bribery Act 2010

The government of the United Kingdom has issued guidelines setting out appropriate procedures for companies to follow to ensure that they are compliant with the UK Bribery Act 2010. The Company has conducted a risk review into its operational procedures to consider the impact of the Bribery Act 2010 and has drafted and implemented an anti-bribery policy as adopted by the Board. The Company is also implementing appropriate procedures, including arranging training for the Directors, employees and consultants in order to comply with the legislation.

23. Social, ethical and environmental responsibilities

The Company believes in supporting the local community and working closely with all communities that it engages with during the exploration and development process. The Enlarged Group intends to hire local labour wherever possible to support exploration and operations in the field and provides accident cover and medical treatment for workplace accidents. The Company believes in developing relationships with local communities in the project areas and providing all employees with suitable training to provide a positive local impact.

The Board is committed to causing the minimum environmental impact during all stages of development of the Kodal Project. The Enlarged Group's camps, exploration and operational activities will be designed to be low impact, environmentally friendly and ecologically sound. The Enlarged Group will endeavour to operate in full conformity with Norwegian environmental regulations and guidelines.

24. Dividend policy

As the Company is a mineral exploration and development company and its assets are not yet cash generative, the Directors do not anticipate paying dividends for the foreseeable future. The Directors recognise the importance of dividends to investors and, as the Enlarged Group's business matures, will keep under review the possibility of paying dividends. It is intended that any declaration and payment of future dividends by the Company and the quantum thereof will be dependent upon the Enlarged Group's results, financial position, cash requirements, future prospects, profits available for distribution and other factors deemed by the Board to be relevant at the time.

25. Substantial Shareholder and the Takeover Code

The Proposals give rise to certain considerations under Rule 9 of the Takeover Code. The Company is incorporated in the UK and application will be made for the Enlarged Issued Share Capital to be admitted to trading on AIM. Accordingly, the Takeover Code applies to the Company.

Under Rule 9 of the Takeover Code, any person who acquires an interest in shares (as defined in the Takeover Code), whether by a series of transactions over a period of time or not, which (taken together with any interest in shares held or acquired by persons acting in concert with him) in aggregate, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person is normally required by the Panel to make a general offer to all of the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person.

An offer under Rule 9 must be in cash or be accompanied by a cash alternative and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Under the Takeover Code, a concert party arises where persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. Control means a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give *de facto* control.

On Admission, pursuant to the issue of the Consideration Shares, Tetra Minerals will hold 250,000,000 Ordinary Shares and will therefore be interested in approximately 37.3 per cent. of the Enlarged Share Capital, which without a waiver of the obligations under Rule 9 would oblige Tetra Minerals to make a general offer to Shareholders under Rule 9 of the Takeover Code.

Under Note 1 on the Notes on the Dispensations from Rule 9 of the Takeover Code, the Panel will normally waive the requirement for a general offer to be made in accordance with Rule 9 of the Code (a "Rule 9 Offer") if, inter alia, the shareholders of the company who are independent of the person who would otherwise be required to make an offer and any person acting in concert with him or her and do not have any interest in the proposed transaction which may compromise their independence (the "Independent Shareholders") pass an ordinary resolution on a poll at a general meeting (a "Whitewash Resolution") approving such a waiver. The Takeover Panel may waive the requirement for a Whitewash Resolution to be considered at a general meeting (and for a circular to be prepared in accordance with Section 4 of Appendix 1 to the Code)

if Independent Shareholders holding more than 50 per cent. of the Company's shares capable of being voted on such a resolution confirm in writing that they would vote in favour of the Whitewash Resolution were such a resolution to be put to the shareholders of the company at a general meeting.

Independent Shareholders, holding more than 50 per cent. of the Company's shares capable of being voted on a Whitewash Resolution, have written to the Panel confirming that:

1. they are the beneficial owner of Ordinary Shares and have absolute discretion over the manner in which those shares are voted and that those shares are held free of all liens, pledges, charges and encumbrances;
2. there is no connection between them and Tetra Minerals;
3. they do not have any interest or potential interest, whether commercial, financial or personal, in the outcome of the Proposals;
4. they are an Independent Shareholder of the Company as defined above; and
5. in connection with the Proposals:
    (a) they consent to the Panel granting a waiver from the obligation for Tetra Minerals to make a Rule 9 Offer to the shareholders of the Company;
    (b) subject to Independent Shareholders of the Company holding more than 50 per cent. of the shares capable of being voted on a Whitewash Resolution to approve the waiver from the obligation for Tetra Minerals to make a Rule 9 Offer giving confirmations in writing in a similar form, they consent to the Panel dispensing with the requirement that the waiver from such obligation be conditional on a Whitewash Resolution being approved by Independent Shareholders of the Company at a general meeting; and
    (c) they would vote in favour of a Whitewash Resolution to waive the obligation for Tetra Minerals to make a Rule 9 Offer were one to be put to the Independent Shareholders of the Company at a general meeting.

In giving the confirmations referred to above, each Independent Shareholder concerned acknowledges:

1. that, if the Panel receives such confirmations from Independent Shareholders of the Company holding more than 50 per cent. of the shares capable of being voted on a Whitewash Resolution, the Panel will approve the waiver from the obligation for Tetra Minerals to make a Rule 9 Offer without the requirement for the waiver having to be approved by Independent Shareholders of the Company at a general meeting; and
2. that if no general meeting is held to approve the Whitewash Resolution to waive the obligation for Tetra Minerals to make a Rule 9 Offer:
    (a) there will not be an opportunity for any other person to make any alternative proposal to the Company conditional on such Whitewash Resolution not being approved by Independent Shareholders of the Company;
    (b) there will not be an opportunity for other shareholders in the Company to make known their views on the Proposals; and
    (c) there will be no requirement for the Company either (i) to obtain and make known to its shareholders competent independent advice under Rule 3 of the Takeover Code on the Proposals and the waiver of the obligation for Tetra Minerals to make a Rule 9 Offer; or (ii) to publish a circular to shareholders of the Company in compliance with Appendix 1 of the Takeover Code in connection with this matter.

Each Independent Shareholder concerned has confirmed that they consider themselves to be a sophisticated investor in relation to equity investments and that they have had the opportunity to take independent financial advice before giving such confirmations.

Each Independent Shareholder concerned has confirmed that they will not sell, transfer, pledge, charge, or grant any option or other right over, or create any encumbrance over, or otherwise dispose of their Ordinary Shares until at least 14 days after their confirmation.

Having obtained such written confirmation from Independent Shareholders, the Panel has accordingly waived the requirement for a Whitewash Resolution.

Shareholders should note that, following Admission, Tetra Minerals will not be entitled to increase its interest in the voting rights of the Company without incurring a further obligation under Rule 9 of the Takeover Code to make a general offer (unless a dispensation from this requirement has been obtained from the Panel in advance) so long as it holds 30 per cent. or more of the voting rights of the Company. Furthermore, on Admission, Tetra Minerals will hold the Tetra Options, which if exercised in full would represent approximately 51.6 per cent. of the as enlarged issued share capital (assuming no other issues of Ordinary Shares before then). However, Tetra Minerals will not be entitled to exercise the Tetra Options without incurring a further obligation under Rule 9 of the Takeover Code to make a general offer so long as it holds, or as a result of exercise of Tetra Options it would hold, 30 per cent. or more of the voting rights of the Company.

26. Relationship Agreement

Tetra Minerals has entered into a relationship agreement, wherein it has undertaken to each of Allenby Capital and the Company that, for so long as it (together with any associates) is interested in 30 per cent. or more of the voting rights of the Company it will not do anything (whether by procuring the exercise of its voting rights or otherwise) that would prevent the Enlarged Group from carrying out its business independently of Tetra Minerals and its associates. Tetra Minerals gave a number of other undertakings, including, that any transactions entered into between Tetra Minerals and the Enlarged Group would be on arm's length terms and approved by the majority of the Directors who do not have a significant business, financial or commercial relationship with Tetra Minerals ("the Independent Directors"); and that there will at all times be no fewer than two Independent Directors, or such greater number to ensure that a majority of the Board are Independent Directors.

The Company has also granted Tetra Minerals the right to appoint and maintain a director on the Board for so long as Tetra Minerals together with any associate(s) holds 30 per cent. or more of the voting rights in the Company. Any such appointment shall be subject to Tetra Minerals having first consulted with the Company's nominated adviser (and having taken into account its reasonable requests) and the nominated adviser having completed satisfactory due diligence on the proposed director. Any such appointment would also be subject to compliance with the AIM Rules.

Further details of the Relationship Agreement and the undertakings given by Tetra Minerals are set out in paragraph 12.8 of Part VII of this Document.

27. Disclosure and Transparency Rules

As a company incorporated in England and Wales, Shareholders are obliged to disclose their interests in the Company in accordance with, the relevant provisions of Chapter 5 of the Disclosure and Transparency Rules. The Company will also be obliged to comply with the shareholder disclosure elements of the AIM Rules from Admission.

28. Taxation

General information regarding UK taxation is set out in paragraph 6 of Part VII of this Document. These details are intended only as a general guide to the current tax position under UK law. If an investor is in any doubt as to his tax position he should consult his own independent financial adviser. Investors subject to tax in other jurisdictions are strongly urged to contact their tax advisers about the tax consequences of holding Ordinary Shares.

29. Risk factors

Shareholders should consider carefully the risk factors set out in Part II of this Document in addition to the other information presented in this Document. Prospective UK investors are advised to consult an independent adviser authorised under FSMA.

30. Further information

Your attention is drawn to Parts II to VII of this Document which contain further information on the Enlarged Group. In particular, your attention is drawn to Part II, which contains risk factors, and Part III, which contains the Competent Person's Report in respect of the Enlarged Group's Project.

PART II

RISK FACTORS

Prospective investors should be aware that an investment in the Company is speculative and involves a high degree of risk. In addition to the other information in this Document, the Directors consider the following risk factors are of particular relevance to the Enlarged Group's activities and to any investment in the Company. It should be noted that this list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may apply. Any one or more of these risk factors could have a materially adverse impact on the value of the Company and its business prospects and should be taken into consideration when assessing the Company and the Enlarged Group. In such circumstances, investors could lose all or part of the value of their investment.

Potential UK-based investors are advised to consult a person authorised under the FSMA who specialises in advising on investments of this kind before making any investment decisions. A prospective investor should carefully consider whether an investment in the Company is suitable in light of his personal circumstances and the financial resources available to him. Prospective investors should also consider carefully all of the information set out in this Document and the risks attaching to the investment in the Company, including in particular, the risks described below, before making any investment decision.

There can be no certainty that the Enlarged Group will be able to successfully implement the strategy set out in this Document. No representation is or can be made as to the future performance of the Enlarged Group and there can be no assurance that the Enlarged Group will achieve its objectives.

1. RISKS RELATING TO THE ENLARGED GROUP'S BUSINESS

Early stage business

The business of the Company is at an early stage and as such operating losses are expected to be incurred for the foreseeable future. The Company currently does not have positive cash flow and its ultimate success depends upon its ability to raise capital and generate cash flow in the future. The Group has not generated income or profit to date and there is no assurance that the Enlarged Group will do so in the future or that it will be successful in achieving a return on Shareholders' investment.

Operating history

The Company has a limited operating history in the mineral exploration and development business and it is therefore not possible to evaluate its prospects based on past performance. There can be no assurance that the Company will produce revenue, operate profitably or provide a return on investment.

Early stage projects

The Kodal Project is at an early stage. In advancing the Kodal Project to the stage where it may be cash generative, many risks are faced, including the capital costs of development and the risks associated with mine construction. It is impossible to ensure that preliminary feasibility studies or full feasibility studies or exploration programmes on the Kodal Project will result in a profitable commercial mining operation. The Enlarged Group's operations will be subject to all of the hazards and risks normally associated with the exploration, development and production of minerals, any of which could result in damage to life, property or the environment and possible legal liability for such damage caused. The Enlarged Group's activities may be subject to prolonged disruptions due to weather conditions. Hazards, such as unusual or unexpected formations, rock bursts, over pressured aquifers, cavities, flooding or other conditions may be encountered during the drilling and removal of material. While discovery of a mineral deposit may result in substantial rewards, few properties that are explored are ultimately developed into economically viable operating mines. Major expenditure may be required to establish reserves by drilling and to construct mining and processing facilities, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit (such as its size and quality), proximity to

infrastructure, financing costs and governmental regulations (including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of minerals and environmental protection). The effect of these factors can only be estimated and cannot be accurately predicted.

Ability to exploit successful discoveries

It is possible that the Enlarged Group may not be able to exploit commercially viable discoveries in which it holds an interest. Exploitation may require external approvals or consents from relevant authorities and the granting of these approvals and consents is beyond the Enlarged Group's control. The granting of such approvals and consents may be withheld for lengthy periods, not given at all, or granted subject to the satisfaction of certain conditions which the Enlarged Group cannot meet. As a result of such delays, the Enlarged Group may incur additional costs, losses of revenue or loss of part or all of its interest in a licence.

Co-mingled deposit

The Kodal Project consists of both landowner's minerals (phosphate) and the state's minerals (illmenite and magnetite). The Directorate of Mining has stated that the Kodal Project is mineralogically co-mingled, so that the state's and the landowner's minerals may not be extracted independently of each other. According to the Directorate of Mining, this means that Kodal Phosphate and its successors as holders of the relevant Extraction Licences are entitled to extract the landowner's minerals together with the extraction of the state's minerals without having to pay compensation for the landowner's minerals beyond the yearly fee of 0.5 per cent. of the sale value of the minerals that are extracted. It is however important to note that the Directorate of Mining's evaluation of the Kodal Project as a co-mingled deposit may be appealed by the landowner(s). If the landowner(s) was to appeal the decision by the Directorate of Mining this could lead to a delay in exploration or production. As a result of such delays, the Enlarged Group may incur additional costs and/or losses of revenue.

Acquisition of land

The Enlarged Group may need to acquire land at the mine site, adjacent to the mine site, at a port location and possibly at other locations related to the Kodal Project. If this land cannot be acquired through commercial negotiations the Enlarged Group may need to initiate compulsory acquisition processes, and such processes may take a considerable period of time to complete or may not be successful. As a result of such, the Enlarged Group may incur additional costs and/or losses of revenue.

Rights of access to land and permitting

In order to commence mining activities, including extraction of minerals and the associated processing operations, agreements with the landowner(s) of the Kodal Project have to be reached.

Kodal Phosphate has not entered into any agreements on extraction of minerals, or on rights of access nor other required rights for a mining operation in the relevant area, with the landowner(s) in the area covered by the Kodal Extraction Licences. If further investigations are to be made, and this presupposes the use of motorised vehicles, Kodal Phosphate/Kodal Minerals will require approval from the landowners and a permit under the Act Relating to Motor Traffic on Uncultivated Land and in Watercourses from the municipality. The process of obtaining such rights of access and permits could lead to a delay in exploration or production. As a result of such delays, the Enlarged Group may incur additional costs and/or losses of revenue.

The Directors believe the risk that lack of agreements with landowners will permanently stop exploration and extraction of the Kodal deposit is likely to be mitigated as long as the public authorities are positive in relation to the development of the Kodal Project.

Reserve and Resource estimates

Any existing and future Mineral Resource and Reserve figures will be estimates and there can be no assurances that the Mineral Resources or Reserves are present, will be recovered or can be brought into profitable production. Mineral Resource and Reserve estimates may require revisions based on actual production experience. Furthermore, a decline in the market price for minerals could render remaining Mineral Reserves uneconomic to recover and may ultimately result in a restatement of both Mineral Resources and Reserves.

Estimates of Mineral Resources can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected

geological formations and work interruptions. Material changes in Mineral Reserves or recovery rates may affect the economic viability of projects and the Kodal Project could become commercially unviable as a result of any material reduction in estimates of Reserves and Resources.

Mineral Resources are reported as general indicators and should not be interpreted as assurances of minerals or the profitability of current or future operations.

Volatility of mineral prices

The Kodal Project anticipates production of phosphate and iron concentrates. Historically, the prices of minerals have displayed wide ranges and are affected by numerous factors over which the Enlarged Group will not have control. These include world production levels, international economic trends, currency exchange fluctuations, expectations for inflation, speculative activity, consumption patterns, global or regional political events, trade sanctions and manipulation, and public and political perception. The effect of these factors on the price of minerals cannot accurately be predicted.

A significant reduction in global demand for phosphate and/or iron concentrates, leading to a fall in prices, could lead to a delay in exploration and production or even abandonment of the Project should it prove uneconomical to develop. A delay in exploration or production or the abandonment of the Project may have a material adverse effect on the Enlarged Group's production, earnings and financial position.

Any future income from the Enlarged Group's product sales will be subject to fluctuations in mineral prices and could become subject to exchange controls or similar restrictions. In addition, currency conversion may have an adverse effect on income or asset values.

Reliance on key personnel and management

The Enlarged Group's business and future success is substantially dependent on the expertise and continued services of its Directors, employees and consultants. The loss of the services of any Director, employee or consultant, could have a material adverse effect on the Enlarged Group's business.

The Enlarged Group cannot guarantee the retention of the Directors, employees and consultants. The Enlarged Group's future success and growth will also depend on its ability to attract and retain additional suitably qualified and experienced employees. There can be no guarantee that the Enlarged Group will be able to continue to attract and retain such employees, and failure to do so could have a material adverse effect on the financial condition, results or operations of the Enlarged Group.

In addition, the future success and growth of the Enlarged Group may be dependent on the Enlarged Group's ability to integrate new teams of professionals. There can be no guarantee that the Enlarged Group will be able to recruit such teams or effect such integration. Failure to do so could have a material adverse effect on the financial condition, results or operations of the Enlarged Group.

Reliance on and actions of third parties, including contractors and partners

The Enlarged Group will be reliant to a significant extent on third parties to provide contracting services. There can be no assurance that these business relationships will continue to be maintained or that new ones will be successfully formed. A breach or disruption in these relationships could be detrimental to the future business, operating results and/or profitability of the Enlarged Group. To the extent that the Enlarged Group cannot engage contractors (for example drilling contractors) according to its plans and budgets, its operations may be adversely impaired.

In certain circumstances, the Enlarged Group may be liable for the acts or omissions of its partners. If a third party pursues claims against the Enlarged Group or against a joint venture vehicle as a result of the acts or omissions of the Enlarged Group's partners, the Enlarged Group's ability to recover any losses from such partners may be limited. Recovery under such arrangements may involve delay, management time, costs and expenses or may not be possible at all which, in each case, could adversely affect the Enlarged Group's financial performance and condition.

Environmental regulation

The Enlarged Group's operations will be subject to environmental regulations. Such regulations cover a wide variety of matters, including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and health and safety. Environment and safety legislation may affect the Enlarged Group's ability to make or pursue investments and may change in a manner that may require more

strict or additional standards than those currently in effect, a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulation. There can be no assurance that all permits which the Enlarged Group may require can be obtained or maintained on reasonable terms. There may also be unforeseen environmental liabilities resulting from exploration and mining activities, which may be costly to remedy. In particular, the acceptable level of pollution and the potential clean-up costs and obligations and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations, for which the Enlarged Group may become liable as a result of its activities may be difficult to assess against the current legal framework and current enforcement practices in Norway.

Infrastructure, local resource and capital requirement

The Enlarged Group will be reliant upon local infrastructure in its operations. There is a risk that the infrastructure used by the Enlarged Group may not always be available, be in poor condition or may be subject to additional government regulation or restriction. In planning the Project the Directors have factored in the current state of infrastructure, particularly in relation to communication, power and transport, however such factors may have a greater impact on the Enlarged Group than anticipated, and the Enlarged Group's prospects may be materially and detrimentally affected as a result.

Additionally, the Enlarged Group's projects will be reliant on the availability of suitable local resources and the ability of the Enlarged Group to source, transport and install capital equipment. There can be no assurance that the suppliers of local resources or capital equipment will deliver it to the Enlarged Group or within the expected timeframes and any such delays or non-delivery may adversely affect the business of the Enlarged Group and consequently its financial position.

Political and country risks

Norway is a politically and economically stable country, but although unlikely, it cannot be guaranteed that this stability will exist during the entire life of the Company's operations in Norway. In addition, the Norwegian Government may decide in the future to increase taxation on businesses in general or extractive industries in particular to a level where the Enlarged Group's operations in Norway no longer remain economic.

Insurance risk

There are significant exploration and operating risks associated with exploration for minerals, including adverse weather conditions, environmental risks and fire, all of which can result in injury to persons as well as damage to or destruction of the extraction plant, equipment, formations and reserves, production facilities and other property. In addition, the Enlarged Group will be subject to liability for environmental risks such as pollution and abuse of the environment. Although the Enlarged Group will exercise due care in the conduct of its business and will maintain what it believes to be customary insurance coverage for companies engaged in similar operations, the Enlarged Group is not fully insured against all risk in its business. The occurrence of an event that is not covered, in whole or in part, by insurance could have a material adverse effect on the business, financial condition and results of operations of the Enlarged Group. There is a risk that insurance premiums may increase to a level where the Enlarged Group considers it is unreasonable or not in its interests to maintain insurance cover or not to a level of coverage customary for companies engaged in similar operations. In addition, the Enlarged Group may, following a cost-benefit analysis, elect to not insure certain risks on the grounds that the amount of premium payable for that risk is excessive when compared to the potential benefit to the Enlarged Group.

Regulatory approvals, title and payment obligations

The operations of the Enlarged Group require approvals from various regulatory authorities, governmental and otherwise. These and any future Exploration Licences, Extraction Licences or other licences or approvals in which a member of the Enlarged Group has or may earn an interest will be subject to applications for renewal or grant (as the case may be). If it is not renewed, granted or if its terms are breached, the Enlarged Group may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on it. The Directors believe that the Enlarged Group will hold or will obtain all necessary approvals, Exploration Licences and Extraction Licences under applicable laws and regulations in respect of the Kodal Project, however there can be no certainty that this will be the case.

In addition, the potential costs that could be associated with compliance with applicable laws and regulations may also cause substantial delays and require significant capital outlays, adversely affecting the Enlarged Group's earning and competitive position in the future and, potentially, its financial position.

Under its Exploration Licences, Extraction Licences and certain other contractual agreements to which the Enlarged Group is or may in the future become party, the Enlarged Group is or may become subject to payment and other obligations.

Further, if any contractual obligations are not complied with when due, in addition to any other remedies which may be available to other parties, this could result in dilution or forfeiture of interests held by the Enlarged Group. The Enlarged Group may not have, or be able to obtain financing for all such obligations as they arise.

Any changes in the laws of Norway could materially affect the rights and title to the interests held there by the Enlarged Group. No assurance can be given that the government of Norway will not revoke or significantly alter the conditions of the applicable exploration and mining authorisations nor that such exploration and mining authorisations will not be challenged or impugned by third parties. In addition, such approvals, Exploration Licences and Extraction Licences are subject to change in various circumstances and further project specific governmental decrees and/or legislative enactments may be required.

Governmental approvals, Exploration Licences and Extraction Licences are, as a practical matter, subject to the discretion of the applicable governments or governmental offices. The Enlarged Group must comply with existing standards, laws and regulations that may entail greater or lesser costs and delays, depending on the nature of the activity to be permitted and the permitting authority.

The Enlarged Group's intended further exploration and mining activities will be dependent upon the grant and maintenance of appropriate licences, concessions, leases, permits and regulatory consents which could subsequently be withdrawn or made subject to limitations. There can be no guarantee as to the terms of any such permits or assurance that current permits or future permits will be renewed or, if so, on what terms when they come up for renewal. It is possible that, in the event of any material non-compliance with the terms of any such permits (including in relation to the payment of moneys concerning their maintenance in good standing on an ongoing basis), the Enlarged Group may risk its interest in those permits being forfeited. No assurance can be given that new rules, laws and regulations will not be enacted or that existing or future rules and regulations will not be applied in a manner which could serve to limit or curtail exploration, production or development of the Enlarged Group's business or have an otherwise negative impact on its activities. Amendments to existing rules, laws and regulations governing its operations and activities of exploration and extraction, or increases in or more stringent enforcement, implementation or interpretation thereof, could have a material adverse impact on the Enlarged Group's business, results of operations and financial condition and its industry in general in terms of additional compliance costs.

Community

The Enlarged Group's operations will rely not only on the support of the governments in the countries in which it operates but also of local communities. If expectations are not met at local level in relation to employment and benefits, such support could be withdrawn, which could curtail the Enlarged Group's planned operations.

Market risk

The scale of production from a development of a discovered Mineral Resource will be dependent upon factors over which the Enlarged Group has no control such as market conditions at that time, access to, and the operation of, transportation and processing infrastructure, the available capacity levels and tariffs payable by the Enlarged Group for such infrastructure and the granting of any approvals, Exploration Licences and Extraction Licences or quotas the Enlarged Group may require from the relevant regulatory authority. All of these factors may result in delays in production, additional costs or a reduction in expected revenues for the Enlarged Group. Therefore, there is a risk that the Enlarged Group may not make a commercial return on its investment.

Competition

The Enlarged Group operates in a highly competitive market. Many of the Enlarged Group's competitors will have greater financial and other resources than the Enlarged Group and, as a result, may be in a better position to compete for potential opportunities. This competition could have a material adverse effect on the Enlarged Group's financial condition, results or operations as well as the Enlarged Group's ability to attract and retain highly skilled individuals.

Risk of damage to reputation and negative publicity

The Company's ability to attract further investment and to attract new business is dependent on the Enlarged Group maintaining a good reputation. Any perceived, actual or alleged mismanagement, fraud or failure to satisfy the Enlarged Group's responsibilities, or the negative publicity resulting from activities or the allegation by a third party of such activities (whether well founded or not) associated with the Enlarged Group, could result in reputational damage and could have a material adverse effect on the financial condition, results or operations of the Enlarged Group.

While the Enlarged Group will take steps to receive all necessary environmental consents and approvals from the relevant national and local authorities, there is a risk that environmental groups may criticise the Enlarged Group. The Directors hope that conservation groups will take a positive view of the Enlarged Group's commitment to sustainable exploitation of any such resources.

Mining and natural resource exploitation has historically been associated with significant detriment to the natural environment. The public perception of the Enlarged Group may be prejudiced by the actions of an unrelated company over which the Enlarged Group has no influence or control, and the Enlarged Group's financial position may be adversely affected as a consequence.

Adequacy of systems and controls

The Enlarged Group's ability to maintain operational and financial controls depends, in part, on the efficient and uninterrupted operation of management information systems, including computer systems. Adequate systems and controls are currently in place. However, there can be no guarantee that, if the Enlarged Group increases in size, its systems, including its information technology systems, will be able to be upgraded appropriately or in a timely manner so as to function as and when required by the greater demands of a larger business. Any damage to, failure of or inability to upgrade its management information systems appropriately, could result in interruptions to the Enlarged Group's financial controls and exploration work. Such interruption could have a material adverse effect on the financial condition, results or operations of the Enlarged Group.

Employee misconduct

The Enlarged Group runs the risk that employee misconduct could occur from time to time. Misconduct by employees could include, without limitation, binding the Enlarged Group to transactions that exceed authorised limits or present unacceptable risks or hiding unauthorised or unsuccessful transactions from the Enlarged Group, which, in either case, may result in unknown or unmanaged risks or losses to the Enlarged Group. Employee misconduct could also involve improper use of confidential information, which could result in regulatory sanctions and substantial reputational harm. It is not always possible to prevent or detect employee misconduct and the precautions which the Enlarged Group takes to prevent and detect this activity (including ongoing training and review processes and authorising only certain personnel to carry out certain actions on behalf of the Enlarged Group) may not be effective in detecting employee misconduct in all cases. In addition, as the Enlarged Group grows, such precautions may need to be updated and/or expanded to increase their effectiveness. Failure to do so, or to do so in a timely fashion, may lead to such precautions becoming ineffective, or less effective, against the risks against which it is intended they mitigate.

Currency risk

A significant portion of the Enlarged Group's expenses incurred in connection with the Kodal Project will be in NOK. In addition, as an international organisation, the Company's business transactions may not be denominated in the same currencies. To the extent that business transactions are not denominated in the same currency, the Company is exposed to foreign currency exchange rate risks. In addition, holders of the Company's shares are subject to foreign currency exchange rate risk to the extent that the Company's business transactions are denominated in currencies other than pounds sterling. Fluctuations in foreign currency exchange rates may adversely affect the Company's profitability. As a result, fluctuations in currency exchange rates could have a material adverse effect on the financial condition, results of operation or cash flow of the Enlarged Group. The Enlarged Group does not currently intend to enter into any hedging arrangements with respect to foreign currencies.

Future funding requirements

Whilst on Admission the Board believes that the Company will have adequate working capital to progress the Kodal Project as described in Part I of this Document, in the longer term, the Enlarged Group may need

to raise additional funding to undertake work beyond that being funded by the Placing. Further, the Company will require additional funds to commence any additional exploration, mining operations or otherwise develop the Kodal Project. The ability to complete this next round of financing is, amongst other factors, dependent on the work programmes evidencing that the Project warrants further investment. There is no certainty that this will be possible at all or on acceptable terms. In addition, the terms of any such financing may be dilutive to, or otherwise adversely affect, Shareholders. In some cases, the Enlarged Group may finance development by reducing its level of participation in interests which it holds. This could substantially dilute the Enlarged Group's interest in the Kodal Project. If the Company is unable to obtain additional financing as and when needed, it could result in a delay or indefinite postponement of exploration and development activities or ultimately mean that it is unable to continue with the Kodal Project.

Transfer of ownership of Kodal Extraction Licence

Guidelines published by the Directorate of Mining indicate that the transfer of ownership of Kodal Phosphate, the owner of the Kodal Extraction Licences, under the Acquisition Agreement is subject to the consent of the Directorate of Mining. The Company will notify the Directorate of Mining prior to completion of the Acquisition. The Company has received advice stating that such approval is a formality and that there is no prospect that approval of the transfer of ownership can be withheld under the Minerals Act.

Historical transactions with Kodal Phosphate

Tetra Minerals is a private company that is subject to Finnish jurisdiction. The sale of Kodal Phosphate to the Company under the Acquisition Agreement and earlier transactions between Tetra Minerals and Kodal Phosphate may be subject to corporate or taxation legislation or regulation of Finland. There is a risk that measures imposed by Finnish legal or taxation regulation on the affairs of Tetra Minerals could be invoked to impose obligations or limitations on transactions carried out by Tetra Minerals. These measures may supersede contractual terms, but no such intervention has been indicated.

2. INVESTMENT AND AIM RISKS

Shareholding of Tetra Minerals

On Admission Tetra Minerals will hold approximately 37.3 per cent. of the voting rights in the share capital of the Company. While the Company has entered into the relationship agreement with Tetra Minerals to govern the relationship between them (details of which are set out in paragraph 12.8 of Part VII of this Document), Tetra Minerals will own a significant proportion of the shares of the Company and will control a large proportion of the voting rights in the Company. Like other holders of ten per cent. or more of the voting rights of the Company, Tetra Minerals' shareholding gives it the power to requisition a general meeting of the shareholders of the Company. As its shareholding is over 25 per cent. of the voting rights in the Company, it also gives it the ability to block any special resolutions proposed by the Board or other shareholders. The interests of Tetra Minerals could conflict with the interests of the other holders of shares in the Company. Holders of shares in the Company will not benefit from any specific minority shareholder protection other than to the extent prescribed under English law.

Investment in AIM Securities

The Ordinary Shares will be traded on AIM. AIM is a market designed primarily for emerging or smaller companies. The rules of this market are less demanding than those of the Official List. Investments in shares quoted on AIM are highly speculative and carry a higher degree of risk than investments in shares quoted on the Official List. Neither the London Stock Exchange nor the UK Listing Authority have examined this Document for the purposes of Admission.

An investment in the Ordinary Shares may be difficult to realise and the price at which the Ordinary Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Enlarged Group and its operations and some which may affect quoted companies generally. Admission to AIM should not be taken as implying that there will be a liquid market for the Ordinary Shares. The market for shares in smaller public companies, such as the Company, is less liquid than for larger public companies. The Enlarged Group is aiming to achieve capital growth and, therefore, Ordinary Shares may not be suitable as a short-term investment. Consequently, the share price may be subject to greater fluctuation on small volumes of shares, and thus the Ordinary Shares may be difficult to sell at a particular price. The value of the Ordinary Shares may go down as well as up. Investors may therefore realise less than their original investment or sustain a total loss of their investment.

No prior public trading

Prior to Admission there has been no public market for the Ordinary Shares. The Placing Price has been agreed between SP Angel and the Company and may not be indicative of the market price for the Ordinary Shares following Admission. The Company can give no assurance that an active trading market for the Ordinary Shares will develop or be maintained following Admission. If an active trading market is not developed or maintained, the liquidity and market price of the Ordinary Shares could be adversely affected.

Taxation

Paragraph 6 of Part VII of this Document contains a summary of current UK tax legislation, practice and concession and interpretation thereof. Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Shareholders or alter post tax returns to Shareholders.

Furthermore, any change in the rates, manner or interpretation of taxation in overseas jurisdictions including in Norway, to which members of the Enlarged Group will be subject, may adversely affect the Enlarged Group. Statements in this Document concerning the taxation of investors in Placing Shares are based on current tax law and practice which is subject to change.

Future payment of dividends

Dividends may only be paid out of the distributable profits of the Enlarged Group. There can be no assurance as to the level and/or frequency of future dividends or that any will be paid.

Ordinary Shares available for future sale

The Company is unable to predict whether substantial amounts of Ordinary Shares will be sold in the open market following termination of the lock-in and orderly market restrictions. Any sales of substantial amounts of Ordinary Shares in the public markets or the perception that such sales might occur could materially adversely affect the market price of the Ordinary Shares.

Suitability

The investment described in this Document may not be suitable for all those who receive it. Before making a decision investors who are in any doubt are advised to consult their stockbroker, bank manager, solicitor or accountant or any other professional adviser authorised under the FSMA who specialises in advising on the acquisition of shares or other securities in the United Kingdom.

Investors should therefore consider carefully whether an investment in the Company is suitable for them in the light of the risk factors outlined above, their personal circumstances and the financial resources available to them.

The risks listed above do not necessarily comprise all those faced by the Enlarged Group and are not intended to be presented in any order of priority.

PART III

COMPETENT PERSON'S REPORT

The Directors
Kodal Minerals Limited
35-39 Maddox Street
London W1S 2PP

20 December 2013

The Directors
Allenby Capital Limited
3 St Helen's Place
London EC3A 6AB

The Partners
SP Angel Corporate Finance LLP
Prince Frederick House
35-39 Maddox Street
London W1S 2PP

Dear Sirs,

Kodal Minerals Limited – Competent Persons Report

Kodal Minerals Limited ("Kodal" or "the Company) has engaged CSA Global (UK) Limited ("CSA") to prepare a Competent Persons Report ("CPR") for the Company, SP Angel Corporate Finance LLP and Allenby Capital Limited on the Kodal Iron-Phosphate Project located in the Vestfold county of Norway. The CPR has been prepared for inclusion in an admission document ("Admission Document") which is being prepared for the purpose of the proposed admission of Kodal's share capital to trading on the AIM market of the London Stock Exchange plc ("AIM").

The asset discussed in the CPR is the Kodal Extraction Licence (split in to 3 parts termed A, B and C) held by Kodal Phosphate AS. Under the terms of an acquisition agreement on Admission to AIM, Kodal Minerals has an option to acquire all of the issued and to be issued share capital of Kodal Phosphate AS, the registered holder of the Kodal Extraction Licence, from Tetra Minerals Oy. The acquisition is conditional inter alia, on Admission.

This CPR has been prepared in accordance with the standards set out in the "Joint Ore Reserves Committee" Code 2012 ("JORC 2012") and the "Note for Mining, Oil and Gas Companies" (June 2009, the "AIM Note") which forms part of the AIM rules for companies, and has been signed off by a relevant Competent Person ("CP") as defined in JORC 2012 and the AIM Note. The CPR has been completed by; Mr Galen White - BSc (Hons), FAusIMM, FGS – Principal Geologist of CSA and Competent Person ("CP") for the preparation of the CPR, Mr Nicholas Riches, BEng, MSc, DIC, ACSM – CSA Associate Metallurgist, Mr Julian Bennett, BSc, ARSM, FIMMM, CEng – Associate Principal Mining Engineer of CSA, and Ms Nerys Walters – MCSM, FGS - Senior Geologist of CSA.

For the preparation of the CPR, Kodal has made available all relevant data it holds and additional technical reports, information, maps and digital data referred to in Section 17 "References". A site visit to the Kodal Project, Norway was undertaken by Mr Galen White – Principal Geologist of CSA for the purposes of a Competent Person ("CP") site inspection as part of the preparation of this CPR. The visit was undertaken in the company of Mr Luke Bryan and Mr Patrick Cullen of Kodal between 15 and 18 April 2013 and followed a period of summary desk-top review of information available at that time. During the site visit, documents, original data, maps, drill core and ground truthing were completed, relevant to the quality assurance of the CPR.

Mr White is the Managing Director of CSA Global (UK) Limited and a Principal Geologist of the company, Fellow of the Australasian Institute of Mining and Metallurgy ("FAusIMM") and a Fellow of the Geological Society of London ("FGS"). Mr White is a practising Geologist with 17 years continuous years' experience

in mineral exploration and evaluation for a range of commodities over Europe, Africa, Australasia, North and South America and central Asia.

Neither the contributing authors to this CPR, or any other employees or associates of CSA have a material interest, either directly or indirectly in Kodal Minerals or the asset which is the subject of this CPR. No commercial relationship has existed between CSA and Kodal prior to the engagement to prepare this report and CSA's only financial interest is the right to charge professional fees at normal commercial rates, plus normal overhead costs, for work carried out in connection with the preparation of this report.

CSA is not a sole trader and is qualified under AIM Rules to provide such reports for the purposes of inclusion in public company prospectuses and admission documents. The effective date of this CPR is 20 December 2013.

CSA has given and has not withdrawn its written consent to the inclusion of the CPR set out in "Part III: Competent Persons' Report" of the Admission Document and references to its report and name in the form and context in which they appear in the Admission Document. CSA has authorised the contents of this CPR report and the context in which it appears, for the purposes of paragraph 23.1 of Annex I of the Prospectus Rules as required by Schedule Two of the AIM Rules for Companies.

CSA confirms that to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in the CPR is in accordance with the facts and does not omit anything likely to affect the import of such information.

CSA confirms that nothing has come to its attention to indicate any material changes to what is reported in this CPR.

CSA confirms that it has reviewed the information contained elsewhere in the Admission Document relating to information contained in the CPR and confirms that the information presented is accurate, balanced, complete and not inconsistent with the CPR.

Yours Sincerely,

Galen White – BSc (Hons), FAusIMM, FGS

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Resource Industry Consultants

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Date: 20 December 2013
Report No: R319.2013

Technical Report

KODAL MINERALS LIMITED

Competent Persons Report

Kodal P-Fe Project, Norway

By

Galen White (CP)
BSc (Hons), FAusIMM, FGS

and

Julian Bennett
BSc, ARSM, FIMMM, CEng
and

Nicholas Riches
BEng (Hons), MSc, DIC, ACSM
and

Nerys Walters
MSCM, FGS

For:
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SP Angel Corporate Finance LLP
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Approved:

Galen White
Director

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Appendix

Executive Summary

At the request of Mr Luke Bryan, CEO Kodal Minerals Limited ("Kodal"), geological consultants CSA Global (UK) Ltd ("CSA") were employed to prepare a Competent Persons Report ("CPR") for the Kodal Project. The Kodal Project is the issuer's only material asset and is considered an Advanced Exploration Project currently being evaluated for Phosphorus (P) and Iron (Fe).

CSA understands that the CPR document will be reproduced in its entirety in an admission document ("Admission Document") which is being prepared for the purpose of the proposed admission of Kodal's share capital to trading on the AIM market of the London Stock Exchange plc.

This CPR has been prepared in accordance with the standards set out in the "Joint Ore Reserves Committee" Code 2012 ("JORC 2012") and the "Note for Mining, Oil and Gas Companies" (the "AIM Note") which forms part of the AIM rules for companies, and has been signed off by a relevant Competent Person ("CP") as defined in JORC 2012 and the AIM Note. The JORC 2012 Checklist Table 1 is included here in Appendix 2

This independent study has been completed by; Mr Galen White - BSc (Hons), FAusIMM, FGS – Principal Geologist of CSA, Mr Nicholas Riches, BEng, MSc, DIC, ACSM – Associate Metallurgist, Mr Julian Bennett, BSc, ARSM, FIMMM, CEng – Associate Principal Mining Engineer of CSA, and Ms Nerys Walters – MCSM, FGS - Senior Geologist of CSA Global.

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

A site visit to the Kodal Project, Norway was undertaken by Mr Galen White – Principal Geologist of CSA for the purposes of a CP site inspection as part of the preparation of this CPR. The visit was undertaken in the company of Mr Luke Bryan and Mr Patrick Cullen of Kodal between 15th and 18th April 2013 and followed a period of summary desk-top review of information available at that time.

Discoveries of iron ores in the area dates back to around 1700, but attempts to utilise the deposits as iron ore failed due to the high titanium content. The first detailed description of the Kodal occurrence was given by Brøgger (1898). Other contributions to the understanding of the mineralisation have been given by Nielsen (1967), Bergstøl (1972) and Lindberg (1985).

The potential of the mineralisation as a phosphate resource was first recognised by V.M. Goldsmidt during World War 1 in an evaluation of Norwegian phosphate resources. Norsk Hydro considered the project as a possible source of apatite for its fertilizer production at Herøya, and carried out investigations in 1959-62, 1973-75 and 1983-84 (Lindberg, 1985).

Norsk Hydro investigated the area in some detail, and only the Kodal Project was regarded as having economic potential. Due to the limited number of exposures, the investigation of the project has historically been, to a large extent, based on drill cores.

The Kodal Project was drilled in 1960-1962, comprising mainly short holes over 20 profiles, with 18 longer drill holes completed in 1974-1975 to depths of 100-300m. These campaigns of drilling led to the commissioning of a Pre-Feasibility Study undertaken by Norsk Hydro, and the definition of "proven" and "probable" reserves of phosphate of 69M tonnes. At that time, further mine planning works were required for a potential open-pit operation. It should be noted that reserves quoted in the PFS may not be considered JORC reportable and as such are historical, non-compliant estimates.

The deposit forms part of the Vestfold-Ringerike Graben, itself part of the Permian Oslo rift formed during the latter part of the Variscan orogeny. The Larvikite-Ladalite ring complex dominates the southern portion of the graben with a number of known, small, Fe-Ti-P mineral occurrences found in Nepheline bearing Larvikites in the region.

Historical literature gives conflicting suggestions as to the emplacement mechanism of the deposit. What is established is that the deposit has a currently delineated strike extent of around 1900m at surface, is broadly tabular with some apophasis throughout. The eastern end becomes lensoidal as it reduces in thickness until extinction. The western end is cut by a roughly vertical Syenite intrusion. The deposit is seen to bend by 40° at 1/3 of its length from the west.

The deposit has two zones which have been defined using mineralisation characteristics; the 'Main Zone' comprising higher concentrations of mineralisation, bounded by a variable thickness 'Transition Zone' on either side which shows gradational reduction in mineralisation away from the Main Zone. The Transition Zone is hosted within Monzonite and eventually trends outwards to unaltered country rock. Transition Zone mineralisation typically starts at 30% melonchromatic mineralisation in proximity to the Main Zone and grades out over 20-60m.

Fractures and weak foliations within the host Monzonite are seen to have channelized and directed mineralised progression and are believed to have acted as fluid pathways. Sharp, irregular to undulated contacts are regularly observed between the Main Zone and the Transition Zone, and frequently these have been fractured as the boundary acts as a strong competency contrast. Texturally, the two mineralisation types are also distinct and readily identifiable from each other. The Main Zone contains none of the intermediate paragenetic sequence minerals and large, well formed Clinopyroxenes and Apatite minerals are typical, more euhedral and with smaller aspect ratios. While not confirmed, it is also believed that the Main Zone equant and euhedral textures represent mineralisation under lower confining stresses, possibly even in open space. No foliations have been observed within the Main Zone although it is common to encounter 1 – 5m intervals of Transition material within drill core through the Main Zone.

It is the belief of Kodal that the deposit is likely hydrothermally emplaced, that the main deposit occupies the form and space of a pre-existing fault acting as a strong fluid pathway and the transition material representing less permeable, intact rock with less hydrothermal

fluid flow and subsequently less mineralisation. The Transition Zone material intercepts within the Main Zone could represent brecciated clasts within the fault zone.

The Kodal Project mineralised zones have been subject to 2 phases of historic exploration and geological modelling since the 1960s. All historic exploration was undertaken by Norsk Hydro.

The first phase was completed between 1960 to 1963 with 40 shallow (less than 50m) diamond drill holes over 20 profiles ("Generation A" drilling – 2,063m of drilling) with subsequent follow-up drilling between 1974-75 where an additional 20 diamond drill holes ("Generation B" drilling – 4,198m of drilling) were drilled. The generation B holes are deeper, with depths ranging from 110m to 550m.

More recently, Kodal drilled 7 diamond drill holes in 2012, comprising 918m of drilling, with depths ranging from 40 to 220 meters designed to verify historical drill data.

	Years	Meters	Hole ID's	Diameter	
A	1961	2062.90 m	BH01 - BH39, LH01-LH02B	EX	18.6 mm
B	1974	4198.20 m	BH41 - BH58	BQ	36.5 mm
C	2012	918.40 m	BH60-BH68	BQTK	40.5 mm
	Total	7179.5 m			

Recent drilling was undertaken using a track mounted Onram 1000 rig operated by Diamant boring Nord As. Collar surveying was undertaken by Ingeniorservice, completed with reference to 2 trigonometric beacons and 3 control points.

Subsequent to drilling, Kodal staff undertook re-logging of all available historic core in 2013 and captured geological, mineralogical, alteration and geotechnical characteristics including core recovery, core preservation, sampling undertaken and core recovery.

Historic data has been validated in 3 ways:

- CSA have validated hard-copy grade data vs. the digital data supplied by Kodal.
- Kodal have undertaken a twin drilling program, the results of which have been assessed by CSA.
- Kodal have undertaken re-sampling and analysis of a portion of the available historic core, by current methods. This data has been assessed by CSA.

Historical mineral processing and metallurgical test work has been completed on samples obtained from the Kodal Project and reported as part of the historical feasibility study work completed by Norse Hydro in the 1970's. In addition, recent preliminary test work has been completed by Kodal in 2013 on a bulk composite sample (23kg) of drill core.

Kodal engaged Z Star Mineral Resource Consultancy (Pty), South Africa ("Z Star") to undertake a Mineral Resource Estimation ("MRE") Study for the Kodal Project in 2013. This work was completed to provide an MRE suitable for internal study by Kodal and was not

classified or reported externally under any International Code. Z-Star did not validate data used in their estimate and assumed the data as presented, to be accurate.

Following on from this work, CSA took receipt of all data, information and documents connected with this work, conducted a review of the Z Star in-house MRE and improved upon this work, incorporating the reviews of historical and recent data, resulting in a JORC 2012 reportable MRE being prepared by CSA.

CSA began by reviewing the input data and methodology for resource estimation used by Z Star. Upon review, errors were detected in the original data and issues were identified with the methodology. Although each issue was minor the effect of the compounded issues was considered and Kodal decided that CSA should undertake the MRE again in order to provide competent persons sign off for the JORC 2012 MRE.

The Mineral Resource estimate for Kodal Deposit has been classified according to JORC 2012, with an effective date of 20 December 2013.

The following were considered when classifying the Mineral Resource:

- Results of validation of the historic data, including;
    - Validation from hardcopy data.
    - Re-assay data review.
    - QAQC of re-assay program.
    - Lack of downhole survey data.
    - Location of historic collars.
- Data spacing.
- Confidence in the geological model and 3D model.
- Topographic control.
- Results of estimation validation, specifically:
    - Search pass
    - Kriging variance
- Location of material relative to the CSA conceptual pit optimisation shell used to inform the criteria of “reasonable chances of eventual economic extraction” under JORC.

CSA reports, using a 0.5% P cutoff a total Indicated Resource of 14.6Mt at 2.26% P (5.18% P_2O_5) and 24.12% Fe; with an Inferred Resource of 34.3Mt at 2% P (4.59% P_2O_5) and 20.38% Fe.

Of the quoted Indicated Mineral Resource, 8.8Mt at 7.00% P_2O_5 and 31.20% Fe is contained within the Main Zone, and 5.8Mt at 2.44% P_2O_5 and 13.45% Fe is contained within the Transition Zone.

Of the quoted Inferred Mineral Resource, 15.7Mt at 7.26% P_2O_5 and 30.00% Fe is contained within the Main Zone, and 18.6Mt at 2.33% P_2O_5 and 12.24% Fe is contained within the Transition Zone.

In addition CSA defined an "Exploration Target" as defined under JORC 2012 of between 40 and 60 Mt at a grade range of between 1 - 4% P and 10 – 30 % Fe. This Exploration Target is expressed as ranges of tonnage and grade and represents material for which there has been insufficient exploration to support a Mineral Resource estimate. The potential quantity and grade is conceptual in nature and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

CSA have produced a conceptual pit optimisation based upon the CSA Mineral Resource block model. Although conceptual in nature this optimisation shell presents the base case scenario, using available variables. CSA have used this optimisation shell as a limit to the Inferred material. All material outside of this optimisation shell is considered as an Exploration Target as defined under JORC 2012.

Indicated material represents a coherent zone of material estimated in the first search pass, close to surface and supported by shallow, closely spaced drilling. Material below this, contained within the conceptual optimisation shell was classified as Inferred material.

A brief geotechnical review has been completed for the project by Dr J.V. James of Celtis Geotechnical in August 2013. When the potential failure modes of Kodal sidewalls are considered in conjunction with the observations made of the quarries in the area, it is reasonable at a conceptual level of study to conclude that a slope angle of about 60˚ would be stable in the planned Kodal Mine.

A preliminary design of the mining sidewall geometry at the planned mine at Kodal was undertaken. The assumptions were that:

- Vertical bench walls would be cut
- 20 m benches would be acceptable with the equipment suite to be planned
- The overall slope would be about 60˚
- The mining depth is 250 m

These assumptions are preliminary and may not conform to the final mining and engineering design.

Recent preliminary metallurgical test work has been completed by Mr J. Steynberg of Kupfermelt Metal Processing C.C, South Africa.

A total of 23kg of material was composited from 4 drill holes over the Western portion of the Kodal Project. This bulk sample comprises material taken from the Main Zone and the Transitional Zone, and exhibit differing tenor of P and Fe grade.

The test material was subjected to a detailed metallurgical investigation. Following a series of twelve test sequences, two commercial grade concentrate products were produced.

The concentrates were produced using a combination of magnetic separation and froth flotation. Grind sizes and reagent concentrations were optimised for each stage. The resultant beneficiation process and the reagents used reflect common industrial practice for the concentration of phosphate and magnetite.

A conceptual pit optimisation was completed by CSA. Input parameters to the optimisation study were informed by the updated CSA MRE, recent mining review, additional metallurgical work and geotechnical work. The basis for the CSA optimisation was to investigate the effect of omitting Ilmenite from the project (as economic recovery of ilmenite is brought into question) following recent metallurgical test work and to achieve a mine life of between 15 and 20 years.

The conceptual optimisation was conducted using Whittle 4X optimisation software, and assumed the following key points:

- All input parameters (physical and financial) used for the conceptual optimisation were supplied by the client and assessed by CSA.
- Only the main zone within the block model was used for this conceptual optimisation.
- The resource model (*bm_kodalBM*), which formed the basis of this optimisation, includes both Indicated and Inferred Mineral Resources as defined under JORC 2012.
- P% was converted to P_2O_5% using a conversion factor of 2.291.
- Fe% was converted to Fe_3O_4% using a conversion factor of 1.382.
- Fe in the Main Zone was assumed to be 100% convertible to Fe_3O_4, as directed by the client.
- Fe recovery was based on Magnetite head grade and a fixed process recovery %.
- A 37% P_2O_5 concentrate and a 65% Fe_3O_4 concentrate would be produced, as directed by the client.
- All physical (tonnages and grade) and financial (un-discounted and discounted cash flows) results exclude any project capital and other non-mining related costs such as camp set-up, accommodation, power and water services, environmental, social, permitting, etc.
- CSA did not conduct an OPEX or CAPEX financial study for this conceptual optimisation.

- CSA did not conduct a marketing study for this conceptual optimisation.

From the conceptual optimisation work conducted by CSA, the Kodal Project base case indicated a discounted cash flow of USM$310.60 at a discount rate of 10% for pit #35 (USM$509.40 undiscounted) using the tabulated input parameters. This headline NPV was based on the best case pit shell as no pushbacks were optimised at this time. The optimisation also did not take into account any provision for capital costs. No schedules or cost estimates were produced as part of this conceptual study.

Post the conceptual optimisation, further investigation was undertaken to determine whether any potential upside may exist through the inclusion of transitional material in the optimisation. A subsequent iteration of the optimisation which included transitional material suggested that upside to the NPV might be achievable under the "best case" scenario, extending the mine life to roughly 20 years. This additional optimisation used a buffer stockpile of transitional material only. It should be borne in mind and noted that this further evaluation is conceptual at best and included stockpiling for which no analysis of re-handling costs, stockpile material cut-off analysis or stockpile limits (physical) was undertaken. Therefore the only comment made here is that upside may exist, but further analysis of this should be undertaken as part of more detailed economic analysis (Scoping Study).

The following interpretations and conclusions are provided by CSA relating to the Kodal Project:

- The Kodal Project is considered to be an Advanced Exploration Project which has been the subject of exploration and evaluation historically, and more recently by Kodal in 2012 and 2013.

- Much of the available drilling and sampling data held for the project is that collected historically by previous owners during the 1960's and 1970's. No original assay certificates from historical sampling are available to review, and therefore the only means by which historical data can be validated is via twin verification drilling and re-sampling of historical core.

- Procedures for recent verification drilling were not available for review and as such, CSA cannot comment on its appropriateness. However, through discussion with Kodal staff and observations made on site, CSA believes drilling was undertaken by a professional local contractor, with experience in mineral exploration drilling.

- Informed by a review of the Norwegian Geological Society core storage facility, CSA believes core handling during recent verification drilling was to industry accepted standard.

- A review of reanalysis of historic drill core by current methods demonstrated an acceptable correlation for P (0.64) with a slight bias to the historical samples apparent at grades <1.5% P and to the re-assayed samples at grades between two and three per cent P. A marginal bias to the historical samples was exhibited for Fe.

- CSA has reviewed the twin drilling data and consider the overall correlations to be acceptable so as to provide a level of confidence suitable for the reporting of Mineral Resources.

- Limited SG samples have been collected historically, with no verification by Kodal staff. However, the SG data available are in line with expected SG values when considering the rock types and mineralisation style observed. Further testwork is required, to fully investigate the lithologies, mineralisation styles of the deposit along with any potential changes with depth or along strike.

- No down-hole survey information is available for historic drilling, and surveying of verification drilling was not undertaken. As such there is a limit to the confidence that can be assumed of the absolute position of sub-surface mineralisation. CSA considers the deviation of shallower holes to be minimal, and lower confidence as hole depth increases.

- A review of hard-copy information against that contained in the electronic database provided to CSA highlighted several errors that were subsequently corrected by CSA and were not considered to be material.

- There is no QA/QC data for the historical data, but QA/QC material has been included with the re-assaying and twin drill hole assaying recently undertaken by Kodal. CSA has reviewed this QA/QC data and believes the ratio of duplicate and standard insertion (being 1:6 and 1:3 respectively) to be adequate so as to provide a statistically valid dataset for review. Analysis of the results of duplicate, blank and standard QA/QC checks suggests an acceptable correlation with no significant bias reported.

- CSA reviewed the internal MRE prepared by Z Star and concluded that the model, whilst created using adequate methodology, did not adequately honour the grade variability of the underlying input data, and the grade compositing protocol led to grade bias, which resulted in an overstatement of the mean grade. In addition, the extrapolation of the mineralised zones at depth, beyond a reasonable influence of sample data, resulted in a tonnage estimate that CSA considered to be excessive. In response to this, CSA has updated the MRE to report a more robust and reliable estimate of Mineral Resources for the project.

- CSA believes the resource domaining approach used by Z Star to be valid for the current level of study, and data availability.

- CSA re-visited the variographic analysis with a more statistically valid composite length and simplified modelling technique and grade was interpolated using Ordinary Kriging (OK) within a wireframe constrained block model.

- The Mineral Resource estimate for the Kodal Deposit has been classified according to JORC 2012, with an effective date of 20 December 2013. The following criteria were considered when classifying the resource:

    - Results of validation of the historic data, including validation of hardcopy data, review of re-assaying, QA/QC, lack of down-hole survey information and location of historical drill collars.

    - Data spacing.

- Confidence in the geological model and 3D model.
- Topographic control.
- Results of estimation validation, including visual inspection, classical statistical analysis of input and output grade data, search pass, Kriging variance and swath plot analysis.
- Location of material relative to the CSA conceptual pit optimisation shell used to inform the criteria of "reasonable chances of eventual economic extraction" under JORC.

- CSA reports a total Indicated Mineral Resource of 14.6Mt at 2.26% P (5.18% P_2O_5) and 24.12% Fe; with an Inferred Mineral Resource of 34.31Mt at 2% P (4.59% P_2O_5) and 20.38% Fe.
- The Indicated Mineral Resource represents a coherent zone of material estimated in the first search pass, close to surface and supported by shallow, closely spaced drilling. Material below this, contained within the conceptual optimisation shell was classified as an Inferred Mineral Resource.
- In addition CSA outlined an Exploration Target as defined under JORC 2012 of between 40 and 60 Mt at a grade range of between 1 - 4% P and 10 – 30 % Fe. This Exploration Target is expressed as ranges of tonnage and grade and represents material for which there has been insufficient exploration to support a Mineral Resource estimate. The potential quantity and grade is conceptual in nature and it is uncertain if further exploration will result in the estimation of a Mineral Resource.
- Preliminary metallurgical test work completed on a composite sample of drill core material provided the following conclusions;
    - A 25% weight recovery to final magnetite concentrate at 75% Fe recovery was achieved, at a grade 62.04% Fe, 8.74% TiO_2, 0.09% P_2O_5 and 0.027% S. The bulk sulphide flotation did not produce a saleable concentrate, but recovered 48% of the sulphur reporting to final magnetite cleaner concentrate.
    - Final apatite concentrate of 86.0% phosphate recovery was achieved at 38.7% P_2O_5 in open circuit; with the expectation of 85.9% phosphate recovery at 41.8% P_2O_5 would be achieved in an operating plant with product stream recycle. Reagents used were fatty acid, PGE, sodium silicate and sulphonic acid.
    - It appears from this preliminary test work that economic recoveries and grades of Fe and P_2O_5 are achievable at Kodal, assuming that the material on which test work was undertaken may be considered representative of the mineralised zones.
    - Kodal confirmed that research and market studies are underway to identify buyers of products with the specifications outlined here.

- There are a number of mining risks which would need to be addressed if the project were to advance further, these include:
    - Costs have been estimated to ±40 per cent accuracy. This leaves considerable scope for variation in costs.
    - This CSA mining review was undertaken as a desk-top review and a site visit to test the validity of some assumptions, will be required.
    - Magnetite will have relatively high titanium content and so a marketing study should be completed to confirm pricing.
    - The CSA MRE used as an input to the conceptual optimisation study work comprises Inferred and Indicated Mineral Resources.
    - A close look at the area using Google Earth reveals a heavily wooded area criss-crossed by walking and cycle trails. It would appear that the area provides an outdoor wilderness recreation area for the local population. This could have a major impact on the ability to obtain permissions to mine.
    - There is always a risk in the price of the products used in cash-flow estimates. Market related prices were used for phosphate. The magnetite concentrate price was set at 60 USD/t, representing a significant discount on other magnetite prices in the region of 100 USD/t to 120 USD/t. A more rigorous study on the long term product prices would be required.
    - Slope assessments are based on a preliminary investigation completed by Celtis Geotechnical in August 2013. Dr J.V James completed a site visit and inspected the local area in July 2013 and completed preliminary geotechnical modelling indicating an overall slope angle of 60 degrees. This number is indicative only, further investigation supported by geotechnical drilling in required.
    - Ground water inflows are currently based on assumptions without any supporting data or modelling. Dewatering of the open cut slopes and production areas is required to allow geotechnical stability analysis of the open cut wall rocks to assume a low ground water level and therefore steeper wall angles. Modelling will also improve mine production cost estimates. Water management is a fundamental requirement for environmental approvals, so identification of the quantity and quality of the water to be managed is an important consideration.
    - The sample material used for the metallurgical investigation was drawn from drill core from the 2012 drill programme. The sample was selected to mimic the anticipated average run of mine (ROM) grade if mining a mix of Main Zone and Transition Zone material at a rate of 3 mtpa. Subsequent to the test work being completed it was apparent the mining would be focussed on the Main Zone thus the test sample is likely to be of lower grade than the expected ROM grade. The test material is also drawn predominantly from the western end of the mineralised zone. The tests will need to be

confirmed with repeat testing using fully representative material following further drilling.

- Tailings Storage facility site may be not suitable and or not approved. Royal Haskoning DHV have identified that the proposed tailings storage facility site does not have any engineering, community or environmental studies undertaken and may not be approved. Until this work is completed tailings storage is considered a major risk to the project. Engineering studies for the tailings storage facility should include capacity allowance for snow and ice during winter months.

- Waste Dump site has not had engineering, environmental or community studies and therefore its location may not be approved.

- CSA note that no studies have been undertaken on the availability of electrical power supply from the local grid. Until this work has been undertaken there is a risk to the Capex and Opex estimates for the project.

- The process water supply assumptions have unresolved risks that include, no approvals to take water from the river, freezing of the river in winter, loss of return water from tailings storage facility in winter.

- The concentrate transportation costs assume bulk haulage to the port of Larvik as discussions with the port suggest a bulk handling facility can be considered.

- Up to date metallurgical test work has yielded product specifications. While this work needs to be confirmed using fully representative samples it is expected that the current results are indicative of the final specifications.

- Despite these risks, the mining review has indicated that a robust return on investment is possible, provided a market is found, for both products and the above mentioned risks are addressed.

- While geology and deposit location are fixed and unalterable, it should be stressed that there are no set plans or designs yet determined for the Kodal Project. All options for mining method, waste and water management, and product transportation are subject to full investigation, evaluation and assessment, as part of the project Feasibility Study and associated ESIA. The final configuration, logistics and methodology will depend on the outcome of these studies. The ESIA studies will determine the most efficient, least impacting, economically viable and best available techniques for constructing, operating and finally rehabilitating and closing the mine.

The following recommendations are made, in order to advance the Kodal Project;

- CSA considers the current geological model for the project to be good. Additional drilling over the project should focus on resource development and upgrading of the currently defined Mineral Resources. To this end additional drilling should focus on infill drilling to increase the confidence in the geological and resource models.

- With respect to drilling, CSA recommends:
    - That all future drill holes should be down-hole surveyed to ensure the position of mineralised intercepts is more confidently known. The position of subsequent mineralised zones delineated in future drilling should be compared to those delineated historically, to further assess the reliability and confidence of historical intercepts in a spatial sense.
    - That additional core drilling is orientated to facilitate the collection of structural and geotechnical information.
    - That additional samples be taken for metallurgical test work, to augment the work completed to date. Collected samples should be representative of the strike and depth extent of the defined Mineral Resource, different geological units and grade ranges.
    - That additional bulk density samples be taken such that the variability in density between different geological units and grade ranges is more reliably known.
- Kodal should prepare a set of Standard Operating Procedures (SOPs) for resource development and exploration that include Industry standard QA/QC procedures and protocols to maximise the reliability and confidence of project data.
- An industry standard database management system should be put in place prior to further data collection over the project, to ensure captured data is valid, is stored appropriately and is secure and auditable for JORC Code reporting requirements.
- With respect to the potential Mineral Resource updates, CSA recommends the following:
    - Focus should be on upgrading the currently defined Indicated and Inferred Mineral Resources to higher categories.
    - In the light of new data, the geological and grade domain interpretation should be refined, particularly that of the Transition Zone, and internal waste zones should be wireframed where possible.
    - With new data, variography should be revisited and undertaken on a domain-by-domain basis such that the ranges and directions of grade continuity are better understood.
- Any resource development activities and Mineral Resource estimation updates include grades of contaminants identified as sensitive in the Marketing of Phosphate and Magnetite products.
- With respect to economic study, CSA recommends that a formal Scoping Study be completed, commencing with a gap analysis of the current mining review. The scope of work and cost estimate of such a study should be reviewed by a Competent Person, and the following areas considered:

- Hydrogeology test work and modelling.
- Geotechnical sampling, test work, analysis and modelling.
- Marketing studies undertaken including product specification recommendations.
- Representative Bulk sample collection.
- Pilot plant scale metallurgical test work. Suitable quantities of concentrate to be produced to demonstrate magnetite pellet quality. Physical and chemical properties are required to support revenue assumptions.
- Product quality specifications.

Summary of Resources by Status for Minerals and Ore

Category	Gross					Net attributable					Operator
	Tonnes (millions)	Grade		Contained Metal		Tonnes (millions)	Grade		Contained Metal		
		P_2O_5 (%)	Fe (%)	P_2O_5 (Mt)	Fe (Mt)		P_2O_5 (%)	Fe (%)	P_2O_5 (Mt)	Fe (Mt)	
Ore/Mineral reserves per asset	-	-	-	-	-	-	-	-	-	-	
Proved	-	-	-	-	-	-	-	-	-	-	
Probable	-	-	-	-	-	-	-	-	-	-	
Sub-total	-	-	-	-	-	-	-	-	-	-	
Mineral resources per asset											
Measured	-	-	-	-	-	-	-	-	-	-	
Indicated	14.6	5.18	24.1	0.76	3.52	14.6	5.18	24.1	0.76	3.52	Kodal Minerals
Inferred	34.3	4.59	20.4	1.58	6.99	34.3	4.59	20.0	1.58	6.99	Kodal Minerals
Sub-total	48.9	4.77	21.49	2.34	10.51	48.9	4.77	21.49	2.34	10.51	Kodal Minerals
Total	48.9	4.77	21.49	2.34	10.51	48.9	4.77	21.49	2.34	10.51	Kodal Minerals

Source: Mr Galen White, BSc(Hons), FGS, FAusIMM – Principal Geologist - CSA Global (UK) Limited

Note: P_2O_5 is converted from P using a conversion factor of P*2.2914. Tonnages are rounded to one decimal place, and grade/contained metal to two decimal places to reflect these as estimates. Mineral Resources are quoted above a cutoff of 0.5% P.

Glossary

%	percent
µm	Micrometer, or 0.000001m
3D	Three dimensional
AIM	Alternative Investment Market (operated by the London Stock Exchange)
Alkaline	In geological terms, alkaline indicates low silica content indicated by being quartz poor
ALS	ALS Laboratories
Amphibole	Dark-coloured, inosilicate minerals, forming prism or needle like crystals
amsl	Atmospheric meters above sea level
Anticline	A fold that is convex up and has its oldest beds at its core
Apatite	A hydrous phosphate mineral
Azimuth	An angular measurement in a spherical coordinate system, i.e. deviation degree relative to north
Berm	In open pit mining, a raised edge to a mining bench, usually present for safety reasons.
Biotite	A common phyllosilicate mineral within the mica group
BPM	Bits per meter core, a geotechnical measurement used to determine rock competency
BQ	A core diamond drill diameter of 36.5 mm
BQTK	A core diamond drill diameter of 40.5 mm
Breccia	A rock composed of broken fragments of minerals or rock cemented together by a fine-grained matrix
Carbonate	A gangue rock, consisting of rocks/minerals rich in CO_3
CB	crush blank
CES	Conceptual Engineering Study
Clinopyroxene	A group of important rock-forming inosilicate minerals found in many igneous and metamorphic rocks
cm	Centimeter
Collar	Geographical coordinates of the collar of a drill hole or a working portal
Compositing	The process of dividing or adding sample intervals together to form a regular length
Core	A cylindrical piece of solid rock obtained during diamond drilling
CPR	Competent Persons Report
CRM	Certified Reference Material
CSA	CSA Global (UK) Ltd
Cut-off grade	The threshold value in exploration and geological resources estimation above which mineralised material is selectively processed or estimated
CV	Coefficient of variation is a normalized measure of dispersion of a probability distribution or frequency distribution.
Datum	A set of values used to define a specific geodetic system
DD	Diamond core drilling method

Deposit	A geological unit, with anomalous grades of economically important minerals
Diamond drill	A method of drilling using hollow diamond encrusted core bits that sample and return cylinders of solid rock retrieved by a wireline
Dip	The angle of drilling (or of a structure) relative to horizontal
DTR	Davis Tube Recovery, a magnetic measurement method to establish magnetite content and retrieval
E	East
Easting	Meters east of a grid point, typically used for UTM based projections
ESIA	Environmental and Social Impact Assessment
ETRS1989	A Datum, namely European Terrestrial Reference System 1989
EX	A core diamond drill diameter of 18.6 mm
Fe	Iron
Feldspars	A group of rock-forming tectosilicate minerals, that make up as much as 60% of the Earth's crust
g	Gram
g/cm^3	Grams per centimeter cubed, a measure of density/specific gravity
Gabbro	A coarse-grained, intrusive mafic igneous rocks chemically equivalent to basalt
Geochemical sampling	In exploration, the main method of sampling for determination of presence of mineralisation. A geochemical sample usually unites fragments of rock chipped with a hammer from drill hole core at a specific interval
GIS	Geographical Information System
GPS	Global Positioning System
Graben	A depressed block of land bordered by parallel faults
Histogram	Diagrammatic representation of data distribution by calculating frequency of occurrence
HQ	A diamond drill core diameter of 96mm (outside of bit) and 63.5mm (inside of bit)
ICP MS	Inductively coupled plasma mass spectrometry, a type of mass spectrometry capable of detecting low elemental concentrations
Ilmenite	A major, ore mineral, weakly magnetic titanium-iron oxide
Ilmenomagnetite	A major, ore mineral, a titaniferous magnetite
INAB	Irish National Accreditation Board
Inferred Mineral Resources	Under JORC 2012, An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.
Indicated Mineral Resource	Under JORC 2012, An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

Intrusive	An igneous rock that crystalised within the earth's crust forming often coarse grained crystals
IP	An electromagnetic geophysical ground probing technology using induced potential/voltage
ISO 9000	A family of standards related to quality management systems
Jacupirangite	A variety of pyroxene rich rock that is dominated by titanaugite with minor nepheline and accessory biotite and magnetite
JORC - 2012	A professional code of practice for the minerals industry that sets minimum standards for Public Reporting of Exploration Results, Mineral Resources and Ore Reserves.
kHz	Kilohertz, Hz is an S.I. unit measure of frequency for electromagnetic waves, the number of wave cycles per second
km	Kilometer
km²	Kilometer squared
Kriging	Method of interpolating grade using variogram parameters associated with the samples' spatial distribution. Kriging estimates grades in untested areas (blocks) such that the variogram parameters are used for optimum weighting of known grades. Kriging weights known grades such that variation of the estimation is minimised, and the standard deviation is equal to zero (based on the model)
Lamprophyre	Uncommon, small volume ultrapotassic, alkaline, ultramafic igneous rocks primarily occurring as small intrusions.
Larvikites	A rock, a variety of monzonite, with ternary feldspars, often rich in titanium
LIMS	low intensity magnetic separation
LOI	Loss on Ignition, to establish proportion of volatiles lost during incremental increase in temperature until sample mass ceases to change
m	Meter
M	Million
M.S.L	Meters above sea level
Ma	Million years
Mafic	An rock rich in iron and/or magnesium
Magnetite	A magnetic and naturally occurring iron oxide, in the form Fe3O4
Mean	Arithmetic mean, average
Median	Sample occupying the middle position in a database
ME-XRF21	Fused disc XRF analysis
Mica	A major group of sheeted, silicate-phyllosilicate minerals
MICROMINE	A 3D mining software package
micron	Micron
Mineral Resource	Under JORC 2012, A 'Mineral Resource' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred,

	Indicated and Measured categories.
mm	millimetre
Monzonite	A quartz poor igneous intrusive rock, composed of approximately equal amounts of plagioclase and alkali feldspar,
MRE	Mineral resource estimate
Mt	Million Tonnes
N	North
NEA	Norwegian Environment Agency
Nepheline	A silica-undersaturated aluminosilicate
NGU	Norwegian Geological Authority
Northing	Meters north of a grid point, typically used for UTM based projections
NQ	A core diamond drill diameter of 47.6 mm
Nuggety	The distribution of ore minerals are not homogeneously distributed, but are rather clustered together in small (mm-meters) high grade 'pods'
OK	Ordinary Kriging
Olivine	A magnesium iron silicate mineral
OMAC	OMAC Laboratories, Ireland
Overburden	Sterile/barren waste that overlies an ore deposit
P	Phosphorous
P_2O_5	Phosphate oxide
PFS	Pre-Feasibility Study
Population	In geostatistics, a population formed from grades having identical or similar geostatistical characteristics. Ideally, one given population is characterized by a linear distribution
porphyry	A variety of igneous rock consisting of large-grained crystals, such as feldspar or quartz, dispersed in a fine-grained feldspathic matrix or groundmass.
ppb	parts per billion
ppm	parts per million
PQ	A diamond drill core diameter of 122.6mm (outside of bit) and 85mm (inside of bit)
QA/QC	Quality assurance and quality control procedures and methods
Quartz	The second most abundant mineral in the Earth's continental crust, in the form SiO2
Recovery	A measure of total length of core returned during a single run, or diamond drilled hole, typically expressed as a percent of the total intercept drilled (e.g. 3m or 6m).
Reserves	Mineable geological resources
Resources	Geological resources (both mineable and un-mineable)
RQD	Rock Quality designation, a geotechnical measurement used to determine rock competency
RSS	Ilmenite recovery method
S	South
Sample	Specimen with analytically determined grade values for the components being studied

Sericite	A fine grained mica, commonly derived from hydrothermal alteration of orthoclase or plagioclase feldspars
SG	Specific gravity, a measure of density typically expressed as g/cm^3
SI	International System of Units
SOP	standard operating procedures
SQL	Structured Query Language, is a special purpose programming language designed for managing data
Swath plot	A method of block model validation using a graph that compares input grades, drill meters, block model tonnes and output block model grades, over slices through the model in the N, E and RL planes.
SWEDAC	Swedish Board for Accreditation and Conformity Assessment, is a government authority for quality and safety.
Syenite	A quartz poor igneous rock with alkaline feldspar and ferromagnesium minerals
t	Tonne
TiO_2	Titanium Oxide
Top cut	A value to which anomalously high grades are restricted to, determined by statistical methods
UTM	Universal Trans-Mercator
Variation	In statistics, the measure of dispersion around the mean value of a data set
Variogram	Graph showing variability of an element by increasing spacing between samples
Variography	The process of constructing a variogram
Variscan Orogeny	A geologic mountain-building event caused by Late Paleozoic continental collision between Euramerica (Laurussia) and Gondwana to form the supercontinent of Pangaea
VLF	An electromagnetic geophysical ground probing technology that utilizes VLF signals in the 15 to 30 kHz range
W	West
WGS84	World Geodetic System initialised in 1984
WRS	waste rock stockpile
wt%	weight percent
X	The direction aligned with the x-axis of a coordinate system
XRF	An geochemical analytical method which analyses the emission of x-rays from an ionized sample
Y	The direction aligned with the y-axis of a coordinate system
Z	The direction aligned with the z-axis of a coordinate system

1 Introduction

At the request of Mr Luke Bryan, CEO Kodal Minerals Limited ("Kodal"), geological consultants CSA Global (UK) Ltd ("CSA") were employed to prepare a Competent Persons Report ("CPR") for the Kodal P-Fe Project (the "Kodal Project"). The Kodal Project is the issuer's only material asset and is considered an Advanced Exploration Project currently being evaluated for Phosphorus (P) and Iron (Fe).

CSA understands that the CPR document will be reproduced in its entirety in an admission document ("Admission Document") which is being prepared for the purpose of the proposed admission of Kodal issued, and to be issued share capital to trading on the AIM market of the London Stock Exchange plc.

This CPR has been prepared in accordance with the standards set out in the "Joint Ore Reserves Committee" Code 2012 ("JORC 2012") and the "Note for Mining, Oil and Gas Companies" (the "AIM Note") which forms part of the AIM rules for companies, and has been signed off by relevant Competent Persons ("CP") as defined in JORC 2012 and the AIM Note.

This independent study has been completed by; Mr Galen White - BSc (Hons), FAusIMM, FGS – Principal Geologist of CSA, Mr Nicholas Riches, BEng, MSc, DIC, ACSM – Associate Metallurgist, Mr Julian Bennett, BSc, ARSM, FIMMM, CEng – Associate Principal Mining Engineer of CSA, and Ms Nerys Walters – MCSM, FGS - Senior Geologist of CSA Global.

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

The Kodal mineralised zone comprises two zones (termed the "Main Zone" of largely uniform 20m true thickness, and a "Transition Zone" adjacent to the Main Zone, averaging 50m true thickness) and has a strike length of approximately 1900m. It can be subdivided into an eastern (1200m) and western (700m) portion across a hinge plane. The eastern limb dips at 85 degrees towards the south-east and the western limb dips at a similar angle towards the southwest. Mineralisation associated with Kodal is situated within a larvikite-lardalite ring complex in the southern part of the Permian Oslo Rift. Kodal propose that the mineralisation was hydrothermally emplaced, that the main deposit occupies the form and space of a pre-existing fault acting as a strong fluid pathway and the transition material representing less permeable, intact rock with less hydrothermal fluid flow and subsequently less mineralisation.

The zones of economic interest comprise a Jacupirangite Main Zone and a proximal Transition Zone within larvikite situated at the both the hanging wall and foot wall contacts of the Main Zone where there is a gradational boundary and a decrease in concentrations of economic minerals.

1.1 Terms of Reference - CSA Global (UK)

CSA Global Pty Ltd is an internationally recognised, independent geology and mining consultancy with offices in Australia, Indonesia, South Africa, Moscow, Vancouver and the UK ("CSA Global (UK) Ltd, or CSA"). CSA, its directors, employees and associates neither has nor holds:

- any rights to subscribe to client either now or in the future;
- any vested interests in any concessions held by client;
- any rights to subscribe to any interests in any of the concessions held by client, either now or in the future;
- any vested interests in either any concessions held by client or any adjacent concessions;
- any right to subscribe to any interests or concessions adjacent to those held by client, either now or in the future.

CSA's only financial interest is the right to charge professional fees at normal commercial rates, plus normal overhead costs, for work carried out in connection with the investigations reported here. Payment of professional fees is not dependent either on project success or project financing.

The main sources used in the compilation of this report, are the following:

- White G., Site Visit to the Kodal P-Fe Project, Norway, April 2013; CSA Global (UK) Ltd memo.
- Geological Survey of Norway; Deposit 719-001; September 2007; The Ore Database at Norwegian Geological Survey factsheet.
- Bergstøl S., The Jacupirangite at Kodal, Vestfold, Norway. A potential magnetite, ilmenite and apatite ore, 1972; Mineral Deposit 7, 233-246.
- Lenning N., *Translated* Preliminary Prefeasibility Study, for Norsk-Hydro, referred to as the 'Kodal P-2 PFS' study, to replace the November 1974 study; June 1976.
- Lindberg P.A., Fe-Ti-P Mineralization in the Larvikite -Lardalite complex, Oslo Rift, 1982; Norges geologiske undersøkelse, TIDSSKRIFTARTIKKEL, Bulletin; No.402; 93-98.
- Historic Norsk Hydro Geological Plans and Cross Sections (scanned images).
- Translations of historical hardcopy drill core logs.
- Kodal Minerals ArcGIS data.
- Kodal Minerals logging and sampling data.

- Excel spread sheet collar, geology, assay and (limited) survey data for historical drilling

A detailed bibliography of information sources used in the preparation of this report are contained at the back of this report.

1.2 Units

All units of measurement used in this Report are SI (International System of Units) unless otherwise stated. Tonnages are reported as metric tonnes ("t"), and P (instances where this has been converted to P2O5 use conversion of P*2.2914, Fe and TiO_2 in weight percent ("%") or parts per million ("ppm"). Other references to geochemical analysis are in parts per million ("ppm") or parts per billion ("ppb") as reported by the originating laboratories.

Universal Trans-Mercator grid coordinates ("UTM") are based on the ETRS1989 datum. The Property is located in UTM zone 32N.

1.3 Site Visit

A site visit to the Kodal Project, Norway was undertaken by Mr Galen White – Principal Geologist of CSA for the purposes of a Competent Person ("CP") site inspection as part of the preparation of this CPR. The visit was undertaken in the company of Mr Luke Bryan and Mr Patrick Cullen of Kodal between 15th and 18th April 2013 and followed a period of summary desk-top review of information available at that time.

During the site visit, the following activities were undertaken:

- An inspection of historical and recent drill core from the Kodal Project, stored at the Geological Survey of Norway, Løkken, Norway.
- An inspection of the Kodal Project site, 20km north of the town of Larvik, Norway. The visit took place in good weather but with extensive snow cover at the project site.
- Driving around the Andebu province for the purposes of familiarisation with local infrastructure, road conditions, possible pipeline route as well as discussions with the Larvik port authorities.
- Discussions with Kodal staff (Luke Bryan – CEO and Patrick Cullen – TD) and local Geologist Kjell Nilson and local County Geologist Sven Dahlgren.
- A desk-top review of data held for the project, which was provided to CSA by Kodal and included:
    - Geological Survey of Norway factsheet – Kodal Project
    - Historical Norsk Hydro 1976 PFS Report (translated version)
    - NGU Bulletin 402 (Lindberg)

- Petrological Report (Bergstøl, 1972)
- Historic Norsk Hydro Geological Plans and Cross Sections (scanned images)
- Translations of historical hardcopy drill core logs
- Kodal ArcGIS data
- Excel spread sheet collar and survey data for historical drilling
- 2012 Z Star Mineral Resource Estimate (MRE) dataset and Technical Report, including:
    - Review of the Z Star resource report and associated digital data, for the purposes of reviewing the validity of the current Mineral Resource model.
    - Cross checking of drill hole positions in 3D software, and validating collar positions against hard copy cross sections and plans.

During the site visit, the following was verified:

- The project site location was confirmed against coordinate information contained in the NGU factsheet for the project.
- The location of two recently drilled holes and two historical holes. These holes were located using hand held GPS and their coordinates agree with coordinate information provided to CSA in digital form.
- Low level Fe-P mineralisation was detected in surface outcrop at the project site, via hand held XRF. The level of mineralisation was comparable in tenor to that detected in “transition” zone core material.
- Core material inspected at the NGU core storage facility was verified as being from the Kodal Project, and summary inspection of geology and mineralisation intervals matched those contained in hardcopy summary logs.

At the completion of the site visit, and following desk-top review, additional areas of data collection and review were defined, and a number of project sensitivities identified and subsequently reviewed, with comment, conclusions and recommendations, as part of CPR preparation and are discussed in the sections below.

A CSA Global (UK) Ltd memo detailing the site visit is contained in Appendix 3.

Table A. Summary Table of Asset

Asset	Holder	Interest (%)	Status	Permit expiry date	Permit area	Comments
Kodal Project, Norway	Kodal Phosphate AS	100	Development	07.06.2013 *	1.8 km²	Exploration Licence Split into 6 parts Kodal 1 - Kodal 6
Kodal Project, Norway	Kodal Phosphate AS	100	Development	11.07.2023	1.4 km²	Extraction Licence Split into 3 parts, A,B & C

1.4 Mining Law and Mineral Rights

The following section is summarised from the Norwegian "Act of 19 June 2009 No.101" relating to the acquisition and extraction of mineral resources (the "Minerals Act"), reviewed as an official translation in to English by the Norwegian state.

Fundamentally, the Norwegian mining law is designed to ensure that the following interests are safeguarded:

- Value creation and industrial and commercial development;
- The foundation of Sami culture, commercial activity and social life;
- The surroundings and nearby areas while operations are being carried out;
- The environmental consequences of extraction; and
- Long-term planning relating to subsequent use or reclamation of the area.

The system has 3 tiers of permits for various stages of a projects development; exploration licences, extraction licences and operating licences.

Under the terms of an Acquisition agreement on Admission to AIM, Kodal Minerals has an option to acquire all of the issued and to be issued share capital of Kodal Phosphate AS, the registered holder of the Kodal Extraction Licences, from Tetra Minerals Oy. The acquisition is conditional *inter alia*, on Admission.

Kodal Phosphate AS have been granted an extraction licence in respect of the Project. This document has been reviewed by CSA and states that "the extracting party may extract and utilise all deposits of minerals owned by the State in the extraction area. Deposits of minerals owned by a landowner may be extracted to the extent that this is necessary to extract deposits of minerals owned by the State."

The Mining Act states that a number of minerals are 'owned by the state' of which iron and its ores are one. Ordinarily, phosphate and its ores would be the property of the landowner, however if, as is the case at the Kodal Project, it is deemed by the Directorate of Mining that state owned and non-state owned minerals occur in a circumstance that they cannot be reasonably extracted separately, then both types may be extracted as if they were state owned minerals.

Kodal Minerals holds a letter from the Directorate of Mining which classifies the deposits as "Comingled", that the phosphate and metallic ores appear "in an intimate mixture" and that "the different mineral products can only be separated by processing the ore." As such, iron and phosphate can be extracted by Kodal Phosphate. An extraction licence allows exploration activities to continue within the licensed area.

An extraction licence is valid for 10 years or until it is superseded by an operating licence. Extraction licences may be extended by up to ten years at a time. The Directorate of Mining states that "deadline extensions shall normally be granted if the deposit is deemed to hold a reasonable reserve for the applicant's operations."

Should Kodal Phosphate wish to extract material, the extraction licence allows volumes of up to 500 m^3 to be extracted without notice. Should this be exceeded, the Mining Directorate must be notified at least 30 days in advance. (an upper limit of 10,000 m^3 applies before an operating licence is required).

The land over which the deposit is situated is privately owned by a series of landowners. The Directorate of Mining expects every effort to be made to agree terms with landowners, in the event that land and rights are required. Where terms cannot be negotiated, "an exploring party may apply to the Directorate of Mining for a permit to acquire compulsorily, the land and rights needed to be able to undertake mining."

A party wishing to extract a deposit of minerals owned by the State may apply to the Directorate of Mining for a permit to acquire compulsorily:

a) the land and rights needed for extraction; and

b) the land and rights needed for the processing of minerals.

Should this be the case, the law details the requirements for compensation. Compensation is defined by the State on the basis of the market price. Additional information relating to compensation is contained in the "Act of 6 April 1984 No.17" relating to compensation in connection with the compulsory acquisition of property. The compensation takes the form of a charge per extracted unit of the mineral, unless special reasons indicate that a different solution is appropriate. A minimum charge may be set that is to be paid regardless of the production volume. Awarded compensation shall be set as annual payments. However, a one-off compensation payment may be set if there are special reasons for doing so.

Compensation valuation proceedings shall all take the form of a court hearing.

An operating licence shall be required at any point when more than 10,000m^3 of material is extracted. To be granted an operating licence it is necessary to first be granted an Extraction Licence. The Directorate of Mining states that "in the assessment of whether an operating license should be granted, emphasis shall be given to whether the applicant is qualified to extract the deposit." However pilot plants can be permitted independently without the need for an operating licence, with a special permit and this is typically limited to a maximum of 2000 m^3 of processed material to be used to access the commercial viability of the deposit. Operating licences may be limited in time and subject to review periodically.

The parties involved in exploration and extraction have a duty to implement and maintain safe working practices throughout so that operations do not pose a danger to humans, farm animals or domesticated reindeer. The parties involved also have a duty to rehabilitate on cessation of any activities. They are also required to pay compensation for any damage caused. The Directorate or Mining can order any parties involved with exploration or extraction activates to provide financial security for the implementation of safety and clean up measures.

2 Reliance on Other Experts

The authors of this Technical Report have reviewed available company documentation relating to the project and other public and private information as listed in the "References" section at the end of this Report. In addition, this information has been augmented by first-hand review and on-site observation and data collection conducted by the authors.

The statements and opinions contained in this report are given in good faith. Validation of the historical project data is a process of continual improvement. The conclusions and estimates in this report may change over time depending on these improvements, future exploration results, mineral prices and other relevant market factors.

The Competent Person takes responsibility for the content of this Technical Report and believes it is accurate and complete in all material aspects. However CSA is not responsible for nor has undertaken any due diligence regarding the non-geological/mining technical aspects of this report, which includes:

- Licencing and Tenure information (Section 3), including letters relating to permitting, which have been relied upon as presented.
- A preliminary environmental review summary document (summarised in Section 14) prepared by S. Struthers (2013), which has been relied upon as presented.

3 Property Description and Location

3.1 Property Description and Location

The Kodal Deposit is situated in Vestfold, east of the river Nummedalslågen, in the Lågen valley, approximately 20 km north of Larvik, and approximately 85 km south-west of Oslo in the county of Vestfold, Norway, Figure 1.

Figure 1. Location of Kodal Deposit, Norway.

The project area is covered by 6 contiguous exploration licenses, subsequently superseded with 3 contiguous extraction licenses, Tables 1-3 and Figure 2.

Table 1. Exploration License corner points, 30/09/2013.

Name	Number	Point	E	N	Commune	Region
Kodal 1	0664/2006-ØB	A	558500	6566300	Larvik	Vestfold
		B	559000	6566300		
		C	559000	6565700		
		D	558500	6565700		
Kodal 2	0665/2006-ØB	A	559000	6566300	Andebu	Vestfold
		B	560000	6566300		

Name	Number	Point	E	N	Commune	Region
		C	560000	6566000		
		D	559000	6566000		
Kodal 3	0666/2006-ØB	A	560000	6566300	Andebu	Vestfold
		B	561000	6566300		
		C	561000	6566000		
		D	560000	6566000		
Kodal 4	0667/2006-ØB	A	559000	6566000	Andebu	Vestfold
		B	560000	6566000		
		C	560000	6565700		
		D	559000	6565700		
Kodal 5	0668/2006-ØB	A	560000	6566000	Andebu	Vestfold
		B	561000	6566000		
		C	561000	6565700		
		D	560000	6565700		
Kodal 6	0669/2006-ØB	A	558800	6565700	Larvik	Vestfold
		B	560000	6565700		
		C	560000	6565450		
		D	558800	6565450		

Table 2. Extraction License corner points, 30/09/2013.

Licence Area	Corner	E	N
A	A	558675	6566050
	B	559375	6566050
	C	559375	6565350
	D	558675	6565350
B	A	559375	6566250
	B	559925	6566250
	C	559925	6565350
	D	559375	6565350
C	A	559925	6566400
	B	560475	6566400
	C	560475	6565625
	D	559925	6565625

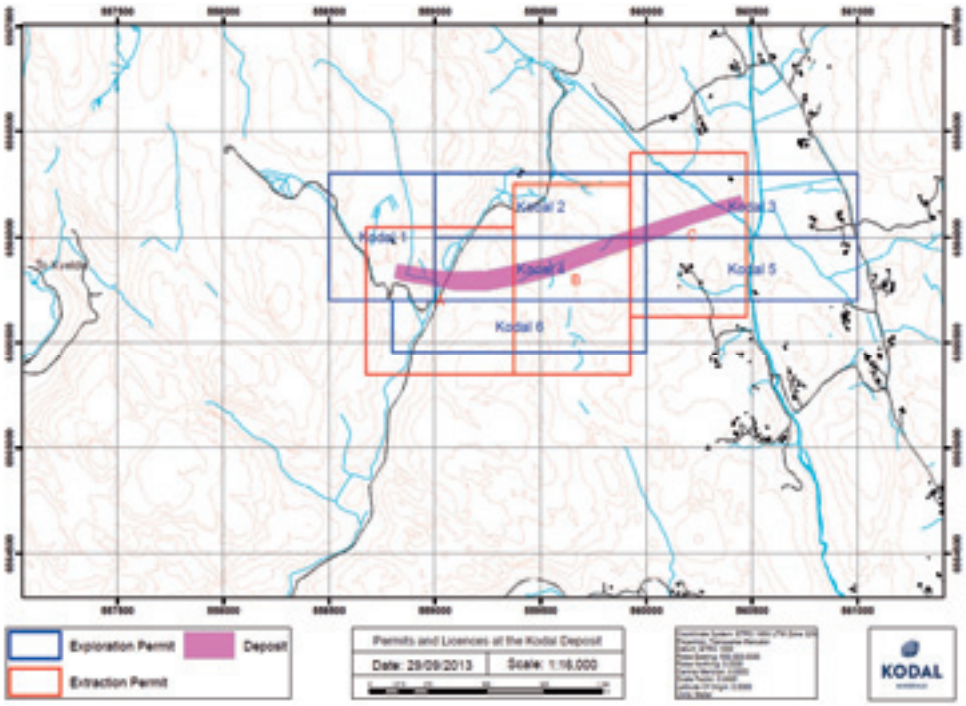


Figure 2. Location Map of the project Concession/s.

Table 3. Summary Table of Asset

Asset	Holder	Interest (%)	Status	Permit expiry date	Permit area	Comments
Kodal Project, Norway	Kodal Phosphate AS	100	Development	07.06.2013 *	1.8 km²	Exploration Licence Split into 6 parts Kodal 1 - Kodal 6
Kodal Project, Norway	Kodal Phosphate AS	100	Development	11.07.2023	1.4 km²	Extraction Licence Split into 3 parts, A,B & C

***Exploration licence is superseded by extraction licence.**

The extraction permit over the asset is currently held by Kodal Phosphate AS, which is owned by Tetra Minerals Oy. Kodal has an exclusive option to acquire Kodal Phosphate AS on the following terms:

- £1.75m payable in shares of Kodal Minerals Limited at the IPO price.
- €100,000 in cash on IPO
- 1.5% royalty over life of mine
- Able to exercise on IPO

4 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The project is situated on the boundary between the Communes of Andebu and Larvik and lies in an inclined topographical low through undulating forest situated between 230 and 170 m amsl. The forest is composed of various pine species which are used for forestry. Vegetation is seen to be at several ages through the project site with roads used for forestry activities cross the project, in various states of repair.

A private gravel road runs through the Project. This road is owned and maintained by the principal landowner. A car park accessed by this road is used by recreational users, and is the natural point of access to the site. On the western portion of the project a number of publicly used and marked footpaths are present which follow drill roads from previous exploration campaigns. To the East and over the majority of the project various forestry roads can be accessed by foot. The Eastern extremity of the Project is open pasture.

A small number of well-spaced houses and farm buildings are present in the Eastern section of the project along with a second tarmac road which leads to the port of Sandefjord, some 15kms away to the South East.

The climate is typical of near coastal Scandinavia with warm, relatively dry summers and very cold dark winters with significant snowfall. Snow covers the ground until around May each year but all roads are kept open year round. Locally, large capacity power lines are available supplying domestic and light industrial properties with a small number of local quarrying operations also served. Power is well managed and readily available as would be expected in any populated area of a Northern European country. The local workforce is historically mixed agricultural and livestock farmers and many still operate small family held properties.

5 History

5.1 Summary

Discoveries of iron ores in the area dates back to around 1700, but attempts to utilise the deposits as iron ore failed due to the high titanium content. The first detailed description of the Kodal occurrence was given by Brøgger (1898). Other contributions to the understanding of the mineralisation have been given by Nielsen (1967), Bergstøl (1972) and Lindberg (1985).

The potential of the mineralisation as a phosphate resource was first recognised by V.M. Goldsmidt during World War 1 in an evaluation of Norwegian phosphate resources. Norsk Hydro considered the project as a possible source of apatite for its fertilizer production at Herøya, and carried out investigations in 1959-62, 1973-75 and 1983-84 (Lindberg, 1985).

Norsk Hydro investigated the area in some detail, and only the Kodal Project was regarded as having economic potential. Due to the limited number of exposures, the investigation of the project has historically been, to a large extent, based on drill cores.

A summary of historical drilling activities completed over the project is contained in Section 7.1.

The project was drilled in 1960-1962, comprising mainly short holes over 20 profiles, with 18 longer drill holes completed in 1974-1975 to depths of 100-300m. These campaigns of drilling led to the commissioning of a Pre-Feasibility Study (PFS) undertaken by Norsk Hydro, and the definition of “proven” and “probable” reserves of phosphate of 69M tonnes. (Kodal P-2 PFS). At that time, further mine planning works were required for a potential open-pit operation. It should be noted that reserves quoted in the PFS may not be considered JORC compliant and as such are historical, non-compliant estimates.

5.2 Norsk Hydro PFS Study

This section is a review of the translated Norsk-Hydro PFS, 1976. The translated document made available for review at the time of this report compilation was not a complete translation of the original 1976 PFS report, sections omitted from the translation include:

- Summary and Recommendations (Incomplete – sections 1.2 – 1.9 missing)
- Section 3. Plant Outline with Capital and Operational Expenditure – Kodal P-2
- Section 4. Cost Summary and Viability
- Section 7. Background Material

Norsk-Hydro conducted an updated PFS for the Kodal project in 1976 ‘Kodal P-2’ following a PFS completed and presented in November 1974. The primary reasons for updating the PFS was additional geophysical and drilling work; extra metallurgical test work undertaken by

Sala Maskin AB; a transportation study completed by Atkins Epsom, and market changes to phosphate and iron ore prices.

Following further study work for the updated PFS, Norsk-Hydro identified that the open pit would be mined to a depth of 190m and would have an estimated life of 15 years, with a production capacity of 1,210kt – 1,280kt per annum of product.

Ore would be trucked to a main crusher and stored in a homogeniser before being fed to the process plant located at Andebu for further crushing and flotation. Tailing (post heavy metal separation) was designed to be stored at Damvann.

Following the transportation assessment conducted by Atkins Epsom, the concentrate product could feasibly be pumped by pipe line 31km to 'Porsgrunn Phosphate' for shipment following a drying phase to satisfy product specification.

Norsk-Hydro estimated (after additional drilling completed in 1974-1975) that the proven and probable ore reserves for the project were: 69.4 Mtonnes with approximately 11.6 Mtonnes raw phosphate.

The further geophysical work conducted by NGU indicated that the deposit continued to a depth of >1000m. Norsk-Hydro predicted that with this information, the reported ore reserve (non JORC) stated in the report could be doubled with a greatly increased mine life.

A comprehensive market research study for iron ore was completed by Norsk-Hydro, this section was incomplete in the translation document. The main theme of this section highlighted the investigation of acceptable smelters that would be capable of treating the iron ore from Kodal due to the envisaged high titanium content. The market research study was not complete at the time the PFS was released and noted that Norsk-Hydro hoped to complete by the summer of 1976.

The report also looked at the possibility of processing Kodal iron ore to steel, this option was only conceptual and needed further investigation.

The report concluded that the project hinged on a greater understanding on the iron ore revenue stream and potential transportation difficulties. It also concluded that a joint venture may be advantageous due to internal expertise not being sufficient to take the project further.

The 'Recommendations' section was not available in the translated document.

6 Geological Setting and Mineralisation

The following section is summarised from historical geological information, augmented by recent geological evaluation completed by Kodal in 2013 which included surface geological mapping, re-logging of drill core and mineralogy study.

6.1 Regional Geology

The deposit forms part of the Vestfold-Ringerike Graben, itself part of the Permian Oslo rift formed during the latter part of the Variscan orogeny. The Larvikite-Ladalite ring complex dominates the southern portion of the graben with a number of known, small, Fe-Ti-P mineral occurrences found in Nepheline bearing Larvikites in the region, Figure 3.

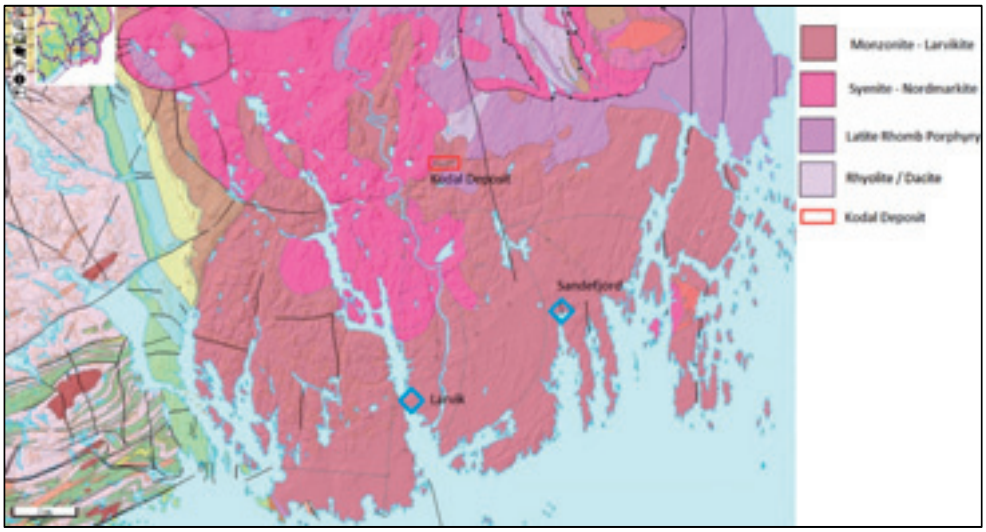


Figure 3. Geology of the Vestfold region taken from NGU bedrock mapping

6.2 Local Property Geology

Historical literature gives conflicting suggestions as to the emplacement mechanism of the deposit. What is established is that the deposit has a currently delineated strike extent of around 1900m at surface, is broadly tabular with some apophasis throughout. The Eastern end becomes lensoidal as it reduces in thickness until extinction. The Western end is cut by a roughly vertical Syenite intrusion. The deposit is seen to bend by 40° at 1/3 of its length from the west.

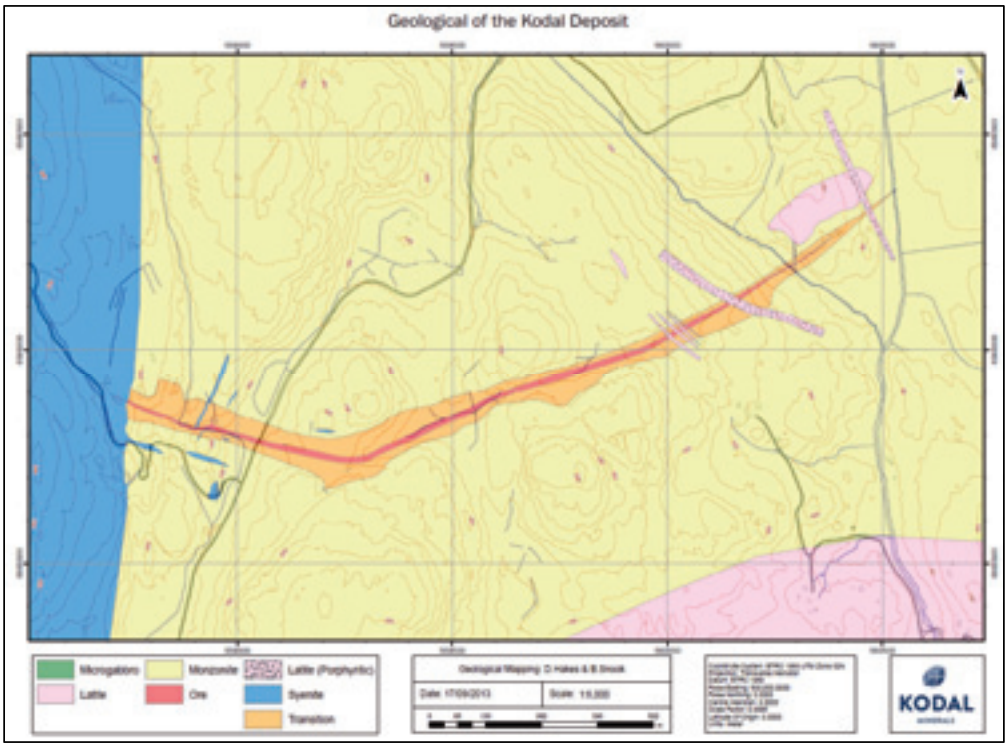


Figure 4. Local Geological Map of the project

6.3 Mineralisation

The Kodal Deposit has two zones defined on mineralisation characteristics; the 'Main Zone' comprising higher concentrations of mineralisation, bounded by a variable thickness 'Transition Zone' on either side which shows gradational reduction in mineralisation away from the Main Zone. The Transition Zone is hosted within Monzonite and eventually trends outwards to unaltered country rock. Transition Zone mineralisation typical starts at 30% melonchromatic mineralisation in proximity to the Main Zone and grades out over 20-60m. Figure 4 details the geology mapped at the deposit. Figure 5 shows the sharp contact between the Main and Transition Zones from drill core.

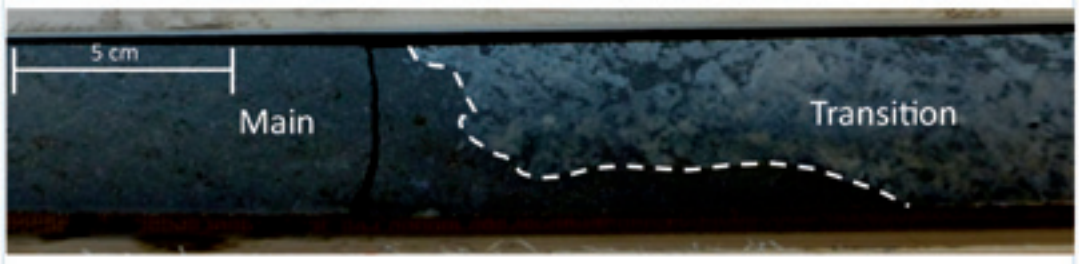


Figure 5. DDH64 5.18 m, contact between Main Zone and Transition Zone material.

6.4 Alteration

It has been observed that the Transition Zone exhibits alteration textures related to the presence of the ore, with stronger alteration towards the Main Zone. A paragenetic sequence has been observed throughout the transition zone with the broad sequence:

Feldspars → Sericite → Biotite → Clinopyroxene & Magnetite

6.5 Structure

The Kodal Project consists of a series of lenses of varying size and shape occurring along a zone with a total strike length of 1900 m. This zone has an overall E-W strike and dips 70-80 degrees to the S. The mineralised may be offset by a number of small faults.

Recent mapping by Kodal found no evidence to support or contradict the presence of faulting. Observable topographical features suggest faulting but no evidence as to whether or not these have affected the geometry of the deposit was evident. Kodal geologists currently consider any offsetting faults to be minor as opposed to major i.e. m's to 10's of m at most. This is based upon the observation that although outcrop of the Main Zone was observable in these faulted areas, the boundary of the Transition zone / Monzonite was regular and gave no indication of being significantly offset either side of the topographical valleys / cliffs etc. that relate to proposed faults.

6.6 Ore Genesis

Fractures and weak foliations within the host Monzonite are seen to channelize and direct mineralised progression and are believed to act as fluid pathways. Sharp, irregular to undulated contacts are regularly observed between the Main Zone and the Transition Zone, and frequently these have been fractured as the boundary acts as a strong competency contrast. Texturally, the two ore types are also distinct and readily identifiable from each other. The Main Zone contains none of the intermediate paragenetic sequence minerals and large, well formed Clinopyroxenes and Apatite minerals are typical, more euhedral and with smaller aspect ratios. While not confirmed, it is also believed that the Main Zone equant and euhedral textures represent mineralisation under lower confining stresses, possibly even in open space. No foliations have been observed within the Main Zone although it is common to encounter 1 – 5m intervals of Transition material within drill core through the Main Zone.

In 1972, Bergstøl reported on the deposit in conjunction with the drilling activities undertaken by Norsk Hydro. At the time it was believed that the mineralisation was formed as an immiscible magnetite and apatite melt within the alkaline complex which settled lower down within the magma chamber and was subsequently intruded into a partially molten host Monzonite.

Lindberg, 1985 attributed the deposit's formation to cumulative processes at the basal contact of a large Monzonite intrusive body. A number of features conducive to this hypothesis were reported from field work, including layering, modal gradation of ore minerals and sharp footwall contacts with gradational Hanging wall contact. None of these observations have been confirmed during recent field mapping by Kodal. The regional

geology of the Oslo Permian rift graben is flat lying with no significant deformation or folding recorded. These factors make the cumulate theory less favourable.

It is the belief of Kodal that the deposit is likely hydrothermally emplaced, that the main deposit occupies the form and space of a pre-existing fault acting as a strong fluid pathway and the transition material representing less permeable, intact rock with less hydrothermal fluid flow and subsequently less mineralisation. The Transition Zone material intercepts within the Main Zone could represent brecciated clasts within the fault zone. This is supported by observations during recent field mapping, core logging and optical mineralogy, which include:

- Sharp contact between the Main and Transition Zones.
- Symmetrical gradational reduction in modal amount of mineralisation away from Main Zone.
- No foliations within the Main Zone.
- No regional folding.
- Mineralisation follows foliations in host rock.

7 Exploration

7.1 Historic Exploration

The Kodal Project's mineralised zones has been subject to two phases of historic exploration and geological modelling since the 1960s. All historic exploration was undertaken by Norsk Hydro, a part state owned energy and resources group.

The first phase was completed between 1960 to 1963 with 40 shallow (less than 50m) diamond drill holes over 20 profiles ("Generation A" drilling) with subsequent follow-up drilling between 1974-75 where an additional 20 diamond drill holes ("Generation B") were drilled The generation B holes are deeper, with depths ranging from 110 to 550 metres.

Drilling details are summarised in Table 4 below.

Table 4. Historical drilling details

BHID	Easting	Northing	Grid	RL_m	Depth (m)	Azimuth	Dip	Generation
BH01	558,993	6,565,784	UTM Zone 32N (ETRS89)	160	46.00	24	-59	A
BH02	558,993	6,565,784	UTM Zone 32N (ETRS89)	160	29.20	24	-42	A
BH03	558,815	6,565,828	UTM Zone 32N (ETRS89)	190	46.70	15	-40	A
BH04	558,815	6,565,828	UTM Zone 32N (ETRS89)	190	12.86	15	-60	A
BH06	558,786	6,565,816	UTM Zone 32N (ETRS89)	196	51.10	9	-35	A
BH07	558,786	6,565,819	UTM Zone 32N (ETRS89)	196	37.40	9	-55	A
BH08	558,871	6,565,799	UTM Zone 32N (ETRS89)	178	45.15	3	-35	A
BH09	558,874	6,565,808	UTM Zone 32N (ETRS89)	177	51.00	357	-60	A
BH10	558,906	6,565,795	UTM Zone 32N (ETRS89)	183	54.30	354	-45	A
BH11	559,069	6,565,734	UTM Zone 32N (ETRS89)	169	30.75	20	-50	A
BH12	559,116	6,565,698	UTM Zone 32N (ETRS89)	181	54.13	14	-42	A
BH13	559,116	6,565,696	UTM Zone 32N (ETRS89)	181	54.90	14	-60	A
BH14	559,127	6,565,737	UTM Zone 32N (ETRS89)	172	21.07	16	-70	A
BH15	559,199	6,565,703	UTM Zone 32N (ETRS89)	180	44.00	350	-45	A
BH16	559,206	6,565,698	UTM Zone 32N (ETRS89)	178	42.72	36	-40	A
BH17	559,519	6,565,826	UTM Zone 32N (ETRS89)	149	48.24	346	-45	A
BH18	559,600	6,565,859	UTM Zone 32N (ETRS89)	156	40.35	347	-45	A
BH19	559,357	6,565,756	UTM Zone 32N (ETRS89)	159	33.86	309	-48	A
BH20	559,357	6,565,756	UTM Zone 32N (ETRS89)	159	40.20	309	-63	A
BH21	559,324	6,565,726	UTM Zone 32N (ETRS89)	174	49.62	339	-50	A
BH22	559,759	6,565,915	UTM Zone 32N (ETRS89)	154	50.00	334	-28	A
BH23	559,759	6,565,914	UTM Zone 32N (ETRS89)	154	58.40	334	-70	A
BH24	559,759	6,565,912	UTM Zone 32N (ETRS89)	155	21.00	154	-35	A
BH25	559,856	6,565,939	UTM Zone 32N (ETRS89)	157	34.11	346	-47	A
BH26	559,856	6,565,939	UTM Zone 32N (ETRS89)	157	43.32	346	-62	A

BHID	Easting	Northing	Grid	RL_m	Depth (m)	Azimuth	Dip	Generation
BH27	560,014	6,566,019	UTM Zone 32N (ETRS89)	130	39.00	357	-40	A
BH28	560,119	6,566,068	UTM Zone 32N (ETRS89)	115	15.81	354	-30	A
BH29	560,119	6,566,068	UTM Zone 32N (ETRS89)	115	29.00	354	-70	A
BH30	560,216	6,566,130	UTM Zone 32N (ETRS89)	96	32.72	305	-40	A
BH31	560,216	6,566,130	UTM Zone 32N (ETRS89)	96	50.50	305	-70	A
BH32	560,292	6,566,159	UTM Zone 32N (ETRS89)	79	45.20	317	-45	A
BH33	560,292	6,566,159	UTM Zone 32N (ETRS89)	79	50.30	317	-68	A
BH34	560,428	6,566,249	UTM Zone 32N (ETRS89)	83	32.00	314	-40	A
BH35	560,428	6,566,249	UTM Zone 32N (ETRS89)	83	36.00	314	-68	A
BH36	560,015	6,566,026	UTM Zone 32N (ETRS89)	129	36.90	357	-62	A
BH37	559,938	6,565,969	UTM Zone 32N (ETRS89)	150	58.55	355	-63	A
BH38	559,687	6,565,887	UTM Zone 32N (ETRS89)	164	58.50	330	-55	A
BH39	559,424	6,565,773	UTM Zone 32N (ETRS89)	162	40.10	4	-55	A
BH41	558,838	6,565,504	UTM Zone 32N (ETRS89)	161	550.00	28	-49	B
BH42	560,464	6,566,159	UTM Zone 32N (ETRS89)	68	408.00	339	-53	B
BH43	560,061	6,565,732	UTM Zone 32N (ETRS89)	117	408.00	338	-52	B
BH44	559,443	6,565,600	UTM Zone 32N (ETRS89)	180	337.38	337	-60	B
BH45	559,198	6,565,850	UTM Zone 32N (ETRS89)	182	250.00	158	-40	B
BH46	559,117	6,565,822	UTM Zone 32N (ETRS89)	166	192.00	180	-42	B
BH47	558,910	6,565,897	UTM Zone 32N (ETRS89)	183	175.00	197	-45	B
BH48	559,419	6,565,882	UTM Zone 32N (ETRS89)	148	193.30	186	-46	B
BH49	559,422	6,565,884	UTM Zone 32N (ETRS89)	148	175.30	154	-45	B
BH50	559,506	6,565,939	UTM Zone 32N (ETRS89)	153	211.00	167	-50	B
BH51	559,506	6,565,939	UTM Zone 32N (ETRS89)	153	290.00	121	-45	B
BH52	559,799	6,566,041	UTM Zone 32N (ETRS89)	147	248.00	157	-45	B
BH53	559,800	6,566,041	UTM Zone 32N (ETRS89)	147	260.00	196	-45	B
BH54	559,907	6,566,097	UTM Zone 32N (ETRS89)	148	221.50	157	-45	B
BH55	560,033	6,566,148	UTM Zone 32N (ETRS89)	129	201.50	156	-45	B
BH57	560,215	6,566,240	UTM Zone 32N (ETRS89)	70	121.30	148	-45	B
BH58	559,024	6,565,867	UTM Zone 32N (ETRS89)	159	128.60	195	-45	B
LH01	558,963	6,565,708	UTM Zone 32N (ETRS89)	163	188.25	20	-60	B

In total, 60 drill holes have been drilled, but collar coordinates for 4 holes are missing (holes BH05, BH40, BH56 and LH02) and have therefore been excluded from subsequent mineral resources estimation.

Kodal Minerals supplied CSA with a summary report of geophysical work undertaken by Norsk Hydro over the Kodal Deposit. The report was written by Mr Jacob Kielland 1973 and reviews work conducted by Norsk Hydro and further work conducted by the Kielland in 1973.

The report details that Norsk Hydro conducted at least 17 traverses of the deposit with a magnetometer, this data is available on historic cross sections of the deposit. Initial geophysical measurements taken by Norsk Hydro in 1960-63 indicates a strong magnetic

anomaly that corresponded to the Main Zone of the deposit. Interpretation of the data by Norsk Hydro at the time is referenced within this document with an inferred continuation at least 700 m down dip.

Kielland conducted supplementary VLF conductivity surveys over 4 profiles on the western end of the deposit in 1971. With these, a much more accurate and concordant signature was identified across the ore zone compared with the previous ground magnetometry surveys. The author also questions the use of ground magnetics alone to come to a conclusion of 700m continuation and suggests that IP and conductivity surveys should also be employed as these are less likely to be affected by groundwater and goes on to suggest electric and electromagnetic methods be used in the future.

7.1.1 Historic sample methodology and approach

Phase A and B core was split using a core splitter, not diamond cut. This will have resulted in an uneven sample line and different sample volumes either side of the cut. The mineralisation style is not considered to be nuggety so the effect of uneven sample sizes although not ideal is not expected to have had a material effect.

7.1.2 Historic Geological Logging

Limited geological information was collected from historic sections plans and report. Historical geological logging is summary logging of the main geological units.

CSA were provided with all hard copy maps and cross sections from generation A and B drilling, as well as translation of summary log sheets.

7.1.3 Historic sample preparation, analysis and security

No information regarding historic sample preparation, analysis and security is available for review.

Kodal understand that the historic analysis method was undertaken using XRF.

8 Drilling

The Kodal Project has had three previous drilling campaigns, totalling around 7200m of drilling. The first two campaigns conducted by Norsk Hydro and most recently, limited confirmatory drilling undertaken by Kodal in 2012.

Table 5 summaries drilling activities to date.

All known core is held at the Norwegian Geological Authority's (NGU) facility in Løkken Verk, near Trondheim. A modern facility which provides dry, inside storage for all core, the core for its age is very well preserved. The Løkken Verk facility holds the majority of core drilled although there are some omissions.

Table 5. Summary of drilling activities at the Kodal Project

	Years	Meters	Hole ID's	Diameter	
A	1961	2062.90 m	BH01 - BH39, LH01-LH02B	EX	18.6 mm
B	1974	4198.20 m	BH41 - BH58	BQ	36.5 mm
C	2012	918.40 m	BH60-BH68	BQTK	40.5 mm
	Total	7179.5 m			

A collar plan of drilling completed over the project is shown in Figure 6.

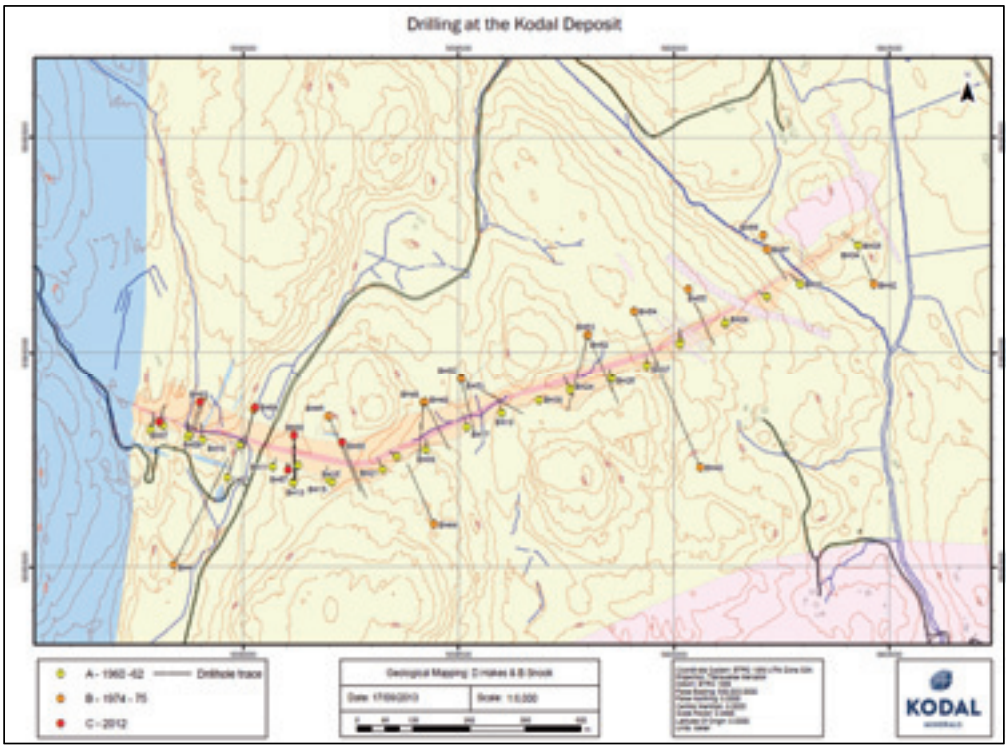


Figure 6. Plan View of Project Drilling

8.1 Verification Drilling

Kodal completed 7 diamond drill holes in 2012, as twin verification holes to verify historic drill data collected by Norsk Hydro (1960-1975). Core diameter was 40mm, being equivalent to NQ size core. Mean core recovery was 95%.

Drilling was undertaken using a track mounted Onram 1000 rig operated by Diamant boring Nord AS. Collar surveying was undertaken by Ingeniorservice, completed with reference to 2 trigonometric beacons and 3 control points, Table 6.

Table 6. Trigonometric beacons and control points.

	Easting UTM 32V (WGS 84) m	Northing UTM 32V (WGS 84) m	Elevation M.S.L
Trigonometric Beacons			
TR3	776046.400	6365372.550	186.200
TR6	777084.890	6372605.080	152.300
Control Points			
T1	777391.488	6371276.955	101.058
T2	777975.909	6371410.519	53.053
T3	778077.757	6371067.759	36.087

8.1.1 Procedures at the Drill Rig and Drill Core Mark-up and Orientation

Kodal have not been able to provide drill rig procedures relating to the 2012 drilling. As such CSA cannot comment on its appropriateness. However, from what information that is available it would appear that the drilling was undertaken by a professional local contractor, with experience in mineral exploration drilling.

Core was transported from site to the national core storage service centre at Løkken. Core was received, processed and logged by Kjell Nilsen - Contract Geologist who was employed as a consultant by Kodal for this phase of work.

The following procedures were adopted:

- Move the boxes between the piles and rolling board and sort out boxes for analysis.
- Magnetic Susceptibility measurements, searching all core length for magnetic variations.
- Lithology logging.
- Registration of structural elements (fractures, dark bands) and minerals.
- Geotechnical registrations and measurements of BPM, RQD and Recovery.
- Select and mark sections for chemical analysis, write sample list.
- Photos of core boxes.

8.1.2 Magnetic Susceptibility Measurements

A magnetic susceptibility meter (model JH-8 from for Geoinstruments, Finland) was used as an aid to identifying anomalous zones of interest. The tool was not calibrated and the readings give relative susceptibility, with readings between 1 and 100. Nominal average readings were as follows:

- Back ground levels = 5
- Hand held magnet = 20
- Unaltered host rock (larvikite) = 15-20
- Mineralised Jacupirangite = 60-80 (sometimes 100)

Measurements were taken at 1/2m intervals.

8.1.3 Geotechnical logging

Bits per meter core (BPM), Rock Quality Designation (RQD) and recovery were measured. However data collection was reportedly hindered by it numerous, though discrete broken / fractured zones.

8.1.4 Drill Core Photography

Kodal have photographed all recent core. There is a combination of wet and dry photography available.

8.1.5 Geological Logging

Geology logging is rather simple, abbreviated from 5 main rock types, Table 7. An Example log is contained in Table 8.

Table 7. Geological logging codes for 2012 geological logging.

	Lithology
JAC	Jacupirangite
LAR	Larvikite
LMP	Lamprophyre
SYE	Syenite
RP	Rhomb porphyry
	Alteration and Veining
RD	Red altered feldspar
VNC	Veins with soft clay
	Mineralisation
MEL	Melanocratic PH+MT+ILM

Table 8. Example logging from 2012 work.

DH_ID	From (m)	To (m)	Lithology	Texture	%Min	DESCRIPTION
BH60	0	0.3	CL			core loss first metre.
BH60	0.3	1.6	LAR	MEL	8	grey feldspar, variable coarse to medium grained zones.
BH60	1.6	1.7	SYE			Cm feldspar, deep green pyroxene.
BH60	1.7	4.8	LAR	MEL	10	coarse 4- 5cm bluish grey feldspars, partly altered to pale yellow-greenish and red, 4- 5m zone of medium-grained feldspars.
BH60	4.8	5.7	MON	MEL	45	pale yellow-green feldspars, cm melanocratic bands and 1 dm massive jac bands, some py-grains.
BH60	5.7	29	JAC	MEL	95	massive with some 1- 10 cm pale feldspar zones and bands, thin white veins and chlorite- clay fractures.
BH60	29	64.5	SYE	MEL	7	mostly coarse grained < 3- 4 cm feldspars, some medium -grained parts. Variable red (brownish-lilac shades, partly zoned), green pyroxene and black-green pyroxene- mica

8.2 Historic Drill Core Re-Logging

Kodal staff undertook re-logging of all available core and captured geological, mineralogical, alteration and geotechnical characteristics including core recovery, core preservation, sampling undertaken and core recovery. Table 9 summarises the available core as recorded at time of logging. There were are some minor discrepancies between core observed and the record in the database held by the NGU and this record is in the process of being updated.

Table 9. Summary Table of Core available at the NGU and its relative state.

Generation	A	B	C
No Core	4%	7%	0%
Quarter Core	1%	9%	4%
Half Core	91%	25%	36%
Full Core	3%	54%	60%
Sampled (Petrological)	0%	4%	0%

Of the core quoted as drilled historically, 6150m is available and identifiable at the Løkken Facility. This this represents 86% of the core drilled. Figure 7 shows where the available collars are spatially, and provide good coverage over the strike extent of the deposit.

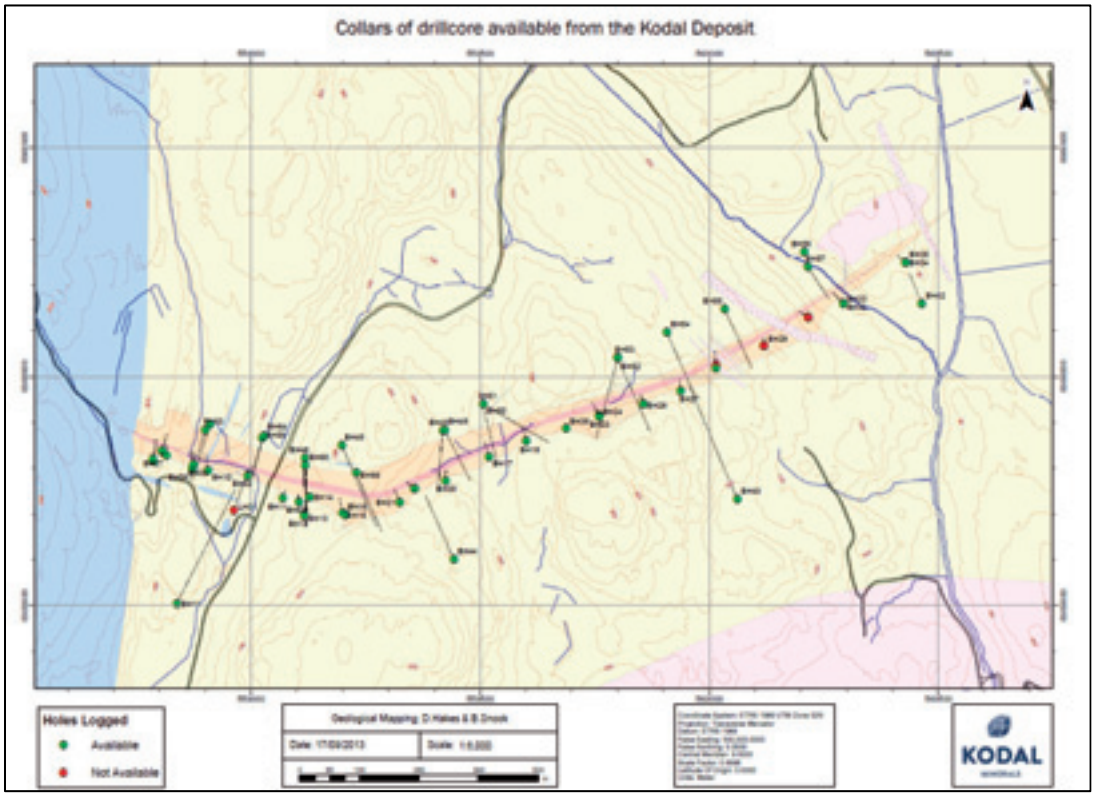


Figure 7. Collars of holes available

Geological logging for each hole was captured in an excel spread sheet. For each hole the following information was recorded;

- Lithology, Mineralogy & Texture
- Alteration
- Amount of Mineralisation
- Core Recovery
- Core assay samples (remaining core)
- Petrological samples taken
- Core diameters
- Core Photography

The majority of lithologies were established previously during field mapping. Each lithology was given a code to speed up logging. All lithologies were named as close as possible to the BGS Rock Classification Scheme (Igneous and Metamorphic Classifications). No further sampling was undertaken during the re-logging process.

Table 10. Lithologies and codes used during core logging, and comparison between Geological logging of historic holes and 2012 holes.

Old Code	Name	New Code	Name
LAR	Larvikite	MON	Monzonite
DIA	Diabase	MGB	Microgabbro
JAC	Jacupirangite	MOX	Massive Oxide (ore)
CL	Core Loss	XXX	Missing
IJAC	Intermediate Jacupirangite	MMX	Mixed Oxide / Monzonite
RHP	Rhom Porphyry	LAT / TRA + POR Texture	Latite / Trachyte
LJAC	Larvikite / Jacapirangite	MMX	Mixed Oxide / Monzonite
SYNT	Syenite	SYE	Syenite
DIA CL	Diabase w/core loss	MGB	Microgabbro
OVB	Overburden	OVB	Overburden
BREC	Breccia	CAT	Cataclasite- unidentifiable protolith
SYE	Syenite	SYE	Syenite
MON	Monzonite	MON	Monzonite
LAR_SYE	Larvikite / Syenite	Always distinguished	
LAR	Larvikite	MON	Monzonite
LAR BX	Larvikite Breccia	?	
BX	Breccia	CAT	Cataclasite- unidentifiable protolith
BRK	Break ?	-	
Block	Block?	-	

Old Code	Name	New Code	Name
LAR JAC	Larvikite Jacupirangite	MMX	Mixed Oxide / Monzonite
JAC SYE	Jacupirangite Syenite	MMX	Mixed Oxide / Monzonite
LAR SYE	Larvikite Syenite	Always distinguished	

Kodal staff noted that the geological intervals recorded during re-logging compared favourably to the historic logging, although there were some changes in rock classification and naming conventions.

Of note is that the geological boundary of the Transition Zone with the Main Zone was placed in a different position in a small number of holes, and that generally the geological character is more complex than the previous logging suggests. However, the 3D mineralisation model boundaries were supported in re-logging.

8.2.1 Data collection, sampling method and approach

Kodal sampled generation C core using a diamond core saw, sending ½ core for analysis and retaining ½ core as a record.

Portions of generation A and B core were ¼ core sampled using a diamond saw, leaving ¼ core as a record.

CSA reviewed the core cutting facility and considered it to be well set up and clean, with the appropriate equipment available. CSA did not observe the core being cut at the time of the site visit. CSA reviewed half core remnants for hole BH63, and concluded that the core was cut evenly.

It is CSA opinion that all core handling would have been to a high standard as it was undertaken by members of the Norwegian Geological Survey.

8.3 Specific Gravity Samples

Kodal have not collected any additional any Specific gravity (SG) samples during recent sampling activities. Data relating to rock SG is drawn from historic Norse Hydro reporting. program.

CSA would recommend that as part of future drilling and sampling, Kodal begin routinely collecting SG samples, so that the SG of the deposit, it different lithologies and grade ranges are well represented. SG sample should be collected to represent the full strike length and depth of the deposit and should represent the mineralisation, country rocks and any cross cutting units of a later age.

8.4 Relationship between mineralisation widths and intercept lengths

Drill core was not orientated, however a review of holes traces both on the historic section scans and following 3D evaluation, although not perpendicular, drilled intercepts intersect mineralization at acceptable high-angles.

CSA recommend that the next phase of drilling is undertaken using oriented Core. With all holes being down hole surveyed using a survey method that is not affected by magnetic interference.

9 Sample Preparation, Analysis and Security

9.1 Sample preparation – Recent check sampling by Kodal

Sample preparation of recent re-sampling works was undertaken at ALS Scandinavia AB, in Pitea, Sweden with Sample analysis being undertaken at OMAC Laboratories, Ireland. ALS Scandinavia is accredited by the SWEDAC. ALS states the following on its web site.

"Accreditation by SWEDAC pertains to specific analytical methods. The accreditation is a third-party acknowledgement of competence and is comparable to ISO 9000 certification in industry. For a laboratory to be accredited, compliance with international QA standards must be confirmed both by an initial assessment and by recurrent audits. In Sweden, accreditation and control of accredited laboratories is the responsibility of SWEDAC. SWEDAC cooperates internationally with other accreditation bodies, which implies that its accreditation is accepted in several other countries.

Accreditation by SWEDAC pertains to specific analytical methods. Non-accredited analyses are also subject to QA and many parts of the QA system are common to all analyses. However, accredited analyses must meet special requirements e.g. regarding documentation."

OMAC Laboratories is accredited by the Irish National Accreditation Board (INAB) in compliance with International Standard ISO/IEC 17025:2005.

The following procedural codes were in place:

- LOG-22 = Samples received without bar code labels attached.
- CRU-QC = Crushing QC test – QC of crushing efficiency is tested at random intervals
- PUL – QC = Pulverising QC test – QC of pulverising efficiencies is tested at random intervals.
- CRU-31 = fine crushing of rock chip and drill samples to 70% nominal -2mm or better. Standard preparation procedure for samples where a representative split will be pulverised.
- SPL – 21 = Split using a riffle splitter – standard splitting procedure.
- PUL – 31 = Pulverised a split or total sample to 250g to 85% passing 75 microns – default procedure for samples that are finely crushed and split to 250g or less.

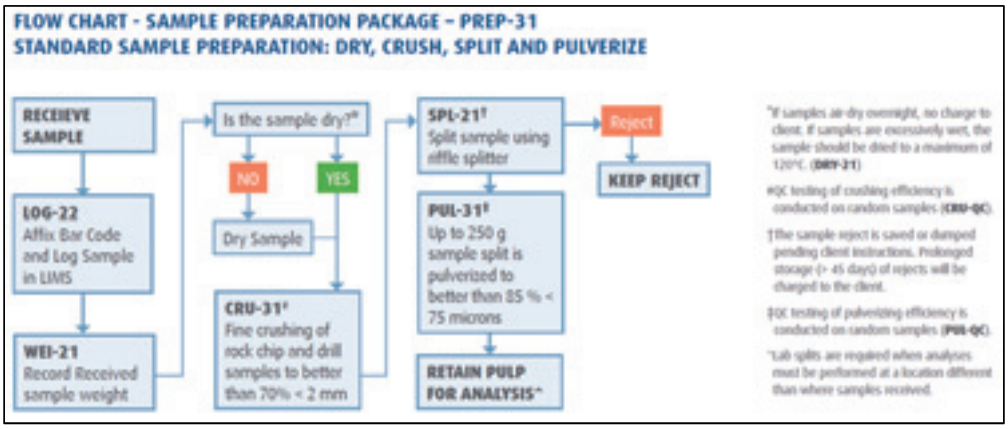


Figure 8. Flow Chart – Sample Preparation (ALS, Sweden)

9.2 Sample Analysis – Recent check sampling by Kodal

Drill core samples from recent drilling and some historical drill core samples were sent to ALS laboratory in Pitea, Sweden for sample preparation and to OMAC Laboratories for analysis by XRF fusion. In addition, eight samples were analysed using Davis Tube Recovery (DTR) as well as for rare earth and trace elements using ICP MS fusion. QA/QC material was inserted by Kodal in the 2012 drilling data, along with laboratory blanks, Certified Reference Materials and pulp duplicates.

ME – XRF21n = X-Ray Fluorescence (XRF) is the method of choice for the analysis of oxide iron ores. The lithium borate fusion technique, coupled with XRF, offers a robust and repeatable method, consistent with industry requirements. The relatively low flux to sample ratio offers good sensitivity for the majority of elements and creates a matrix which is not subject to particle size effects. With very few spectral interferences and high instrument stability, the XRF method delivers highly accurate and precise results across the full range of iron oxide ore types.

XRF Iron Ore Analysis

ANALYTES & RANGES (%)					
Al_2O_3	0.01-100	K_2O	0.001-6.3	Sn	0.001-1.5
As	0.001-1.5	MgO	0.01-40	Sr	0.001-1.5
Ba	0.001-10	Mn	0.001-25	TiO_2	0.01-30
CaO	0.01-40	Na_2O	0.005-8	V	0.001-5
Cl	0.001-6	Ni	0.001-8	Zn	0.001-1.5
Co	0.001-5	P	0.001-10	Zr	0.001-1
Cr_2O_3	0.0006-10	Pb	0.001-2		
Cu	0.001-1.5	S	0.001-5		
Fe	0.01-75	SiO_2	0.01-100		

Figure 9. XRF Analytes and Ranges

QA – GRA05X = Loss on Ignition (LOI) is a critical component of iron ore analysis. LOI determination allows a better understanding of mineral composition of the ore and how it will behave during processing. Single temperature or multi temperature LOI determinations are available. Temperatures can be customized as required.

9.3 Sample Security

Core is stored at Geological Survey of Norway (NGU-Norges geologiske undersøkelse) National Drill core and Sample Centre, Løkken, Norway. Core is stored on pallets which are stacked on a modern pallet racking system.

10 Data Verification

Historic data has been validated in 3 ways.

- CSA have validated hard-copy grade data versus the digital data supplied by Kodal Minerals.
- Kodal Minerals have undertaken a twin drilling program.
- Kodal Minerals have undertaken re-sampling and analysis of a portion of the available historic core by current methods.

The results of this validation work are detailed in the following sections.

10.1 Historic Data verification

The electronic database 'KODAL_HISTORIC_GRADES_130107.xlsx' was received by CSA and compared in its entirety against the scanned images of hard copy sections provided by Kodal, sourced from Norse Hydro documentation and the originals were inspected during the site visit (Generation A and Generation B profiles). Assay values in the database were captured from the hard copy sections and inserted into a new column in the database. Discrepancies were highlighted and differences, both absolute differences and percentage differences calculated. The sample intervals were also compared against the hard copy information.

No assay certificates from historical sampling are available to review, and therefore the only means by which historical data can be validated is via twin confirmatory drilling and re-sampling of historical core. Both of these studies have been completed by Kodal and are discussed in Sections 7.2 and 10.6.3 of this report.

10.2 Verification of Sampling and assaying

10.2.1 Kodal Re-Assay Results

Results from 125 pairs of re-assayed samples were compared against the historical assay results. Weighted averages were used in order to compare results over the same intervals as many of the historical Fe samples, were over a larger interval than the re-assayed samples. A total of 118 P and 80 Fe sample pairs were compared. Samples were re-analysed in September and October 2012 at ALS laboratories Sweden by XRF fusion. Batch PI12214055 was analysed by Davis Tube Recovery (DTR) so the comparisons with BH53 are not necessarily like for like (the head comparisons were used in this analysis).

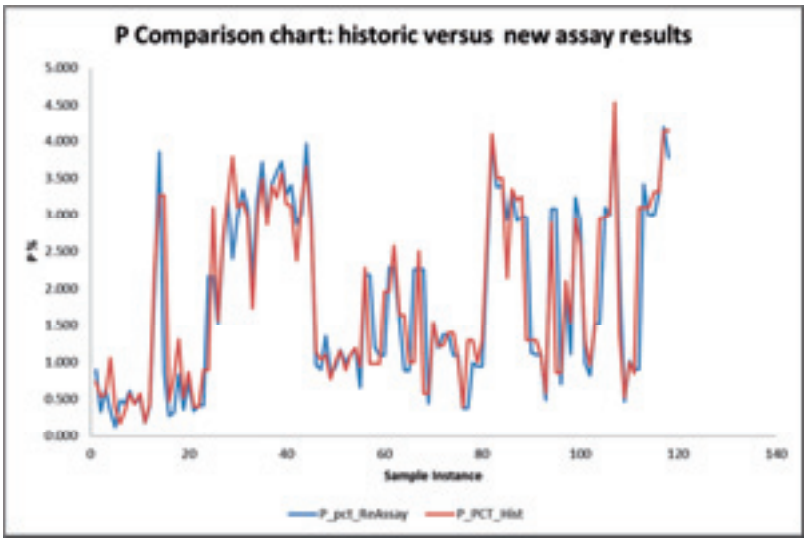
The table below summarises the re-assaying undertaken by Kodal.

Table 11. Kodal Re-Assay Summary

Hole ID	No. of Re-Assays	Analysis Method	No. of Comparisons (per element)	
			P	Fe
BH41	46	ME-XRF21	118	80
BH42	19	ME-XRF21		
BH43	14	ME-XRF21		
BH44	8	ME-XRF21		
BH52	6	ME-XRF21		
BH53	8	DTR		

Correlation was acceptable for P (0.64) with a slight bias to the historical samples apparent at grades <1.5% P and to the re-assayed samples at grades between two and three per cent P. A marginal bias to the historical samples was exhibited for Fe.

More outliers were observed in the Fe pairs, which is partly due to the smearing effect of comparing samples which were originally composited over larger intervals to smaller samples.



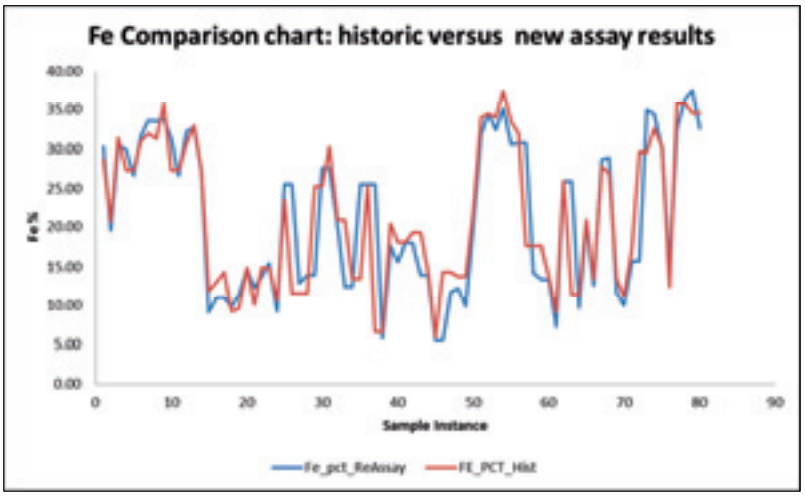


Figure 10. Historical and Current Assay results overlain

The laboratory internal QAQC samples were reviewed and no fatal flaws were apparent; although a slight over reporting of some Fe CRMs and under reporting of some P CRMs was noted. No issues were noted in the TiO_2 CRMs. Lab repeat check results were acceptable.

CSA considers the correlation of re-assay data with original hard-copy data to be an acceptable one, such that a degree of confidence can be applied to historical data to support a JORC reportable Mineral Resource estimation.

10.3 Twin Drilling Comparison

Kodal completed 7 diamond drill holes (BH65 was abandoned at 18.2m), twinned with historic drilling along the western limb of the mineralised structure. Details of the twin drilling programme are summarised in the table below.

Table 12. Kodal Twin Hole Details (Grid = UTM Zone 32N (ETRS89))

BHID	Easting	Northing	RL_m	Depth (m)	Azimuth	Dip	Phase	Hole Twinned	Distance between holes in Mineralisation
BH60	558,805	6,565,837	189	64.50	17	-65	TWIN	BH04	~ 12m
BH61	558,806	6,565,838	189	62.00	17	-50	TWIN	BH03	10 – 11m
BH63	558,899	6,565,883	180	177.80	197	-48	TWIN	BH47	3 – 5m
BH64	559,028	6,565,872	156	176.30	197	-50	TWIN	BH58	~ 17m
BH66	559,229	6,565,790	173	220.00	158	-50	TWIN	BH45	8 – 12m
BH67	559,104	6,565,726	168	43.90	356	-70	TWIN	BH14	~ 26m
BH68	559,118	6,565,806	165	155.70	179	-50	TWIN	BH46	7 – 10m

The digital database GEN_C_2012_Kodal_data_130517.xlsx provided data for seven drill holes, drilled in 2012 and assayed in 2013. These Samples were used to compare the assay results against their twin drill holes. To complete this task, the data was loaded into the SQL database. All samples were then desurveyed using DataShed ™ to create an x, y, z value using the drill hole collars and down hole surveys. The closest sample to the GEN_C drilling sample was then identified. The graph below illustrates the distribution of the distances between the samples.

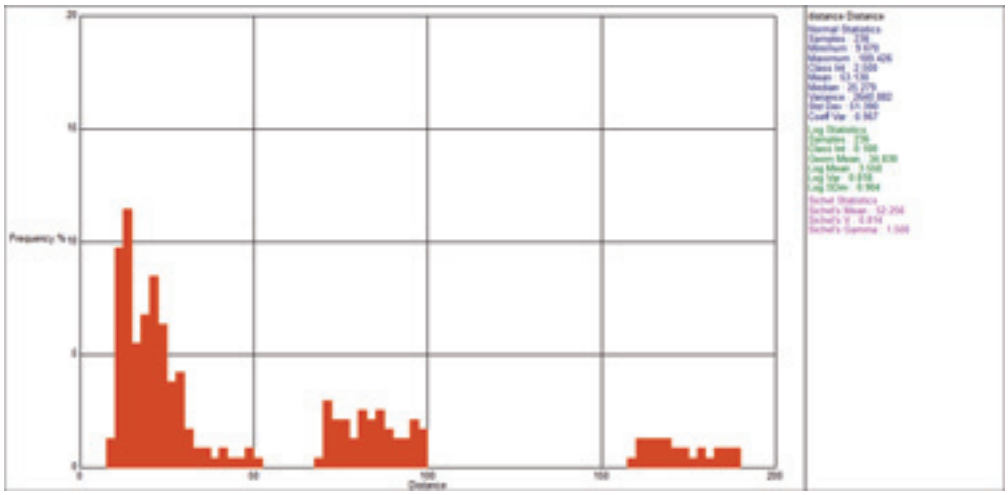


Figure 11. Distance between 2013 Samples and Closest pre 2013 Sample

The data with distances greater than 60m were ignored and resulted in the following twin data. However on reviewing the twin holes and the historical holes in 3D, it appears that BH66 is twinned with BH45.

Table 13. Twin Hole data

Hole_ID_2013	Hole_ID_pre2013	
	From Closest Sample	From Plan
BH60	BH03	BH04
	BH06	
	BH07	
BH61	BH03	BH03
	BH07	
BH63	BH47	BH47
BH64	BH58	BH58
BH66	N/A (>60m)	BH45
BH67	BH14	BH14
BH68	BH46	BH46

Some samples were then removed after studying the distances to ensure that end of hole samples from the pre 2013 holes were not used as the closest sample at greater depths in the twin holes. The data showed reasonable correlation. The statistics are shown in the table below.

Table 14. Comparison of P results for Twin Holes

P_ppm_2013		P_ppm_pre2013	
Mean	23,872	Mean	23,516
Standard Error	1,046	Standard Error	1,091
Median	28,300	Median	27,100
Mode	9,370	Mode	38,600
Standard Deviation	11,876	Standard Deviation	12,388
Sample Variance	141,047,521	Sample Variance	153,462,778
Kurtosis	-1.0121	Kurtosis	-1.6702
Skewness	-0.3751	Skewness	-0.1517
Range	47,830	Range	36,180
Minimum	100	Minimum	5,600
Maximum	47,930	Maximum	41,780
Sum	3,079,450	Sum	3,033,520
Count	129	Count	129

The pre-2013 samples were composite samples, so weighted averages were calculated to compare the 2013 and pre-2013 composites showing reasonable correlation.

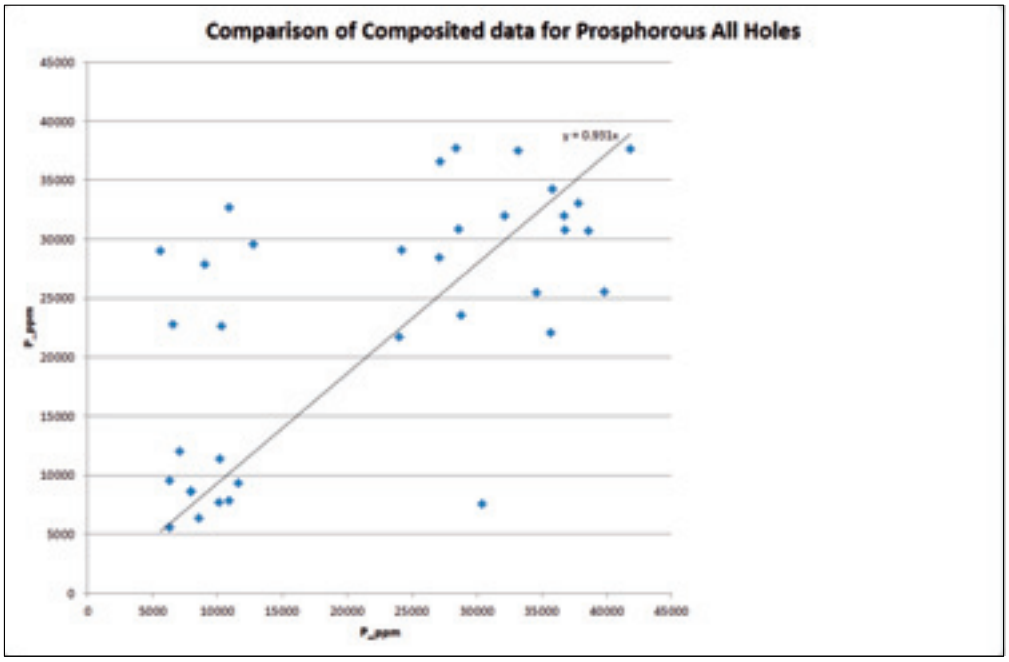


Figure 12. Comparison of Composited Data for Phosphorous - All Holes

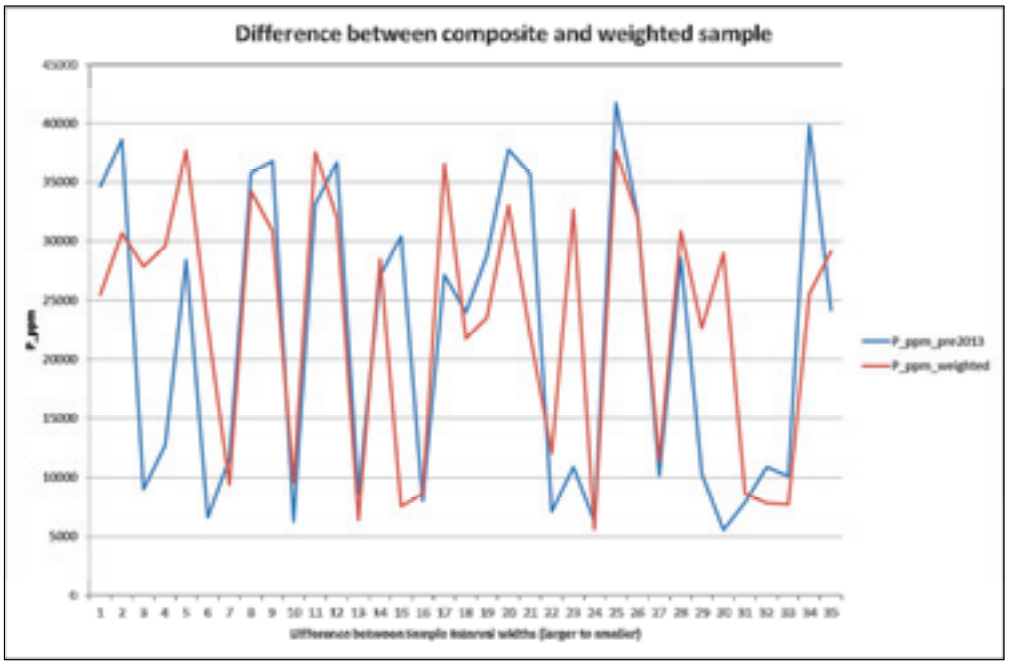


Figure 13. Distance between Composite and Weighted Sample

Correlation between the 2013 and pre-2012 drilling was acceptable for P. There was a slight bias to the historical samples apparent at grades <1.5% P and to the re-assayed samples at

grades between two and three per cent P. There was a very small bias to the historical samples for Fe.

10.4 Drill recovery

Drill recovery is reported to be high for all phases of drilling. Kodal undertook reclogging of all available core held by the finish geological survey, during the reclogging they recorded recoveries for each phase of drilling; Phase A drilling had a mean recovery of 88%, Phase B drilling had a mean recovery of 95% and Phase C drilling had a mean recovery of 95%.

Recovery was calculated using the measured intervals for re-logging and the expected drill length. As a quick validation on drill run the end of hole length was also reviewed with only a few small (<10cm) differences noted.

No relationship between sample recovery and grade is expected for this type of material and sample method.

10.5 Survey

Reportedly two different baselines and local reference systems were used for collar surveying during Generation A and B drilling. High quality plans indicating the position of the Generation A drilling were available and this plan plus the incomplete list of local coordinates (Generation A) were combined to give good approximate positions of the historic Generation A collars. Geo-referencing of the old plan to modern topographic and cultural data (topographic peaks, rivers, roads etc.) was then completed and used to convert the historic positions into a modern UTM EUREF89 system. This was stated by Kodal Staff in a letter to the Directorate of mining, June 2013.

All collar positions according to the Generation B local grid were recorded on plans and in logs but it was not possible to apply a simple transformation as the spheroid of the historic reference grid was not recorded or well understood. However, five collar positions were available which allowed for accurate geo-referencing.

All Generation C holes were surveyed according to current Norwegian survey standards and are recorded in the EUREF89 UTM 32N system.

Additionally, the collars of five historic holes from the Generation B drilling were located and were surveyed as well as having the dip and azimuths of the casing recorded as a check with the historic records.

10.6 Current database management

Kodal currently use spread sheets to store their data and provided CSA with the database in this format. As the dataset is not large, to date this system has been satisfactory.

However as work progresses it is recommended that a dedicated database package be used which will ensure that the data is validated, secure and satisfies JORC reporting requirements.

10.7 QA/QC

QA/QC material was inserted by Kodal in the 2012 and 2013 drilling data, along with laboratory blanks, Certified Reference Materials and pulp duplicates.

Table 15. Assay QA/QC details for historic core samples

Description	Totals	Ratio (QC : Sample)
Batches	5	
DH Samples	342	
Lab Pulp Checks	55	1:6
CRMs and Blanks	125	1:3

10.7.1 Blanks

Blanks are used to monitor the calibration of analytical equipment and potential sample contamination during sample handling and preparation. There were 36 Laboratory blanks analysed and 10 client inserted blanks. No issues were observed with the blank analysis of the laboratory internal blank analyses. The coarse blank and the fine blank were found to have slightly elevated levels of Phosphorous, Iron and Titanium.

Figure 14. Fine Blank Samples

10.7.2 Standard samples

Standard samples are submitted to check the quality and the sample tracking of the laboratory. There were 60 Laboratory standards and 14 client inserted standards analysed with the batches. There were no issues with the laboratory or the client inserted blanks. The client inserted CRM is illustrated in the figure below.

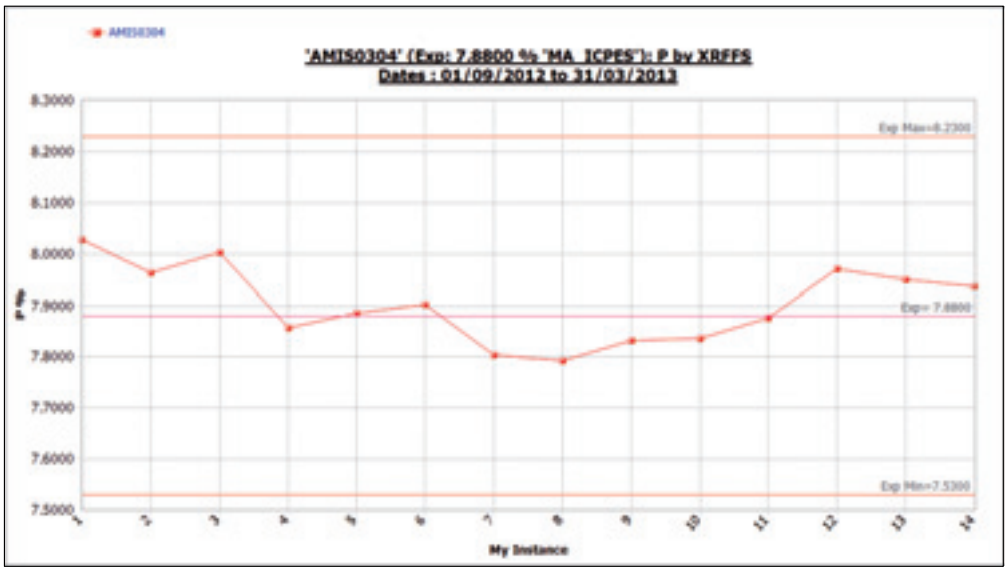


Figure 15. Phosphorus Analysis for CRM AMIS0304

10.7.3 Duplicates

Duplicates are submitted to test the homogeneity of samples and the sampling procedure. 55 sample duplicates were checked, with 40 being laboratory checks. Correlation with the originals and the duplicates is very good.

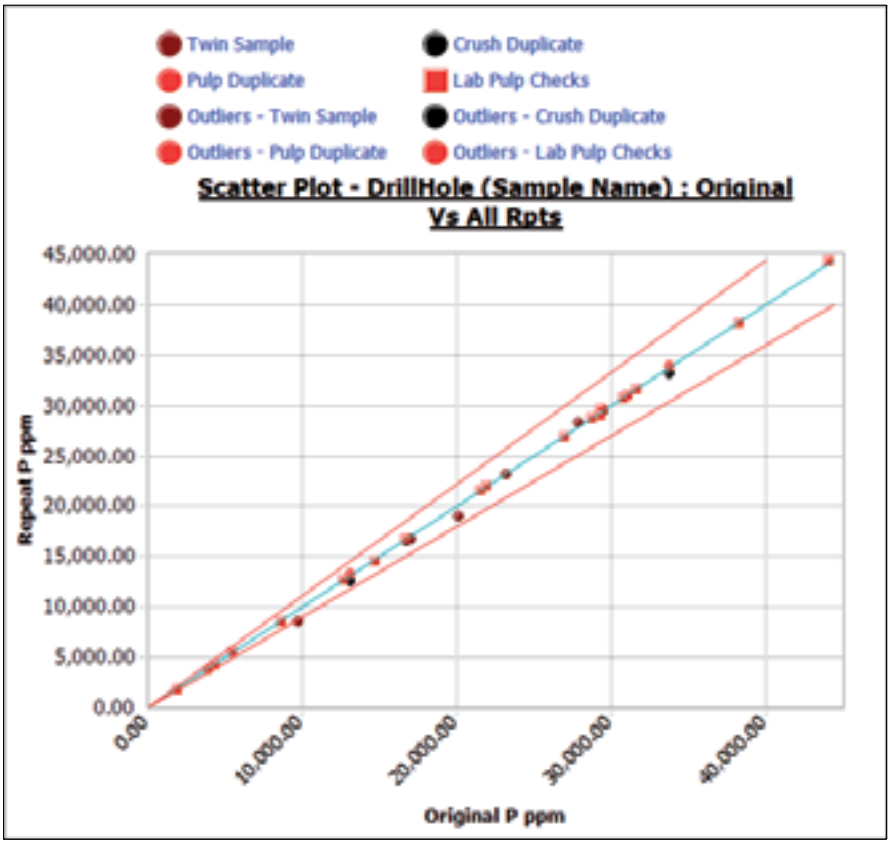


Figure 16. Phosphorus Duplicate Analysis

10.7.4 QA/QC Conclusions

There is no QA/QC data for the historical data, but QA/QC material has been included with the re-assaying and twin drill hole assaying undertaken by Kodal. Conclusions are summarised below:

- The ratio of duplicate (1:6) and Standard (1:3) samples included is above the suggested level for sample checks and the Kodal assay results are of an acceptable standard to be included in a JORC reportable Mineral Resource estimate.
- Lab Standards AMIS0055 and AMIS0085 submitted by ALS are performing within the expected parameters for Fe and P.
- AMIS0304 submitted by the client is performing within the expected parameters; however there is a slight negative bias for Fe.
- Blanks submitted by ALS are reporting within 3 times the detection limit, which is within acceptable parameters.
- 'CB', a crush blank submitted by the client is showing a positive bias with 5 samples returning an average value of 0.2540 % Fe and 0.0190 %P.

10.8 Database Integrity

In order to validate the data provided in 'GEN_A_GEN_B_Kodal_data_130114.xlsx', this data was loaded into DataShed ™ (a SQL based database programme). Apart from some minor discrepancies (apparent transcription errors) no material issues were noted.

10.8.1 Hard Copy Verification

The electronic data base 'KODAL_HISTORIC_GRADES_130107.xlsx' was compared against the hard copy sections provided by Kodal (Generation A and Generation B profiles). Assay values were captured from the hard copy sections and inserted into a new column in the database. Discrepancies were highlighted and after checking; differences, absolute differences and percentage differences calculated. The sample intervals in the electronic database were also compared against the hard copies.

The electronic database contains 55 unique holes as follows:

54 holes with P assays

53 holes with Fe assays

Correlations between the electronic database and the hard copy sections ranged from 90.5% for phosphorous to 96.4% for iron. The results of this assay comparison are summarised in the table below.

Table 16. Results of the Assay Comparison between the Electronic Database and the Hard Copy Sections

Element / Oxide Compared	Results compared	No of Errors	Error (%)	Absolute Error Ranges (%)
P	1606	153	9.5	0.3 - 1900
Fe	417	15	3.6	0.7 - 231

Some other observations regarding the electronic database are:

- Sample interval errors have not been included in the above table but have been amended in the database.
- Drill holes BH34 and BH35 had hard copy results for P from 1961 and 1974. Results from 1961 have been included in the electronic database (instead of the later results).
- Extra assay results have been captured; usually where a hole was on both a generation A and a generation B profile and the generation B profile had additional information.
    - Phosphorus – 13 additional assay results.
    - Iron – four additional assay results.

CSA then created an updated database containing corrected assay results and sample intervals for P and Fe. This database was then used for subsequent investigations.

CSA concludes that although there were differences between the hard copy and the electronic database assay result (which were subsequently corrected by CSA), these would not have resulted in a material change to the MRE produced by Z-Star.

11 Mineral Processing and Metallurgical Testing

The following sections summarises mineral processing and metallurgical testwork completed on material derived from the deposit historically (Sections 11.2-11.3), and recently by Kupfermelt Metal Processing C.C, South Africa for Kodal in 2013 (Section 11.4).

11.1 Introduction

The Ore Database at the Norwegian Geological Survey ("NGU") for the Kodal Project entry (Deposit 719-001) summarises the mineral assemblage of the Main Zone and Transitional Zone package as:

Ore mineral	Ilmenomagnetite	Major mineral (>10%)
Ore mineral	Apatite	Major mineral (>10%)
Ore mineral	Ilmenite	Major mineral (>10%).
Gangue mineral	Pyroxene	Major mineral (>10%)
Gangue mineral	Olivine	Major mineral (>10%)
Gangue mineral	Biotite	Subordinate mineral (1 -10%)
Gangue mineral	Amphibole	Subordinate mineral (1 -10%)
Gangue mineral	Feldspar	Accessory mineral (<1%)
Gangue mineral	Carbonate	Accessory mineral (<1%)
Gangue mineral	Nepheline	Accessory mineral (<1%)

Historical mineral processing and metallurgical test work has been completed on samples obtained from the Kodal Project and reported as part of historical PFS work completed by Norse Hydro in the 1970's. In addition, recent test work has been completed in 2013. The sources of information on which the review contained in the following section is based, include:

- Technical University of Norway, 1974, "Beneficiation of Samples from the Kodal Pilot Trials" – Mineral Processing Laboratory, Technical University of Norway, Dec 1974, Report 27-1974.
- Technical University of Norway, 1976 "Production of Coarse Magnetite Concentrate From Kodal Phase I" – Mineral Processing Laboratory, Technical University of Norway, Jan 1976, Report 2 / 76.

- Technical University of Norway, 1976 "Production of Coarse Magnetite Concentrate From Kodal Phase II" – Mineral Processing Laboratory, Technical University of Norway, March 1976, Report 6 / 76.

- Technical University of Norway, 1976, "Production of Magnetite Concentrate from Kodal after Prolonged Milling" – Mineral Processing Laboratory, Technical University of Norway, August 1976, Report 21 – 76

- Kupfermelt Metal Processing C.C., "Metallurgical Study – Assessing the beneficiation properties of the Kodal Ore Deposit, September 2013.

Historical test work completed in 1974 and 1976 was undertaken using material taken from the Kodal Project Main Zone and comprised two samples, termed W and M. The assay data returned for each sample is as follows:

- Sample W 3.6% P, 8.2% P2O5, 30.4% Fe, 7.0% TiO2

- Sample M 3.2% P, 7.3% P2O5, 30.5% Fe, 7.9% TiO2

In 2013, a total of 23kg of material was composited from 4 drill holes over the western portion of the Kodal Project. This bulk sample comprises material taken from the Main Zone and the Transitional Zone, and exhibit differing tenor of P, Fe and It grade.

Table 17. Origin of 23kg composite sample used in recent metallurgical test work (Steynberg, 2013)

									Grade		
									Fe	P	TiO2
Sample ID	Hole	From (m)	To (m)	Zone	Lithology	Description	Type	Weight (kg)	%	%	%
N294098	BH63	18.8	20.3	HW/TRANS	LAR_SYE	coarse- mediumgrained larvikite bluegrey partly altered fsp., 1- 2dm partly massive mel-zones, 1- 6dm red syenite dikes	1/2 Core	2.36	12.81	0.937	3.49
N294106	BH63	38.68	39.9	HW/TRANS	JAC	dm partly massive dark zones- bands with pale grey larvikite fsp	1/2 Core	2.22	25.63	1.486	7.37
N294136	BH63	160.6	161.9	TRANS_ZONE	JAC	dark grey finegrained massive	1/2 Core	2.23	27.87	2.886	6.57
N294144	BH64	98.8	100	MAIN _ZONE	JAC	massive with some 1- 10 cm fsp.- larvikite zones, thin wwhite veinlets	1/2 Core	2.25	24.19	2.575	7.58
N294166	BH64	145.9	147.2	MAIN _ZONE	JAC	massive, < dm fsp-lar. Zones	1/2 Core	2.29	25.36	2.691	6.31
N294194	BH66	39.6	40.9	TRANS_ZONE	JAC	1- 4dm melanocratic bands- aggregates/ feldspar- richer zones- cm phenocrysts	1/2 Core	2.36	21.47	1.749	6.94
N294195	BH66	40.9	42.3	TRANS_ZONE	JAC	mixed coarse- finer monzonitic zones- dm melanocratic bands with pale fsp-phenocrysts	1/2 Core	2.33	13.29	1.095	4.32
N294201	BH66	50.5	51.8	TRANS_ZONE	JAC	mixed coarse- finer monzonitic zones- dm melanocratic bands with pale fsp-phenocrysts	1/2 Core	2.18	10.63	0.634	3.7
N294224	BH66	125.4	126.7	MAIN _ZONE	JAC	massive dark grey, mt-rich, < cm greenish clusters ((olivine- antigorite)), thin 1- 5mm white veinlets	1/2 Core	2.32	31.19	3.436	8.02
N294281	BH68	119.6	121	TRANS_ZONE	JAC	partly massive- disseminated zone	1/2 Core	2.27	18.14	2.231	4.57

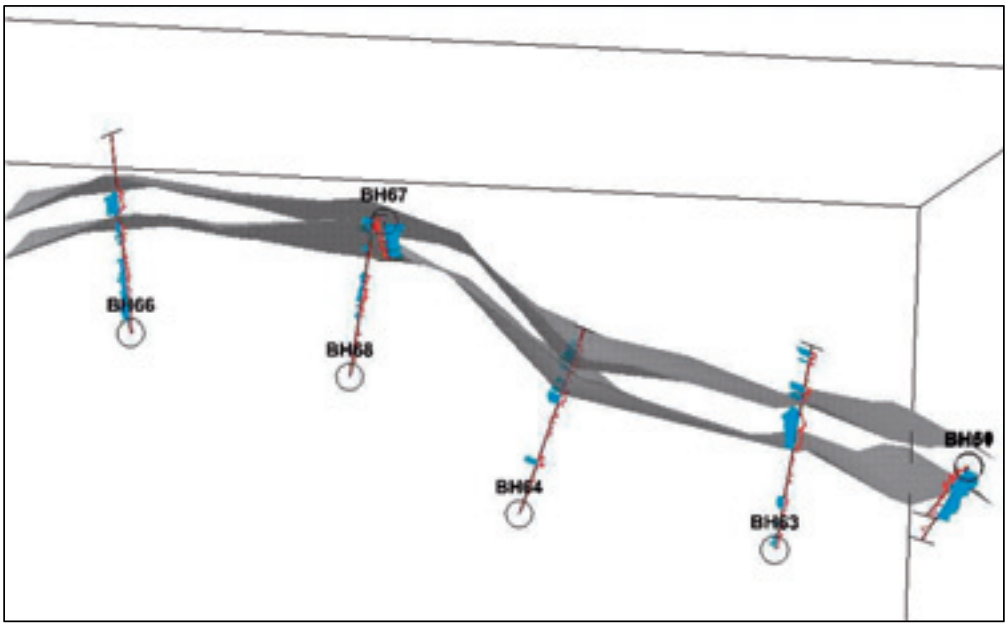


Figure 17. Relative position of boreholes from which material was selected for metallurgical test work

11.2 Magnetite Test Work

11.2.1 December 1974 Study

Feed types for this study comprised material from the Main Zone W + M. The pilot plant processing flow-sheet was;

- Primary grinding (AG or Rod Mill)
- Hydro-cyclone classification
    - Underflow returned to mill
    - Overflow to primary low intensity magnetic separation (LIMS)
- Magnetite product reground in ball mill in closed circuit with cyclone
    - Cyclone underflow returned to ball mill
    - Cyclone overflow to 2 stages of LIMS in series
- Tailings comprise of the 3 non-magnetic products from each magnetic stage separation stage.
- The final concentrate is the magnetic product from the cleaner 2 stages.

The table below summarises the results from the pilot test work:

Table 18. Magnetite Pilot Test Work – December 1974

Sample	Test	Primary Grind	Regrind	Head Grade	Concentrate					
		% passing 74 microns		(% Fe)	Fe Grade (%)	Fe Rec (%)	TiO2 Grade (%)	TiO2 Rec (%)	P Grade (%)	P Rec (%)
Kodal W	KP3,5,6+7	76	93	29.1	61.3	85.0	8.4	57.0	0.27	3.0
Kodal W	KP10*	57	nr	35.4	63.0	91.0	nr	nr	0.2	3.0
Kodal W	KP12	45	92.4	28.6	62.5	89.0	nr	nr	0.07	1.0
Kodal M	KP19	49.3	95.9	30.7	61.6	85.0	6.0	40.0	0.07	1.0

KP12 + KP19 using rod mill and coarser primary grind (45-49% passing 74 microns) gave acceptable metallurgical response with low phosphorous levels in the final concentrate products. Reverse flotation can be used to reduce phosphorous level in magnetite concentrate further, but iron losses to flotation concentrate were not reported.

CSA comments that good metallurgical response from KP10 may have been due, in part, to the high head grade (at 35.4% Fe) relative to other samples.

11.2.2 January 1976 Study

Feed types for this study comprised material from the Main Zone W + M. The pilot plant processing flow-sheet was:

- 2 stage of crushing to <1.68mm,
- 1Kg samples batched milled wet,
- product dried and subjected to single stage magnetic separation by tube-tester, variation in seven grind sizes investigated

The table below summaries the results from the laboratory test work.

Table 19. Magnetite Pilot Test Work – January 1976

Sample	Test	Grind	Head	Concentrate					
		% passing 74 microns	Grade (% Fe)	Fe Grade (%)	Fe Rec (%)	TiO2 Grade (%)	TiO2 Rec (%)	P Grade (%)	P Rec (%)
1:1 M +W	1	45.4	30.9	56.0	86.7	12.1	60.8	0.34	4.9
1:1 M +W	2	58.1	28.8	54.9	84.8	11.1	53.7	0.26	3.4
1:1 M +W	3	67.2	30.0	57.3	85.5	10.6	59.8	0.26	3.4
1:1 M +W	5	76.2	31.2	61.7	86.9	10.5	50.5	0.17	2.3
1:1 M +W	5	82.3	31.9	63.2	85.3	10.3	47.7	0.16	2.1
1:1 M +W	6	90.3	30.2	59.3	82.6	9.7	43.4	0.16	2.0
1:1 M +W	7	95.9	32.6	66.7	83.4	9.1	40.4	0.29	3.4

CSA comments that generally the magnetite metallurgical performance corresponds with the pilot plant tests KP12 + KP19 in the December 1974 Study , but phosphorous rejection with the dry tube-tester magnetic separation was not as effective as the wet magnetic separation conducted in the pilot plant. This may be due to physical entrainment of non-magnetic material due to large sample size.

11.2.3 March 1976 Study

Feed types for this study comprised material from the Main Zone W + M. The pilot plant processing flow-sheet was;

- Primary Grinding Rod Mill,
- hydro-cyclone classification,
    - underflow returned back to either rod mill (P1 - coarser grind) or ball mill (P2 - finer grind),
    - cyclone overflow to 3 stages of low intensity magnetic separation in series, magnetite product to apatite flotation (2 conditioners, rougher, scavenger and 2 cleaning stages),
    - rougher concentrate to cleaner 1,
    - scavenger concentrate to conditioning tank 1,
    - cleaner 1 tails to conditioning tank 1, cleaner 1 concentrate to cleaner 2,
    - cleaner 2 concentrate apatite product, cleaner 2 tails to cleaner 1.
    - Scavenger tailings is final magnetite product

The table below summaries the results from the pilot test work:

Table 20. Magnetite Pilot Test Work – March 1976

Sample	Test	Grind	Head	Concentrate				Comments
		% passing	Grade	Fe Grade	Fe Rec	TiO2 Grade	P Grade	
		74 micons	(% Fe)	(%)	(%)	(%)	(%)	
1:1 M +W	P1	45.3	28.0	58.4	85.0	10.1	0.36	Magnetite Separation
Mag Product P1	P1		58.4	61.5*	nr	14.3*	0.12	Reverse Flotation Mag Product
1:1 M +W	P2	58.6	30.9	59.8	88.6	10.6	0.27	Magnetite Separation
Mag Product P2	P2		59.8	60.8	83.5	8.7	0.08	Reverse Flotation Mag Product

CSA comments that the magnetite product from flotation in the P1 Fe recovery is calculated to be 64.3% based on the assay data provided and the two product formula. Lower Fe head grade in the P1 test appears to have adversely affected the metallurgical response and

therefore makes comparison with previous data difficult. Reverse flotation reduced phosphorous in the magnetite concentrates, with 5% Fe loss of recovery in the P2 test.

11.2.4 August 1976

Feed types for this study comprised magnetite concentrate from Test P1 Report 6-76 (using Main Zone Kodal W + M, blended 1:1 as feed). The pilot plant processing flow-sheet was;

- 1 Kg of P1 final magnetite concentrate (after reverse flotation) was batch milled,
- the product of which was magnetically separated using tube-tester (1 amp setting) using single 1g samples

The table below summaries the results from the pilot test work:

Table 21. Magnetite Pilot Test Work – August 1976

Sample	Grind	Head	Concentrate		
	% passing	Grade	Fe Grade	TiO2 Grade	P Grade
	44 microns	(% Fe)	(%)	(%)	(%)
P1 Mag Product	92	61.5	65.9	6.1	nr

CSA comments that magnetite recovery is calculated to be 94.2% of material in the P1 magnetite product, based on provided 88% weight recovery to the magnetite product and from assay data. Overall magnetite recovery in respect to new feed (cyclone overflow from P1 test) is calculated to be 60.6%

11.3 Apatite (P) Test Work

11.3.1 December 1974 Study

Feed types for this study comprised non-magnetic material from the Main Zone W + M. The pilot plant processing flow-sheet was;

- Primary grinding (AG/Rod closed circuit with cyclones),
- primary magnetic separation,
    - non-magnetics to flotation.
    - 2 stages of conditioning, rougher/scavenger, 4 stages of cleaning

The table below summaries the results from the pilot test work:

Table 22. Apatite Pilot Test Work – August 1976

Sample	Test	Grind	Reagents			Assay			Recovery
		% passing	Safacid	Dextrin	Na Silicate	% P Feed	% P con	% P Tails	P %
		74 microns	g/t	g/t	g/t				
Kodal W	KP5	71.9	280	100	500	5.6	17.1	1.3	83.1
Kodal W	KP6	70	325	100	500	5.9	17.1	1.7	79.1
Kodal W	KP7	69	375	100	500	5.53	17.1	1.4	81.5
Kodal M	KP18	53.7	410	200+100	700	6.32	16.9	1.2	86.7
Kodal W	KP10	57					16		70
Kodal W	KP11	43.5					16.1		73
Kodal W	KP12	45.2					15.8		82

CSA comments that 60% of all losses were found in <12.3 micron fractions, which suggest size classification must be very efficient to avoid over grinding. 50-60% passing 74 microns is suitable to liberate apatite for flotation recovery process.

11.4 Metallurgical Testwork completed by Kodal

Recent preliminary metallurgical test work has been completed by Mr. J. Steynberg of Kupfermelt Metal Processing C.C, South Africa, documented in a report titled "Metallurgical Study, Assessing the beneficiation properties of the Kodal Ore Deposit, Norway, dated September 2013.

A summary of the results of this work are set out below;

A total of 23kg of material was composited from 4 drill holes over the western portion of the Kodal Project. This bulk sample comprises material taken from the Main Zone and the Transitional Zone, and exhibit differing tenor of P and Fe grade.

The test material was subjected to a detailed metallurgical investigation. Following a series of twelve test sequences, two commercial grade concentrate products were produced.

The concentrates were produced using a combination of magnetic separation and froth flotation. Grind sizes and reagent concentrations were optimised for each stage. The resultant beneficiation process and the reagents used reflect common industrial practice for the concentration of phosphate and magnetite.

11.4.1 Rougher Separation

A relatively coarse primary grind of P 80 of 145 microns proved to be optimal to separate the test material into magnetic and non-magnetic streams. The aim of the optimisation was to achieve acceptable separation at the coarsest grind in order to minimise the sliming of the phosphate minerals. More than 90% of the phosphate minerals were liberated at the specified grind.

Four stages of rougher magnetic separation were needed to sufficiently separate all the non-magnetic material from the magnetic concentrate.

11.4.2 Magnetite Upgrading

Following the rougher magnetic separation stage the magnetic concentrate product was reground in a ball mill to a P80 of 40 micron.

The magnetic concentrate was subjected to a bulk sulphide float to lower the level of deleterious metal sulphides in the concentrate.

Following the sulphide float four stages of cleaner magnetic separation were required to effectively remove the free gangue minerals and upgrade the magnetite to its optimum level.

The test work showed that a 25% mass recovery of the magnetite could be achieved with the following chemical specifications.

Table 23. Magnetite chemical specifications (Steynberg, 2013)

Assays (%)									
SiO2	Al2O3	Fe2O3	Fe	TiO2	CaO	MgO	Na2O	K2O	MnO
1.605	0.875	88.750	62.036	8.745	0.930	0.615	0.027	0.046	0.905

Assays (%)								Assays (ppm)	
P2O5	Cu	Pb	Zn	C	CO2	S	LOI	Cl	F
0.090	0.008	0.005	0.125	0.085	0.025	0.027	-272	451	101

The high titanium content of the magnetite can be attributed to the titanium being in solid solution and its fine dissemination.

An iron recovery of 75% was recorded for the magnetite, the remaining 25% was associated with the iron containing minerals i.e. ilmenite etc.

The analyses showed that only 23% of the titanium bearing minerals present in the phosphate flotation tailings was ilmenite, and the rest was titanite, a calcium titanium silicate. Recovering the titanium minerals proved to be unsuccessful due to its mineralogical association.

11.4.3 Phosphate Flotation

The phosphate flotation process consisted of two upgrading circuits for the rougher and scavenger concentrates.

The scavenger concentrate was subjected to two cleaning stages before it was combined with the rougher concentrate for the final cleaning and re-cleaner steps.

The results showed that a phosphate recovery of about 85% can be achieved producing a concentrate with the following chemical specifications.

Table 24. Phosphate chemical specifications (Steynberg, 2013)

Assays (%)									
SiO2	Al2O3	Fe2O3	Fe	TiO2	CaO	MgO	Na2O	K2O	MnO
0.730	0.120	0.570	0.398	0.140	55.600	0.220	0.065	0.055	0.076

Assays (%)							Assays (ppm)		
P2O5	Cu	Pb	Zn	C	CO2	S	Cl	F	Cd
41.800	0.034	0.001	0.003	0.614					0.1

No deleterious elements were contained in the tailings that would cause any environmental issues.

11.4.4 Titanium

Initially it was thought that a commercial ilmenite concentrate might be produced. Following microscope analysis it was confirmed that the free ilmenite is present as lamella with a mean width of 0.5 microns and only accounts for about 0.5% of the titanium in the ore. The size and scarcity of ilmenite precludes the economic production of concentrate.

11.4.5 Conclusions

CSA comments on the following with respect to the 2013 metallurgical test work.

- Mineralogy on the 2 ore types concluded an increase in non-magnetite iron minerals (iron silicates) in the transitional zone and, economic recovery of ilmenite would not be possible due to;
    - titanium within the main ore zone is likely hosted in titanomagnetite (a titanium-bearing magnetite), in addition to ilmenite.
    - ilmenite intimately association with magnetite and the need for ultra-fine liberation to achieve separation in the man zone material and,
    - non ilmenite titanium minerals being present (ulvospinel, titanomagnetite, titanite) in the transition zone
- A 25% weight recovery to final magnetite concentrate at 75% Fe recovery was achieved, at a grade 62.04% Fe, 8.74% TiO_2, 0.09% P_2O_5 and 0.027% S. The bulk sulphide flotation did not produce a saleable concentrate, but recovered 48% of the sulphur reporting to final magnetite cleaner concentrate.
- Final apatite concentrate of 85.0% phosphate recovery was achieved at 41.8% P_2O_5 in open circuit, with the expectation of potential upside in an operating plant with product stream recycle. Reagents used were fatty acid, PGE, sodium silicate and sulphonic acid.
- It appears from this preliminary test work that economic recoveries and grades of Fe and P2O5 are achievable at Kodal, assuming that the material on which test work was undertaken, may be considered representative of the deposit.

- Kodal comments that research and market studies are underway to identify buyers of products with the specifications outlined here.
- CSA recommends that as part of further resource evaluation and drilling activities, additional sampling be undertaken from other parts of the deposit, to ensure that metallurgical characteristics may be considered truly representative.

12 Mineral Resource Estimates

12.1 Introduction

Kodal engaged Z Star to undertake an MRE Study for the Kodal Project in 2013. This work was completed to provide an MRE suitable for an internal study by Kodal and was not classified or reported externally under any International Code. Z-Star did not validate data used in their estimate and assumed the data as presented, to be accurate.

Following on from this work, CSA took receipt of all data, information and documents connected with this work, conducted a review of the in-house MRE and improved upon this work, incorporating the reviews of historical and recent data, resulting in a JORC 2012 reportable MRE being prepared by CSA.

CSA began by reviewing the input data and methodology for resource estimation used by Z Star. Upon review errors were detected in the original data and issues were identified with the methodology. Although each issue was small the effect of the compounded issues was considered and Kodal decided that CSA undertake the MRE again in order to provide Competent Persons sign off for the JORC 2012 MRE.

A summary of both the internal study completed by Z Star, with comments from CSA, and the work completed by CSA to improve the MRE, is contained in the sections below.

12.2 Data Validation

Raw drilling data provided to Z Star was received by CSA for the purposes of review and evaluation (GEN_A_GEN_B_Kodal_data_130109.xls). CSA reviewed this against the hard copy data and some errors were detected, and rectified. These included some small errors in collar location coordinates, relating to holes 3, 4, 6, 7, 36 and 37.

Z Star applied a conversion of P % to P_2O_5 %; using a factor of 2.2914.

CSA confirms that this is correctly applied throughout.

12.2.1 Specific gravity

No SG measurements were collected by Kodal, and Z Star relied upon historic measurements from Norsk Hydro sampling.

CSA recommends that further SG test work is undertaken to better define SG variability, to represent the full strike length, depth and lithological variability of the project area.

12.2.2 Historic data

Historic drilling data was used in the Z Star MRE study but was not fully validated prior to their work. The results of CSA review on the reliability, accuracy and precision of historical data suggests that it is appropriate for inclusion in JORC reportable MRE study.

12.2.3 Surface topography

The surface topography GIS data supplied is of adequate resolution for topographical constraint of any MRE 3D model. The steep geometry of the mineralised body suggests that any errors in topographic resolution would be unlikely to materially impact the estimate of tonnage in MRE work.

12.3 Geological Modelling

Z Star reviewed the grade population for phosphorous and observed a bi-modal distribution, relating to the tenor of the Main Zone and Transition Zone. Similar bi-modality is observed for Fe.

Data distribution over the project is not evenly distributed, and clustering of data is noted close to the surface where shallower, Generation A drilling is more dense than deeper, Generation B drilling.

12.3.1 Approach

The Z Star domain model was based on the following parameters:

- Main Zone = P% grade > 2% with consideration given to geological boundaries, though grade boundaries were honoured as a priority.
- Transition Zone = Less well defined due to relative lack of grade data, but constrained to zones outside the Main Zone, using a 0.5% P cut-off, additionally informed by larvikite boundaries with un-mineralised country rock.
- Hard boundaries were used to differentiate between juxtaposed domains.
- Barren cross cutting dykes and other minor rock components were noted, and their proportions in drilled intersections used to estimate geological dilution to be factored in to MRE tonnage (see Section 12.5.1)

12.3.2 Domains

The Main Zone and Transition Zone domains were further subdivided in to an east and west zone, separated by a soft boundary for estimation, but were subject to different variographic and search ellipse parameters during estimation.

CSA reviewed the domain wireframes in 3D and checked that samples coded by domain by Z Star, were situated within the 3D wireframe they were coded to. 3D and statistical review by

CSA suggests the domaining approach to be valid for the current level of study (however some comments are noted below), and average domain grade analysis returned grades that were very similar to those reported by Z Star.

CSA notes the following:

- The wireframes were not built upon firm rules, and follow an iterative process based on statistical rules.
- Extensions and extrapolation of wireframes down-dip and along strike in some cases is not informed by adequate drilling information, resulting in tonnages that CSA considers to be overstated, and should have been considered for exclusion from the MRE reported by Z Star.
- The Transition Zone wireframe in some cases was found to cross-cut the Main Zone wireframe.
- Where drilling information is not available, no inferences from drilling information from adjacent sections appears to have been considered, resulting in both wireframes pinching and swelling and changing down-dip orientation between sections.

CSA has taken these considerations in to account during modelling work.

12.3.3 Sample lengths / Composites

Z Star modified the raw assay database to uniform mean sample lengths of 1.5m composites prior to MRE work, based on a review of the sample length histogram and selection of the mean sampling length for P. However, raw data taken from historic sections shows that Fe samples were collected on broader sample intervals than P samples, and often very broad intervals (>10m). The compositing strategy employed by Z Star is considered to have introduced bias to the estimate Fe since the resulting composite dataset contains significantly more data than the raw dataset, which changes the statistical characteristics of the data.

Table 25. Raw Data Sample Lengths

Element	# intervals	Mean length	Max length	Min length
P	1607	1.91	20	1
TiO_2	412	6.23	20	1
Fe	417	6.15	20	1

CSA completed a review of raw data versus data composited into the P intervals and found that Fe was subject to a significant bias.

Table 26. Data comparison – Raw versus Composites (Taken from Raw assay file provided by Kodal flagged by CSA using Z Star wireframes, Z star composite created by CSA using 1.5m intervals and flagging the data using Z Star Wireframes).

	#samples Raw	Weighted Mean Raw Flagged in the Z Star Wireframes	#samples Z*assay file	Weighted Mean Z*assay file	% diff mean
P%	1535	2.12	same	same	N/A
Fe%	345	24.11	1103	26.937	12%

In the light of this review, CSA opted to change the composite length to a more appropriate length that minimised bias. This is discussed in Section 12.6.2.

12.3.4 Top cuts

Z Star reviewed the necessity for top and bottom cuts, described as the trimming of outliers, by reviewing the coefficient of variation (COV) of the raw data populations and by reviewing the data populations relative to a normal distribution, Figure 18.

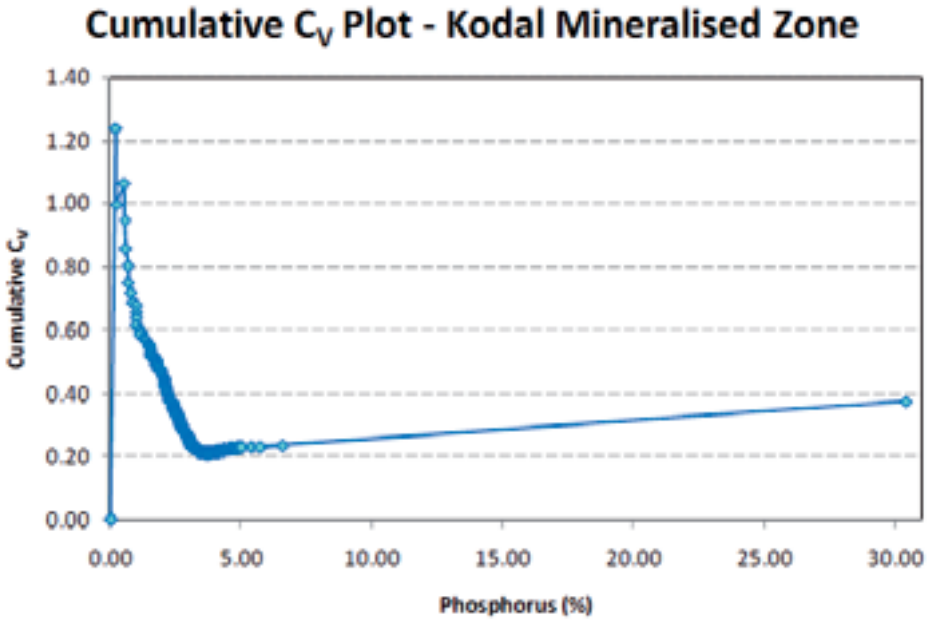


Figure 18. Cumulative coefficient of variation plot for phosphorus grade (%) showing a clear outlier in the population. (Z Star, 2013)

High grade outliers were identified in the P% population and an overall negatively skewed population indicated the need to apply a bottom cut.

The high grade outliers identified are the result of a transcription error, identified and rectified by CSA.

CSA considers there is no need to apply a top-cut to the data. The evaluation of appropriate bottom-cuts was completed by CSA and is discussed in Section 12.6.4.

12.4 Grade Estimation

Z Star estimated all elements separately using OK interpolation which is considered a valid method of grade estimation for the current level of study and evaluation of the statistical characteristics of the mineralised zones.

Zonal grades (the average of all domain grades) were assigned by Z Star to portions of the resource where data is sparse. Whilst CSA considers this a valid approach for some parts of the resource, a review was undertaken when classifying the CSA JORC reportable Mineral Resource as to the appropriateness of including some domain volumes in the MRE. This is discussed in more detail in Section 12.6.9.

12.4.1 Local Block estimation reliability

CSA considers that the local estimation of grade in the upper portions of the resource model to be reliably informed. Reliability, and hence confidence is reduced in the lower portions where data coverage is sparse.

12.4.2 Variography

Z Star performed variography on the eastern portion of the main domain, being the area with most data coverage, and then used this inform to make assumptions about grade continuity over the western portion. Variography was undertaken for P and Fe, which produced nested variograms with 3 structures.

Table 27. Variogram parameters, P.

Structure	Nugget value	Range DIR 1 (070/00)	Range DIR 2 (340/05)	Range DIR 3 (160/85)	Sill	Nugget %
1	0.0342	17.00	2.60	4.00	0.0028	-
2	0.0342	40.00	12.00	8.00	0.2095	-
3	0.0342	150	24.00	55.00	0.2101	7.49%

Table 28. Variogram parameters, Fe.

Structure	Nugget value	Range DIR 1 (070/00)	Range DIR 2 (340/05)	Range DIR 3 (160/85)	Sill	Nugget %
1	1.1740	10.20	7.00	5.00	1.5330	-
2	1.1740	35.60	11.70	9.95	9.7320	-
3	1.1740	73.75	20.10	40.00	19.1000	3.72%

The use of nested variograms is important and valid in complex deposits with large amounts of data and variability; however in this case CSA considers a single structure, spherical model to be more appropriate in all cases. The modelling of a very short range first structure is misleading, and is not represented by data spacing observed in 3D.

A low percentage nugget value is observed in all populations. Z Star have not provided their methodology for modelling the nugget value, but it would be appropriate to use the down-hole variogram, and apply this value to all directional variograms.

These variogram parameters were used for the western portion of the main domain, with the directions rotated to align with the western portions trend.

CSA has re-visited variographic analysis with a more statistically valid composite length and simplified modelling technique.

12.4.3 Estimation methodology

Z Star applied a multiple search pass strategy, estimating grade for each element separately. The selection criteria remained the same for each pass but the search ellipse ranges increased with each subsequent search pass. Ranges and estimation parameters are set out in the table below.

Table 29. Search pass ranges used in estimation.

Search pass	Multiple of variogram range
1	0.5 x
2	1 x
3	2 x

Z Star states that they used half the variogram range in the first search pass, but have tabulated two thirds the variogram ranges.

No comment about the use of sectors or discretisation was made by Z Star.

The minimum and maximum number of points sued for estimation in each search pass will change with the use of a more statistically representative composite length.

12.4.4 Zonal Block Estimates

A zonal grade was applied to the Main Zone domain below 0mRL (west) and -45mRL (east) along with the entire Transitional domain. The grade applied to these volumes was that of the mean estimated grade from all 3 search passes. The Transition Zone received the mean grade of all composite samples within the domain. These grades are presented in the table below:

Table 30. Zonal grades.

Grade Variable	Main Domain West	Main Domain East	Transition Domain
P%	3.14	3.04	1.07
P_2O_5%	7.19	6.97	2.45
TiO_2%	7.72	8.19	4.16
Fe %	30.20	29.45	13.66

CSA considers the application of a global mean grade to these volumes to be too simplistic, and considered there to be sufficient assay data to interpolate grade in to the model on a block-by-block basis, and thus describe some spatial grade variability. As such, CSA updated the Mineral Resource estimate in this manner.

12.4.5 Specific Gravity

Z Star were provided with SG values by Kodal as shown in the table below.

Table 31. SG values per material type.

Domain	SG (t/m^3)
Main	3.9
Transitional	3.11
Waste	2.9*

*pers comm, Kodal, and considered appropriate by CSA.

These values are sourced from the Norsk Hydro historic document and no information relating to the location of SG measurements in 3D space, or the method of measurement is available.

CSA reviewed the SGs of major rock forming minerals within the Main Zone, and arrives at an SG range of 3.6 – 4.0, which supports the use of 3.9 for the main zone. The reduction in SG for the Transition Zone is supported by the presence of lower SG rock types.

CSA expect limited voids or pore spaces to be present within the rock mass, as a function of the cumulate rock type, as such the use of SG as opposed to bulk density is appropriate.

CSA would recommend that further SG test work is undertaken at the project to better represent the SG variability of each material type, including waste rock.

12.5 Validation

Z Star validated the local block estimate in the following manner;

- Review of global mean grades, Block vs. Comp for P_2O_5 grades.
- Review of population distribution of Block and composite populations for P_2O_5.
- A visual review of composite and block grade in 2D cross section for P_2O_5.

The results of these validations were positive, with differences in mean block and composite grade for both west and east main domain being less than 5%. However, CSA notes significant smoothing of grade, a function of the application of mean zonal grades to the model.

No validation information was supplied Fe, and Z Star did not comment on the validation of Fe grade estimates.

12.5.1 Dilution

Z Star noted that drill holes contained within the Main and Transition Zones contained variable intervals of barren material, which could not be spatially separated from the mineralised material. These lithologies, mainly diabase, will dilute the mineralisation locally

and need to be accounted for in any tonnage estimates for the prospect. A geological dilution factor was proposed for each domain. This factor was arrived at following a review of the proportions of mineralised material and waste material within the drilling within each domain.

Recommendations were that the total volume of the Main Zone is diluted by 4.4% and the Transition Zone by 9.3%.

12.5.2 Comparison with previous estimates

The resource figures were compared to an estimate made by Lenning in 1976. Due to limitations in the previous estimate, where an arbitrary depth below surface was applied to mineralisation with no consideration of topographic variation, a direct comparison was not possible. However the general grade tenor is supported for P%.

Table 32. Historic Estimate, Lenning 1976. Main Zone to a depth of 520m

Classification	Mtonnes	P%	P Tonnes
Proven	30.6	3.06	936,840
Probable	38.9	3.03	1,178,520
Total	69.5	3.045	2,115,360

Table 33. Historic Estimate, Lenning 1976. Transitional Zone to a depth of 230m

Classification	Mtonnes	P%	P Tonnes
Proven	28.7	1.00	287,000
Probable	-	-	-
Total	28.7	1.00	287,000

No information about estimation methodology was available apart from the projected depths of mineralisation for the Main Zone and the Transition Zone.

CSA considers that the Z-Star model, whilst created using an appropriate methodology, does not adequately honour the grade variability of the underlying input data, and the grade compositing protocol led to grade bias which resulted in an overstatement of mean grade. In addition, the extrapolation of the mineralised zones at depth, beyond a reasonable influence of sample data, results in a tonnage estimate that CSA considered to be excessive. In response to this, CSA has updated the MRE to report a more robust and reliable estimate of Mineral Resources for the project.

12.6 Mineral Resource Estimate (CSA)

The following sections detail the preparation of an updated MRE for the deposit completed by CSA, which has incorporated improvements to resource estimation methodology following the review of the Z Star work. This updated MRE has been completed, classified and is reported in compliance with the JORC Code (2012).

12.6.1 Domains

CSA reviewed the Z Star domain model and considers this to be acceptable in constraining the updated MRE for the current level of study.

Two geological domains were defined, the Main Zone and the Transition Zone. The presence of two distinct domains is supported by a clear bimodal grade distribution for all grade variables, Figure 19 and 20.

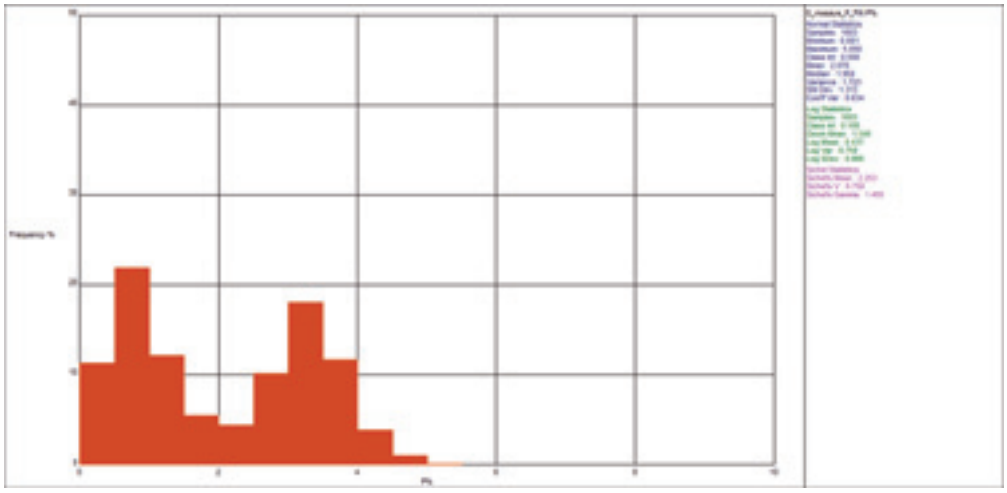


Figure 19. Raw assay histogram for P%.

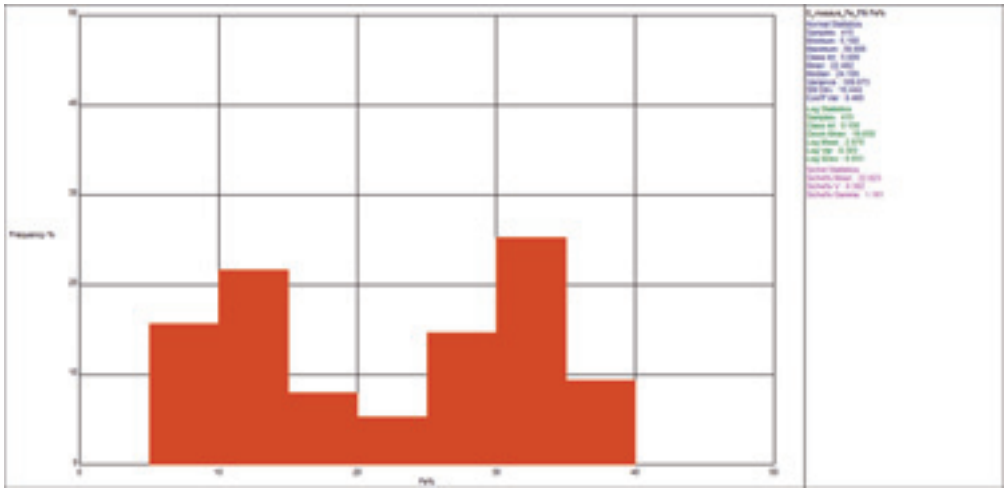


Figure 20. Raw assay histogram for Fe%.

Due to the mineralised structure being oriented in opposing directions, either side of a point of flexure the domains were separated out into ESTZONs:

- ESTZON 1 – Main zone west
- ESTZON 2 – Main Zone east
- ESTZON 3 – Transition zone west
- ESTZON 4 – Transition zone east

12.6.2 Composites

The raw data populations were influenced by the presence of variable length composites. Composites of up to 20m were observed and these can cause grade bias when normalised to a set composite length. In order to manage the effect of long composites, and to minimise possible grade bias, CSA investigated a number of different compositing strategies.

Fe had a mean interval length of 6m. The P composites however had a mean interval length of 2m. Fe and P data was then composited into 5m composites. The 5m composite length was chosen, informed by the broad drill hole spacing, an RL block size of 50m and a proposed bench height of 15m as was considered in conceptual mining study work.

12.6.3 Missing intervals

During CSA's review of the hard copy historic sections, it was apparent that some holes had been selectively sampled, with un-sampled intervals contained in the mineralised wireframes but apparently ignored in the Z-Star grade estimate (though Z- Star did elect to apply a tonnage factor down-grade to the MRE to account for this, however the effect on mean grade was not addressed). Figure 22 shows the wireframes for profile 160w_B46_B11. Raw P% sample data is displayed along the drill hole traces, showing gaps that represent internal waste.

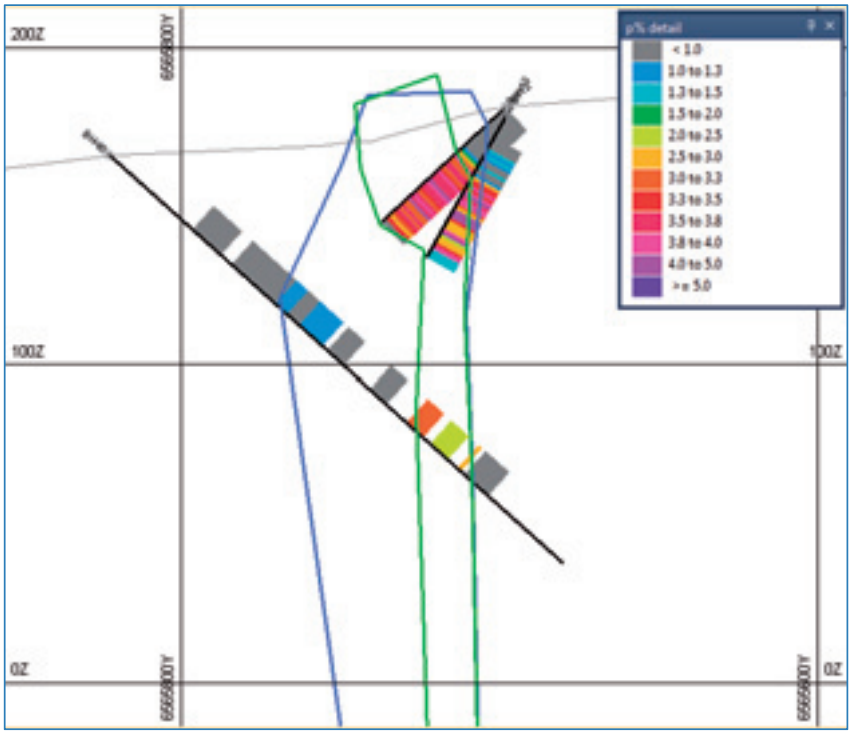


Figure 21. Profile 160w_B46_B11 Z* domain wireframes in 2D cross section showing intervals of internal waste, and intervals of missing assay values.

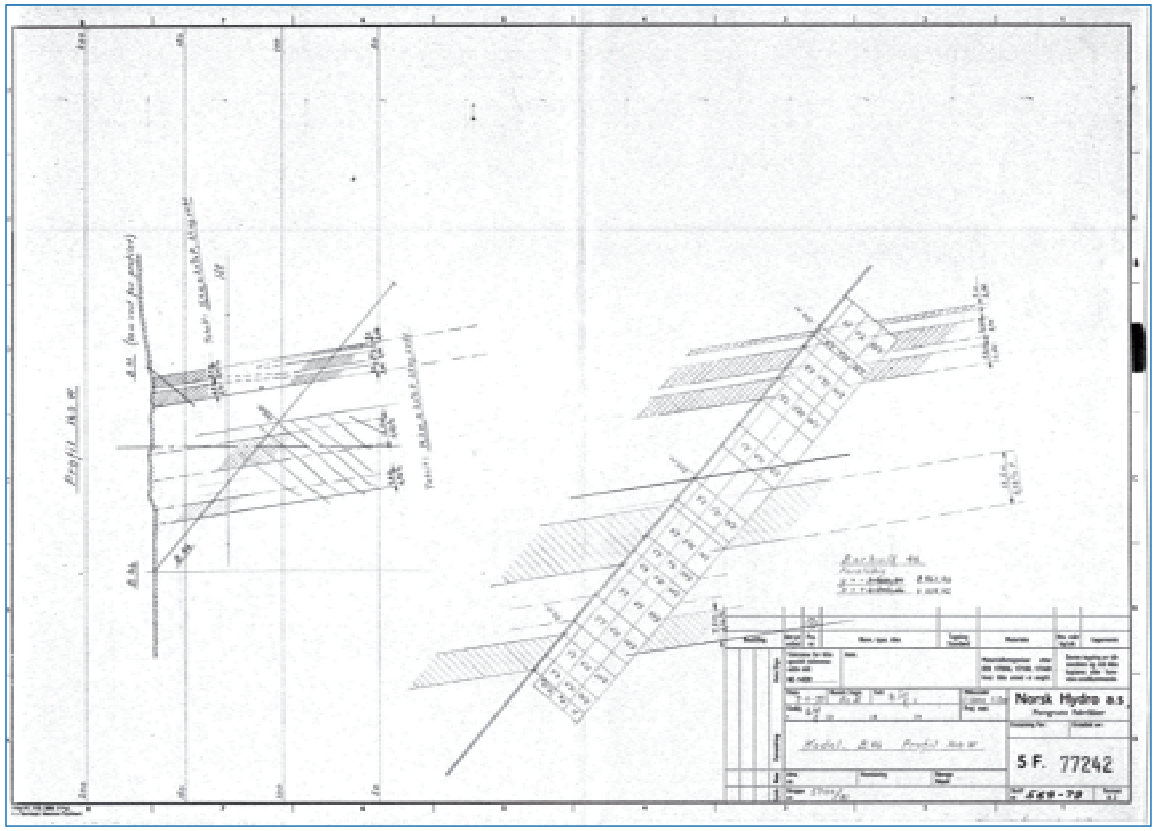


Figure 22. Profile 160w_B46_B11 Historic cross section showing internal waste and missing assay values.

130

CSA reviewed the missing intervals and found 2 types of missing interval and each type was treated in a different way.

1 – Missing grade data within mineralised zones with supportive alternate grade data. For example where an interval is missing the Fe grade but has grades for P and is identified, on cross section, within the mineralised zone. These intervals were left blank, as they are thought to be true missing intervals where analysis did not take place but where mineralised material was identified.

2 – Missing grade data for all grade variables within in an interval of internal waste. For example where a 10m section of internal waste is identified on a historic cross section with mineralised material either side. These intervals were assigned a zero grade for P and Fe and so that the internal waste was represented by a lower grade during estimation.

The number of each type of missing interval is contained in Table 34.

Table 34. Instances of missing grade data.

	instances	total meters	% of total meters
P grade without Fe	40	127.78	5%
Zero grade inserted for missing interval = Main mineralisation	18	74.1	6%
Zero grade inserted for missing interval = Transitional mineralisation	12	72.5	7%

CSA would recommend that in future MREs, care should be taken to remove this material from the block model by way of generating internal waste wireframes. Improvements in the geological model may result in this material being excluded in future MREs.

12.6.4 Balancing Cuts

CSA reviewed the population statistics for each element in each domain, to inform the need to apply limiting cuts.

All populations were negatively skewed, with low grade tails, representing waste material. The decision to apply a lower limiting cut or bottom cut is informed in the same way as applying a top cut. It is undertaken to reduce the effect of low grade outliers that are not representative of the population as a whole.

CSA reviewed the grade distribution, COV, number of samples cut and the effect of that cut on the mean grade to ensure that bottom cuts were not too harsh.

Table 35. Bottom cuts applied to data.

Transition						
	Raw Mean	Cut Mean	% Change to Mean	# Cut	% Cut	Bottom Cut
P%	1.063	1.076	1.2%	15	7%	0.25
Fe%	12.958	13.124	1.3%	12	6%	3
Main						
	Raw Mean	Cut Mean	% Change to Mean	# Cut	% Cut	Bottom Cut
P%	2.948	2.974	0.9%	11	4%	1
Fe%	29.229	30.154	3.2%	29	11%	20

It should be noted that these low grade cuts were applied to the missing intervals detailed in the above sections so they were assigned "background grade" rather than a more harsh zero grade.

CSA has applied bottom cut to the data, though the affect this has on grade population statistics in not significant.

12.6.5 Variography

CSA undertook variography on the Main Zone "ESTZON 1" domain, having the largest data population.

The cut composite file was filtered in Micromine software, for ESTZON 1. CSA undertook the following steps to generate semi variograms for P and Fe.

- A downhole variogram was generated – from this the nugget value was established.
- The major direction, or direction 1 was investigated using a directional variogram.
- Once the main direction of continuity (direction 1) was identified, any plunge along its strike was investigated. This semi variogram was used to model the sill and range for this direction.
- The second direction variogram was then reviewed. The strike of this direction was assigned from the main direction, as their strikes are perpendicular. The dip of the second direction was investigated. Once the longest and most representative semi variogram was identified, the sill was applied and the range was modelled.
- The third direction's strike and dip was informed by the orientation of the first and second directions. The range for this direction was modelled from this semi variogram.

Table 36. Variogram Parameters for ESTZON 1

FE					
Nugget Value	4.36	Variogram Directions	Azimuth	Plunge	Range
Partial Sill	28.7	DIR1	60	0	290
Total Sill	33.06	DIR2	150	60	90
Nugget per cent	13%	DIR3	330	30	24
P					
Nugget Value	0.01	Variogram Directions	Azimuth	Plunge	Range
Partial Sill	0.45	DIR1	72	0	187
Total Sill	0.46	DIR2	162	84	85
Nugget per cent	2%	DIR3	342	6	13

Both elements had a low nugget percent, which is expected with this type of bulk deposit. Variogram models for the 2 elements were comparable in orientation, Fe having broader ranges, and P having the smallest direction 1 range of 187m.

When viewed in 3D the data points and the variogram ellipse honour the mineralised structure observed at Kodal.

Due to the small data populations within the other domains, CSA was not able to model reliable semi variograms for these areas. A decision was made to use the ESTZON 1 variogram model during estimation of all ESTZONs as they have the same if not similar mineralisation styles.

As further data is collected and the separate mineralised domains are better understood semi variograms should be modelled for each ESTZON, to improve the estimation method.

12.6.6 Block model

CSA generated a block model, constrained by the wireframes and topographic surface. In addition a waste model was created for the purposes of using the model for conceptual pit optimisation work, undertaken to investigate conceptual economic viability and was subsequently used to justify the reporting of the results as a Mineral Resource under JORC.

The block model was limited by the topography, with all blocks above topography being removed.

Table 37. Block model extents.

	Easting	Northing	Rl
Block centroid origin	558500	6565000	-330
Block centroid end	561000	6566800	270
Block size	50	5	50
Sub block size	10	1	10

Sub blocks were used to better honour the margins of the wireframes.

12.6.7 Estimation

Grade was estimated into parent blocks only using OK interpolation methods. A closed interpolation was used between domains, allowing only composite material coded for the Main Zone to be available for selection for the main domain estimate and vice versa for the transitional domain.

Block discretisation was performed during estimation to reduce the effect of data clustering. Blocks were sub divided into 5 east divisions, 1 north division and 5 Rl divisions.

Grade was estimated using three estimation passes, with each increasing estimation pass the data point selection criteria became less stringent and the search ellipse became larger (Table 38).

Table 38. Estimation criteria

Search pass number	Radii	Minimum holes	Minimum sample	Maximum samples
1	0.75	3	6	18
2	1	2	2	18
3	3	1	1	18

CSA used two search ellipses with the same dimensions and relative rotations, the first being for the easterly limb, the second being for the westerly limb, orientations and ranges are detailed in Table 39.

Table 39. Search Ellipse Parameters.

East	1st DIR	2nd DIR	3rd DIR
Angle	65	80	0
Length	180	85	25
West	1st DIR	2nd DIR	3rd DIR
Angle	105	80	0
Length	180	85	25

12.6.8 Block Model Validation

Once grade was estimated into the block model CSA undertook the following validations;

- Global mean grade comparison
- Local visual grade comparison (cross section view, composites vs. blocks)
- Local mean grade comparisons, by domain.
- Review of Kriging Variance
- Swath plots for:
    a. data estimated in search pass 1 and 2,

b. The whole block model.

Global Mean Grade Comparison

Mean composite and block grades for the block model as a whole were compared, Table 40.

Table 40. Global Mean grade comparison.

Grade Variable	Block Grade	Composite Grade	% Difference
P% cut	1.90	2.14	-11%
Fe % cut	20.41	23.20	-12%

Globally the block grades are lower than the composite grade by between 11 and 12%. However when the effect of search pass 3 material is removed the mean grade comparison was below 5% difference between composite grade and block grade for all grade variables. Material that was estimated in search pass 3 has been influenced by a substantial amount of grade smoothing in to the deep extents of the model. This indicates that the estimated block grades for search pass 1 and 2 material honoured the input composites well, but that less confidence can be applied to the material estimated in search pass 3.

Local visual grade comparison (cross section view, composites vs. blocks).

CSA reviewed the model in 2D cross section, to check that block grades honoured composite grades locally, Figure 23 to Figure 26.

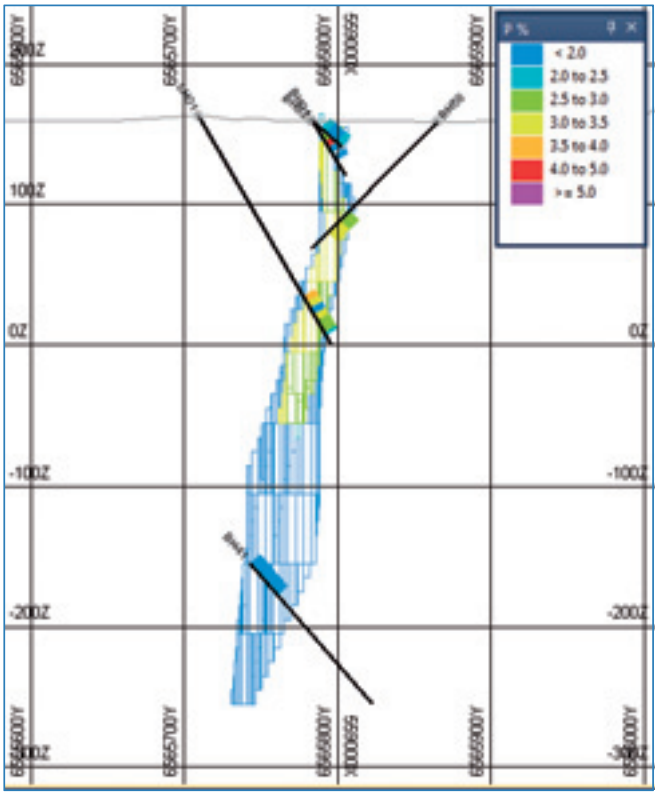


Figure 23. Cross section view of Composite grade and Block model coloured by P%

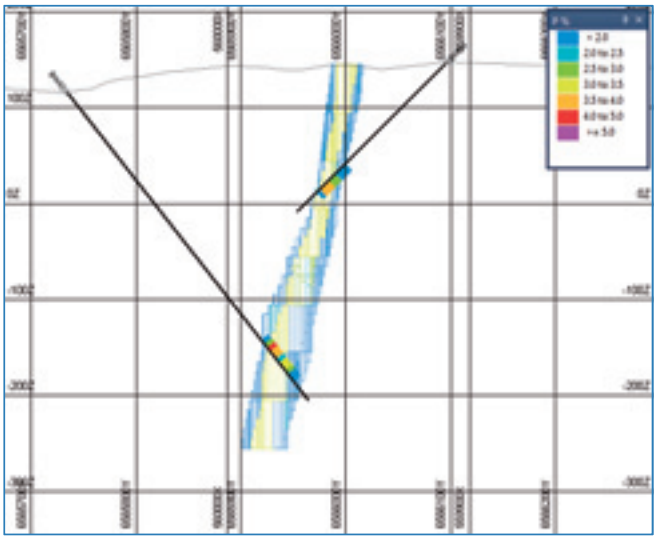


Figure 24. Cross section view of Composite grade and Block model coloured by P%

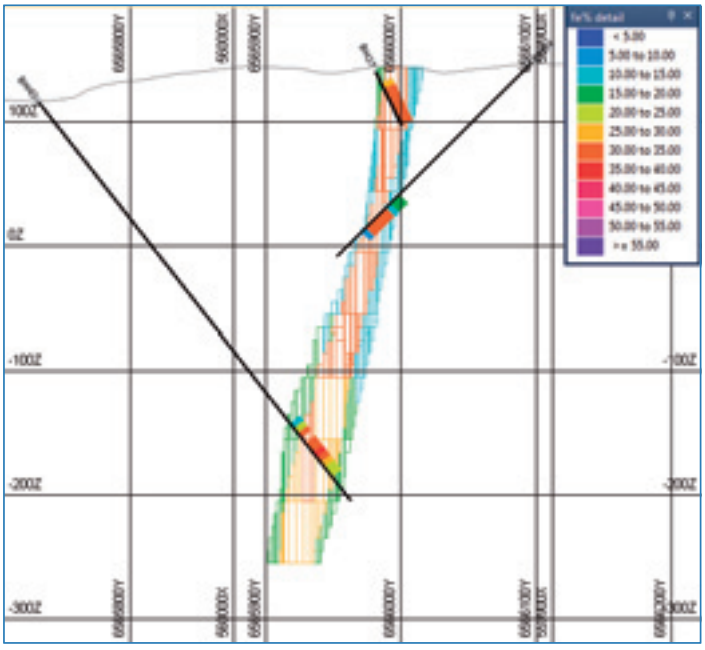


Figure 25. Cross section view of Composite grade and Block model coloured by Fe%

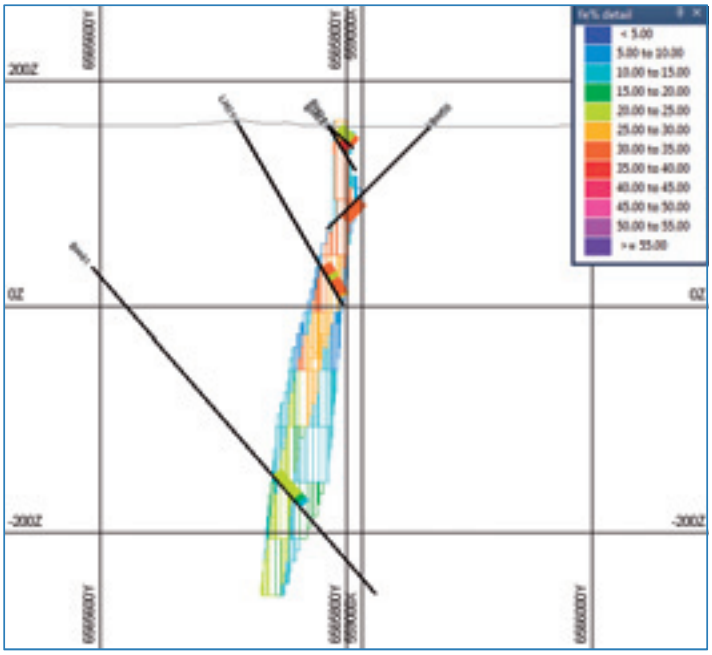


Figure 26. Cross section view of Composite grade and Block model coloured by Fe%

Generally the output block grades honour the input composite grades. However at the extents of the model, larger differences are observed.

Mean Grade Comparisons

Domain mean grade comparisons are given in the table below;

Table 41. Mean Grade comparison by Domain.

DOMAIN	Block P% cut	Comp P% cut	% Difference	Block Fe % cut	Comp Fe % cut	% Difference
Main	2.63	2.97	-12%	27.33	30.15	-9%
Transition	1.09	1.08	2%	12.74	13.12	-3%

Review of Kriging variance.

CSA displayed the block model in Micromine coloured by Kriging Variance. Kriging Variance provides a relative measure of data coverage surrounding blocks. The distribution of Kriging Variance was reviewed and a correlation between closer spaced drill hole data and lower Kriging Variance was observed, Figure 27 and Figure 28.

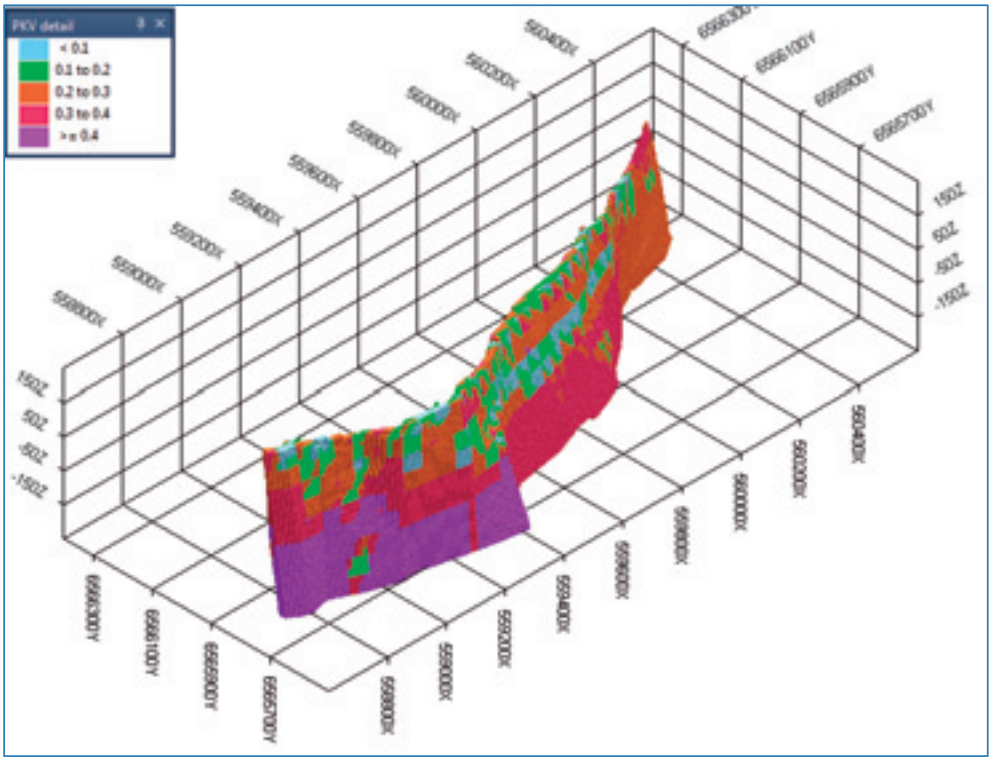


Figure 27. Block Model Main zone coloured by Kriging Variance.

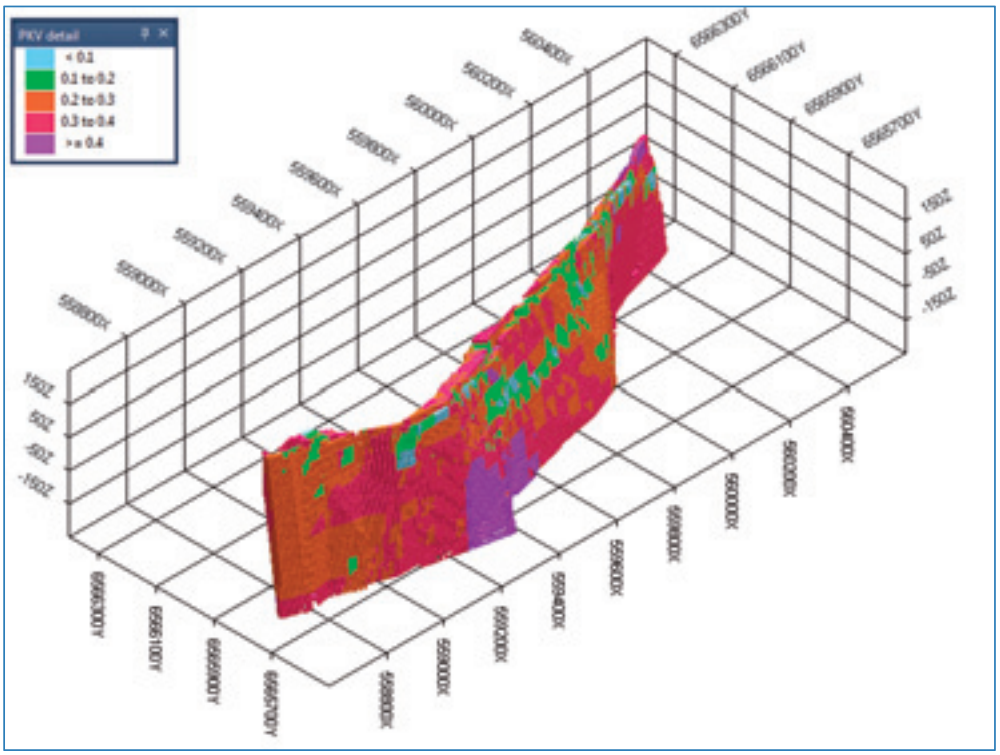


Figure 28. Block Model Transitional zone coloured by Kriging Variance.

A review of the Kriging Variance indicates that material within the first 90m (below surface) of the block model, which is well supported by drilling, has the lowest Kriging Variance. There are areas of higher Kriging Variance within this shallow zone, which indicates the need for some infill drilling in some areas.

Swath plots

Swath Plots are used to review the block model and composite grades and relative lengths/tonnage in slices of northing, easting and RL; in the case of the Kodal Deposit the northing swath plots were not reviewed due to the deposits geometry. Swath Plots allow the user to review sample support and compare composite and block grade throughout the deposit. CSA generated Swath plots for all grade variables for the model as a whole and for the material estimated in search pass 1 and 2 only. Swath plots for P% are contained in Figure 29 to Figure 32 for the whole model and Search pass 1 and 2 material only. Swath plots of other grade variables are contained in Appendix 4.

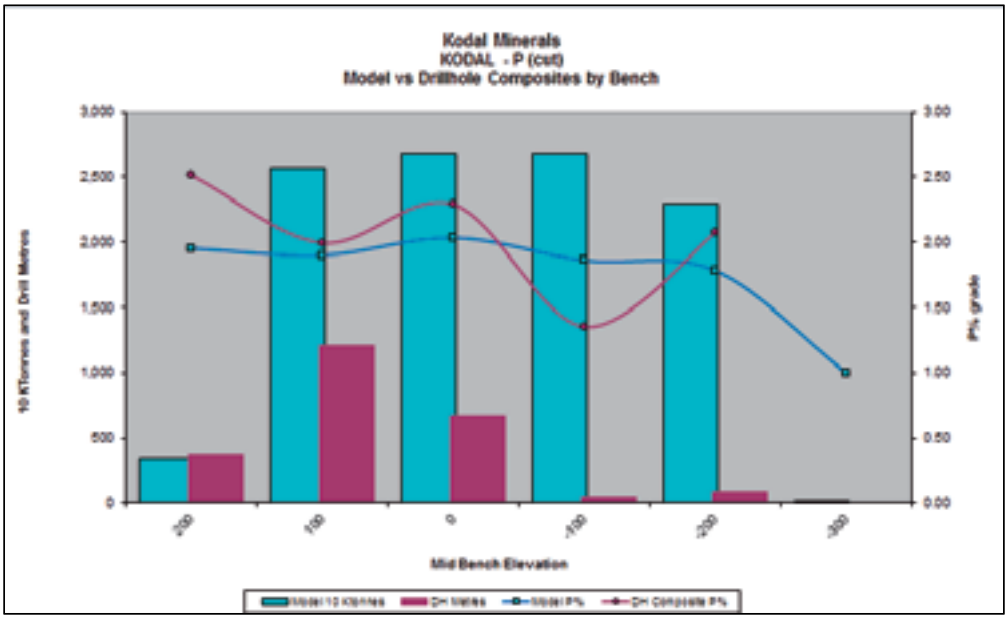


Figure 29. Swath plot whole model for P% by bench interval.

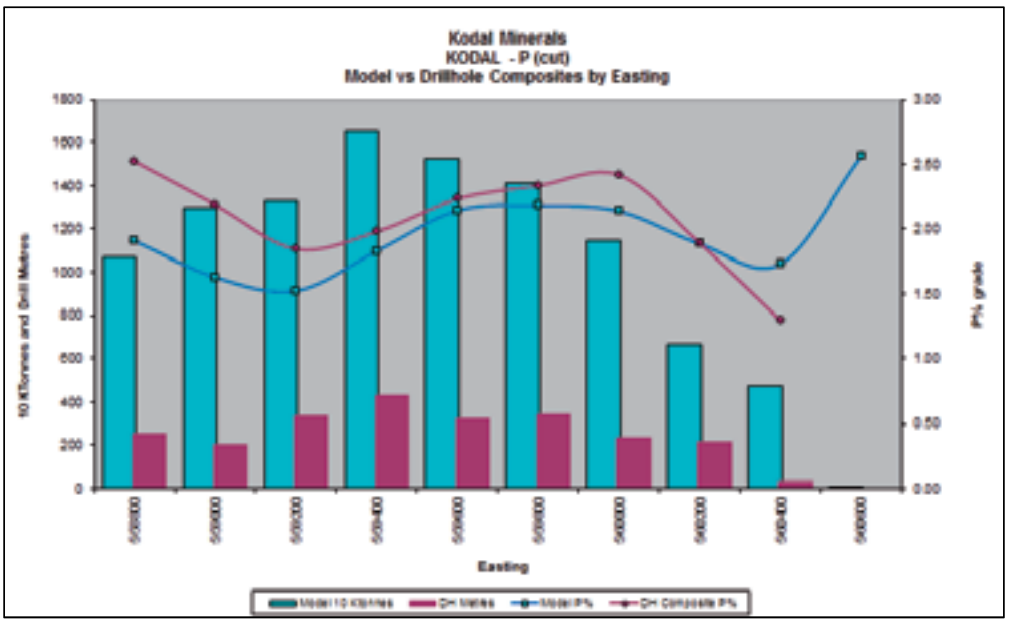


Figure 30. Swath plot whole model for P% by easting interval.

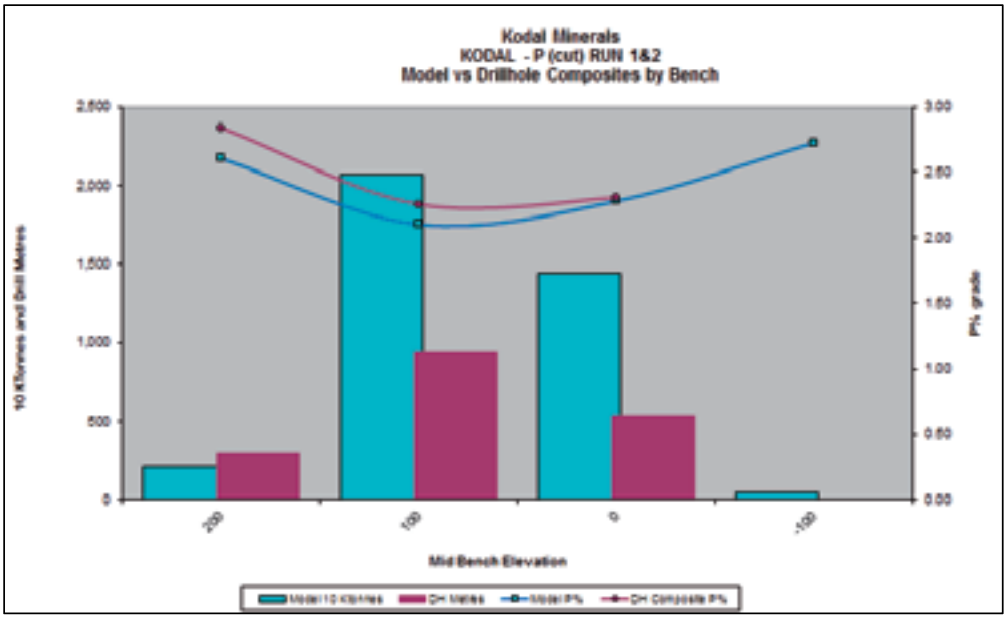


Figure 31. Swath plot material assigned a grade within search pass 1 and 2 for P% by bench interval.

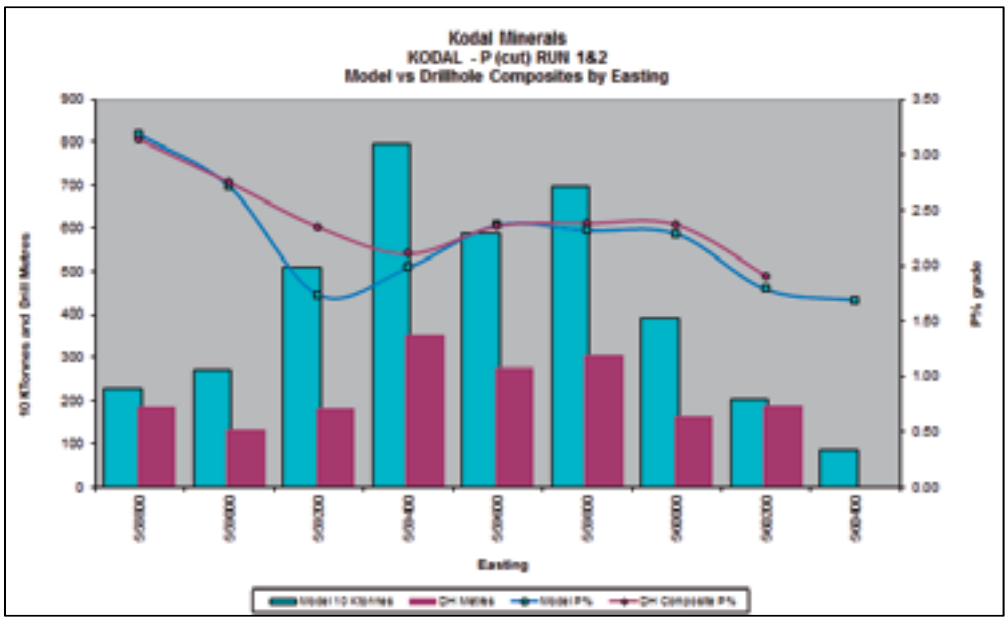


Figure 32. Swath plot material assigned a grade within search pass 1 and 2 for P% by easting interval.

Swath plots for the model as a whole (Figure 29 and Figure 30) indicate broad areas at depth that are unsupported, or poorly supported by drilling. They also indicate that grade has been smoothed into these poorly supported areas.

Conversely the swath plots for search pass 1 and 2 material (Figure 31 and Figure 32) show that all areas are supported by drilling and a reduction in grade smoothing.

12.6.9 Classification

The Mineral Resource estimate for the Kodal Deposit has been classified according to JORC 2012, with an effective date of 20 December 2013.

The following things were considered when classifying the resource:

- Results of validation of the historic data, including:
    - Validation from hardcopy data.
    - Re-assay data review.
    - QAQC of re-assay program.
    - Lack of downhole survey data.
    - Location of historic collars.
- Data spacing.

- Confidence in the geological model and 3D model.
- Topographic control.
- Results of estimation validation, specifically:
    - Search pass
    - Kriging variance
- Location of material relative to the CSA conceptual pit optimisation shell used to inform the criteria of "reasonable chances of eventual economic extraction" under JORC 2012.

In order to classify this resource, consideration of the quality of the input data must be made. The data that is being used during estimation comes from historic work which has been verified to a degree by re-sampling, with positive results indicating that the tenor of historic samples is honoured by modern sample techniques.

No downhole survey information was available for any holes. CSA have assumed that due to the presence of competent rock types with limited cleavage or structure, that drillhole deviation should be minimal. Shorter holes can be assumed straight, longer holes may have deviated. Some of the historic data is collected from very small diameter core, which may have been subject to increased drillhole deviation.

It was not possible to locate many exact collar locations in the field; however some historic drill pads have been identified.

Due to uncertainty of collar location and downhole deviation there is a level of uncertainty about the 3D location of samples. CSA are comfortable that shallow data should be within 5m XYZ of the proposed location. However as data points become deeper the possible effects of drillhole deviation increase and less confidence can be placed in these data points and their relative location in 3D space.

It should be noted that the twin drilling and resampling programme undertaken in 2012 managed to reproduce mineralised intersections comparable to the historic drilling, providing confidence that the mineralisation is present at depth and within the same approximate area.

CSA have used the Z Star domain wireframes during the estimate, these wireframes were constructed unsystematically. Work undertaken by the Kodal geologists during CSA's review work has significantly increased the geological understanding or the Kodal area. A combination of systematic wireframing practises and improved geological understanding will result in changes to the Domain wireframes. CSA believe that regenerating the wireframes with better geological understanding would produce smoother wireframess with the possibility of a greater volume being modelled.

CSA have used the Z Star topography to ensure that the drillholes collars, and therefore the drillhole data and wireframes constructed upon that data relate to one another. An improved resolution topographic surface has been provided to CSA, which should be used

for subsequent MREs. CSA have reviewed the effect of the new topographic surface on the block model, to review tonnage that would be flagged above it in future estimates. Due to the steep orientation of the mineralisation the effect of the different topographic surfaces is minimal.

Drillhole data can be grouped into 3 different spacing populations. Close to the surface close spaced drill holes are observed with short lengths (and therefore limited drill hole deviation). The second group are represented by wider spaced holes at approximately 150m depth, which may be susceptible to greater hole deviation. The last group contains 4 deep drill holes the confidence in the location of these deep drillholes is low.

Relative confidence in these areas reduces with depth, as is observed in Search pass number and Kriging Variance, both of which increase in depth.

Consideration of the length of raw data grade intervals should also be considered. The majority of long grade intervals (10-20m length) are located in the deeper holes. Due to these long intervals less information is available about close spaced grade variability. Also deep holes are supported by large composites, so less understanding of grade variability which reduces the confidence that can be placed on them.

CSA considers that the historic data is adequate to support Indicated and Inferred Mineral Resources, with a shallow zone of Indicated material at surface underlain by a zone of Inferred material.

CSA have produced a conceptual pit optimisation based upon the CSA MRE block model. Although conceptual in nature this optimisation shell presents the base case scenario, using available variables. CSA have used this optimisation shell as a limit to the Inferred Mineral Resource material. All material outside of this optimisation shell is considered to be an Exploration Target as defined under JORC 2012, and is expressed as ranges of tonnage and grade.

CSA reports, at a 0.5% P cutoff a total Indicated Resource of 14.6Mt at 2.26% P (5.18% P_2O_5) and 24.12% Fe; with an Inferred Resource of 34.31Mt at 2% P (4.59% P_2O_5) and 20.38% Fe.

The Indicated Mineral Resource material represents a coherent zone of material estimated in the first search pass, close to surface and supported by shallow, closely spaced drilling. Material below this, contained within the conceptual optimisation shell was classified as Inferred Mineral Resource material.

Table 42. Summary Resources by Status.

Category	Gross					Net attributable					Operator
	Tonnes (millions)	Grade		Contained Metal		Tonnes (millions)	Grade		Contained Metal		
		P_2O_5 (%)	Fe (%)	P_2O_5 (Mt)	Fe (Mt)		P_2O_5 (%)	Fe (%)	P_2O_5 (Mt)	Fe (Mt)	
Ore/Mineral reserves per asset	-	-	-	-	-	-	-	-	-	-	
Proved	-	-	-	-	-	-	-	-	-	-	
Probable	-	-	-	-	-	-	-	-	-	-	
Sub-total	-	-	-	-	-	-	-	-	-	-	
Mineral resources per asset											
Measured	-	-	-	-	-	-	-	-	-	-	
Indicated	14.6	5.18	24.1	0.76	3.52	14.6	5.18	24.1	0.76	3.52	Kodal Minerals
Inferred	34.3	4.59	20.4	1.58	6.99	34.3	4.59	20.0	1.58	6.99	Kodal Minerals
Sub-total	48.9	4.77	21.49	2.34	10.51	48.9	4.77	21.49	2.34	10.51	Kodal Minerals
Total	48.9	4.77	21.49	2.34	10.51	48.9	4.77	21.49	2.34	10.51	Kodal Minerals

Source: Mr Galen White, BSc(Hons), FGS, FAusIMM – Principal Geologist - CSA Global (UK) Limited

Note: P_2O_5 is converted from P using a conversion factor of P*2.2914. Tonnages are rounded to one decimal place, and grade/contained metal to two decimal places to reflect these as estimates. Mineral Resources are quoted using a cutoff of 0.5% P.

Of the quoted Indicated Mineral Resource, 8.8Mt at 7.00% P_2O_5 and 31.20% Fe is contained within the Main Zone, and 5.8Mt at 2.44% P_2O_5 and 13.45% Fe is contained within the Transition Zone.

Of the quoted Inferred Mineral Resource, 15.7Mt at 7.26% P_2O_5 and 30.00% Fe is contained within the Main Zone, and 18.6Mt at 2.33% P_2O_5 and 12.24% Fe is contained within the Transition Zone.

In addition CSA outlined an Exploration Target as defined under JORC 2012 of between 40 and 60 Mt at a grade range of between 1 - 4% P and 10 – 30 % Fe. This Exploration Target, expressed as ranges of tonnage and grade, represents material for which there has been insufficient exploration to support a mineral resource estimate. The potential quantity and grade is conceptual in nature and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

13 Mining

13.1 Introduction and Background

The following section summarises conceptual desk-top mining study completed by CSA (September, 2013). This study is not considered a Scoping level study. Some of the information presented would be sufficient to satisfy a scoping level review, however there are gaps for which limited or no information is available, and that would be required for scoping level review.

13.2 Study History

The following studies have been reviewed as part of mining review.

Significant Studies

- Translation of , Norsk, Internal Document, Pre-feasibility Study, 1976
- Translation of Norsk, Internal Document, Pre-feasibility Study P-2, 1976
- CSA conceptual pit optimisations, September 2013
- CSA Global Site Visit Memorandum, April, 2013

Supporting studies

- Bergstøl – Kodal 1972 Petrography- Mineralogy- Chemistry – a
- Bergstøl – Kodal 1972 Petrography- Mineralogy- Chemistry – b

13.3 Conceptual Mining Study and Review

13.3.1 Hydrogeology Studies.

The hydrogeology of the area is unknown but the massive nature of the country rocks over the Kodal Project and the lack of pervasive jointing may imply limited inflow into the planned mine.

13.3.2 Geotechnical Studies

A preliminary geotechnical investigation was completed by Dr. J.V. James of Celtis Geotechnical CC, South Africa. The following section is a summary taken from a preliminary report prepared for Kodal Minerals in August 2013 titled “Kodal Project, Preliminary Slope Design” referenced at the end of this report.

The site was visited on the 25 July 2013 to preliminary assess the geotechnical conditions of the mineralised zones and country rock to obtain a preliminary assessment of the stable slope design for planned open-pit mining.

On the 26 July the available core was inspected at the Norges Geologiske Undersøkelse Borkjernesenter, and RQDs and rock mass ratings for the country rock types were assessed.

The monzonite and syenite country rocks are competent and have few joints or foliation related discontinuities. Geotechnical properties for the rock types at the Kodal site were estimated from borehole core stored in the Norges Geologiske Undersøkelse Borkjernesenter. The core was of various ages and representative boreholes were selected from those available.

Other boreholes were examined which were in poor condition or had been split.

The results of the borehole logging are shown in Table 43 and the results are borne out by the other observations.

The country rock which will form the sidewalls of any proposed open pit will consist of monzonite and syenite which are both massive, unfoliated and with minor jointing. The Mining Rock Mass Ratings (MRMR) of these rocks is estimated at about 70 to 75 which is extremely competent.

The MRMR system takes into account the four parameters:

- Rock material strength (UCS)
- RQD
- Joint spacing
- Joint condition and ground water.

The mining rock mass rating MRMR value is obtained by summing the four parameter ratings. The range of MRMR lies between zero and 100.

In pits (and road sidings) up to 120 m deep it is quite common practice to design slopes using rock mass classification techniques. Early authors linked slope with RMR without reference to the pit depths, however some had included the pit wall height, because of the increased pit toe loading and the increased volume and thus possibility of unfavourable combinations of discontinuities (scaling effects). There is later research which used back analysis to improve this methodology. None of the work studied was as deep as 250 m although most of the back analysis is of rock with considerably lower MRMRs and rock strengths than at Kodal.

Considering the above it is acceptable using extrapolation to conclude that a Kodal 250 m deep open pit should have overall pit slope angles of approximately 60°. This would be a fairly conservative design considering the present knowledge of the rock mass.

When the potential failure modes of Kodal sidewalls are considered in conjunction with the observations made of the quarries in the area, it is reasonable at a conceptual level of study to conclude that a slope of about 60˚ would be stable in the planned Kodal Mine.

This design however remains an estimate and will have to be confirmed by further geological and geotechnical data gathering by orientated core drilling and this would require detailed analysis using numerical modelling and wedge and failure path analysis.

Table 43. Rock mass properties estimated from drill core (James, 2013)

Hole ID	Date and Position	Rock type	RQD	Joint sets	Joint roughness, (Spacing)	Estimated MRMR
64	2012, Central orebody - drilled down dip	Monzonite	90+	1	Rough, (80 - 100 cm)	70 - 75
		Diabase (Latite)	55 - 65	2	Rough planar, (10 - 30 cm)	55 - 65
		Ore body	Similar to monzonite but core had been split			
44	1974, Western ore body - drilled from H'wall	Monzonite and Syenite	90+	1+	Rough, (80 - 100 cm)	70 - 75
60	2012, Western ore body - Drilled from H'wall	Monzonite	85 - 90	1+	Rough, (20 - 50 cm)	70
		Ore body	Similar to monzonite but core had been split			
		Syenite	90+	1+	Rough, (80 - 100 cm)	70 - 75

A preliminary design of the mining sidewall geometry at the planned mine at Kodal was undertaken. The assumptions were that:

- Vertical bench walls would be cut
- 20 m benches would be acceptable with the equipment suite to be planned.
- The overall slope would be about 60˚
- The mining depth is 250 m

These assumptions may not conform to the final mining and engineering design in which case the bench heights and angles and berm widths will all vary.

From this the pit parameters shown in the following table were derived.

Table 44. Conceptual pit parameters (James, 2013)

Bench slope	90˚
Bench Height	20 m (except first 10 m bench)
Berm width	10 m
Catch berm width	15 m
Stack slope (between catch berms)	71˚
Stack Height	60 m
Overall Slope	60.75˚

Any future drilling programme with orientated drilling should include the following:

- Sufficient holes should be drilled to obtain geotechnical data of both the footwall and hangingwall rocks which will form the pit sidewalls as well as any variation along the length of the ore body.
- The orientated core should be geotechnically logged to obtain RQD, joint orientation, spacing and properties, prior to geological logging, splitting and sampling.
- Handling of the core prior to logging should be limited to prevent breakage. Breaks due to packing the core should be marked as such and not be considered in the RQD measurement.
- RQDs are generally measured by core run. This is usually better than attempting to differentiate between minor rock type changes.
- Intact rock samples of all major rock types will be required for strength testing.
- While the geotechnical core logging will be done by the geologists on site some check logging by the geotechnical engineer should be planned.

The ratification of the slope design should be undertaken once the geotechnical data from any drilling programme is obtained. The ratification would include:

- Numerical modelling of shear stresses along potential failure paths and overall stress conditions.
- Kinematic analysis of potential wedge, planar and toppling failures.
- Optimization of the slope design.

13.3.3 Mining Methods

The strike length of the deposit is 1,900m and it has a width of 40m – 60m. CSA agree that upper portions of the deposit are likely to be best mined by open cut methods. The depth of open cut mining will be determined by financial and technical optimisations. The pit will be developed in such a way as to minimise the construction of haul roads on the waste sidewalls, but rather to use backfilled waste on which to build the final haul roads out of the pit.

The location of the waste stockpiles will need to be confirmed with environmental and engineering studies to improve the accuracy of mining costs. It is intended that some of the mined waste will be backfilled in to the mined out sections of the pit.

It is proposed that a mining operating cost of $2.20/t of rock is used at the conceptual level. CSA consider this cost to be appropriate for the level of study completed. And would include a cost adjustment factor of $0.05 per 10m vertical depth increase in the pit.

Because of the relatively narrow mineral zone and its steeply dipping nature, the stripping ratio will increase rapidly as the pit is deepened. To mitigate this, the following approach is proposed. The construction of haulage ramps will, as far as is possible, be maintained within the mineral zone. The higher elevations will be mined first, along the strike of the zone. But as soon as financially and technically possible, the lower area will be developed to the NE so that eventually, space will be made available for backfilling with waste. This is for two reasons: (a) to reduce the impact of waste dumping on the site and (b) to eventually enable a pit ramp to be developed on the backfilled waste to enable the extraction of the final material to the SW. It is expected that this approach will significantly reduce the waste volumes mined and enable a deeper pit to be economically developed.

13.3.4 Grade Control

The proposed grade control techniques have not been examined to date.

13.3.5 Mining recovery and dilution

No review of mining loss and dilution has been completed. CSA believes that recovery factors would benefit from additional analysis based on mining grade control procedures, blasting practices and ability to excavate mineralisation selectively. The mining recoveries and dilution factors incorporated in the conceptual pit optimisations completed by CSA (see Section 13.3.7) are best guess estimates based on CSA's experience.

13.3.6 Mine Production equipment

Mine production equipment selection cannot be finalised until the mining schedule is completed, but the equipment may consist of Cat 777 type trucks, loaded by 120 t class hydraulic excavators. A small fleet of ancillary equipment will consist of tracked and wheel dozers, graders and water bowsers. Some drilling capacity will be required.

The mining capital estimate would be based on a fleet estimated for two phases of the project, namely a start-up period with lower tonnage demands and a full stripping period with a higher total tonnage target.

13.3.7 CSA Global Optimisations

The following summary information is taken from a summary report titled 'Conceptual Pit Optimisation', Report Number R301.2013, 2013 prepared by CSA.

In September 2013 CSA Global conducted a conceptual optimisation using input parameters informed by the updated CSA MRE, recent mining review, conceptual metallurgical parameters and geotechnical work. The basis for the CSA optimisation was to investigate the effect of omitting Ilmenite from the project (as economic recovery of ilmenite is brought in to question following recent metallurgical test work) and to achieve a mine life of between 15 and 20 years.

Resource Block Model conversion to Engineering Block Model

The resource model (*bm_kodalBM*) forms the basis of this optimisation. The resource model was modified to create an engineering model *4xkod3.dm* for import into Whittle 4X optimisation software.

The following processes were applied to enable the creation of the engineering models.

- Absent or negative geological or physical values were resolved.
- Different rock type codes were created to distinguish potentially mineable material from waste within the optimisation.

Conceptual Optimisation

The conceptual optimisation was conducted using Whittle 4X optimisation software. The optimisation assumed the following key points:

- All input parameters (physical and financial) used for the conceptual optimisation were supplied by the client.
- Only the Main Zone within the block model was used for this conceptual optimisation.
- The resource model (*bm_kodalBM*), which formed the basis of this optimisation, was un-classified according to JORC 2012.
- P% was converted to P_2O_5% using a conversion factor of 2.291.
- Fe% was converted to Fe_3O_4% using a conversion factor of 1.382.
- Fe in the Main Zone was assumed to be 100% convertible to Fe_3O_4, as directed by the client.

- Fe recovery was based on Magnetite head grade and a fixed process recovery %.
- A 37% P_2O_5 concentrate and a 65% Fe_3O_4 concentrate would be produced, as directed by the client.
- All physical (tonnages and grade) and financial (un-discounted and discounted cash flows) results exclude any project capital and other non-mining related costs such as camp set-up, accommodation, power and water services, environmental, social, permitting, etc.
- CSA Global did not conduct an OPEX or CAPEX financial study for this conceptual optimisation.
- CSA Global did not conduct a marketing study for this conceptual optimisation.

Five scenarios were examined as part of the re-optimisation to understand effect of key variable changes. The five scenarios were as follows:

- Scenario 1 – Base Case.
- Scenario 2 – Base Case with commodity price lowered by 10%.
- Scenario 3 – Base Case with commodity price increased by 10%.
- Scenario 4 – Base Case with $MCAF_V$ at US$0.10/t/10m depth.
- Scenario 5 – Base Case with mining dilution at 5%.

The following table details the input parameters used for each of the five scenarios for the Whittle 4X open pit optimisation.

Table 45. Kodal Base Case Optimisation Input Parameters

Kodal Base Case Optimisation Input Parameters						
Parameters	**Units**	**Scenario 1**	**Scenario 2**	**Scenario 3**	**Scenario 4**	**Scenario 5**
P_2O_5 Price	US$/t	190.00	171.00	209.00	190.00	190.00
Magnetite Price	US$/t	65.00	58.50	71.50	65.00	65.00
P_2O_5 Product	%	37	37	37	37	37
Magnetite Product	%	65	65	65	65	65
Net Optimisation P_2O_5 Price (After Deductions)	US$/t	180.35	161.92	198.79	180.35	180.35
Net Optimisation Magnetite Price (After Deductions)	US$/t	58.75	52.97	65.02	58.75	58.75
Discount rate	%	10	10	10	10	10
Slope Angles (N/E/S/W)	degrees	58	58	58	58	58
Ore loss	%	5	5	5	5	5
Dilution	%	2.5	2.5	2.5	2.5	5
Mining operating costs:						
Base Mining Cost	US$/t	2.75	2.75	2.75	2.75	2.75
Mining Cost Adjustment Factor ($MCAF_V$)	US$/t/10m depth	0.05	0.05	0.05	0.10	0.05
Processing operating costs:						
Processing	US$/t ore	11.85	11.85	11.85	11.85	11.85
Recovery (P_2O_5)	%	85	85	85	85	85
Recovery (Magnetite)	%	72	72	72	72	72
Process Limit	Mtpa	1.6	1.6	1.6	1.6	1.6

Optimisation Results

Using the parameters detailed in Table 45 a final pit shell was chosen based on the best-case discounted cash flow. Table 46 below displays the physical and financial results for the base case and four scenarios, no capital allowance has been accounted for.

Table 46. Physical and Financial Results for the Best-Case

Case / Scenario	Units	Scenario 1 (Base Case) Pit#35	Scenario 2 Pit#33	Scenario 3 Pit#36	Scenario 4 Pit#35	Scenario 5 Pit#35
Ore Mined	kt	24,972	20,734	27,066	20,395	25,135
Grade (P_2O_5)	%	7.13	7.13	7.08	7.13	7.13
Grade (Magnetite)	%	41.81	42.18	41.54	42.19	41.81
Ore Processed	kt	24,317	20,190	26,356	19,860	25,072
Grade (P_2O_5)	%	6.96	6.96	6.91	6.95	6.79
Grade (Magnetite)	%	40.79	41.16	40.52	41.16	39.82
Waste	kt	130,687	92,551	151,049	89,554	131,759
Concentrate Produced P_2O_5	kt	3,886	3,228	4,184	3,172	3,911
Concentrate Produced Magnetite	kt	10,988	9,204	11,831	9,054	11,058
Recovered P_2O_5 in Concentrate	kt	1,438	1,194	1,548	1,174	1,447
Recovered Magnetite in Concentrate	kt	7,142	5,983	7,690	5,885	7,188
Undiscounted Cash Flow	US$M	509.42	374.08	656.50	409.78	502.45
Discounted Cash Flow (@10%)	US$M	310.60	241.57	381.84	269.56	304.91
Mine Life	Years	15.20	12.62	16.47	12.41	15.67
Strip Ratio	t:t	5.37	4.58	5.73	4.51	5.26

Figure 33 below shows the base case pit shell #35 with the resource model constrained by the main zone.

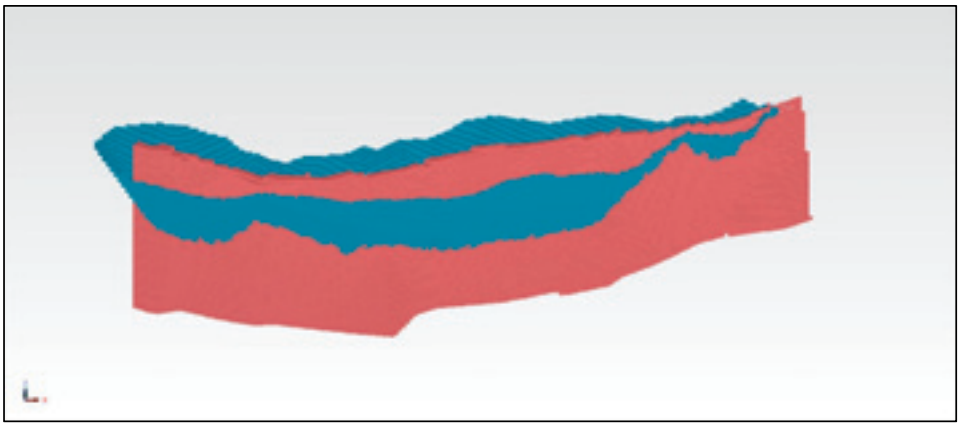


Figure 33. Base case pit shell #35, looking north

Sensitivity Analysis

A sensitivity analysis was run on the base case (Scenario 1) to identify parameters that could possibly have the greatest influence on the discounted cash flow. The following parameters were examined:

- Mining Costs

  -10%, -5%, +5% +10% around the base case cost of US$2.75/t

- Processing Costs

  -10%, -5%, +5% +10% around the base case cost of US$11.85/t

- Metallurgical Recovery P_2O_5

  -10%, -5%, +5%, +10% around the base case recovery of 85%

- Metallurgical Recovery Magnetite

  -10%, -5%, +5%, +10% around the base case recovery of 72%

The results (Table 47 below) indicate that the metallurgical recovery for magnetite has the greatest influence on the discounted cash flow for the base case. This can be seen graphically in Figure 34.

Table 47. Sensitivities for the base case, centred on the discounted cash flow

Parameter	KODAL – Discounted Cash flow (Millions)												
	-13.89%	-11.76%	-10.00%	-6.94%	-5.88%	-5.00%	Base	5.00%	5.88%	6.94%	10.00%	11.76%	13.89%
Mining Costs			333.21			321.90	310.60	299.30			287.99		
Processing Costs			325.11			317.86	310.60	303.35			296.09		
Metallurgical Recovery - P2O5		269.19			289.90		310.60		331.31			352.01	
Metallurgical Recovery - Magnetite	264.81			287.72			310.60			333.48			356.39
Parameter	KODAL – Discounted Cash flow (% variation)												
	-13.89%	-11.76%	-10.00%	-6.94%	-5.88%	-5.00%	Base	5.00%	5.88%	6.94%	10.00%	11.76%	13.89%
Mining Costs			7.28%			3.64%	0.00%	-3.64%			-7.28%		
Processing Costs			4.67%			2.34%	0.00%	-2.34%			-4.67%		
Metallurgical Recovery - P2O5		-13.33%			-6.67%		0.00%		6.67%			13.33%	
Metallurgical Recovery - Magnetite	-14.74%			-7.37%			0.00%			7.37%			14.74%

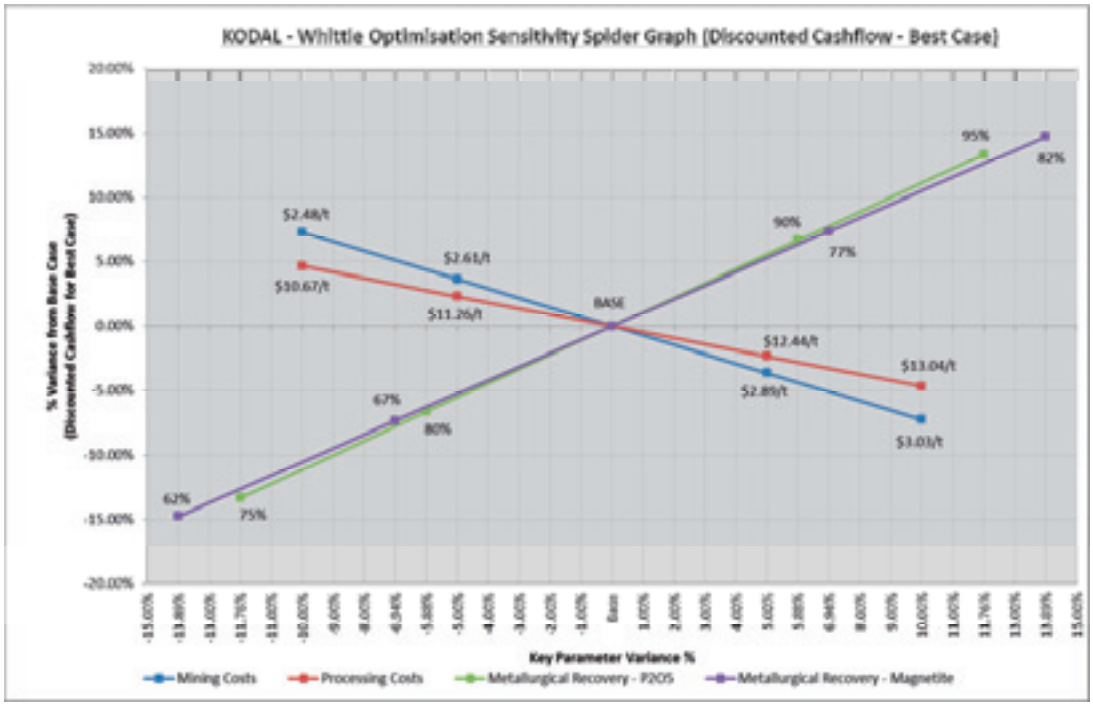


Figure 34. Sensitivity Analysis Spider Graph showing percentage variance from the base discounted cash flow for the base case.

Conclusions

From the conceptual optimisation work conducted by CSA, the Kodal Project base case indicated a discounted cash flow of USM$310.60 at a discount rate of 10% for pit #35 (USM$509.40 undiscounted) using the input parameters detailed in Table 46.

This headline NPV was based on the best case pit shell as no pushbacks were optimised at this time. The optimisation also did not take into account any provision for capital costs. No schedules or cost estimates were produced as part of this conceptual study.

Post the conceptual optimisation, further investigation was undertaken to determine whether any potential upside may exist through the inclusion of transitional material in the optimisation and by incorporating revised metallurgical parameters following the completion of test work. A subsequent iteration of the optimisation, which included transitional material suggested that upside to the NPV might be achievable under the "best case" scenario, extending the mine life to roughly 20 years. Through the inclusion of transitional material it may be possible to increase average concentrate product to 200ktpa P_2O_5 and 650ktpa magnetite. This additional optimisation used a buffer stockpile of transitional material only. It should be borne in mind and noted that this further evaluation is considered conceptual at best and included stockpiling for which no analysis of re-handling costs, stockpile material cut-off analysis or stockpile limits (physical) was undertaken. There has been insufficient study to date and as such, quoted product tonnages should not be relied upon and may not be realised. Therefore the only comment made here is that upside may exist, but further analysis of this should be undertaken as part of more detailed economic analysis (Scoping Study).

13.3.8 Tailings Storage Facility (TSF)

In this case a TSF refers to an engineered dam constructed to contain the tailings from the mine for an indefinite period.

It is proposed that the tailings from the plant be pumped to a thickener which removes excess water from the solids before pumping it to the TSF. The slurry pumped to the TSF will contain about 50% water (water/solids ratio 1/1) and the excess water is returned to the plant.

The ideal location will be a suitably sized and located valley nearby the project. It must meet all environmental and geotechnical specifications. Detailed investigation will be required to determine the suitability of this location. It is possible that two smaller areas could be used.

It is assumed that conventional hydraulic deposition will be used whereby the tailings are dewatered and settled by gravity in a dam while the water is collected and pumped back to the process water storage for re-use in the plant. Alternatively thickened tailings deposition may be considered. This requires the dewatering of the tailings to a consistency, where less water is drained and no material segregation takes place. For this type of deposition conventional dams are not required.

It has been assumed that the layout of the site, being a valley, will require a relatively short dam wall to be constructed. The work envisaged will include clearing the area and foundation earthworks for the dam wall, the installation of geotextile filter blankets and construction of transverse drains, placement and compaction of low permeability earth fill and the construction of toe drains water collection sump and spillways. It has been assumed that all construction materials will be available on site although this will need to be confirmed in detailed studies.

Once the project is finished the surface of the TSF can be sheeted with waste rock and topsoil and replanted as productive forestry land.

13.3.9 Electrical Power

The plant power requirements have been based on CSA's experience from recent projects. The power consumption listed in the OPEX calculation (section 13.3.16) has been based on the bond index reported in on going test work from NTNU, Trondheim and the experience from similar projects. It must however be stressed that further test work on this ore must be carried out to confirm or update these figures.

It is assumed that the power supply for the mine will be drawn from the local electricity grid. An overhead supply line is located on the western side of the Lågen River although no details are currently available on the capacity or availability of this source. To connect to the supply, and supply the mine site, a new overhead line will need to be constructed. The connection to the Norwegian national grid will be via an air insulated substation. The primary medium voltage distribution system (typically 11kV) will be connected to the main incoming supply via two transformers. In case of a transformer breakdown, one transformer should be able, on its own, to feed the mines process plant and all secondary functions. The power network configuration will be based on 10 kV AIS type switchgear. The distribution transformers and

medium voltage motors throughout the process plant will be supplied from the 10 kV switchgears.

CSA considers the main transformers will be oil immersed and good for outdoor installation. The distribution transformers (typically 10kV/690V and 10kV/400V) will be of the dry type. Incoming cubicles will be supplied with air circuit breakers equipped with over-current protection and arc guard system. Electrical rooms near the mine and pump stations can be of container type. These are easy to move as the area or mine develops. The containers will include facilities for air conditioning, heating, service power and internal, external and emergency lighting.

13.3.10 Process Water

Three possible sources of water have been identified. The first of these is water which naturally drains into the mine area and which will need to be diverted and collected. The second source is a lake located to the northwest of the mine site. The third is the river Lågen located to the west of the mine site. The hydro-geological properties of the mine area are yet to be investigated and the total water requirement cannot yet be calculated however it is possible a substantial percentage of the mine water requirements may be delivered from the mine area. Permission will be required to draw water from these sources and each will need to be investigated.

Local environmental conditions will have an effect on the water supply. During the winter months the surface of the dam and river could freeze. However, it is expected that the water will continue to flow in the river and should therefore be a reliable source.

The tailings water pond will also have the potential to freeze and may be considered a risk. It may therefore be necessary to provide additional water from the river during the winter months. Tailings from the process plant will be pumped to the tailings dam. A portion of this water will be recovered and returned to the process plant. The volume recovered will be highly dependent upon the environmental conditions. During warm days the evaporation rate will reduce the volume of water available while excess water will become available when precipitation is high. A typical recovery is expected to be in the order of 50%. The shortfall in the water lost due to evaporation and seepage will need to be supplied as makeup water to the process plant. The water will be stored in steel or concrete water tanks

Additional water will be required for haul road dust suppression, truck cleaning and a water supply to the offices

13.3.11 Potable Water

The source or potable water is yet to be determined. The two options are onsite treatment of water available on site or connection to the municipal supply.

13.3.12 Administration Security and Warehouse

The site will require offices and supporting infrastructure typical of other mines of a similar size. Given the anticipated mine life (approximately 20 years) permanent structures are appropriate.

The main store consists of a one single space warehouse. The store will be used for the receiving, storage and issuing of spare parts and equipment. Loads on the floor will be significant and forklift loaders will be operating inside the building.

13.3.13 Camp Accommodations

The project is expected to employ approximately 200 people. It is likely that a large number of these workers will be local people who already live in the area.

The mining site is located within acceptable distance for daily commute from villages in both municipalities, and from more distant areas, including Larvik and Sandefjord.

There are land developments planned in Andebu to provide more residential property and in Kodal the educational facilities are being upgraded. Initial conversations with representatives of the Andebu municipality did not raise any concerns over local infrastructure.

13.3.14 Product Transportation

Kodal have identified three possible transport systems and one possible port for the concentrates.

The transport options are trucking, use of an aerial ropeway or by pipeline. These three options represent three very different capital and operating cost scenarios and each have unique environmental and technical challenges. The eventual decision will be based upon the best combination of technical feasibility, economics, and environmental and social impact.

Because of its relative technical simplicity the current cost study assumes trucking will be used for concentrate transportation. Following preliminary conversations with the port of Larvik it is assumed the mine will build and operate a bulk concentrate storage and ship loading facility at the port.

Bulk haulage is estimated at $3.00/t of concentrate. Given the densities of the concentrate it may be possible to transport heavier loads than are currently allowed on Norwegian roads without increasing the physical dimensions of the trucks past that currently allowed. The option of applying for permission to use modified trucks to carry increased tonnages needs to be investigated. This offers the advantages of reduced traffic, greater fuel efficiency and lower overall cost.

The road infrastructure from Larvik to the village of Kvelde is excellent being national road 40 which is wide, largely flat and in good condition with relatively low traffic levels. At Kvekde the route turns right and progresses adjacent to the village passing in close proximity to some houses. The road then crosses the Lågen River at the Holmsfoss bridge, the location being unsuited for the proposed truck traffic as it is a single lane bridge with poor approaches. Once over the bridge the road soon becomes too narrow for the proposed use and will need to be widened and generally improved to allow the safe passage of concentrate trucks.

13.3.15 Infrastructure Capex

Capital expenditure for the infrastructure (Table 48) has been calculated using cost information provided by Kodal and augmented by information gathered from CSA's experience, informed by regional considerations and the location of the project. The primary infrastructure is linked directly to the plant equipment and, where possible, the costs used are related to current installations using that equipment. A major portion of the costs is attributed to the earthworks and buildings. Costs for these were obtained from a recent project based in Scandinavia using similar equipment for the process plant. Some of the costs have been reduced to allow for a shorter project life and expected improved ground conditions.

Table 48. Kodal Minerals Infrastructure CAPEX (1.6Mtpa)

Description	Total Cost USD$ (Millions)
Total civils and buildings	22
Total electrical supply	7
Total roads	4
Total pumping	2
Total tailings dam	2
Total vehicles	3
Total general	1
Plant Equipment	65
Port Facilities	10
Engineering	8
Total Infrastructure	**123**

13.3.16 Infrastructure Operating Costs

The operating costs for the installed infrastructure have been estimated based on a percentage of the capital cost. The percentage for each item is based on the infrastructure type. Fixed infrastructure (buildings) will require less maintenance than machinery (compressors). Power costs for the infrastructure are relatively low comprising primarily of lighting and pumping. The power costs are based on estimated installed power and the utilization of the equipment. The operating cost for the infrastructure has been estimated at $0.99 per tonne of ROM.

13.3.17 Manpower requirements

A high level manpower compliment was estimated based on a 4 shift weekly rotation. This allows for a 24 hour operation and would result in the highest possible utilization of the capital plant. An allowance of 18 per cent to provide for holiday, sick leave and other absenteeism was applied to shift workers. It is recommended that a trade-off be undertaken at the next level of study between maximising equipment utilization and the cost of labour by analysing various shift systems.

Table 49. Manpower Estimate

	Daily compliment	Leave Rate	Total
MANAGEMENT	7		7
ADMIN SUPPORT & GEN.	24		24
GEOLOGY	3		3
MINING	85	15%	98
MAINTENANCE	16	15%	18
PROCESS PLANT	41		41
LABORATORY	6		6
LOGISTICS	22		22
TOTAL	**204**		**219**

13.4 Process Design

Refer to Section 11 for available information regarding metallurgy and processing.

13.5 Risks

The following risks have been identified by CSA.

There are a number of risks which would need addressing if the project were to advance further:

- Cost have been estimated to ±40 per cent accuracy. This leaves considerable scope for variation in costs.
- This mining review was undertaken as a desk-top review and a site visit to test the validity of some assumptions, would be required.
- Magnetite will have relatively high titanium content and so a marketing study should be completed to confirm pricing.
- The MRE used as an input to the conceptual optimisation study work comprises Inferred and Indicated Mineral Resources.
- A close look at the area using Google Earth reveals a heavily wooded area criss-crossed by walking and cycle trails. It would appear that the area provides an outdoor wilderness recreation area for the local population. This could have a major impact on the ability to obtain permissions to mine.

- There is always a risk in the price of the products used in any cashflow estimates. Market related prices were used for phosphate. The magnetite concentrate price was set at 60 USD/t, representing a significant discount on other magnetite prices in the region of 100 USD/t to 120 USD/t. A more rigorous study on the long term product prices would be required.

- Slope assessments are based on a preliminary investigation completed by Celtis Geotechnical in August 2013. Dr J.V James completed a site visit and inspected the local area in July 2013 and completed preliminary geotechnical modelling indicating an overall slope angle of 60 degrees. This number is indicative only, further investigation supported by geotechnical drilling in required.

- Ground water inflows are currently based on assumptions without any supporting data or modelling. Dewatering of the open cut slopes and production areas is required to allow geotechnical stability analysis of the open cut wall rocks to assume a low ground water level and therefore steeper wall angles. Modelling will also improve mine production cost estimates. Water management is a fundamental requirement for environmental approvals, so identification of the quantity and quality of the water to be managed is an important consideration.

- The sample material used for the metallurgical investigation was drawn from drill core from the 2012 drill programme. The sample was selected to mimic the anticipated average ROM grade if mining a mix of main zone and transition material at a rate of 1.6 mtpa. Subsequent to the test work being completed it was apparent the mining would be focussed on the main zone thus the test sample is of lower grade than the expected ROM grade. The test material is also drawn predominantly from the western end of the mineralised zone. The tests will need to be confirmed with repeat testing using fully representative material following further drilling.

- Tailings storage facility site has not been investigated. Until this work is completed tailings storage is considered a major risk to the project. Engineering studies for the tailings storage facility should include capacity allowance for snow and ice during winter months.

- Waste dump site has not been investigated.

- CSA note that no studies have been undertaken on the availability of electrical power supply from the local grid. Until this work has been undertaken there is a risk to the Capex and Opex estimates for the project.

- The process water supply assumptions have unresolved risks that include, no approvals to take water from the river, freezing of the river in winter, loss of return water from tailings storage facility in winter.

- The concentrate transportation costs assume bulk haulage to the port of Larvik as discussions with the port suggest a bulk handling facility can be considered.

- Up to date metallurgical test work has yielded product specifications. While this work needs to be confirmed using fully representative samples it is expected that

the current results may be considered indicative of combined Main Zone and Transitional Zone product specification.

Despite these risks, the review has indicated that a robust return on investment is possible provided a market is found for both products and the above mentioned risks are addressed.

Open pit mining down to the economic depth of approximately 208 m is the correct mining approach in the opinion of CSA.

13.5.1 Recommendations

- Scoping/Pre-feasibility Study scope of work and cost estimates to be reviewed by Competent Persons.
- Any resource development activities and further Mineral Resource estimation updates should include grades of contaminants identified as sensitive in the marketing of Phosphate and Magnetite products.
- Hydrogeology test work and modelling.
- Geotechnical sampling, test work, analysis and modelling.
- Marketing studies undertaken including product specification recommendations.
- Representative bulk sample collection.
- Pilot plant scale metallurgical test work. Suitable quantities of concentrate to be produced to demonstrate magnetite pellet quality. Physical and chemical properties are required to support revenue assumptions.
- Product quality specifications.

Road transport of concentrate to the port of Larvik was included in the analysis. Optimisation and an in-depth trade-off study for this option is recommended.

14 Environmental Review

14.1 Background

Details in this section have been summarised from the review document supplied by Struthers (2013).

Information presented here, that relates to mining scenarios are sourced from the recent conceptual mining study only.

The deposit outcrops in the forested hilly area between the Lågen valley to the west and the Svartåa valley to the east. The Kodal Project surface mining operation will result in an excavation up to approximately 1990 meters long, 150- 300 m wide at the surface, and up to 250m deep. It is likely that the excavation will be partially backfilled, mainly at the eastern end, during operations, giving a smaller final excavation. Ore will be transported to the plant by a fleet of trucks.

The average stripping ratio is expected to be 4.5, resulting in about 110Mt of waste rock over the fifteen and a half years of mining. The larvikite waste rock will be accommodated within the project area and will be largely benign, with very few, if any, deleterious or environmental/health impacting pollutants. The waste rock will be placed in an engineered waste rock stockpile (WRS) in the unpopulated forest area to the south west of the pit. As this is at a higher elevation and potentially visible from the south, east and west, it will be contoured to give a natural profile and progressively re-forested. Any water run-off from the WRS, or seepage from beneath it, will be collected in ponds to settle sediment and treated if necessary before discharge to the environment.

The process plant residue will be a fine-grained slurry, with a mineralogy and chemistry similar to the ore material, anticipated to be largely benign and unlikely to contain or produce significant pollution. Details of the tailing storage facility (TSF) location, construction design and operation will be a crucial part of the feasibility study and subject of detailed environmental impact investigations. The slurry, likely to be 50% solids or less, will be piped to a suitably designed impoundment or TSF located either in valleys to the north of the plant, or upstream of the WRD to the south east of the pit.

The various products from the project will be transported to Larvik port for export, probably by conventional truck haulage. Impacts on the environment and local communities of this increased road usage will be fully investigated. A covered stockpile/silo area will be necessary for concentrate storage at the port, and conveyors used for loading concentrate onto ships directly from the stockpile.

14.2 ESIA Studies and Permitting

The Kodal ESIA will be prepared in line with international standards, specifically Equator Principles and the International Finance Corporation Performance Standards. The Kodal Project is likely to be defined as an Equator Principles Category A project – 'with potential

significant adverse social or environmental impacts that are diverse, irreversible or unprecedented and may affect an area broader than the site facilities subject to physical works'. Accordingly, the ESIA will determine potential measures to prevent, minimise, mitigate or compensate for adverse environmental and social effects, whilst optimising the positive benefits of the project. The ESIA will also integrate environmental and social considerations into project design and conduct consultation and disclosure to reflect this. The ESIA report will develop Environmental and Social Management Plans with appropriate standard operating procedures (SOPs) and will also set out appropriate monitoring, auditing and reporting procedures and schedules.

It is understood that in order to start a new mining project in Kodal, a zoning plan, including environmental impact assessment, must be prepared. The zoning plan is a legally binding plan that shows in detail what is permitted within the mining lease area where the Kodal project will operate and describes the proposed site and activities to be undertaken. The purpose of this is to obtain approval and facilitate the instigation of mining operations and associated industrial activities, infrastructure, disposal of waste materials and transportation of product to point of export.

The Norwegian Environment Agency (NEA) is the national regulator with jurisdiction over developments that will have specific environmental impacts and are the issuing authority for 'pollution' or 'discharge' permits that allow the start of a mining operation. NEA has responsibility for mines exploiting iron and other metals, and is likely to be the arbitrator of the Kodal application for a Discharge Permit. Such application generally requires the same documents/reports used in the planning submission – including the project feasibility study and ESIA.

14.3 Potential Impacts

All potential impacts from the entire operation – that is from initial construction and delivery of supplies and equipment; the development and operation of the mine and plant, waste rock stockpile and tailings storage facility, and other mine infrastructure; the transportation of product to port and/or end-user; to the end-of-mine-life closure and rehabilitation activities and post-closure environmental and social plans – will be thoroughly investigated in an Environmental and Social Impact Assessment study.

The most obvious impact will be visual, from the visible excavated open-pit, waste rock piles and the TSF which will be an extensive, flat feature in an area of high relief. The other mine infrastructure of plant, workshops, ore stockpiles, water supply- and treatment ponds, and access and haul roads will have a largely temporary visual impact in the area. Exact sight-lines for each of the project components will be investigated and measures taken to lessen or alleviate the impacts through temporary tree screens, landscaping and rapid and progressive re-forestation and revegetation. Backfilling areas of the mine will be considered if scheduling, logistics and economics are favourable. It is estimated that the area of direct disturbance from the development of the mine and associated infrastructure will be in the order of 500ha, with further land indirectly affected as a consequence of access restrictions for safety reasons.

The main project dust sources will be blasting, ore and waste transportation, ore stacking, crushing and associated haulage and deposition activities. Impacts of diesel and exhaust

fumes will be localised. Wider impacts of project generated dust and emissions will depend on wind strength and direction, to be investigated during baseline studies, but will be ameliorated with water trucks on the roads, and spraying and dust-skirts at crusher and tipping points.

Project water sourcing and requirements will be the subject of early studies, to define the mine water balance, and domestic and potable water supply may be taken from groundwater if this is confirmed by hydrological drilling. Detailed flow studies will be undertaken to determine potential physical and ecological impact of abstraction from the river systems and groundwater, and potential effects on downstream water users. The project will aim for a neutral water balance, to eliminate the need for any discharge of impacted water to the environment. Natural run-off during the spring snow-melt and summer precipitation will be diverted away from the operational areas to avoid contact. It is anticipated that all mine contacted water will be collected, treated and re-used directly, or sent to the tailings dam or ponds for storage. The TMF will be a closed system, and no discharge will occur from this area. Decanted water will be returned to the process storage pond for treatment and re-use. Foul water from the mine site will be treated to Norwegian standards and reused or possibly discharged to the TSF.

The mine will generate diverse waste streams throughout all development phases, including solid construction wastes, domestic and technical (processing and mineral laboratory wastes) wastes, domestic effluents and runoff waters. Liquid waste streams (effluents and residual liquids) will not be released to the environment unless they conform to Norwegian regulatory requirements and internationally recognised quality limits. The management of wastes will be undertaken in line with the various framework management plans, accompanying the ESIA. A geochemical characterisation study will be undertaken to determine the acid-forming and neutralising potential as well as metal leaching characteristics of waste rock and process tailings from the Kodal Project. However, given the known mineralogy of the deposit, it is unlikely that acid mine drainage (AMD) will be a significant issue. Nevertheless, early design will take a precautionary, conservative approach, and waste rock will be placed in an engineered storage facility with flexibility for selective placement and encapsulation, if necessary. The TSF will operate as a closed system and if required, will be fully lined with additional environmental protection measures. A waste management strategy will be developed for other wastes produced by the project, including domestic waste streams, which will minimise waste generation, re-use and recycle wastes where appropriate, and use disposal practices in line with Norwegian waste legislation.

Although largely benign, process chemicals and reagents will be stored in secure containers in a compound within the plant complex. This will have a concrete floor, will be bunded and include spill collection measures. Appropriate signage will be used and first aid training will be provided to staff. Fuel and oil supplies will be stored in secure bunkers constructed with concrete floor and spill collection sumps, with earth bunds capable of containing the full storage capacity. All fuel distribution and issue points will have sand buckets and emergency spill kits available and easily accessible. Measures to avoid, respond to, and treat spills and emergency situations will be outlined in a Spill Prevention and Emergency Response Plan to be defined as part of the ESIA. All explosives and associated plant and equipment will be housed in a separate magazine, constructed to required standards and located a minimum of 500m from all other project infrastructure. This magazine will be fenced and have an earth bund, and will have security at all times.

Although crushing and grinding will be housed indoors at the plant, significantly reducing noise, drilling, blasting, hauling and tipping operations will have both noise and vibration impacts. With the exception of blasting, mining activities will operate 24 hours a day, year round, potentially impacting on local residents and communities. The ESIA and design of operations will develop schedules and methodology to minimise these effects, with tree screening and other measures to reduce noise transmission.

The project will require significant clearance of forest for the mine footprint – for the open-pit excavation, WRS and TSF, the plant and other mine infrastructure. This, together with the constant activity, vehicle movement, noise, vibration and dust will affect wildlife in the area. Detailed and extensive baseline studies of the biodiversity in the project area will be undertaken to better understand likely impacts and the most appropriate methods of mitigation and impact reduction. This will include bird, bat and insect surveys, land and aquatic ecology, and details of the tree and flora species and densities. Aquatic surveys and research will determine the present condition, status, behaviour and vulnerabilities of fish species in the rivers and streams of the project area, to develop mitigation measures and management strategies to counter any potential adverse project effects.

Transportation of concentrate from the mine to Larvik Port and/or other product destinations will have consequences of increased traffic, noise, dust and other emissions. Truck haulage operations may run continuously, 24hours per day, throughout the year, and implications for road safety; road wear and on-going maintenance; noise; dust and fumes; and light pollution at night will all be considered during the ESIA and feasibility study, and include consultation with local communities and stakeholders. Study of the marine ecosystem at and around the port will identify potential risks associated with construction and operation of concentrate storage facilities at Larvik port and ship loading operations, and determine the best spill-avoidance and management procedures.

There may be a requirement to relocate a small number of residents in the immediate vicinity of the mining operations to avoid risk of damage to property, injury and/or impacts from vibration, noise, dust and blasting fly-rock. This will be undertaken following full consultation with all parties, land-owner agreements, appropriate compensation, and in compliance with any Norwegian legislation. A detailed Relocation Action Plan (RAP) will be developed in consultation with all impacted parties and with local and regional authorities as part of the feasibility plan and ESIA report.

There are both negative and positive social impacts of developing any new activity, especially in an area of high natural value but limited economic productivity. The employment opportunities associated with the construction phase and then for the duration of the productive mining operation will be significant in an area with few new industries or commercial developments. It is anticipated that approximately 250 jobs would be directly available from the operations, with more on ancillary activities at the port and as part of the transportation network. Local people would benefit from improved facilities and infrastructure introduced directly as a result of the project. Indirect economic benefits will be derived from supply of supplementary services and goods required by the project, including accommodation, transportation and catering for the expanding workforce, as well as technical servicing of the operation.

Apart from people physically displaced and project land requirement, the Kodal project will have little adverse impact on agricultural land or other economic activity in the area. While recreational activities such as hiking, fishing, hunting and skiing, are popular in Vestfold, little of this is carried out in the project area. No specific protected- or allocated recreational areas have been identified around Kodal, but there is a fundamental legal principle in Norway that the public have a right of access to all areas (except private gardens, agricultural land in the snow-free season, and industrial plants). There are around 260km of trails in Vestfold managed by Sandefjord og Oplands Turistforening (SOT), part of the Norwegian Trekking Association. Replacement trails will be put in for any summer trekking and winter snow hiking trails identified in the project area to avoid project infrastructure for public safety. There are also a number of huts (hytter) and cabins (turforslag or geirastadir) in the area and consultation with SOT will determine the location and current status of such huts for possible relocation.

14.4 Rehabilitation

Mine decommissioning and rehabilitation involve significant costs, much of which will be incurred at the end of the mine's life. Progressive rehabilitation, where possible, during the mine life, reduces the end-costs on closure. A front loaded financial closure bond will be established in accordance with international best practice and Norwegian regulatory requirements. Rehabilitation will require topsoil stripping and stockpiling from the start of construction activity at the site and there will be progressive landscaping, revegetation and tree planting. Closure reclamation works will include geotechnical stabilisation of the open pit; contouring, covering and revegetation of the waste rock stockpiles; covering, landscaping and planting of the TSF; and site ecological restoration. Long-term surface erosion control and passive water treatment/management systems will be installed for water seepage or discharges. Post closure environmental monitoring will be established. Buildings and infrastructure will be removed from site unless identified as beneficial or required for the local communities. Non-technical mitigations will also include social interventions such as retrenchment and retraining costs and developing community grants aimed at reducing social impacts on closure.

14.5 Conclusion

While geology and deposit location are fixed and unalterable, it should be stressed that there are no set plans or designs yet determined for the Kodal mining project. All options for mining method, waste and water management, and product transportation are subject to full investigation, evaluation and assessment, as part of the project feasibility study and associated ESIA. The final configuration, logistics and methodology will depend on the outcome of these studies. The ESIA studies will determine the most efficient, least impacting, economically viable and Best Available Techniques for constructing, operating and finally rehabilitating and closing the mine.

15 Interpretation and Conclusions

The following interpretations and conclusions are provided by CSA relating to the Kodal Project:

- The Kodal Project forms part of the Vestfold-Ringerike Graben, itself part of the Permian Oslo rift formed during the latter part of the Variscan orogeny. The Larvikite-Ladalite ring complex dominates the southern portion of the graben with a number of known, small, Fe-P mineral occurrences found in Nepheline bearing Larvikites in the region.

- The mineralised body has two zones defined on mineralisation characteristics; the 'Main Zone' comprising higher concentrations of Fe and P, bounded by a variable thickness 'Transition Zone' on either side which shows gradational reduction in mineralisation away from the Main zone. The Transition Zone is hosted within Monzonite and eventually trends outwards to unaltered country rock.

- The mineralised zone has a currently delineated strike extent of around 1900m at surface, is broadly tabular with some apophasis throughout. The Eastern end becomes lensoidal as it reduces in thickness until extinction. The Western end is cut by a roughly vertical Syenite intrusion. The deposit is seen to bend by 40° at 1/3 of its length from the west.

- The Kodal Project is considered to be an Advanced Exploration Project which has been the subject of exploration and evaluation historically, and more recently by Kodal in 2012 and 2013.

- The following exploration and evaluation activities have been completed over the project by Kodal:

    - Sourcing, collation and review of historical literature pertaining to the project and georeferencing of available historic plans and cross sections.

    - Limited verification drilling (7 holes) to twin historic holes drilled over the project in the 1960's and 1970's.

    - Re-logging and re-sampling of available historical drill core held in Norway.

    - Outcrop surface mapping over the project, including survey pick-up of some historical drill holes.

    - Preparation of an internal, non-JORC compliant MRE for the project.

    - Preliminary metallurgical test work to evaluate processing and recovery of iron and phosphate.

    - Preliminary geotechnical study.

- CSA has completed the following work as part of the preparation of this CPR document:
    - Review of historical literature and data held by Kodal for the project.
    - A visit to the project site undertaken by a Competent Person for the purposes of project review and verification of information and data.
    - Preparation of a JORC 2012 reportable MRE for the project.
    - Preparation of a conceptual desk-top assessment of mining options.
    - Preparation of a conceptual pit-optimisation to assess potential project economics.
- Much of the available drilling and sampling data held for the project is that collected historically by previous owners during the 1960's and 1970's. No original assay certificates from historical sampling are available to review, and therefore the only means by which historical data can be validated is via twin verification drilling and re-sampling of historical core.
- Procedures for recent verification drilling were not available for review. As such CSA cannot comment on its appropriateness. However, through discussion with Kodal staff and observations made on site, CSA believes drilling was undertaken by a professional local contractor, with experience in mineral exploration drilling.
- Informed by a review of the Norwegian Geological Society core storage facility, CSA believes core handling during recent verification drilling was to industry accepted standard.
- A review of reanalysis of historic drill core by current methods demonstrated an acceptable correlation for P with a slight bias to the historical samples apparent at grades <1.5% P and to the re-assayed samples at grades between two and three per cent P. A marginal bias to the historical samples was exhibited for Fe.
- CSA has reviewed the twin drilling data and consider the overall correlations to be acceptable so as to provide a level of confidence suitable for the reporting of Mineral Resources.
- Limited SG samples have been collected, and all of them being collected historically, with no verification by Kodal staff. The SG data available is in line with expected SG values when considering the rock types and mineralisation style observed.
- Further testwork is required, to fully investigate the lithologies, mineralisation styles of the deposit along with any potential changes with depth or along strike.
- No down-hole survey information is available for historic drilling, and surveying of verification drilling was not undertaken. As such there is a limit to the confidence that can be assumed of the absolute position of sub-surface mineralisation. CSA

considers the deviation of shallower holes to be minimal, and lower confidence as hole depth increases.

- A review of hard-copy information against that contained in the electronic database provided to CSA highlighted several errors that were subsequently corrected by CSA and were not considered to be material.

- There is no QA/QC data for the historical data, but QA/QC material has been included with the re-assaying and twin drill hole assaying recently undertaken by Kodal. CSA has reviewed this QA/QC data and believes the ratio of duplicate and standard insertion (being 1:6 and 1:3 respectively) to be adequate so as to provide a statistically valid dataset for review. Analysis of the results of duplicate, blank and standard QA/QC checks suggests an acceptable correlation with no significant bias reported.

- CSA reviewed the internal MRE prepared by Z Star and concluded that the model, whilst created using an appropriate methodology, did not adequately honour the grade variability of underlying input data, and the grade compositing protocol led to grade bias which resulted in an overstatement of mean grade. In addition, the extrapolation of the mineralised zone at depth, beyond a reasonable influence of sample data, resulted in a tonnage estimate that CSA considered to be excessive. In response to this, CSA has updated the MRE to report a more robust and reliable estimate of Mineral Resources for the project.

- CSA believes the resource domaining approach used by Z Star to be valid for the current level of study, and data availability.

- CSA has re-visited variographic analysis with a more statistically valid composite length and simplified modelling technique. Grade estimation was undertaken using OK interpolation methods within a wireframe constrained block model.

- The CSA Mineral Resource estimate for the Kodal Deposit has been classified according to JORC2012, with an effective date of 20 December 2013. The following criteria were considered when classifying the resource:

    - Results of validation of the historic data, including validation of hardcopy data, review of re-assaying, QA/QC, lack of down-hole survey information and location of historical drill collars.

    - Data spacing.

    - Confidence in the geological model and 3D model.

    - Topographic control.

    - Results of estimation validation, including visual inspection, classical statistical analysis of input and output grade data, search pass, Kriging Variance and swath plot analysis.

- Location of material relative to the CSA conceptual pit optimisation shell used to inform the criteria of "reasonable chances of eventual economic extraction" under JORC.

- CSA reports, at a 0.5% a total Indicated Resource of 14.6Mt at 2.26% P (5.18% P_2O_5) and 24.12% Fe; with an Inferred Resource of 34.31Mt at 2% P (4.59% P_2O_5) and 20.38% Fe.

- The Indicated Mineral Resource represents a coherent zone of material estimated in the first search pass, close to surface and supported by shallow, closely spaced drilling. Material below this, contained within the conceptual optimisation shell was classified as an Inferred Mineral Resource.

- Of the quoted Indicated Mineral Resource, 8.8Mt at 7.00% P_2O_5 and 31.20% Fe is contained within the Main Zone, and 5.8Mt at 2.44% P_2O_5 and 13.45% Fe is contained within the Transition Zone.

- Of the quoted Inferred Mineral Resource, 15.7Mt at 7.26% P_2O_5 and 30.00% Fe is contained within the Main Zone, and 18.6Mt at 2.33% P_2O_5 and 12.24% Fe is contained within the Transition Zone.

- In addition CSA outlined an Exploration Target as defined under JORC 2012 of between 40 and 60 Mt at a grade range of between 1 - 4% P and 10 – 30 % Fe. This Exploration Target material, expressed as ranges of tonnage and grade, represents material for which there has been insufficient exploration to support a Mineral Resource estimate. The potential quantity and grade is conceptual in nature and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

- CSA considers the resource upgrade potential of the Kodal Project to be good.

- Preliminary metallurgical test work completed on a composite sample of drill core material provided the following conclusions:

    - A 25% weight recovery to final magnetite concentrate at 75% Fe recovery was achieved, at a grade 62.04% Fe, 8.74% TiO_2, 0.09% P_2O_5 and 0.027% S. The bulk sulphide flotation did not produce a saleable concentrate, but recovered 48% of the sulphur reporting to final magnetite cleaner concentrate.

    - Final apatite concentrate of 85.0% phosphate recovery was achieved at 41.8% P_2O_5 in open circuit, with the expectation of potential upside in an operating plant with product stream recycle. Reagents used were fatty acid, PGE, sodium silicate and sulphonic acid.

    - It appears from this preliminary test work that economic recoveries and grades of Fe and P_2O_5 are achievable at Kodal, assuming that the material on which test work was undertaken may be considered representative of the mineralised zones.

- Kodal comment that research and market studies are underway to identify buyers of products with the specifications outlined here.

- There are a number of mining risks which would need addressing if the project were to advance further:
  - Costs have been estimated to ±40 per cent accuracy. This leaves considerable scope for variation in costs.
  - This mining review was undertaken as a desk-top review and a site visit to test the validity of some assumptions, would be required.
  - Magnetite will have relatively high titanium content and so a marketing study should be completed to confirm pricing.
  - The CSA MRE used as an input to the conceptual optimisation study work comprises Inferred and Indicated Mineral Resources.
  - A close look at the area using Google Earth reveals a heavily wooded area cross-crossed by walking and cycle trails. It would appear that the area provides an outdoor wilderness recreation area for the local population. This could have a major impact on the ability to obtain permissions to mine.
  - There is always a risk in the price of the products. Market related prices were used for phosphate. The magnetite concentrate was set at 60 USD/t, representing a significant discount on other magnetite prices in the region of 100 USD/t to 120 USD/t). A more rigorous study on the long term product prices would be required.
  - Slope assessments are based on a preliminary investigation completed by Celtis Geotechnical in August 2013. Dr J.V James completed a site visit and inspected the local area in July 2013 and completed preliminary geotechnical modelling indicating an overall slope angle of 60 degrees. This number is indicative only, further investigation supported by geotechnical drilling in required.
  - Ground water inflows are currently based on assumptions without any supporting data or modelling. Dewatering of the open cut slopes and production areas is required to allow geotechnical stability analysis of the open cut wall rocks to assume a low ground water level and therefore steeper wall angles. Modelling will also improve mine production cost estimates. Water management is a fundamental requirement for environmental approvals, so identification of the quantity and quality of the water to be managed is an important consideration.
  - The sample material used for the metallurgical investigation was drawn from drill core from the 2012 drill programme. The sample was selected to mimic the anticipated average ROM grade if mining a mix of main zone and transition material at a rate of 1.6 mtpa. Subsequent to the test work being completed it was apparent the mining would be focussed on the main zone

thus the test sample is of lower grade than the expected ROM grade. The test material is also drawn predominantly from the western end of the mineralised zone. The tests will need to be confirmed with repeat testing using fully representative material following further drilling.

- Tailings storage facility site has not been investigated. Until this work is completed tailings storage is considered a major risk to the project. Engineering studies for the tailings storage facility should include capacity allowance for snow and ice during winter months.
- Waste dump site has not been investigated.
- CSA note that no studies have been undertaken on the availability of electrical power supply from the local grid. Until this work has been undertaken there is a risk to the Capex and Opex estimates for the project.
- The process water supply assumptions have unresolved risks that include, no approvals to take water from the river, freezing of the river in winter, loss of return water from tailings storage facility in winter.
- The concentrate transportation costs assume bulk haulage to the port of Larvik as discussions with the port suggest a bulk handling facility can be considered.
- Up to date metallurgical test work has yielded product specifications. While this work needs to be confirmed using fully representative samples it is expected that the current results may be considered indicative of combined Main Zone and Transitional Zone product specification.

- Despite these risks, the mining review has indicated that robust return on investment is possible provided a market is found for both products and the above mentioned risks are addressed.
- While geology and deposit location are fixed and unalterable, it should be stressed that there are no set plans or designs yet determined for the Kodal mining project. All options for mining method, waste and water management, and product transportation are subject to full investigation, evaluation and assessment, as part of scoping and project feasibility study and associated ESIA. The final configuration, logistics and methodology will depend on the outcome of these studies. The ESIA studies will determine the most efficient, least impacting, economically viable and best available techniques for constructing, operating and finally rehabilitating and closing the mine.

16 Recommendations

The following recommendations are made, in order to advance the Kodal Project;

- CSA considers the current geological model for the project to be good. Additional drilling over the project should focus on resource development and upgrading of the currently defined Mineral Resources. To this end additional drilling should focus on infill drilling to increase the confidence in the geological and resource models.
- With respect to drilling, CSA recommends;
    - That all future drill holes should be down-hole surveyed to ensure the position of mineralised intercepts is more confidently known. The position of subsequent mineralised zones delineated in future drilling should be compared to those delineated historically, to further assess the reliability and confidence of historical intercepts in a spatial sense.
    - That additional core drilling is orientated to facilitate the collection of structural and geotechnical information.
    - That additional samples be taken for metallurgical test work, to augment the work completed to date. Collected samples should be representative of the strike and depth extent of the defined Mineral Resource, different geological units and grade ranges.
    - That additional bulk density samples be taken such that the variability in density between different geological units and grade ranges is more reliably known.
- Kodal should prepare a set of Standard Operating Procedures (SOPs) for resource development and exploration that include Industry standard QA/QC procedures and protocols to maximise the reliability and confidence of project data.
- An industry standard database management system should be put in place prior to further data collection over the project, to ensure captured data is valid, is stored appropriately and is secure and auditable for JORC requirements.
- With respect to future potential Mineral Resource updates, CSA recommends the following;
    - Focus should be on upgrading the currently defined Indicated and Inferred Mineral Resources to higher categories.
    - In the light of new data, the geological and grade domain interpretation should be refined, particularly that of the Transition Zone, and internal waste zones should be wireframed where possible.

    - With new data, variography should be revisited and undertaken on a domain-by-domain basis such that the ranges and directions of grade continuity are better understood.

- Any resource development activities and Mineral Resource estimation updates include grades of contaminants identified as sensitive in the marketing of Phosphate and Magnetite products.

- With respect to economic study, CSA recommends that a formal Scoping Study be completed, commencing with a gap analysis of the current mining review. The scope of work and cost estimate of such a study should be reviewed by a Competent Person, and the following areas considered;

    - Hydrogeology test work and modelling.

    - Geotechnical sampling, test work, analysis and modelling.

    - Marketing studies undertaken including product specification recommendations.

    - Representative Bulk sample collection.

    - Pilot plant scale metallurgical test work. Suitable quantities of concentrate to be produced to demonstrate magnetite pellet quality. Physical and chemical properties are required to support revenue assumptions.

    - Product quality specifications.

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Appendix 1 – Competent Person's Consent Form

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Competent Person's Consent Form
Pursuant to the requirements of,
Clause 8 of the 2012 JORC Code (Written Consent Statement)

Competent Persons Report
Kodal Minerals Limited, Kodal P-Fe Project, Norway

Released by CSA Global (UK) Ltd

I,

Galen White, BSc(Hons), FGS, FAusIMM confirm that I am the Competent Person for the Report and:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).
- I am a Competent Person as defined by the JORC Code 2012 Edition, having five years' experience that is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Fellow in good standing of the Australasian Institute of Mining and Metallurgy.
- I have reviewed the Report to which this Consent Statement applies.

I am a consultant working for;

CSA Global (UK) Ltd

and have been engaged by;

Kodal Minerals Limited

to prepare the documentation for

The Kodal P-Fe Project

on which the Report is based, for the period ended 20 December 2013.

I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issue that could be perceived by investors as a conflict of interest.

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Mineral Resources.

Appendix 2 – JORC 2012 Checklist

JORC Code, 2012 Edition – Table 1 – Kodal Fe-P Project – Kodal Minerals, Norway.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• All historical and Kodal Minerals drilling was undertaken using Diamond drilling methods. • Sampling was undertaken on split core. Mineralised intersections were identified via geological observations. • Sample preparation of historical samples unknown, analysis was by XRF. • Analysis of samples drilled by Kodal Minerals was by XRF Fusion (ME – XRF21n. • Kodal Minerals sampling and analysis methodology are to industry standards. • Phase A and B core was split perpendicular to hole direction, using a core splitter, not diamond cut. This will have resulted in an uneven sample line and different sample volumes either side of the cut. The mineralisation style is not considered to be nuggety so the effect of uneven sample sizes is not expected to have had a material effect. • Calibration of analytical instruments would be part of the laboratory procedures which are not recorded for the historical data.

Criteria	JORC Code explanation	Commentary
		• Analysis of samples drilled by Kodal Minerals was by OMAC Laboratories, Ireland, who are in compliance with International Standard ISO/IEC 17025:2005. • Both internal and external QAQC sampling (duplicates, standards and blanks) supported appropriate representivity and calibration. • All historical and by Kodal Minerals drilling was undertaken using Diamond drilling methods. • Sampling was undertaken on split core. • Sample preparation of historical samples unknown, analysis is believed to be by XRF. • Sample preparation of core samples, for holes drilled by Kodal Minerals was undertaken at the ALS laboratory in Pitea, Sweden following industry standard homogenisation, pulverisation and splitting. ALS Scandinavia is accredited by the SWEDAC. • Analysis of samples drilled by Kodal Minerals was by XRF Fusion (ME – XRF21n) with eight samples analysed using Davis Tube Recovery (DTR) as well as for rare earth and trace elements using ICP MS fusion. • Analysis of samples drilled by Kodal Minerals was undertaken by OMAC Laboratories, Ireland, accredited by the Irish National Accreditation Board (INAB) and in compliance with International Standard ISO/IEC 17025:2005.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• All historical and by Kodal Minerals drilling was undertaken using Diamond drilling methods. • Drill phases A, B and C utilised EX (18.6mm), BQ (36.5mm) and BQTK (40.5mm) drill diameters respectively.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• No recovery data is available for historical data, however visual review of core at the NGU during the site visit by GW supported

Criteria	JORC Code explanation	Commentary
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	good recoveries of competent rock with 94% of the historically recorded drill meters available for geological logging. • Core recovery for holes drilled by Kodal Minerals was recorded and averaged 88%. No data is available for historical drilling, however 94% of the historically recorded drill meters were available for logging indicate that sufficient measures were taken. • Drill recoveries by Kodal Minerals averaged 88% indicate that sufficient measures were taken. • No significant or material relationship exists between sample recovery and grade.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• Historical data captured was limited to summary geological observation, hard copy historical geological sections and log sheets are available. Lithological boundaries are honoured, main rock types are captured. • However, Kodal Minerals has undertaken a complete re-logging program of all available historical and Kodal drilled core, to industry standard. • Geological logging was qualitative, and included geological observations. • Geotechnical logging was quantitative. • All available historical core and Kodal Mineral core has been photographed. • Approximately 94% (5,885m) of all historical drill hole intersections were available for relogging. All available (88%) Kodal Minerals drill meters are logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.*	• Phase A and B core was split using a core splitter, not diamond cut. Core was split perpendicular to hole direction. • Verification sampling of historical core by Kodal Minerals was

Criteria	JORC Code explanation	Commentary
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	typically by quarter core. • Core sampling by Kodal was typically half core. • All sampling was of diamond drilled core. • Very little information available for historical sample preparation however remaining core indicates that sample collection was typically of industry standards. • Kodal Minerals sampling methods to industry standard and appropriate. • QAQC sample insertion was undertaken for recent drilling and no issues were raised. • Sample preparation of core samples, for holes drilled by Kodal Minerals was undertaken at the ALS laboratory in Pitea, Sweden following industry standard homogenisation, pulverisation and splitting. ALS Scandinavia is accredited by the SWEDAC. • No information available for historical data, however good apparent core recoveries for both historical and Kodal drilling indicates good representivity of drilled/sampled intersections. • QA/QC material was inserted by Kodal in the 2012 and 2013 drilling data, along with laboratory blanks, Certified Reference Materials and pulp duplicates and no issues were raised. • Diamond drilling employing the diameters documented is considered sufficiently representative of the style of mineralisation, i.e. not nuggety.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks,*	• No information is available for historical data analysis however it is understood to be XRF which is appropriate for Fe-P deposits. • Analysis of the 2012 and 2013 drill sampling was by XRF Fusion (ME – XRF21n) with eight samples analysed using Davis Tube Recovery (DTR) as well as for rare earth and trace elements using ICP MS fusion. • This analysis methodology is to industry standards and

Criteria	JORC Code explanation	Commentary
	duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	appropriate for this type of deposit and commodity. • Sample analysis was undertaken at OMAC Laboratories, Ireland, accredited by the Irish National Accreditation Board (INAB) and in compliance with International Standard ISO/IEC 17025:2005. • Geophysical instruments (e.g. magnetic susceptibility instruments) were used to identify mineralised intervals. However, no geophysical data was used in the MRE and are therefore their data are immaterial to this report. • QAQC regiment unknown for historical data • QA/QC material was inserted by Kodal in the 2012 and 2013 drilling program along with laboratory blanks, Certified Reference Materials and pulp duplicates. This QAQC program was to industry standard and no issues were raised.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Analysis methods comparing results from historical and Kodal Minerals drilling is not exactly like-for-like however correlation is acceptable. • Geological re-logging exercises showed good correlation with historical logs. • During the site visit by Mr Galen White (CP): • Low level Fe-P-Ti mineralisation was detected in surface outcrop at the project site, via hand held XRF. The level of mineralisation was comparable in tenor to that detected in “transition” zone core material. • Core material inspected at the NGU core storage facility was verified as being from the Kodal Project, and summary inspection of geology and mineralisation intervals matched those contained in hardcopy summary logs. • Kodal Minerals completed 7 diamond drill holes as twin/verification of historical holes. This recent drilling was considered industry standard and results were equivalent and supported the use of historical holes in MRE.

Criteria	JORC Code explanation	Commentary
		• Historic data was only available as hard copy. This data underwent a verification exercise, which included twin drilling, ground truthing, re-sampling, and database validation. This provided sufficient confidence in the historical data for its use in an MRE. • All data is now stored in a digital spreadsheet database. • P was converted to P2O5 using standard molar factors
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The majority of historical collar coordinates were captured from georeferenced plans and hard copy data. Ground truthing has supported the relative accuracy of this. • Modern drillhole collars have been surveyed with the use of a suite of trigonometric beacons. • No down-hole survey information is available for any drilling. As such there is a limit to the confidence that can be assumed of the absolute position of sub-surface sampling, this is more significant for deeper drill intercepts. • Reportedly two different baselines and local reference systems were used for historical drilling. • Historical hard copy maps and drill plans were georeferenced into UTM EUREF89, Zone 32N system. • All Kodal Mineral holes were surveyed directly to the UTM EUREF89, Zone 32N system. • CSA used the Z Star topography in the reported MRE • An improved topographic surface has subsequently been provided to CSA, which should be used for future MREs. CSA have undertaken a preliminary review of the effect of the new topographic surface on the block model and found minimal impact.
Data spacing and	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the*	• Data spacing/drill density was taken into account during the

Criteria	JORC Code explanation	Commentary
distribution	*degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	classification of the estimated resources. • Data spacing was considered sufficient for the classification of Indicated Resources for approximately 30% of the Indicated+Inferred tonnage. • The raw data populations were influenced by the presence of variable length composites. Namely: • - Fe samples had a mean interval length of 6m • - P samples had a mean interval length of 2m. • A 5m composite length was chosen, informed by the broad drill hole spacing, an RL block size of 50m and a proposed bench height of 15m as was considered in conceptual mining study work.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Both Historical and Kodal Minerals drilling was undertaken employing inclined holes (approx 50º average), which is appropriate for the deposit which dips steeply between 70-85 degrees. • The majority of drill intersections (historical Phase A) were typically near-perpendicular to the deposit's dip, this however cannot be considered equivalent to vertical thickness. No bias is believed to have been introduced.
Sample security	• *The measures taken to ensure sample security.*	• No information regarding historic or Kodal Minerals sample security is available for review. • Historical core has been stored at Geological Survey of Norway (NGU-Norges geologiske undersøkelse) National Drill core and Sample Centre, Løkken, Norway.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No previous audits or reviews of sampling techniques are known to CSA.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Kodal Minerals have been granted an extraction licence. • In Norway iron ore deposits are 'owned by the state'. However; Kodal Minerals holds a letter from the directorate which classifies the deposits as "Comingled", i.e. that the phosphate and metallic ores appear "in an intimate mixture" and that "the different mineral products can only be separated by processing the ore." As such, iron and phosphate can be extracted by Kodal Minerals. An extraction licence allows exploration activities to continue within the licenced area. • The extraction licence is valid for 10 years or until it is superseded by an operating licence. • CSA has not undertaken any Due Diligence regarding the environmental implications regarding extraction of the Kodal deposit, however a close look at the area using Google Earth reveals a heavily wooded area criss-crossed by walking trails. It would appear that the area provides an outdoor wilderness recreation area for the local population. This may or may not have a major impact on the ability to obtain permissions to mine. • The land over which the deposit is situated is privately owned by a series of landowners. The Directorate expects every effort to be made to reach terms with landowners, in the event that land and rights are required.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Discoveries of iron ores in the area dates back to around 1700, but attempts to utilise the deposits as iron ore failed due to the high titanium content.

Criteria	JORC Code explanation	Commentary
		• The first detailed description of the Kodal occurrence was given by Brøgger (1898). Other contributions to the understanding of the mineralisation have been given by Nielsen (1967), Bergstøl (1972) and Lindberg (1985). • The project was drilled in 1960-1962, comprising mainly short holes over 20 profiles, with 18 longer drill holes completed in 1974-1975 to depths of 100-300m. These campaigns of drilling led to the commissioning of a Pre-Feasibility Study undertaken by Norsk Hydro, and the definition of "proven" and "probable" reserves of phosphate of 69M tonnes. At that time, further mine planning works were required for a potential open-pit operation. It should be noted that reserves quoted in the PFS may not be considered JORC compliant and as such are historical, non-compliant estimates.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Kodal Deposit is a layered igneous deposit with cumulate emplacement, resulting in modal layering. • It contains apatite, ilmenomagnetite, ilmenite, pyrite, chalco pyrite and mafic silicates. • The ore body has two zones defined on ore characteristics; the 'Main Zone' comprising higher concentrations of mineralisation, bounded by a variable thickness 'Transition Zone' on either side which shows gradational reduction in mineralisation away from the Main zone. • The deposit forms part of the Vestfold-Ringerike Graben, itself part of the Permian Oslo rift formed during the latter part of the Variscan orogeny.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar*	• See attached Worksheet - "Drill Details"

Criteria	JORC Code explanation	Commentary
	○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No metal equivalents were used. • No drill intercepts have been reported here since Exploration Results is not the material information being presented.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• True thickness and minimum mining width (SMU) has been taken into account during the selection of Block size in the MRE. • All Phase A drilling (1960-1962) is drilled perpendicular to dip (from the hanging-wall) at an average dip of approx 50º. The following drilling phases drill from both sides of the ore body. • All lengths reported refer to downhole lengths.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate visuals are included in the report, though a "new discovery" is not being reported. Visuals are appropriate for the reporting of the MRE so as not to be misleading.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Information provided in the report.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Summarised in the report.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Summarised in the report.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• A review of hard-copy information against that contained in the electronic database provided to CSA highlighted several errors that were subsequently corrected by CSA and were not considered to be material. • CSA reviewed 26% of historical holes, some errors are due to the poor quality of scanned data. • During the load up of the drill and assay data, basic database validation checks are standard, e.g. overlapping intervals, samples beyond hole depth, assays with no collar coordinates etc.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Mr Galen White, Principal Geologist – CSA Global (UK) Limited visited Norway between 15th-18th April 2013 for the purposes of visiting the Kodal Project site and inspecting historical drill core held for the project at the NGU, Lokken. During the site visit the following was verified:

Criteria	JORC Code explanation	Commentary
		• The project site location was confirmed against coordinate information contained in the NGU factsheet for the project. • The location of two recently drilled holes and two historical holes. These holes were located using hand held GPS and their coordinates agree with coordinate information provided to CSA in digital form. • Low level Fe-P-Ti mineralisation was detected in surface outcrop at the project site, via hand held XRF. The level of mineralisation was comparable in tenor to that detected in "transition" zone core material. • Core material inspected at the NGU core storage facility was verified as being from the Kodal Project, and summary inspection of geology and mineralisation intervals matched those contained in hardcopy summary logs. • The site visit fulfilled some Due Diligence requirements for CP reporting
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• In summary the geological model is relatively well understood. Some constraints require further investigation including: • The impact of offsetting faults which are not digitised • The volume effect but may have a bearing on the location of mineralisation • Down dip and along strike continuity • Pinch and swelling of the deposit between drill sections • The MRE is largely reliant on historic data which has limited information regarding data collection, sample prep or analysis methodologies. However verification work (including twin drilling) by Kodal Minerals has supported the use of the historical data in MRE. • No verification has been undertaken on the SG of the rock types

Criteria	JORC Code explanation	Commentary
		modelled in the MRE. The SG data is historical. • CSA have used the Z Star domain wireframes during the estimate. • Subsequent work undertaken by Kodal Geologists have significantly increased the geological understanding of the area. • Updates in the wireframes will result in changes to the Domains and could possibly produce a greater volume. • Geology as well as grade has been used to generate constraining wireframes • A closed interpolation was used within the geological domains, allowing only composite material coded for the Main zone to be available for selection for the main domain estimate and vice versa for the transitional domain. • Grade and Geological variability is understood to be gradual and moving upwards in the cumulate stratigraphy. • Historical deep holes are supported by large composites, so there is less understanding of grade variability with depth. • Historical deep holes are more impacted by lack of survey data, so there is less survey accuracy of grade data with depth.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The mineralised zone has a currently delineated strike extent of around 1900 m at surface, is broadly tabular with some pinching and swelling throughout its length. The Eastern end becomes lensoidal as it reduces in thickness until extinction. The Western end is cut by a roughly vertical syenite intrusion. The deposit is seen to bend by 40° at 1/3 of its length from the west. • Further drilling is required, to fully investigate the lithologies, mineralisation styles and any potential volume and grade changes with depth or along strike. This has been factored into the classification of the resource.

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Ordinary Kriging using Micromine software package was employed for the main zone. • Unsampled intervals within the mineralised volume were reviewed and assigned either 'blank' or Zero grade based on a criteria. • Bottom cuts were applied to grade outliers, however were materially insignificant. • The change in deposit direction along strike was accounted for in the MRE using estimation domains. • Composite lengths were reviewed due to the variable sample length of the raw data. • THE CSA MRE was checked against a historic estimate (lenning 12976), these volumes are difficult to reconcile however grade tenors are similar. • No production data is available. • The Kodal deposit is still within an exploration stage and this work will be undertaken in future work programs. • Fe and P were estimated using the same OK parameters to ensure equivalent metal accounting. They are assumed to be proportional to each other. Further work should be undertaking to establish this. • A block size of 50x5x50 (XxYxRl) was used which is appropriate for a drill section spacing of between 50-100m. A sub-block size of 10x1x10m was used to honour the wireframe volumes. • Fe and P and Ti were estimated using the same OK parameters to ensure equivalent metal accounting. They are assumed to be proportional to each other. Further work should be undertaking to establish this. • No assumption of selective mining unit has been incorporated in to current study, since this has not been investigated as part of current conceptual mining review.

Criteria	JORC Code explanation	Commentary
		• A closed interpolation was used between domains, allowing only composite material coded for the Main zone to be available for selection for the main domain estimate and vice versa for the transitional domain. • These domains were further subdivided in to an East and West estimation zones to account for the deposit's inflection. Soft boundaries were used for grades within these estimation zones however different search ellipse parameters were used. • All populations were negatively skewed, with low grade tails, representing waste material. CSA has applied bottom cut to the data, though the affect this has on grade populations statistics in not significant. • Following estimation, CSA undertook the following Block Model validations; • - Global mean grade comparison • - Local visual grade comparison (cross section view, composites vs. blocks) • - Local mean grade comparisons, by domain. • - Review of Kriging variance • - Swath plots for: • a. data estimated in search pass 1 and 2, • b. The whole block model. • There are no reported historical estimates that can be used for comparison.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• The SG used assumes a dry bulk density, however no supporting data is available for these data and as such this cannot be confirmed.
Cut-off	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The MRE is reported at a 0.5%P cut-off, which defines the extents of anomalous and potentially economic volumes, which are largely

Criteria	JORC Code explanation	Commentary
parameters		lithologically constrained. The MRE is considered amenable to bulk mining and so selective mining is not applicable at this stage of advancement of the project.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• There are a number of mining risks which would need addressing if the project were to advance further: • Conceptual costs (following desk-top conceptual mining review to support the MRE reporting) have been estimated to ±40 per cent accuracy. This leaves considerable scope for variation in costs. • Magnetite will have relatively high titanium content and so a marketing study should be completed to confirm pricing. • Market related prices were used for phosphate. The magnetite concentrate was set at 60 USD/t • Slope angle of 60 degrees is indicative only • Ground water inflows are currently based on assumptions without any supporting data or modelling. • CSA note that no studies have been undertaken on the availability of electrical power supply from the local grid.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Preliminary metallurgical test work completed on a composite sample of drill core material provided the following conclusions: • A 25% weight recovery to final magnetite concentrate at 75% Fe recovery was achieved, at a grade 62.04% Fe, 8.74% TiO2, 0.09% P2O5 and 0.027% S. The bulk sulphide flotation did not produce a saleable concentrate, but recovered 48% of the sulphur reporting to final magnetite cleaner concentrate. • Final apatite concentrate of 86.0% phosphate recovery was achieved at 38.7% P2O5 in open circuit, with the expectation of 85.9% phosphate recovery at 41.8% P2O5 would be achieved in

Criteria	JORC Code explanation	Commentary
		an operating plant with product stream recycle. Reagents used were fatty acid, PGE, sodium silicate and sulphonic acid. • It appears from this preliminary test work that economic recoveries and grades of Fe and P2O5 are achievable at Kodal, assuming that the material on which test work was undertaken may be considered representative of the mineralised zones. • Kodal Minerals comment that research and market studies are underway to identify buyers of products with the specifications outlined here.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• A preliminary environmental review was conducted and is summarised in the report.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Kodal have not collected any additional any Specific Gravity (SG) samples during recent sampling activities. Data relating to rock SG is drawn from historic Norse Hydro reporting. program. • SG determination method not known, density data from historical sources. • The use of an SG of 2.9 is considered a relatively large assumption since it is a major factor in the MRE and the historical data for it is presently unverified.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors*	• The Mineral resource estimate for Kodal deposit has been classified according to JORC2012. The following criteria were

Criteria	JORC Code explanation	Commentary
	(i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	considered when classifying the resource: • Results of validation of the historic data, including validation of hardcopy data, review of re-assaying, QA/QC, lack of down-hole survey information and location of historical drill collars. • Data spacing. • Confidence in the geological model and 3D model. • Topographic control. • Results of estimation validation, including visual inspection, classical statistical analysis of input and output grade data, search pass, Kriging variance and swath plot analysis. • Location of material relative to the CSA conceptual pit optimisation shell used to inform the criteria of "reasonable chances of eventual economic extraction" under JORC. • The Mineral resource estimate for Kodal deposit has been classified according to JORC2012 criteria. This classification takes into account "relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data". • The confidence in the above has been detailed in the report. • The results reflect the CP's view of the deposit.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• CSA reviewed an internal Mineral Resource Estimate prepared by Z Star and concluded that the model, whilst created using adequate methodology, did not adequately honour the grade variability. In addition, the extrapolation of the mineralised zones at depth, resulted in a tonnage estimate that CSA considered to be excessive. In response to this, CSA has updated the MRE to report a more robust and reliable estimate of Mineral Resources for the project.

Criteria	JORC Code explanation	Commentary
		• The current MRE has undergone internal peer review within CSA, but has not been the subject of external audit or review by a third party. • As part of this review CSA also reviewed and verified a portion of the historical dataset.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• CSA has classified the resources estimated here based on the following: • Indicated material represents a coherent zone of material estimated in the first search pass, close to surface and supported by shallow, closely spaced drilling and low Kriging variance. • Material below this, contained within the conceptual optimisation shell was classified as Inferred material. • CSA estimates “Exploration Potential” as ranges of tonnage and grade, representing material for which there has been insufficient exploration to support a mineral resource estimate, and does not represent a mineral resource. • The estimate was a global estimate, using OK. Economic parameters (namely a Whittle Shell) was used to inform the classification of the resource. • No production data is available.

Drill Details Worksheets

Table 5. Summary of drilling activities at the Kodal Project

	Years	Meters	Hole ID's	Diameter	
A	1961	2062.90 m	BH01 - BH39, LH01-LH02B	EX	18.6 mm
B	1974	4198.20 m	BH41 - BH58	BQ	36.5 mm
C	2012	918.40 m	BH60-BH68	BQTK	40.5 mm
	Total	7179.5 m			

Table 12. Kodal Twin Hole Details (Grid = UTM Zone 32N (ETRS89))

BHID	Easting	Northing	RL_m	Depth (m)	Azimuth	Dip	Phase	Hole Twinned	Distance between holes in Mineralisation
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	17	[illegible]	TWIN	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	17	[illegible]	TWIN	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	TWIN	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	TWIN	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	TWIN	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	TWIN	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	TWIN	[illegible]	[illegible]

Table 4. Historical drilling details

BHID	Easting	Northing	Grid	RL_m	Depth (m)	Azimuth	Dip	Generation
BH01	558,993	6,565,784	UTM Zone 32N (ETRS89)	160	46	24	-59	A
BH02	558,993	6,565,784	UTM Zone 32N (ETRS89)	160	29.2	24	-42	A
BH03	558,815	6,565,828	UTM Zone 32N (ETRS89)	190	46.7	15	-40	A
BH04	558,815	6,565,828	UTM Zone 32N (ETRS89)	190	12.86	15	-60	A
BH06	558,786	6,565,816	UTM Zone 32N (ETRS89)	196	51.1	9	-55	A
BH07	558,786	6,565,819	UTM Zone 32N (ETRS89)	196	37.4	9	-55	A
BH08	558,871	6,565,799	UTM Zone 32N (ETRS89)	178	45.15	3	-35	A
BH09	558,874	6,565,808	UTM Zone 32N (ETRS89)	177	51	357	-60	A
BH10	558,906	6,565,795	UTM Zone 32N (ETRS89)	183	54.3	354	-45	A
BH11	559,069	6,565,754	UTM Zone 32N (ETRS89)	169	30.75	20	-50	A
BH12	559,116	6,565,698	UTM Zone 32N (ETRS89)	181	54.15	14	-42	A
BH13	559,116	6,565,696	UTM Zone 32N (ETRS89)	181	54.9	14	-60	A
BH14	559,127	6,565,737	UTM Zone 32N (ETRS89)	172	21.07	16	-70	A
BH15	559,199	6,565,703	UTM Zone 32N (ETRS89)	180	44	350	-45	A
BH16	559,106	6,565,698	UTM Zone 32N (ETRS89)	178	42.72	36	-40	A
BH17	559,519	6,565,826	UTM Zone 32N (ETRS89)	149	48.24	346	-45	A
BH18	559,600	6,565,859	UTM Zone 32N (ETRS89)	156	40.35	347	-45	A
BH19	559,357	6,565,756	UTM Zone 32N (ETRS89)	159	33.86	309	-48	A
BH20	559,357	6,565,756	UTM Zone 32N (ETRS89)	159	40.2	309	-63	A
BH21	559,324	6,565,726	UTM Zone 32N (ETRS89)	174	49.61	339	-50	A
BH22	559,759	6,565,915	UTM Zone 32N (ETRS89)	154	50	334	-28	A
BH23	559,759	6,565,914	UTM Zone 32N (ETRS89)	154	58.4	334	-70	A
BH24	559,759	6,565,912	UTM Zone 32N (ETRS89)	155	21	154	-35	A
BH25	559,856	6,565,959	UTM Zone 32N (ETRS89)	157	34.11	346	-47	A
BH26	559,856	6,565,959	UTM Zone 32N (ETRS89)	157	43.32	346	-62	A
BH27	560,014	6,566,019	UTM Zone 32N (ETRS89)	130	39	357	-40	A
BH28	560,119	6,566,068	UTM Zone 32N (ETRS89)	115	15.81	354	-30	A
BH29	560,119	6,566,068	UTM Zone 32N (ETRS89)	115	29	354	-70	A
BH30	560,116	6,566,130	UTM Zone 32N (ETRS89)	96	32.72	305	-40	A
BH31	560,116	6,566,130	UTM Zone 32N (ETRS89)	96	50.5	305	-70	A
BH32	560,192	6,566,159	UTM Zone 32N (ETRS89)	79	45.2	317	-45	A
BH33	560,192	6,566,159	UTM Zone 32N (ETRS89)	79	50.3	317	-68	A
BH34	560,428	6,566,249	UTM Zone 32N (ETRS89)	83	31	314	-40	A
BH35	560,428	6,566,249	UTM Zone 32N (ETRS89)	83	36	314	-68	A
BH36	560,015	6,566,026	UTM Zone 32N (ETRS89)	129	36.9	357	-62	A
BH37	559,938	6,565,969	UTM Zone 32N (ETRS89)	150	58.55	355	-63	A
BH38	559,687	6,565,887	UTM Zone 32N (ETRS89)	164	58.5	330	-55	A

BH32	560,292	6,566,159	UTM Zone 32N (ETRS89)	79	45.2	317	-45	A
BH33	560,292	6,566,159	UTM Zone 32N (ETRS89)	79	50.3	317	-68	A
BH34	560,428	6,566,249	UTM Zone 32N (ETRS89)	83	32	314	-40	A
BH35	560,428	6,566,249	UTM Zone 32N (ETRS89)	83	36	314	-68	A
BH36	560,015	6,566,026	UTM Zone 32N (ETRS89)	129	36.9	357	-62	A
BH37	559,938	6,565,969	UTM Zone 32N (ETRS89)	150	58.55	355	-63	A
BH38	559,687	6,565,887	UTM Zone 32N (ETRS89)	164	58.5	330	-55	A
BH39	559,424	6,565,773	UTM Zone 32N (ETRS89)	162	40.1	4	-55	A
BH41	558,898	6,565,504	UTM Zone 32N (ETRS89)	161	550	28	-49	B
BH42	560,464	6,566,159	UTM Zone 32N (ETRS89)	68	408	339	-53	B
BH43	560,061	6,565,731	UTM Zone 32N (ETRS89)	117	408	338	-52	B
BH44	559,443	6,565,600	UTM Zone 32N (ETRS89)	180	337.38	337	-60	B
BH45	559,198	6,565,850	UTM Zone 32N (ETRS89)	182	250	158	-40	B
BH46	559,117	6,565,822	UTM Zone 32N (ETRS89)	166	192	180	-42	B
BH47	558,910	6,565,897	UTM Zone 32N (ETRS89)	183	175	197	-45	B
BH48	559,419	6,565,882	UTM Zone 32N (ETRS89)	148	195.3	186	-46	B
BH49	559,422	6,565,884	UTM Zone 32N (ETRS89)	148	175.3	154	-45	B
BH50	559,506	6,565,939	UTM Zone 32N (ETRS89)	153	211	167	-50	B
BH51	559,506	6,565,939	UTM Zone 32N (ETRS89)	153	290	121	-45	B
BH52	559,799	6,566,041	UTM Zone 32N (ETRS89)	147	248	157	-45	B
BH53	559,800	6,566,041	UTM Zone 32N (ETRS89)	147	260	196	-45	B
BH54	559,907	6,566,097	UTM Zone 32N (ETRS89)	148	221.5	157	-45	B
BH55	560,033	6,566,148	UTM Zone 32N (ETRS89)	129	201.5	156	-45	B
BH57	560,215	6,566,240	UTM Zone 32N (ETRS89)	70	121.3	148	-45	B
BH58	559,024	6,565,867	UTM Zone 32N (ETRS89)	159	128.6	195	-45	B
LH01	558,963	6,565,708	UTM Zone 32N (ETRS89)	163	188.25	20	-60	B

There are no reported Mineral Reserves and as such, items D1-D17 have been omitted here. The project has been the subject of conceptual desk-top mining study only, and there has not been a formal scoping study or higher study completed for the project.

Appendix 3 – Site Visit Memo

To: Patrick Cullen, Luke Bryan – Kodal Minerals
From: Galen White – Principal Geologist – CSA Global (UK) Ltd
Re: Site Visit to the Kodal P-Ti-Fe Project, Norway (15th-18th April 2013)

Introduction and Terms of Reference

CSA Global (UK) Ltd ("CSA") were requested by Kodal Minerals Limited, a subsidiary of Clearphos Limited ("Kodal") to undertake a site visit to the Kodal P-Ti-Fe Project, Norway for the purposes of a Competent Person ("CP") site inspection as part of the preparation of a Competent Persons Report ("CPR"), being prepared by CSA to form part of a listing document for the admission of Kodal Minerals to the Alternative Investment Market ("AIM"), London.

The Kodal Project is located in the Andebu province of Norway. It is a P, Ti and Fe deposit and is situated in the Lågen valley, 20 km north of Larvik. The deposit is part of the Vestfold-Ringerike Graben and is located approximately 85 km south-west of Oslo.

The project is currently being evaluated by Kodal Minerals for iron and phosphate potential.

The Kodal mineralised zone is approximately 20m in width and has a strike length of approximately 1900 m. It can be subdivided into an eastern (1200m) and western (700m) portion across a hinge plane (**Figure 1**). The eastern limb dips at 85 degrees towards the south-east and the western limb dips at a similar angle towards the southwest. The Kodal orebody and associated mineralisation are situated within a larvikite-lardalite ring complex in the southern part of the Permian Oslo Rift. The mineralisation is associated with a cumulate emplacement mechanism which is believed to have occurred while in a horizontal orientation. Subsequently the tabular orebody was re-orientated into its current position.

The site visit took place over the 15th, 16th, 17th and 18th April 2013 and included the following;

- An inspection of historical and recent drill core from the Kodal Project, stored at the Geological Survey of Norway, Lokken, Norway.
- An inspection of the Kodal Project site, 20km north of the town of Larvik, Norway. The visit took place in good weather but with extensive snow cover at the project site.

- Discussions with Kodal Minerals staff (Luke Bryan – CEO and Patrick Cullen – COO) and local Geologist Kjell Nilson and local County Geologist Sven Dahlgren.
- A desk-top review of data held for the project, which was provided to CSA by Kodal Minerals and included;
    - Geological Survey of Norway factsheet – Kodal Project
    - Historical Norsk Hydro 1976 PFS Report
    - NGU Bulletin 402 (Lindberg)
    - Petrological Report (Bergstøl, 1972)
    - Historic Norsk Hydro Geological Plans and Cross Sections (scanned images)
    - Translations of historical hardcopy drill core logs
    - Kodal Minerals ArcGIS data
    - Excel spread sheet collar and survey data for historical drilling
    - 2012 Z Star Mineral Resource Estimate dataset and Technical Report

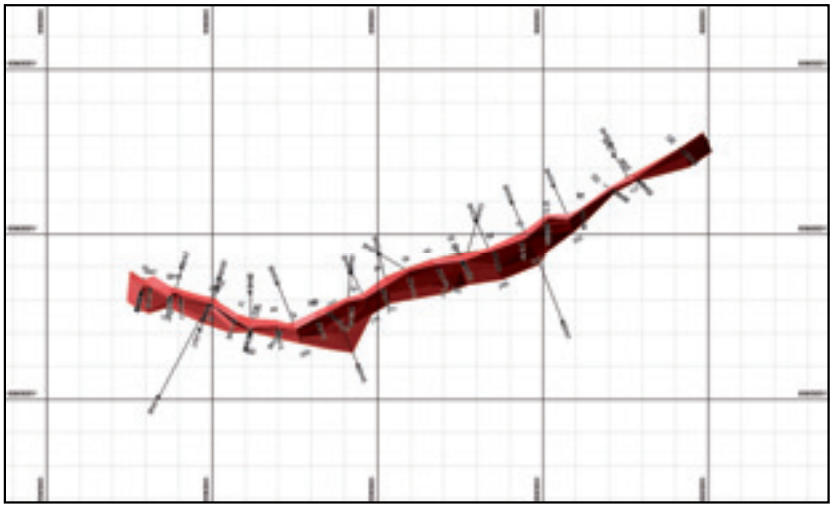


Figure 1. The Kodal mineralised Main Zone and historical drilling. The hinge plane is located at approximately 559350mE.

Executive Summary

Mr Galen White, Principal Geologist – CSA Global (UK) Limited visited Norway between 15th-18th April 2013 for the purposes of visiting the Kodal Project site and inspecting historical drill core held for the project at the NGU, Lokken. During the site visit the following was verified:

- The project site location was confirmed against coordinate information contained in the NGU factsheet for the project.
- The location of two recently drilled holes and two historical holes. These holes were located using hand held GPS and their coordinates agree with coordinate information provided to CSA in digital form.
- Low level Fe-P-Ti mineralisation was detected in surface outcrop at the project site, via hand held XRF. The level of mineralisation was comparable in tenor to that detected in "transition" zone core material.
- Core material inspected at the NGU core storage facility was verified as being from the Kodal Project, and summary inspection of geology and mineralisation intervals matched those contained in hardcopy summary logs.

The site visit fulfilled some Due Diligence requirements for CP reporting, however the following information is required as part of CPR preparation:

- Copies of all permits held by the issuer, relating to the Kodal asset.
- All information, including collar, assay and geological information relating to recent drilling completed by Kodal Minerals.
- Copies of geological plans inspected in the company of Sven Dahlgren, County Geologist on April 18th.

Prior to the site visit, CSA took receipt of project information form Kodal Minerals, which included:

- Historical plans and cross sections for drilling completed in the 1960's and 1970's.
- Historical geological documents.
- Feasibility Study documents prepared by Norsk Hydro.
- GIS data for the project.
- A 2013 Mineral Resource Report prepared by Z Star Consultants (South Africa), with supporting digital data.

- Excel spread sheet data containing collar information for historic drilling, with reference to source material.
- Excel spread sheet data relating to 2012 re-sampling of historic core intervals, and statistical comparative analysis of assay data against that contained on historic cross sections.

Prior to the site visit, a summary desk-top review of this information was undertaken. More detailed review will be undertaken as part of the CPR preparation. During the site visit further review was undertaken in the following areas:

- Review of the Z Star resource report and associated digital data, for the purposes of reviewing the validity of the current resource model.
- Cross checking of drill hole positions in 3D software, and validating collar positions against hard copy cross sections and plans.

It is the opinion of the author that historic collar information captured in digital format has been appropriately sourced from available hardcopy information, with source material also referenced. Efforts should be made to locate as many historical holes in the field as possible and capture collar coordinates via GPS.

Following a review of the recent Mineral Resource Estimate (MRE) work by Z Star, it is the authors opinion that the MRE adequately honours the input data used in its creation, and that the methodology, parameter selection and assumptions used in its creation are adequate for the current level of study. However, the current resource is not JORC compliant, and input data used in the MRE requires review against the JORC checklist Table 1 and data verification and validation should be completed to ensure the estimate is robust and in JORC compliance. Several resource sensitivities are required to be addressed if resource upgrade is to be successful, however resource upgrade is considered to carry low risk, but requires significant additional works. A suggested workflow of geological and drilling works for resource upgrade is outlined below;

- Infill drilling on a nominal 50m x 50m grid within the current preliminary pit design, aimed at upgrading a significant portion of the resource to Indicated Resources. Additional review work is required to fine tune the amount of drilling required, however between 10,000m and 20,000m may be considered a ballpark estimate. This drilling should be designed not only to provide more close spaced sampling, but also to address current project sensitivities and areas of risk.
- The Transition Zone proximal to the Main Zone was defined by Z-Star on grade criteria. Insufficient assays were available to reliably estimate individual block grades in this zone. As a result, Transition zone blocks have received the global average grade of assays assigned to this domain. It is recommended that additional drilling focus on better defining this zone within a geological context, and providing additional assay data such that a more reliable grade estimate can be prepared.

- Additional drilling should be down hole surveyed to ensure reliability and confidence in the positions of mineralised zones. Infill drilling will also provide known hole paths (via down hole survey) with which to evaluate the confidence of historical (unsurveyed) hole paths. The inclusion of historic drilling in any estimate of resource classified higher than Indicated Resources must be based on demonstrated confidence in this data, which at the moment is unknown.

- In addition to providing core material for assay, additional drilling should also include provision for additional sampling for density determination of the different lithotypes and mineralised zones, to improve confidence in the tonnage estimate.

- Significant thin section preparation from core material may be required to investigate the mineralogical association of Fe. This information will be required as part of additional metallurgical study.

- Infill drilling should further evaluate the geological continuity assumed, based on current information. Historical plans show a series of structural offsets over the project which will need to be investigated if geological continuity is to be demonstrated to the confidence required for resource upgrade.

- Additional close spaced drilling should focus on determining the extent and geometry of cross cutting dykes known to be present over the project, to improve the confidence in the current dilution assumptions and the effect on the tonnage estimate.

- All available historic core should be re-logged, capturing more geological detail than that currently captured in summary logging. Particular emphasis should be placed on capturing the pertinent geological, alteration and mineralisation features of the orebody, and defining mineralisation and dyke boundaries.

Site Visit – Inspection of Drill Core

15th April – Travel from London to Trondheim
16th April – Travel to Lokken

The author travelled to the Geological Survey of Norway (NGU-Norges geologiske undersokelse) National Drillcore and Sample Centre, Lokken, Norway, for the purposes of reviewing historical drill core held for the project. The author was accompanied by Luke Bryan, Patrick Cullen and Kjell Nilson (a local contract geologist responsible for logging recent core drilled by Kodal in 2012). The group was met at the facility by Mr Rolf Lynum of the NGU.

On arrival at 10am the group was taken to the viewing room where pallets of historical drill core from the project were laid out. Prior to the visit the author reviewed hard copy scanned images of historical cross sections and plans, for the purposes of selecting several representative holes for review. These holes were considered representative of the geological sequence, mineralisation tenor, ore thickness, as well as spatially representative over the project.

Holes BH17 and BH37 (historic Generation A holes), BH 44, BH47 and BH54 (Generation B holes) and BH63 (a recent hole drilled by Kodal to twin historic hole BH47) were requested to be available for viewing, however not all core material from the project has been retained, and several holes either had ore zones missing (historically sampled in their entirety) or had not been preserved since drilling in the 1960's and 1970's. The author was able to confirm the following;

The core storage facility is well set up and core is stored well (**Figures 2 and 3**). Kodal has been provided with a list of holes/core intervals held for the project, however discussions at the facility suggest that this may need to be reviewed, and confirmation sought on what core is held, preferably visually checked. It is thought that of the 6,210m of historical drilling, 4,856m has been preserved and it held at the NGU

- Review of drill holes BH37, BH 44, and BH63, being examples of each stage of drilling.
- Core inspected was adequately preserved, competent and exhibited good core recovery
- Summary geological review was completed and compared to historical hard copy drill logs and sections (**Figure 7**). In all cases observed down hole intervals of the different lithotypes and mineralised domains corresponded well to log information. The logs may be considered summary logs of the project lithotypes, mineralisation and alteration, but the author confirmed the summary logs are broadly reliable against a visible inspection of the core
- In addition to the main mineralised zone (Fe-P-Ti Jacipurangite), hanging wall and footwall mineralised larvikite was also observed, variably altered. This material

comprises a weakly mineralised “transition” zone to the main zone. Some syenitic and porphyritic dyke material was observed in some holes, which is barren and at times difficult to visibly differentiate from larvikite due to alteration (**Figure 4**).

- The main zone mineralisation can be differentiated from hanging wall and footwall larvikites based on colour contrast (leucocratic/melanocratic), and the use of magnetic susceptibility (measurements undertaken by Kodal on historic core) provides an additional useful tool to determine mineralisation boundaries.
- Evidence of historical and recent re-sampling activity was observed (**Figure 5 and Figure 6**). Intervals of recent quarter core sampling of historic holes are over intervals matching those recorded in excel sheets provided to CSA. In addition, QA/QC material (CRM and blank samples) were also inspected (**Figure 8**).

Figure 2. Core storage facility at the NGU.

Figure 3. Core viewing room at the NGU. This facility is well equipped and requested core was available for review.

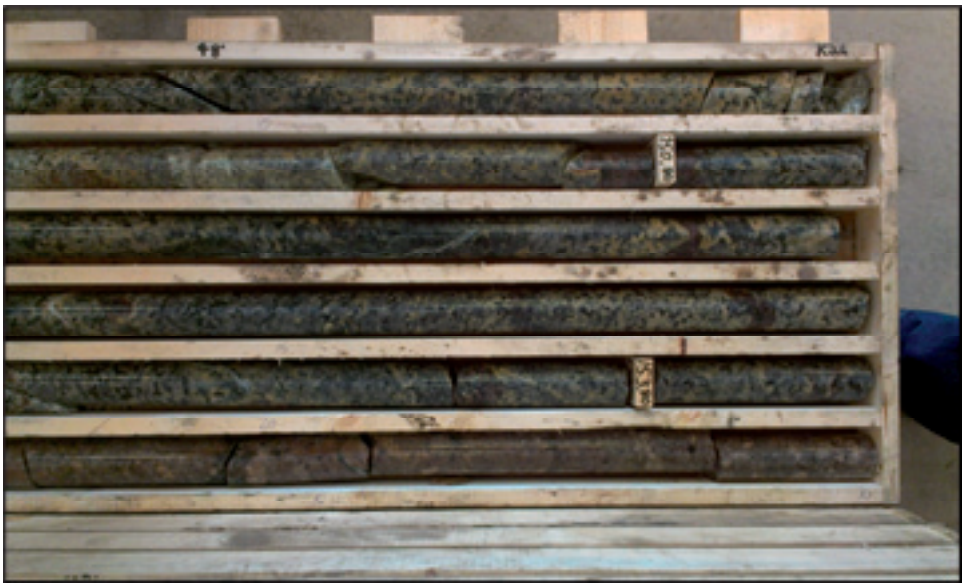


Figure 4. Core from BH63, showing the Jacipurangite/Larvikite footwall contact. Core from this hole was reviewed against hardcopy cross sections and summary logs of hole BH47, which it twinned.

Figure 5. Half core sampled larvikite from BH44. The piece of wood marks a sampled zone where a sample was taken for petrological analysis.

Figure 6. Core from BH 44, recently sampled by Kodal (quarter core).

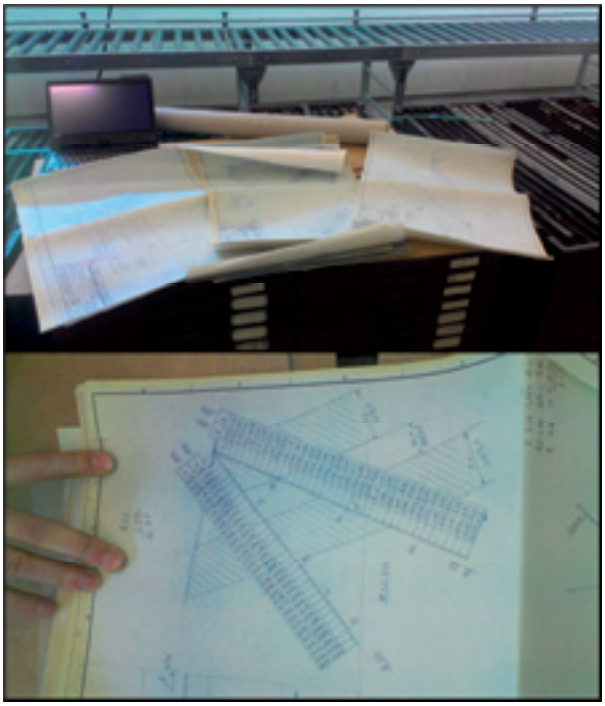


Figure 7. Norsk Hydro hardcopy cross sections through the Kodal Project (circa 1975). Scanned images were obtained prior to the site visit and cross referenced against the originals.

Figure 8. AMS certified Standard Reference Material used during recent assay of 2012 drilling by Kodal.

Site Visit – Desk-top Data Review

17th April – Travel to Larvik

The author accompanied Luke Bryan and Patrick Cullen to the Larvik port authority office and sat in as an observer on a meeting with the port Director, Mr Jan Jonas. Discussions were held relating to port facilities and options for handling product for shipping to market. Transport options were outlined as well as various options for transport. The general feeling was positive and that there are several options that can be explored as part of future studies regarding feasibility and viability.

Following this meeting, the author returned to the hotel in Larvik to undertake desk-top review work of project data, in particular the review of resource estimation modelling data.

A Mineral Resource Estimate has been completed for the Kodal Project by Z Star Consultants (South Africa) and reported in January 2013. Although reported and classified using SAMREC terminology, it is believed that the MRE Technical Report was prepared for internal use only. It is believed that it is Kodal Minerals intention to have a JORC compliant MRE reported as part of planned CPR work.

The MRE, as at January 2013 is tabulated below:

Main Zone (2013): to an elevation of -250m amsl			
Classification	MTonnes	P (%)	P (tonnes)
Indicated	22.6	3.17%	717,412
Inferred	32.8	3.08%	1,009,890
Total	55.5	3.11%	1,727,302
Transition Zone (2013): to an elevation of -250m amsl			
Classification	MTonnes	P (%)	P (tonnes)
Indicated	-	-	-
Inferred	49.60	1.07%	530,739
Total	49.60	1.07%	530,739

[4]

This desk-top review was a preliminary review and more detailed investigation and review is planned as part of the CPR preparation work-flow. The objectives of the review were to conduct a fatal flaw analysis of the resource model, the grade interpolation procedure and assumptions used in the creation of the mode. The following review areas were undertaken;

- Import of drilling information (including collar, survey and assay data) in to Micromine software prior to 2D and 3D visualisation.
- Review of the 3D domain wireframe model
- Summary statistical analysis of grade data in an attempt to replicate the data contained in the resource report.
- Reporting of the MRE tonnage and grade in an attempt to replicate the quoted MRE figures.

- An analysis of the validity of the resource model, and the degree to which the grade distribution honours the input data used in its creation.

CSA makes the following comment with respect to the MRE and domain interpretation:

- The MRE is considered suitable for internal evaluation, however additional information, particularly that relating to QA/QC and the validity of historical data, will need to be documented in the CPR report to ensure formal compliance with the JORC code.
- The author was able to replicate the grade distribution plots contained in the resource report, using the drilling data supplied.
- The author was able to replicate the MRE figures from the block model supplied.
- The classification of Indicated and Inferred Resources has been informed by interpolation and sample density criteria only, and not incorporating an evaluation of the reliability of input data which would need to be demonstrated for any formal reporting of the MRE. On this basis, the classification criteria is considered reasonable and assumptions of geological and grade continuity are considered reasonable for the current level of study. However, the overall tonnage of the wireframe volumes is considered overstated with respect to the sample data informing the volume.
- The domaining of the deposit in to the main zone and transition zone has been informed by a statistical evaluation of the grade populations and grade cut-off criteria. Whilst this is considered reasonable, the author considers that improvements can and should be made to the geological model and that this should underpin the domain decision-making process.
- Continuity over 1.9km of strike length is assumed based on the current profile spacing of broadly 100m. In addition, depth continuity is also assumed. The author considers that infill drilling on a tighter grid is required to improve the confidence in these assumptions. Historical geological plans infer some cross cutting structural displacement of the mineralised zones along strike. Although apparently not picked up in drilling, steps should be taken to investigate the possible influence of displacing structures, which present a risk to mining, though currently does not materially affect the quoted resource tonnage.
- Although grade variability of the ore elements is relatively low, as shown from grade population histograms (P% is shown in Figure 9), the MRE, by virtue of the current sample spacing, provides a smoothed grade estimate (not unexpected) that reduces the grade variability further (Figures 10 and 11). Therefore the assumption of low grade variability and good grade continuity should be based on the input data population and not the MRE. The smoothing effect occurs in any estimate where input data (assay data) is a small population relative to the number of blocks being estimated, and where samples are (as in this case) quite wide spaced). The variability

is imposed through the modelling process, and the degree of smoothing is not excessive and is expected.

- The author considers the assumptions made with regard to the incorporation of dilution in to the resource model, to account for barren dyke material, to be reasonable and suitable for the current level of study.
- The author agrees with the recommendations contained in the MRE report, and offers the following additional comment.

CSA makes the following recommendations with respect to improving the MRE:

- A resource development drilling program is warranted. A program of drilling should be designed with the objectives of de-risking current project sensitivities, including;
    - improvement to the geological model
    - assessment of geological and grade continuity via infill drilling. Infill drilling will also provide known hole paths (via down hole survey) with which to evaluate the confidence of historical (unsurveyed) hole paths.
    - better define and evaluate cross-cutting dykes and their influence on the resource model.
    - Provision of additional core material for use in SG determination of different lithotypes, thin section analysis to further evaluate Fe bearing mineralogical proportions, and metallurgical test work.
- All available historic core should be re-logged, capturing more geological detail than that currently captured in summary logging. Particular emphasis should be placed on defining mineralisation and dyke boundaries.

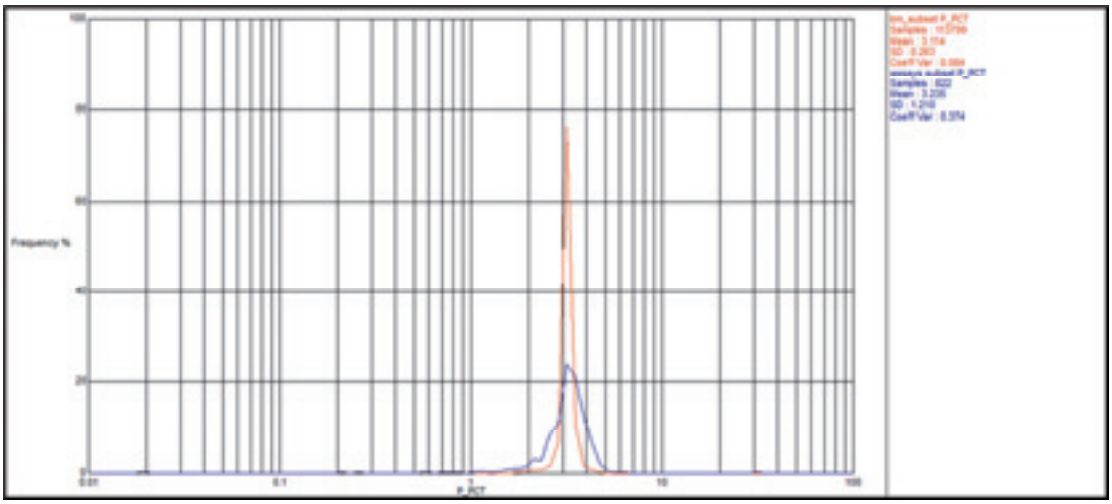


Figure 9. A grade histogram (P%) overlay of the input assay grade population (blue) and the output block grade population from the resource model. The input population exhibits low to moderate grade variability. The output block model grade population has been smoothed and further reduced the grade variability.

Figure 10. Swath Plots of the 2013 MRE block model (P%), with slices through the model in the Northing (upper plot), Easting (central plot) and RL (lower plot) directions, showing grade smoothing.

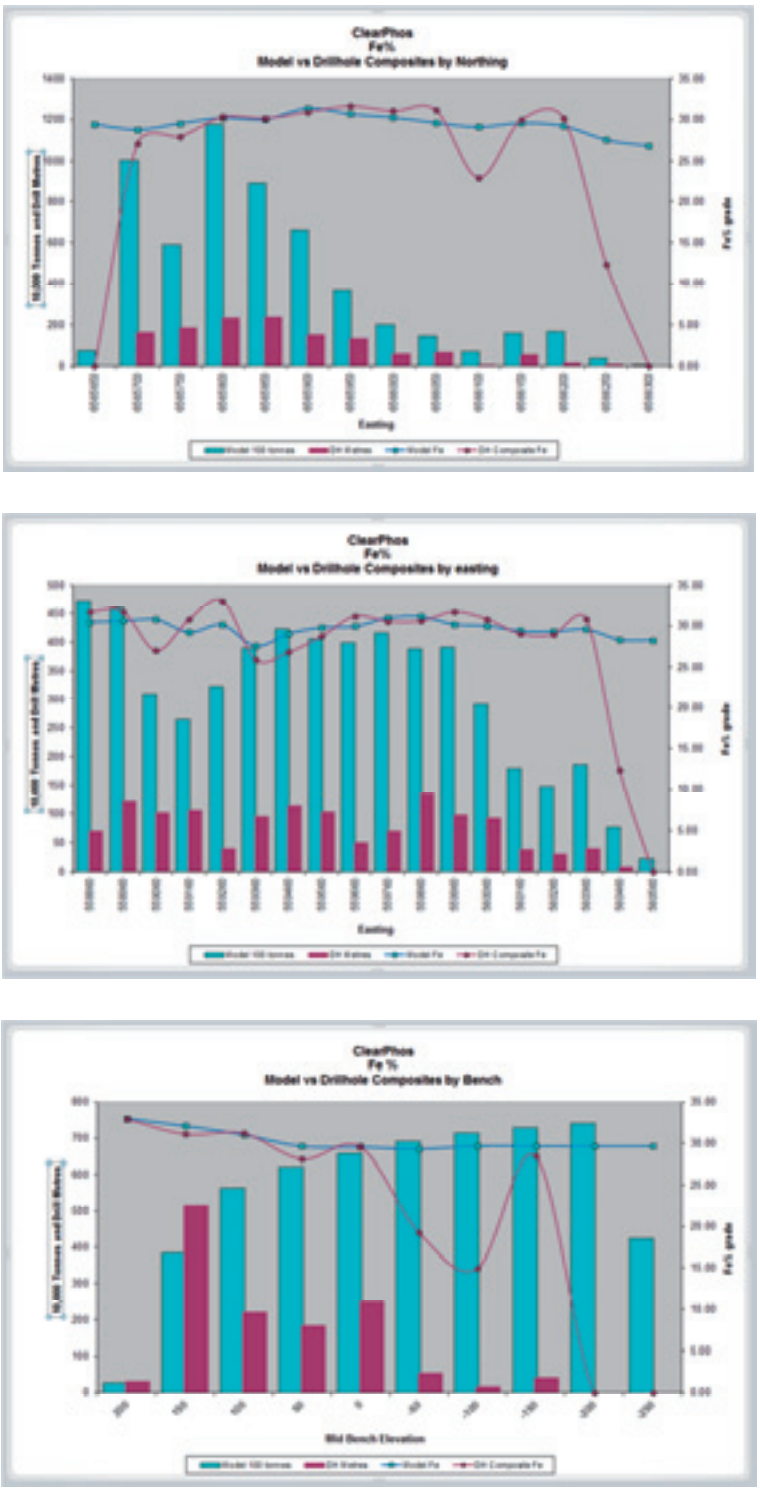


Figure 11. Swath Plots of the 2013 MRE block model (P%), with slices through the model in the Northing (upper plot), Easting (central plot) and RL (lower plot) directions, showing grade smoothing.

Site Visit – Kodal Project

18th April – Travel to the Kodal Project Site

The author, accompanied by Luke Bryan, Patrick Cullen and Sven Dahlgren, County Geologist visited the project site to locate drill hole collars and to look at project outcrop. At the time of the visit there was significant snow cover. The author was able to confirm and verify the following;

- Locate, via hand held GPS (in to which were entered hole coordinates as per excel data received) one historic drill hole and 3 recently drilled holes (**Figures 12, 13 and 15**).
- Locate outcrop of weakly mineralised larvikite, exhibiting analyses of ore elements (via Niton XRF, **Figure 14**) comparable with those exhibited by "transitional" mineralisation from drill core.

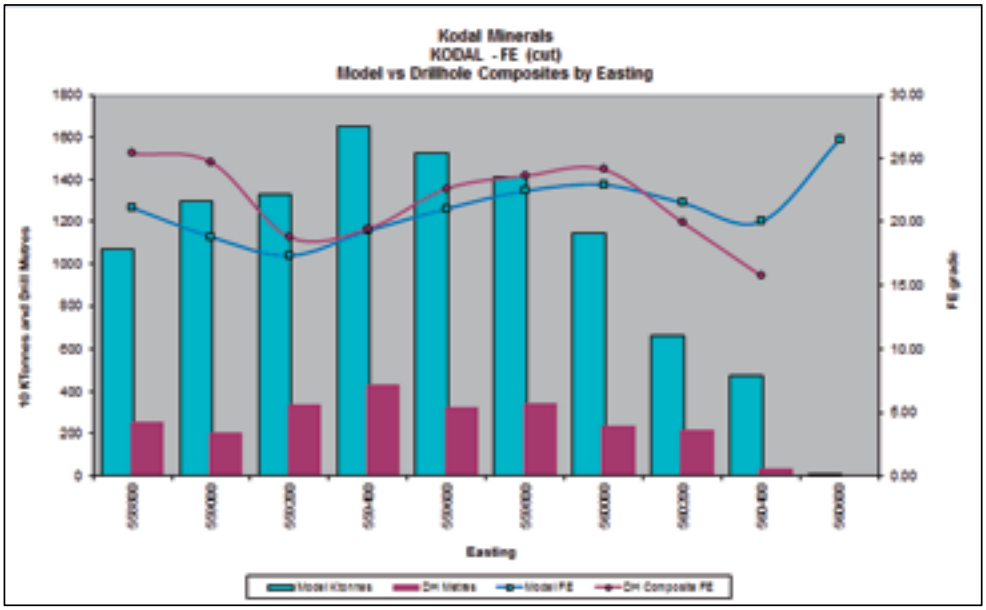
Figure 12. Collar locations of holes recently drilled by Clearphos (2013). Hole BH64 (LHS) and hole BH63 (RHS) found via the use of handheld GPS.

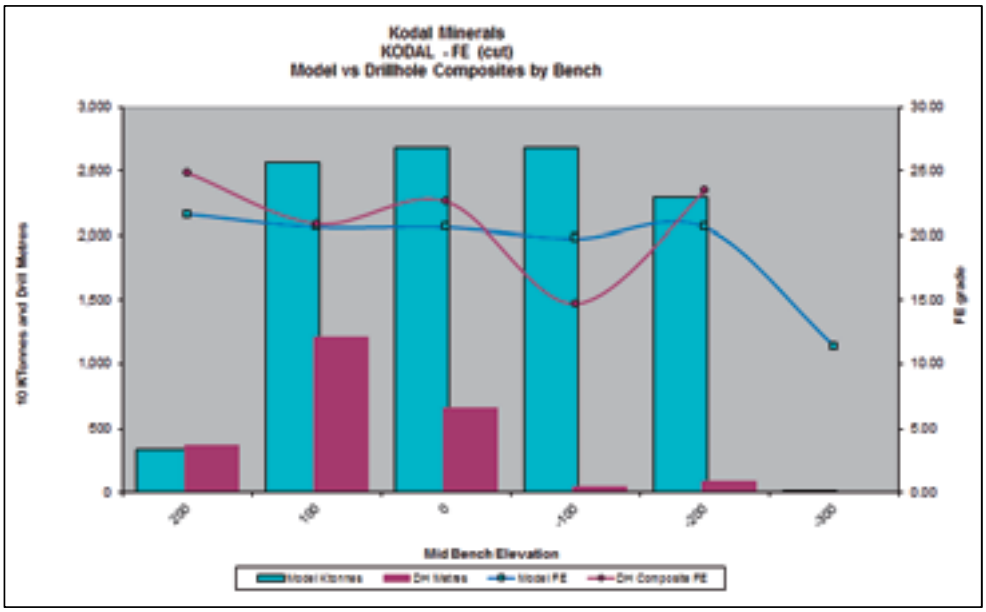
Figure 13. Collar location of historical hole BH58 (559024mE,6565866Mn) found via the use of handheld GPS.

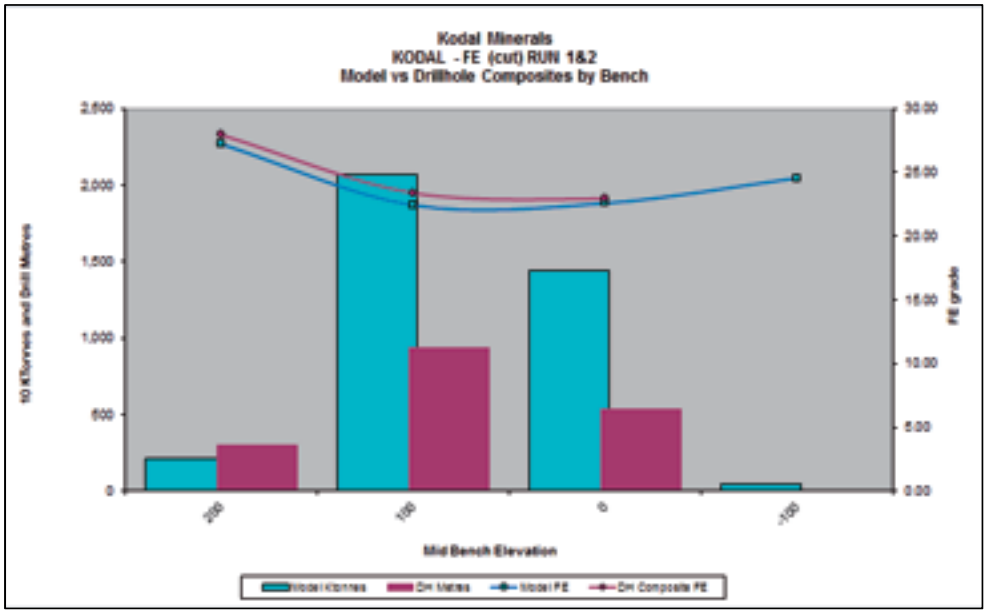
Figure 14. Mineralised outcrop of larvikite at the Kodal Project. Handheld XRF (Niton XL3t) returned low level Fe, P and Ti mineralisation at concentrations similar to those found in the hanging wall “transition” zone.

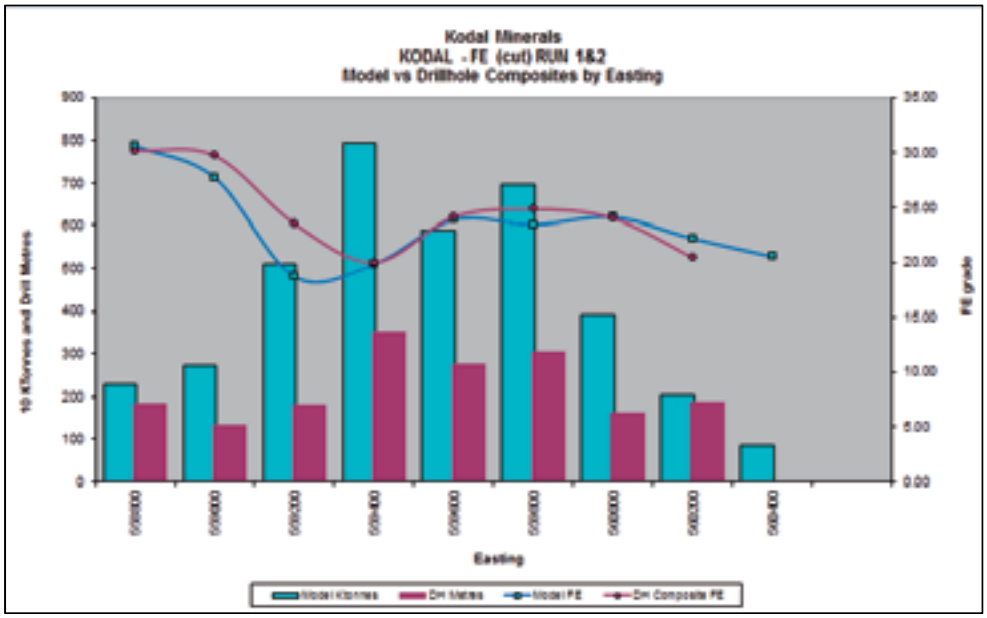
Figure 15. Historical hole DH42 (560463mE,6566158mN) used as a water source by the landowner.

Appendix 4 – CSA MRE - Swath Plots for Fe


Kodal Minerals
KODAL - FE (cut)
Model vs Drillhole Composites by Easting
10 KTonnes and Drill Metres
FE grade
Easting
Model KTonnes
DH Metres
Model FE
DH Composite FE


Kodal Minerals
KODAL - FE (cut)
Model vs Drillhole Composites by Bench
10 KTonnes and Drill Metres
FE grade
Mid Bench Elevation
Model KTonnes
DH Metres
Model FE
DH Composite FE


Kodal Minerals
KODAL - FE (cut) RUN 1&2
Model vs Drillhole Composites by Bench
10 KTonnes and Drill Metres
Fe grade
Mid Bench Elevation
Model KTonnes
DH Metres
Model FE
DH Composite FE


Kodal Minerals
KODAL - FE (cut) RUN 1&2
Model vs Drillhole Composites by Easting
10 KTonnes and Drill Metres
Fe grade
Easting
Model KTonnes
DH Metres
Model FE
DH Composite FE

PART IV

HISTORICAL FINANCIAL INFORMATION OF KODAL MINERALS

PART A – REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF KODAL MINERALS PLC

The following is the full text of a report on Kodal Minerals plc from Baker Tilly Corporate Finance LLP, the Reporting Accountants, to the Directors of Kodal Minerals plc.

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The Directors
Kodal Minerals plc
Prince Frederick House
35-39 Maddox Street
London W1S 2PP

20 December 2013

Dear Sirs

Kodal Minerals plc ("the Company")

We report on the financial information set out in Part B of Part IV of the admission document dated 20 December 2013 ("Admission Document"). This financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out at Note 2 to the financial information. This report is required by paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law, we do not accept or assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules, or consenting to its inclusion in the Admission Document.

Responsibilities

The Directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the

accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Company as at the dates stated and of its losses, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in Note 2 to the financial information and International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of part (a) of Schedule Two to the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with item 1.2 of Annex I and item 1.2 of Annex III of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules.

Yours faithfully

Baker Tilly Corporate Finance LLP

Regulated by the Institute of Chartered Accountants in England and Wales

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2011 AND YEARS ENDED 31 MARCH 2012 AND 2013

	Note	*Period ended 31 March 2011* £	*Year ended 31 March 2012* £	*Year ended 31 March 2013* £
Revenue		–	–	–
Administrative expenses	4	–	(36,749)	(24,671)
OPERATING LOSS		–	(36,749)	(24,671)
Finance charges		–	–	(69)
LOSS BEFORE TAX		–	(36,749)	(24,740)
Taxation	9	–	–	–
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS		–	(36,749)	(24,740)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2011, 2012 AND 2013

	Note	*31 March 2011* £	*31 March 2012* £	*31 March 2013* £
INTANGIBLE ASSETS	5	–	12,704	355,014
CURRENT ASSETS				
Trade and other receivables	6	10	15,000	5,476
Cash and cash equivalents	7	–	3,736	19,605
		10	18,736	25,081
CURRENT LIABILITIES				
Trade and other payables	8	–	18,149	136,955
NET CURRENT ASSETS/(LIABILITIES)		10	587	(111,874)
NET ASSETS		10	13,294	243,130
EQUITY				
Called up share capital	9	10	48	54,804
Share premium account	9	–	49,995	249,825
Retained deficit		–	(36,749)	(61,489)
TOTAL EQUITY		10	13,294	243,140

STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2011 AND YEARS ENDED 31 MARCH 2012 AND 2013

	Note	*Issued capital* £	*Share premium* £	*Retained deficit* £	*Total* £
At 13 April 2010		1	–	–	1
Proceeds from shares issued		9	–	–	9
At 31 March 2011		10	–	–	10
Comprehensive income					
Loss for the year		–	–	(36,749)	(36,749)
Other comprehensive income		–	–	–	–
Total comprehensive loss for the year		–	–	(36,749)	(36,749)
Proceeds from shares issued	9	38	49,995	–	50,033
At 31 March 2012		48	49,995	(36,749)	13,294
Comprehensive income					
Loss for the year		–	–	(24,740)	(24,740)
Other comprehensive income		–	–	–	–
Total comprehensive loss for the year		–	–	(61,489)	(24,740)
Proceeds from shares issued	9	7,813	242,188	–	250,001
Bonus issue of shares	9	46,800	(46,800)	–	–
Shares in settlement of services		143	4,442	–	4,585
At 31 March 2013		54,804	249,825	(61,489)	243,140

STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2011 AND YEARS ENDED 31 MARCH 2012 AND 2013

	Note	*31 March 2011* £	*31 March 2012* £	*31 March 2013* £
Cash flows from operating activities				
Operating loss	3	–	(36,749)	(24,671)
Adjustments for non-cash items:				
– Equity settled transaction		–	–	4,585
Operating cash flow before movements in working capital		–	(36,749)	(20,086)
Movement in working capital				
Increase/(decrease) in debtors		(10)	(14,990)	9,524
(Decrease)/increase in creditors		–	18,149	118,806
Net movements in working capital		(10)	3,159	128,330
Net cash outflow from operating activities		(10)	(33,590)	108,245
Cash flows from investing activities				
Acquisition of intangible assets		–	(12,707)	(342,307)
Cash flow from financing activities				
Issued shares	9	10	50,033	250,001
Interest paid		–	–	(69)
Net cash inflow from financing activities		10	50,033	249,932
Increase in cash and cash equivalents	7	–	3,736	15,869
Cash and cash equivalents at beginning of the year		–	–	3,736
Cash and cash equivalents at end of the year		–	3,736	19,605

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

NOTES TO THE HISTORICAL FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2011 AND YEARS ENDED 31 MARCH 2012 AND 2013

1. PRINCIPAL ACTIVITIES

Kodal Minerals Limited ("the Company") is registered in England and Wales, having been incorporated on 13 April 2010 under the Companies Act 2006 with registration number 07220790 as a private company limited by shares. The registered office of the company is Prince Frederick House, 35-39 Maddox Street, London W1S 2PP, United Kingdom

On 8 July 2013 the Company changed its name from Clearphos Limited to Kodal Minerals Limited and on 19 December 2013 the Company registered as a public company, and consequently changed its name to Kodal Minerals plc.

The Company is in the business of exploring for minerals. Accordingly the principal operational risks and uncertainties facing the Company include, but are not limited to, the time and monetary costs associated with unsuccessful exploration efforts; mechanical or technical problems encountered during exploration; failure to define economic mineral resources; inability to establish an economic processing method for any mineral deposit discovered; deterioration in commodity prices or economic conditions.

2. ACCOUNTING POLICIES

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

Basis of preparation

The historical financial information is prepared in accordance with the historical cost convention and in accordance with the International Financial Reporting Standards ("IFRSs"), including IFRS 6 *Exploration for and Evaluation of Mineral Resources*, as adopted by the European Union ("EU") and in accordance with the provisions of the Companies Act 2006, except as described below.

The Company held a 74 per cent. shareholding in a South African subsidiary, Clear Phosphate Minerals (Pty) Limited ("CPM") during the period ended 31 March 2011 and the years ended 31 March 2012 and 31 March 2013. CPM was established to explore for phosphate in South Africa and all of its funding has been provided by the Company. CPM incurred costs as a result of legal and consultancy work to secure an exploration licence, which was not subsequently granted. In May 2013 the directors of the Company ("Directors") decided to close CPM. All balances due from CPM to the Company were written off as incurred and as at 31 March 2013 a £5,000 provision was made by the Company for closure costs.

As CPM will not form part of the strategic direction of the Company, the historical financial information presented is for the Company only and therefore consolidated historical financial information for the Company and CPM has not been presented. Such consolidated historical financial information would be required by IAS 27 Consolidated and Separate Financial Statements; in all other respects, the historical financial information has been prepared in accordance with IFRS as adopted by the EU.

Going concern

The Company is currently dependent upon the financial support received from its shareholders until revenues from its primary business activities are sufficient to satisfy its obligations and fully finance its exploration and development programme. The Directors have prepared projected cash flow information taking into account the proceeds of the Placing and the forecast development of the Company's cost base. After making enquiries and considering sensitivities the Directors are of the opinion that the Company has adequate cash resources to continue in operational existence for the foreseeable future that is for at least twelve months from the date of this document.

Exploration and evaluation expenditure

In accordance with IFRS 6, exploration and evaluation costs incurred before the Company 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 ("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 Company 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 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 – 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.

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable from the sale of goods and services from the Company's ordinary business activities. Revenue is stated net of discounts, sales and other taxes. There was no revenue received in any of the reported periods.

Foreign currency translation

Items included in the Company's historical financial information are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The historical financial information is presented in pounds sterling ("£"), which is the functional and presentational currency of the Company.

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 Statement of Financial Position date and the gains or losses on translation are included in the Statement of Comprehensive Income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the original

transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Deferred taxation

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

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

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of receivables is established when there is objective evidence that the Company 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 the Statement of Comprehensive Income.

Trade and other payables

Trade payables and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. 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.

Equity settled transactions

The Company has applied the requirements of IFRS 2 Share-Based Payments for all grants of equity instruments. The Company has entered into equity settled share based payments as consideration for services received. Equity settled share based payments are measured at fair value at the date of issue.

The Company has measured the fair value by reference to the fair value of the services received.

Share capital

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

Segmental reporting

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

Financial instruments

IFRS7 requires information to be disclosed about the impact of financial instruments on the Company's risk profile, how the risks arising from financial instruments might affect the entity's performance, and how these risks are being managed.

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

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

The required disclosures have been made in Note 10 to the accounts.

Critical accounting judgements and estimates

The preparation of historical financial information in conformity 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 historical financial information 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 Company's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the historical financial information are as follows:

Exploration and evaluation expenditure:

The Company has capitalised all expenditure incurred in relation to exploration and evaluation of the "Kodal project" area in Norway in each period presented in the historical financial information. The Company signed binding heads of terms in January 2012 to acquire the legal and beneficial ownership to licences which grant the right to explore and evaluate mineral resources in the Kodal project area. Legal completion for this option agreement occurred in October 2012 and subsequent to 31 March 2013 the Company has exercised its option to complete the licence acquisition. The Directors consider it appropriate to capitalise costs directly attributable to exploration and evaluation activities in the Kodal project area from January 2012 in accordance with the accounting policy for these costs.

New standards and interpretations not applied

At the date of authorisation of these historical financial information, 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 Company.

Management anticipates that all of the pronouncements will be adopted in the company's accounting policy 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 Company's historical financial information.

Standard	*Details of amendment*	*Annual periods beginning on or after*
IFRS 7 Financial Instruments: Disclosures	Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards followed, and the related net credit exposure. This information will help investors understand the extent to which an entity has set off in its statement of financial position and the effects of rights of set-off on the entity's rights and obligations.	1 January 2013
IFRS 9 Financial Instruments	New standard that forms the first part of a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement.	1 January 2015
IFRS 10 Consolidated Financial Statements	New standard that replaces the consolidation requirements in SIC-12 Consolidation – Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. Standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the Company and provides additional guidance to assist in the determination of control where this is difficult to assess.	1 January 2014
IFRS 11 Joint Arrangements	New standard that deals with the accounting for joint arrangements and focuses on the rights and obligations of the arrangement, rather than its legal form. Standard requires a single method for accounting for interests in jointly controlled entities.	1 January 2014
IFRS 12 Disclosure of Interests in Other Entities	New and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off statement of financial position vehicles.	1 January 2014
IFRS 13 Fair Value Measurement	New guidance on fair value measurement and disclosure requirements.	1 January 2013
IAS 19 Employee Benefits	Amendments to the accounting for current and future obligations resulting from the provision of defined benefit plans.	1 January 2013
IAS 27 Consolidated and Separate Financial Statements	Consequential amendments resulting from the issue of IFRS 10, 11 and 12.	1 January 2014
IAS 28 Investments in Associates	Consequential amendments resulting from the issue of IFRS 10, 11 and 12	1 January 2014

Standard	*Details of amendment*	*Annual periods beginning on or after*
IAS 32 Financial Instruments: Presentation	Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards followed, and the related net credit exposure. This information will help investors understand the extent to which an entity has set off in its statement of financial position and the effects of rights of set-off on the entity's rights and obligations.	1 January 2014
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine.	1 January 2013

3. SEGMENTAL REPORTING

It is the opinion of the Directors that the operations of the Company represent one segment, and are treated as such when evaluating its performance.

4. OPERATING LOSS

The operating loss before tax is stated after charging:

	Period ended 31 March 2011 £	*Year ended 31 March 2012* £	*Year ended 31 March 2013* £
Depreciation and amortisation	–	–	–
Auditor's remuneration	–	–	–
Legal fees	–	3,023	1,003
Consultants	–	1,751	–
Travel expenses	–	3,359	14,364
Other professional fees	–	59	874
Exploration and other costs of CPM	–	25,633	6,075
Sundry	–	2,924	2,355
	–	36,749	24,671

The expenses shown above incurred in relation to the Company's CPM subsidiary were as a result of legal and consultancy work commissioned to secure an exploration licence in South Africa, which was not subsequently granted. In May 2013 the Directors decided to close CPM. All balances due from CPM to the Company were written off as incurred and as at 31 March 2013 a provision of £5,000 was made by the Company for closure costs.

5. INTANGIBLE ASSETS

	Drilling and testing £	*Consultants* £	*Other* £	*Total* £
Cost				
As at 31 March 2011	–	–	–	–
Additions	–	–	12,707	12,707
Disposals	–	–	–	–
As at 31 March 2012	–	–	12,707	12,707
Additions	107,146	208,608	26,553	342,307
Disposals	–	–	–	–
As at 31 March 2013	107,146	208,608	39,260	355,014

The exploration and evaluation assets capitalised relate to the Company's exploration activities in Norway (the "Kodal Project").

The Directors have assessed the value of the intangibles and determined that there is no impairment to the intangible asset balances at any of the reporting dates.

6. TRADE AND OTHER RECEIVABLES

	31 March 2011 £	*31 March 2012* £	*31 March 2013* £
Trade receivables	–	–	–
Other receivables	10	15,000	5,476
	10	15,000	5,476

All receivables at each reporting date are current. No receivables are past due but not impaired. The Directors consider that the carrying amount of the other receivables approximates their fair value.

7. CASH AND CASH EQUIVALENTS

	31 March 2011 £	*31 March 2012* £	*31 March 2013* £
Cash at bank and in hand	–	3,736	19,605
	–	3,736	19,605

8. TRADE AND OTHER PAYABLES

	31 March 2011 £	*31 March 2012* £	*31 March 2013* £
Trade payables	–	5,442	52,073
Other payables	–	12,707	84,882
	–	18,149	136,955

All trade and other payables at each reporting date are current. The Directors consider that the carrying amount of the other payables approximates their fair value.

9. ORDINARY SHARES

Authorised:

Class	*Nominal value*	*31 March 2011 Number*	*31 March 2012 Number*	*31 March 2013 Number*
Ordinary	£0.01	1,000	4,800	–
Ordinary	£0.0003125	–	–	175,372,142

Allotted, issued and fully paid:

	Nominal Value	*Number of Ordinary Shares*	*Share Capital £*	*Share Premium £*
13 April 2010	£1	1	1	–
Share split (Note 1)	£0.01	100	1	–
Issue	£0.01	900	9	–
At 31 March 2011	£0.01	1,000	10	–
Issue	£0.01	3,300	33	–
Issue	£0.01	500	5	49,995
At 31 March 2012	£0.01	4,800	48	49,995
Bonus Issue (Note 2)		4,680,000	46,800	(46,800)
		4,684,800	46,848	3,195
Share split (Note 3)	£0.0003125	149,913,600	46,848	3,195
Issue	£0.0003125	25,000,000	7,813	242,188
Issue (Note 4)	£0.0003125	458,542	143	4,442
At 31 March 2013	£0.0003125	175,372,142	54,804	249,825

Note 1: On 24 March 2011 the Board approved that each Ordinary share of the Company of £1 each be split into 100 new Ordinary shares of £0.01 each and such new shares be issued and allotted.

Note 2: On the 31 July 2012 the Board approved a bonus issue of 975 Ordinary shares of £0.01 each for each Ordinary share in issue on 24 July 2012. The bonus issue was funded from the Share Premium account.

Note 3: On the 31 July 2012 the Board approved that each Ordinary share of the Company of £0.01 each be split into 32 new Ordinary shares of £0.0003125 each and such new shares be issued and allotted.

Note 4: On 28 March 2013 458,542 shares were issued to a supplier of the Company in settlement of services provided to the Company by that supplier. These shares were issued at £0.01 each.

10. TAXATION

	Period to 31 March 2011	*Year ended 31 March 2012*	*Year ended 31 March 2013*
	£	£	£
Taxation charge for the year	Nil	Nil	Nil
Factors affecting the tax charge for the year			
Loss from continuing operations before income tax expenses	–	(36,749)	(24,740)
Tax at 20% (2012: 20%; 2011: 21%)	–	(7,350)	(4,948)
Expenses not deductible		5,156	3,832
Losses carried forward not recognised		2,194	1,116
Income tax expense	–	–	–

The Company has tax losses of £16,000 which will be available for offset against future income. No deferred tax has been reflected on these assets as the timing of their utilisation is uncertain at this stage.

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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

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

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

The main risk arising from the Company's financial instruments is market risk. The Directors consider risks to be more minor, and there 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 entity's income 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 Company's exposure to the risks of changes in market interest rates relates primarily to the Company's cash and cash equivalents with a floating interest rate. These financial assets with variable rates expose the Company 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 Company periodically analyses its exposure. Within this analysis consideration is given to alternative investments and the mix of fixed and variable interest rates. The Company does not engage in any hedging or derivative transactions to manage interest rate risk.

Interest rate risk is measured as the value of assets and liabilities at fixed rate compared to those at variable rate.

	Weighted average effective interest rate	*Floating interest rate maturing in 1 year or less*	*Non-interest bearing*	*Total*
31 March 2013	%	£	£	£
Financial instruments				
Financial assets				
Trade and other receivables	0.00	–	5,476	5,476
Cash on deposit	0.00	19,605	–	19,605
Total financial assets		19,605	5,476	25,081
Financial liabilities				
Trade and other payables	0.00	–	136,955	136,955
Total financial liabilities		–	136,955	136,955
31 March 2012				
Financial instruments				
Financial assets				
Trade and other receivables	0.00	–	15,000	15,000
Cash on deposit	0.00	3,736	–	3,736
Total financial assets		3,736	15,000	18,736
Financial liabilities				
Trade and other payables	0.00	–	18,149	18,149
Total financial liabilities		–	18,149	18,149

There were no financial instruments as at 31 March 2011

Foreign exchange risk

Throughout periods presented in the historical financial information, the functional currency for the Company's operating activities has been UK Sterling.

The Company incurs exploration costs in Norwegian Kronor on the Kodal project, and has exposure to foreign exchange rates prevailing at the dates when Sterling funds are transferred into Norwegian Kronor. The Company has not hedged against this foreign exchange risk as the Directors do not consider the level of exposure poses a significant risk.

The Company continues to keep the matter under review as further exploration and evaluation work is performed on the Kodal project, and will developed currency risk mitigation procedures if the significance of this risk materially increases.

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 it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions.

The entity 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.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company's main counterparties are the operators of the respective projects. Funds are normally only remitted on a prepayment basis a short period before the expected commencement of exploration activities. The Company has adopted a policy of only dealing with counterparties that the Directors consider to be creditworthy.

The Company's exposure to, and the credit ratings of, its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Other receivables at 31 March 2012 and 31 March 2013 consist primarily of prepayments and other sundry receivables. Periodic evaluation is performed on the financial condition of accounts receivable.

Capital management

The Company'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 Company's ability to continue as a going concern. This is to enable the Company, once projects become commercially and technically viable, to provide appropriate returns for shareholders and benefits for other stakeholders.

Throughout the periods presented in the historical financial information, the Company has relied on equity to finance its growth and exploration activity, raised through private placings. In future after admission to the AIM market of the London Stock Exchange plc, the Board will utilise financing sources, be that debt or equity, that best suits the company's working capital requirements and market conditions.

Fair value

The fair value of the financial assets and financial liabilities of the Company, 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.

12. RELATED PARTY TRANSACTIONS

Transactions with Directors

Three of the directors of the Company during the period were also partners/members of SP Angel Corporate Finance LLP which is a shareholder of the Company. SP Angel Corporate Finance LLP has been reimbursed by the Company for travel expenses incurred by two of the directors on behalf of the Company in the period to 31 March 2011 of £nil, in the year to 31 March 2012 of £3,360 and in the year to 31 March 2013 of £2,493 respectively.

Furthermore in the period to 31 March 2011, the years to 31 March 2012 and 31 March 2013 SP Angel Corporate Finance LLP was reimbursed by the Company £nil, £3,375 and £69,845 for expenses paid by it on behalf of the Company.

Directors' shareholdings

During the year ended 31 March 2012 the three directors of the Company at that time, being Emin Eyi, Robert Wooldridge and John Mackay, subscribed for a total of 2,950 shares in the Company for an aggregate consideration of £28.50, fully paid up in cash.

During the year ended 31 March 2013 these same directors received a total of 2,876,259 new shares through a bonus issue (Note 8). No consideration was due or paid.

The total of the shares subscribed for by the directors and bonus shares issued to the directors, as disclosed above totals 2,879,200 shares which, after the share split on 24 July 2012, equates to a new total of 92,134,400 shares at 31 March 2013.

Transactions with subsidiary company

During the two years ended 31 March 2013, £26,708 (year to March 2012: £25,633, year to March 2013, £1,075) of cash was advanced to the Company's subsidiary, CPM, to fund legal fees for the acquisition of an exploration licence in South Africa, which was not subsequently granted. The balance due from CPM was impaired as incurred.

13. EMPLOYEES' AND DIRECTORS' REMUNERATION

There were no employees in the period to 31 March 2011 or in the years to 31 March 2012 and 2013 respectively.

During these same periods there were no Directors' emoluments paid.

14. CONTROL

No one party is identified as controlling the Company.

15. POST BALANCE SHEET EVENTS

Kodal Minerals Limited held a 74 per cent. shareholding in a South African subsidiary, CPM during the interim period. CPM incurred costs as a result of legal and consultancy work to secure an exploration licence, which was not subsequently granted. In May 2013 the directors of the Company decided to close CPM. All balances due from CPM to the Company were written off and a provision was made by the Company for closure costs.

Clearphos Limited, a 100 per cent. subsidiary of the Company was incorporated in England and Wales on 16 April 2013 as Kodal Minerals Limited with company registration number of 08491224, and subsequently changed its name to Clearphos Limited on 8 July 2013.

On 8 July 2013 the Company changed its name from Clearphos Limited to Kodal Minerals Limited and further to this, on 19 December 2013 the Company registered as a public company and consequently changed its name to Kodal Minerals plc.

Kodal Mining AS, a 100 per cent. subsidiary of the Company was incorporated in Norway on 19 August 2013 with the company registration number of 00912258556.

Since 31 March 2013 the Company has issued 13,071,150 shares to suppliers of the Company in settlement of services provided. Such shares are fully paid and were issued at prices between £0.007 and £0.0164, further details of which are set out in paragraph 3 of Part VII. Furthermore between April and July 2013, the Company has issued a further 18,654,500 shares each for cash at a price of £0.0164, raising further capital of £305,934.

Pursuant to the share option agreements, dated 20 December 2013 and as set out further in paragraph 9 of Part VII, the Company issued share options over 40,000,000 Ordinary Shares. The share options are exercisable at the Placing Price.

The Company entered into an option agreement on 12 October 2012 with Tetra Minerals whereby the Company was granted the option to acquire all of the issued share capital of Kodal Phosphate AS for a consideration of €100,000 payable in cash and £1,750,000 to be satisfied by the allotment of Ordinary Shares of the Company at the Placing Price. This option was exercised on 17 December 2013 and completion of the Acquisition is conditional on Admission.

Subject to completion of the Acquisition Agreement, the Company has granted Tetra Minerals options to subscribe for new shares up to a maximum of 714,285,714 Ordinary Shares with an exercise price of 10p per Ordinary Share. Further details of these options are provided in paragraph 12.3 of Part VII.

PART C – REPORT ON THE HISTORICAL UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION OF KODAL MINERALS PLC

The following is the full text of a report on Kodal Minerals plc from Baker Tilly Corporate Finance LLP, the Reporting Accountants, to the Directors of Kodal Minerals plc.

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The Directors
Kodal Minerals plc
Prince Frederick House
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London W1S 2PP

20 December 2013

Dear Sirs

Kodal Minerals plc ("the Company") and its Subsidiaries ("the Group")

Introduction

We have been engaged by the Company to review the unaudited consolidated interim financial information relating to the Group for the six month period ended 30 September 2013 as set out in Part D of Part IV of the Admission Document dated 20 December 2013 ("Admission Document") ("Interim Financial Information"). We have read the other information contained in the Admission Document and considered whether it contains any apparent misstatements or material inconsistencies with the Interim Financial Information.

This report is made solely to the Company in accordance with the requirements of International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council in the United Kingdom ("ISRE 2410"), as if it applied to the Company's auditor and for no other purpose. Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review 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, for our review work, for this report, or for the opinions we have formed or consenting to its inclusion in the Admission Document.

Responsibilities

The Interim Financial Information is the responsibility of, and has been approved by, the directors of the Company ("the Directors"). The Directors are responsible for preparing the Interim Financial Information in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") and by applying the accounting policies and presentation consistent with those that will be adopted in the Company's next annual financial statements and the requirements of paragraph 20.6 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules.

Our responsibility is to express to the Company a conclusion on the Interim Financial Information, for the purposes of the Admission Document, based on our review.

Scope of review

We conducted our review in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom and ISRE 2410 as if it applied to the Company's auditor. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Interim Financial Information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that, for the purposes of the Admission Document, the Interim Financial Information has not been prepared, in all material respects, with International Financial Reporting Standards as adopted by the EU.

Declaration

For the purposes of part (a) of Schedule Two to the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with item 1.2 of Annex I and item 1.2 of Annex III of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules.

Yours faithfully

Baker Tilly Corporate Finance LLP

Regulated by the Institute of Chartered Accountants in England and Wales

PART D – HISTORICAL UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION OF KODAL MINERALS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

	Note	*Unaudited Six months ended 30 September 2012* £	*Unaudited Six months ended 30 September 2013* £
Revenue		–	–
Administrative profit/(expenses)	4	157	(51,443)
OPERATING PROFIT/(LOSS)		157	(51,443)
Finance charges		–	–
PROFIT/(LOSS) BEFORE TAX		157	(51,443)
Taxation		–	–
PROFIT/(LOSS) FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS		157	(51,443)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2013

	Note	*Audited* *31 March 2013* £	*Unaudited* *30 September 2013* £
NON-CURRENT ASSETS			
Property, plant and equipment	5	–	23,635
Intangible Assets	6	355,014	626,068
		355,014	649,703
CURRENT ASSETS			
Trade and other receivables	7	5,476	13,950
Cash and cash equivalents	8	19,605	20,114
		25,081	34,064
CURRENT LIABILITIES			
Trade and other payables	9	136,955	122,629
NET CURRENT LIABILITIES		(111,874)	(88,565)
NET ASSETS		243,140	561,138
EQUITY			
Called up share capital	10	54,804	63,836
Share premium account	10	249,825	610,234
Retained deficit		(61,489)	(112,932)
TOTAL EQUITY		243,140	561,138

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

	Issued capital £	*Share premium* £	*Retained losses* £	*Total* £
Audited balance at 31 March 2012	48	49,995	(36,748)	13,295
Loss for the period	–	–	(24,741)	(24,741)
Other comprehensive income	–	–	–	–
Total comprehensive loss for the year	–	–	(24,741)	(24,741)
Proceeds from share issue	7,813	242,188	–	250,001
Bonus issue of shares	46,800	(46,800)	–	–
Shares in settlement of services	143	4,442	–	4,585
Audited balance at 31 March 2013	54,804	249,825	(61,489)	(243,140)
Loss for the period	–	–	(51,443)	(51,443)
Other comprehensive income	–	–	–	–
Total comprehensive loss for the period	–	–	(51,443)	(51,443)
Proceeds from share issue	9,032	413,801	–	422,833
Cost of raising capital	–	(53,392)	–	(53,392)
Unaudited balance at 30 September 2013	63,836	610,234	(112,932)	561,138

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

	Note	*Unaudited Six months ended 30 September 2012* £	*Unaudited Six months ended 30 September 2013* £
Cash flows from operating activities			
Operating loss	4	157	(51,442)
Adjustments for non-cash items:			
– Depreciation charge		–	1,810
– Equity settled transaction		–	116,900
Operating cash flow before movements in working capital		157	67,268
Movement in working capital			
Decrease/(Increase) in debtors		15,000	(8,474)
Increase/(Decrease) in creditors		30,902	(14,326)
Net movements in working capital		45,902	(22,800)
Net cash outflow from operating activities		46,059	44,468
Cash flows from investing activities			
Assets purchases		–	(25,445)
Investment in intangible assets		(47,104)	(271,055)
Net cash outflow from investing activities		(47,104)	(296,500)
Cash flow from financing activities			
Issued shares	10	–	305,933
Cost of issuing shares		–	(53,392)
Net cash inflow from financing activities		–	252,541
(Decrease)/Increase in cash and cash equivalents	8	(1,045)	509
Cash and cash equivalents at beginning of the period		3,736	19,605
Cash and cash equivalents at end of the period		2,691	20,114

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

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

1. PRINCIPAL ACTIVITIES

Kodal Minerals plc ("the Company") is registered in England and Wales, having been incorporated on 13 April 2010 under the Companies Act 2006 with registration number 07220790 as a private company limited by shares. The registered office of the company is Prince Frederick House, 35-39 Maddox Street, London W1S 2PP, United Kingdom

On 8 July 2013 the Company changed its name from Clearphos Limited to Kodal Minerals Limited and on 19 December 2013 the Company registered as a public company, and consequently changed its name to Kodal Minerals plc.

The Company and its group are in the business of exploring for minerals. Accordingly the principal operational risks and uncertainties faced include, but are not limited to, the time and monetary costs associated with unsuccessful exploration efforts; mechanical or technical problems encountered during exploration; failure to define economic mineral resources; inability to establish an economic processing method for any mineral deposit discovered; deterioration in commodity prices or economic conditions.

2. ACCOUNTING POLICIES

The Company and its group have adopted the accounting policies set out below in preparation of the interim financial information. All of these policies have been applied consistently throughout the period unless otherwise stated.

Basis of preparation

The financial information for the six months ended 30 September 2013 has been prepared in accordance with IAS 34 "interim financial reporting" as adopted by the European Union, except as described below.

At 30 September 2013 the subsidiaries of the Company comprised Clearphos Limited, a company incorporated in the UK, and Kodal Mining AS, a company incorporated in Norway (together with the Company, "the Group").

The Company also held a 74 per cent. shareholding in a South African subsidiary, Clear Phosphate Minerals (Pty) Limited ("CPM") during the six month period ended 30 September 2013. CPM was established to explore for phosphate in South Africa and all of its funding has been provided by the Company. CPM incurred costs as a result of legal and consultancy work to secure an exploration licence, which was not subsequently granted. In May 2013 the directors of the Company ("Directors") decided to close CPM. All balances due from CPM to the Company were written off as incurred and a £5,000 provision was made by the Company for closure costs.

As CPM will not form part of the strategic direction of the Company, the interim financial information presented is for the Group, and excludes CPM. Consolidated interim financial information would be required by IAS 27 Consolidated and Separate Financial Statements; in all other respects, the interim financial information has been prepared in accordance with IFRS as adopted by the EU.

Going concern

The Group is currently dependent upon the financial support received from its shareholders until revenues from its primary business activities are sufficient to satisfy its obligations and fully finance its exploration and development programme. The Directors have prepared projected cash flow information taking into account the proceeds of the Placing and the forecast development of the Group's cost base. After making enquiries and considering sensitivities the Directors are of the opinion that the Group has adequate cash resources to continue in operational existence for the foreseeable future that is for at least twelve months from the date of this document.

Exploration and evaluation expenditure

In accordance with IFRS 6, 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 ("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 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 – 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.

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable from the sale of goods and services from the Group's ordinary business activities. Revenue is stated net of discounts, sales and other taxes. There was no revenue received in any of the reported periods.

Foreign currency translation

Items included in the Group's interim financial information are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The interim financial information is presented in pounds sterling ("£"), which is the functional and presentational currency of the Group.

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 Statement of Financial Position date and the gains or losses on translation are included in the Statement of Comprehensive Income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the original transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Deferred taxation

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

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

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Receivables are carried at original invoice amount 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 the Statement of Comprehensive Income.

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. 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.

Equity settled transactions

The Group has applied the requirements of IFRS 2 Share-Based Payments for all grants of equity instruments. The Group has entered into equity settled share based payments as consideration for services received. Equity settled share based payments are measured at fair value at the date of issue.

The Group has measured the fair value by reference to the fair value of the services received.

Share capital

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

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 Group.

Financial instruments

IFRS7 requires information to be disclosed about the impact of financial instruments on the Group's risk profile, how the risks arising from financial instruments might affect the entity's performance, and how these risks are being managed.

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

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

The required disclosures have been made in Note 12 to the accounts.

Critical accounting judgements and estimates

The preparation of interim financial information in conformity 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 interim financial information 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 areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the interim financial information are as follows:

Exploration and evaluation expenditure:

The Company has capitalised all expenditure incurred in relation to exploration and evaluation of the "Kodal project" area in Norway in each period presented in the interim financial information. The Company signed binding heads of terms in January 2012 to acquire the legal and beneficial ownership to licences which grant the right to explore and evaluate mineral resources in the Kodal project area. Legal completion for this option agreement occurred in October 2012 and subsequent to 31 March 2013 the Company has exercised its option to complete the licence acquisition. The Directors consider it appropriate to capitalise costs directly attributable to exploration and evaluation activities in the Kodal project area in accordance with the accounting policy for these costs.

New standards and interpretations not applied

At the date of authorisation of this interim financial information, 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.

Management anticipates that all of the pronouncements will be adopted in the Group's accounting policy 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 interim financial information.

Standard	*Details of amendment*	*Annual periods beginning on or after*
IFRS 9 Financial Instruments	New standard that forms the first part of a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement.	1 January 2015
IFRS 10 Consolidated Financial Statements	New standard that replaces the consolidation requirements in SIC-12 Consolidation – Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. Standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the Company and provides additional guidance to assist in the determination of control where this is difficult to assess.	1 January 2014
IFRS 11 Joint Arrangements	New standard that deals with the accounting for joint arrangements and focuses on the rights and obligations of the arrangement, rather than its legal form. Standard requires a single method for accounting for interests in jointly controlled entities.	1 January 2014
IFRS 12 Disclosure of Interests in Other Entities	New and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off statement of financial position vehicles.	1 January 2014
IFRS 13 Fair Value Measurement	New guidance on fair value measurement and disclosure requirements.	1 January 2014
IAS 27 Consolidated and Separate Financial Statements	Consequential amendments resulting from the issue of IFRS 10, 11 and 12.	1 January 2014
IAS 28 Investments in Associates	Consequential amendments resulting from the issue of IFRS 10, 11 and 12	1 January 2014
IAS 32 Financial Instruments: Presentation	Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards followed, and the related net credit exposure. This information will help investors understand the extent to which an entity has set off in its statement of financial position and the effects of rights of set-off on the entity's rights and obligations.	1 January 2014

3. SEGMENTAL REPORTING

It is the opinion of the Directors that the operations of the Group represent one segment, and are treated as such when evaluating its performance.

4. OPERATING LOSS

The operating loss before tax is stated after charging:

	Unaudited Six months ended 30 September 2012 £	*Unaudited Six months ended 30 September 2013* £
Depreciation and amortisation	–	1,810
Legal fees	–	1,902
Travel expenses	–	677
Other professional fees	–	25,314
Write-off of CPM costs	–	16,410
Other	(157)	5,330
	(157)	51,443

The expenses shown above incurred in relation to the Company's subsidiary, CPM, were as a result of legal and consultancy work commissioned to secure an exploration licence in South Africa, which was not subsequently granted. In May 2013 the Directors decided to close CPM. All balances due from CPM to the Company were written off as incurred and a provision of £5,000 was made by the Company for closure costs.

5. PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment and Software £
Cost	
Audited at 1 April 2012, and 31 March 2013	–
Additions in the period	25,445
Unaudited at 30 September 2013	25,445
Depreciation	
Audited at 1 April 2012 and 31 March 2013	–
Charge for the period	1,810
Unaudited at 30 September 2013	1,810
Net book value	
Audited at 1 April 2012 and 31 March 2013	–
Unaudited at 30 September 2013	23,635

6. INTANGIBLE ASSETS

	Drilling and testing £	*Consultants* £	*Other* £	*Total* £
Cost				
At 1 April 2012	–	–	12,707	12,707
Additions	107,146	208,608	26,553	342,307
Audited at 31 March 2013	107,146	208,608	39,260	355,014
Additions	24,150	246,846	58	271,054
Unaudited at 30 September 2013	131,296	455,454	39,318	626,068

The exploration and evaluation assets capitalised relate to the Company's exploration activities in Norway (the "Kodal Project").

The Directors have assessed the value of the intangibles and determined that there is no impairment to the intangible asset balances at any of the reporting dates.

7. TRADE AND OTHER RECEIVABLES

	Audited 31 March 2013 £	*Unaudited 30 September 2013* £
Trade receivables	–	–
Other receivables	5,476	13,950
	5,476	13,950

All receivables at each reporting date are current. No receivables are past due but not impaired. The Directors consider that the carrying amount of the other receivables approximates their fair value.

8. CASH AND CASH EQUIVALENTS

	Audited 31 March 2013 £	*Unaudited 30 September 2013* £
Cash at bank and in hand	19,605	20,114
	19,605	20,114

9. TRADE AND OTHER PAYABLES

	Audited 31 March 2013 £	*Unaudited 30 September 2013* £
Trade payables	52,073	100,859
Other payables	84,882	21,770
	136,955	122,629

All trade and other payables at each reporting date are current. The Directors consider that the carrying amount of the other payables approximates their fair value.

10. ORDINARY SHARES

Authorised:

Class	*Nominal value*	*Audited 31 March 2013 Number*	*Unaudited 30 September 2013 Number*
Ordinary	£0.0003125	175,372,142	204,276,642

Allotted, issued and fully paid:

	Nominal Value	*Number of Ordinary Shares*	*Share Capital £*	*Share Premium £*
At 1 April 2012	£0.01	4,800	48	49,995
Bonus Issue (Note 1)		4,680,000	46,800	(46,800)
		4,684,800	46,848	3,195
Share split (Note 2)	£0.0003125	149,913,600	46,848	3,195
Issue	£0.0003125	25,000,000	7,813	242,188
Issue (Note 3)	£0.0003125	458,542	143	4,442
Audited at 31 March 2013	£0.0003125	175,372,142	54,804	249,825
Issue (Note 4)	£0.0003125	7,500,000	2,344	72,656
Issue (Note 5)	£0.0003125	18,654,500	5,829	300,104
Issue (Note 6)	£0.0003125	2,750,000	859	41,041
Share issue costs				(53,392)
Unaudited at 30 September 2013	£0.0003125	204,276,642	63,836	610,234

Note 1: On the 31 July 2012 the Board approved a bonus issue of 975 Ordinary shares of £0.01 each for each Ordinary share in issue on 24 July 2012. The bonus issue was funded from the Share Premium account.

Note 2: On the 31 July 2012 the Board approved that each Ordinary share of the Company of £0.01 each be split into 32 new Ordinary shares of £0.0003125 each and such new shares be issued and allotted.

Note 3: On 28 March 2013 458,542 shares were issued to a supplier of the Company in settlement of services provided to the Company by that supplier. These shares were issued at £0.01 each.

Note 4: On 8 April 2013 7,500,000 shares were issued to two separate a suppliers of the Company in settlement of their services provided to the Company by the suppliers. These shares were issued at £0.01 each

Note 5: Between April and July 2013 a further 18,654,500 shares were placed in the market at a price of £0.0164p, raising £305,933.80 in additional capital.

Note 6: On 18 July 2013 2,750,000 shares were issued to a supplier of the company in settlement of services provided to the Company by that supplier. 500,000 shares were issued at £0.01p and 2,250,000 shares at £0.0164p.

11. TAXATION

	Audited Six months ended 30 September 2012 £	*Unaudited Six months ended 30 September 2013* £
Taxation charge for the year	Nil	Nil
Factors affecting the tax charge for the year		
Profit/(loss) from continuing operations before income tax expenses	157	(51,443)
Tax at 20% (2012: 20%)	31	(10,289)
Expenses not deductible	17	3,290
Losses carried forward not recognised	(48)	6,999
Income tax expense	–	–

The Company has tax losses of £51,000 which will be available for offset against future income. No deferred tax has been reflected on these assets as the timing of their utilisation is uncertain at this stage.

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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

The main purpose of cash and cash equivalents financial instruments 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 interim period 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 there 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 entity's income 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'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.

Interest rate risk is measured as the value of assets and liabilities at fixed rate compared to those at variable rate.

	Weighted average effective interest rate %	*Floating interest rate maturing in 1 year or less* £	*Non-interest bearing* £	*Total* £
30 September 2013				
Financial instruments				
Financial assets				
Trade and other receivables	0.00	–	13,950	13,950
Cash on deposit	0.00	20,114	–	20,114
Total financial assets		20,114	13,950	34,064
Financial liabilities				
Trade and other payables	0.00	–	122,629	122,629
Total financial liabilities		–	122,629	122,629
31 March 2013				
Financial instruments				
Financial assets				
Trade and other receivables	0.00	–	5,476	5,476
Cash on deposit	0.00	19,605	–	19,605
Total financial assets		19,605	5,476	25,081
Financial liabilities				
Trade and other payables	0.00	–	136,955	136,955
Total financial liabilities		–	136,955	136,955

Foreign exchange risk

Throughout periods presented in the historical financial information, the functional currency for the Group's operating activities has been UK Sterling.

The Group incurs exploration costs in Norwegian Kronor on the Kodal project, and has exposure to foreign exchange rates prevailing at the dates when Sterling funds are transferred into Norwegian Kronor. The Group has not hedged against this foreign exchange risk as the Directors do not consider 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 on the Kodal project, and will developed currency risk mitigation procedures if the significance of this risk materially increases.

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 it 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.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group's main counterparties are the operators of the respective projects. Funds are normally only remitted on a prepayment basis a short period before the expected commencement of exploration activities. The Group has adopted a policy of only dealing with counterparties that the Directors consider to be creditworthy.

The Group's exposure to, and the credit ratings of, its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

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.

Throughout the periods presented in the historical financial information, the Group has relied on equity to finance its growth and exploration activity, raised through private placings. In future after admission to the AIM market of the London Stock Exchange plc, the Board will utilise financing sources, be that debt or equity, that best suits the Group's working capital requirements and market conditions.

Fair value

The fair value of the financial assets and financial liabilities of the Group, at each reporting date, approximates to their carrying amount as disclosed in the Statement of Financial Position and in the related notes.

The fair values of the financial assets and liabilities are included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The cash and cash equivalents, other receivables, trade payables and other current liabilities approximate their carrying value amounts largely due to the short-term maturities of these instruments.

13. RELATED PARTY TRANSACTIONS

Transactions with Directors

Directors of the Company during the period, namely Emin Eyi, John Mackay and Robert Wooldridge were also partners/members of SP Angel Corporate Finance LLP, a company that holds 5.31 per cent. of the share capital of Kodal Minerals plc.

Reimbursements paid to SP Angel Corporate Finance LLP in respect of travel expenses incurred by Emin Eyi and Robert Wooldridge in the six months ended 30 September 2013 total £nil (six months ended 30 September 2012: £2,492).

Amounts paid to SP Angel Corporate Finance LLP in respect of further expenses incurred in the six months ended 30 September 2013 total £nil (six months ended 30 September 2012: £16,409).

Directors' shareholdings

During the 6 months ended 30 September 2012 the three directors received a total of 2,876,259 new shares through a bonus issue (Note 10). No consideration was due or paid. Following the share split which occurred on 31 July 2012, this amount equates to a total of 92,134,400 shares as at 30 September 2013.

14. EMPLOYEES' AND DIRECTORS' REMUNERATION

There were no employees in the six months to 30 September 2012 or the six months to 30 September 2013.

During these same periods there were no Directors' emoluments paid.

15. INVESTMENTS

The consolidated interim financial information includes the following group companies:

Company	*Nature of business*	*Country of Incorporation*	*Holding*
Kodal Mining AS	Exploration and mining	Norway	100%
Clearphos Limited	Exploration and mining	United Kingdom	100%

Kodal Mining AS, a 100 per cent. subsidiary of the Company was incorporated in Norway on 19 August 2013 with the company registration number of 00912258556. Kodal Mining AS will act as the Norwegian operating company for the Group.

Clearphos Limited, a 100 per cent. subsidiary of the Company was incorporated in England and Wales on 16 April 2013 as Kodal Minerals Limited with company registration number of 08491224, and subsequently changed its name to Clearphos Limited on 8 July 2013. Clearphos Limited will act as the UK operating company for the Group.

16. CONTROL

No one party is identified as controlling the Company.

17. POST BALANCE SHEET EVENTS

On 25 November 2013, the Company issued 2,821,150 Ordinary Shares to two suppliers of the Company in settlement for their services provided to the Company at an issue price of £0.007 per Share.

On 19 December 2013 the Company registered as a public company, and consequently changed its name from Kodal Minerals Limited to Kodal Minerals plc.

Pursuant to the share option agreements, dated 20 December 2013 and as set out further in paragraph 9 of Part VII, the Company issued share options over 40,000,000 Ordinary Shares. The share options are exercisable at the Placing Price.

The Company entered into an option agreement on 12 October 2012 with Tetra Minerals whereby the Company was granted the option to acquire all of the issued share capital of Kodal Phosphate AS for a consideration of €100,000 payable in cash and £1,750,000 to be satisfied by the allotment of Ordinary Shares of the Company at the Placing Price. This option was exercised on 17 December 2013 and completion of the Acquisition is conditional on Admission.

Subject to completion of the Acquisition Agreement, the Company has granted Tetra Minerals options to subscribe for new shares up to a maximum of 714,285,714 Ordinary Shares at an exercise price of 10p per Ordinary Share. Further details of these options are provided in paragraph 12.3 of Part VII.

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PART V

HISTORICAL FINANCIAL INFORMATION OF KODAL PHOSPHATE

PART A – REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF KODAL PHOSPHATE

The following is the full text of a report on Kodal Minerals plc from Baker Tilly Corporate Finance LLP, the Reporting Accountants, to the Directors of Kodal Minerals plc.

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The Directors
Kodal Minerals plc
Prince Frederick House
35-39 Maddox Street
London W1S 2PP

20 December 2013

Dear Sirs

Kodal Phosphate AS

We report on the financial information relating to Kodal Phosphate AS set out in Part B of Part V of the Admission Document dated 20 December 2013 ("Admission Document") of Kodal Minerals plc ("the Company"). This financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out at Note 2 to the financial information. This report is required by paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law, we do not accept or assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules, or consenting to its inclusion in the Admission Document

Responsibilities

The Directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the

accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Kodal Phosphate AS as at the date stated and of its results, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in Note 2 to the financial information and International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of part (a) of Schedule Two to the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with item 1.2 of Annex I and item 1.2 of Annex III of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules.

Yours faithfully

Baker Tilly Corporate Finance LLP

Regulated by the Institute of Chartered Accountants in England and Wales

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2012

	Note	*Period ended 31 December 2012* £
Revenue		–
Administrative expenses	4	(3,297)
OPERATING LOSS		(3,297)
Interest income		4
LOSS BEFORE TAX		(3,293)
Taxation	7	–
LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS		(3,293)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Note	*ended 31 December 2012* £
CURRENT ASSETS		
Cash and cash equivalents	5	2,330
		2,330
NET ASSETS		2,330
EQUITY		
Called up share capital	6	3,321
Share premium	6	2,302
Retained deficit		(3,293)
TOTAL EQUITY		2,330

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2012

	Share capital £	*Share premium* £	*Retained deficit* £	*Total* £
At 10 April 2012	3,321	2,302	–	5,623
Comprehensive income				
Loss for the period	–	–	(3,293)	(3,293)
Other comprehensive income	–	–	–	–
Total comprehensive loss for the year	–	–	(3,293)	(3,293)
At 31 December 2012	3,321	2,302	(3,293)	2,330

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2012

	Note	*Period ended 31 December 2012* £
Cash flows from operating activities		
Operating loss	4	(3,297)
Operating cash flow before movements in working capital		(3,297)
Movement in working capital		
Movement in debtors		–
Movement in creditors		–
Net movements in working capital		–
Net cash outflow from operating activities		(3,297)
Cash flows from investing activities		–
Cash flow from financing activities		
Proceeds from issuance of share capital	6	5,623
Interest earned		4
Net cash inflow from financing activities		5,627
Increase in cash and cash equivalents	5	2,330
Cash and cash equivalents at beginning of the period		–
Cash and cash equivalents at end of the period		2,330

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

NOTES TO THE HISTORICAL FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 DECEMBER 2012

1. PRINCIPAL ACTIVITIES

Kodal Phosphate AS ("Kodal Phosphate") is registered in Norway, having been incorporated on 10 April 2012 under Norwegian law with a registration number 998 591 422 as a private company limited by shares. The registered office of Kodal Phosphate is Filipstad, Brygge I, 0252 Oslo, Norway.

The principal activities of Kodal Phosphate comprise the acquisition, management and sale of mineral rights, and the exploration of mineral resources and mining operations. As at 31 December 2012, Kodal Phosphate held exploratory mining rights within the Vestfold county of Norway (Note 9.). After the period end, Kodal Phosphate has been granted extraction permits within the Vestfold county of Norway (Note 12).

Accordingly the principal operational risks and uncertainties facing Kodal Phosphate include, but are not limited to, the time and monetary costs associated with unsuccessful exploration efforts; mechanical or technical problems encountered during exploration; failure to define economic mineral resources; inability to establish an economic processing method for any mineral deposit discovered; deterioration in commodity prices or economic conditions.

2. ACCOUNTING POLICIES

Kodal Phosphate has adopted the accounting policies set out below in preparation of the historical financial information. All of these policies have been applied consistently throughout the period unless otherwise stated.

Basis of preparation

The historical financial information is prepared in accordance with the historical cost convention and in accordance with the International Financial Reporting Standards ("IFRSs"), including IFRS 6 Exploration for and Evaluation of Mineral Resources, as adopted by the European Union ("EU"), and in accordance with the provisions of Norwegian Law.

The Statement of Comprehensive Income and Statement of Cash Flows are drawn up from the date of incorporation, 10 April 2012, to 31 December 2012 ("Period to 31 December 2012").

Going concern

Kodal Phosphate is currently dependent upon the financial support received from its shareholders until revenues from its primary business activities are sufficient to satisfy its obligations and fully finance its exploration and development programme. The Directors of Kodal Minerals plc have prepared projected cash flow information for the Enlarged Group including Kodal Phosphate AS taking into account the proceeds of the Placing and the forecast development of the Enlarged Group's cost base. After making enquiries and considering sensitivities the Directors are of the opinion that the Enlarged Group and Kodal Phosphate individually, have adequate cash resources to continue in operational existence for the foreseeable future that is for at least twelve months from the date of this document.

Exploration and evaluation expenditure

In accordance with IFRS 6, exploration and evaluation costs incurred before Kodal Phosphate 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 ("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, Kodal Phosphate 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 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 – 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.

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable from the sale of goods and services from Kodal Phosphate's ordinary business activities. Revenue is stated net of discounts, sales and other taxes. There was no revenue received in any of the reported periods.

Foreign currency translation

Items included in Kodal Phosphate's historical financial information are measured using the currency of the primary economic environment in which Kodal Phosphate operates, which in this case is the Norwegian Kroner. The historical financial information is presented in pounds sterling ("£"), as this is the functional and presentational currency of Kodal Minerals plc.

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 Statement of Financial Position date and the gains or losses on translation are included in the Statement of Comprehensive Income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the original transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Deferred taxation

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

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

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of receivables is established when there is objective evidence that Kodal Phosphate 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 the Statement of Comprehensive Income.

Trade and other payables

Trade payables and other payables represent liabilities for goods and services provided to Kodal Phosphate prior to the end of the financial year that are unpaid and arise when Kodal Phosphate becomes obliged to make future payments in respect of the purchase of these goods and services. 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 increase of new shares or options are shown in equity as a deduction from the proceeds.

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 Kodal Phosphate.

Financial instruments

IFRS7 requires information to be disclosed about the impact of financial instruments on Kodal Phosphate's risk profile, how the risks arising from financial instruments might affect the entity's performance, and how these risks are being managed.

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

Kodal Phosphate's policies include that no trading in derivative financial instruments shall be undertaken.

The required disclosures have been made in Note 8 to the accounts.

Critical accounting judgements and estimates

The preparation of historical financial information in conformity 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 historical financial information 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 Kodal Phosphate's accounting policies.

No critical accounting judgements and estimates have been identified by management.

New standards and interpretations not applied

At the date of authorisation of this historical financial information, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by Kodal Phosphate.

Management anticipates that all of the pronouncements will be adopted in Kodal Phosphate's accounting policy 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 Kodal Phosphate's historical financial information.

Standard	*Details of amendment*	*Annual periods beginning on or after*
IFRS 7 Financial Instruments: Disclosures	Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards followed, and the related net credit exposure. This information will help investors understand the extent to which an entity has set off in its statement of financial position and the effects of rights of set-off on the entity's rights and obligations.	1 January 2013
IFRS 9 Financial Instruments	New standard that forms the first part of a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement.	1 January 2015
IFRS 10 Consolidated Financial Statements	New standard that replaces the consolidation requirements in SIC-12 Consolidation – Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. Standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the Company and provides additional guidance to assist in the determination of control where this is difficult to assess.	1 January 2013
IFRS 11 Joint Arrangements	New standard that deals with the accounting for joint arrangements and focuses on the rights and obligations of the arrangement, rather than its legal form. Standard requires a single method for accounting for interests in jointly controlled entities.	1 January 2014
IFRS 12 Disclosure of Interests in Other Entities	New and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off statement of financial position vehicles.	1 January 2014

Standard	*Details of amendment*	*Annual periods beginning on or after*
IFRS 13 Fair Value Measurement	New guidance on fair value measurement and disclosure requirements.	1 January 2014
IAS 19 Employee Benefits	Amendments to the accounting for current and future obligations resulting from the provision of defined benefit plans.	1 January 2014
IAS 27 Consolidated and Separate Financial Statements	Consequential amendments resulting from the issue of IFRS 10, 11 and 12.	1 January 2014
IAS 28 Investments in Associates	Consequential amendments resulting from the issue of IFRS 10, 11 and 12.	1 January 2014
IAS 32 Financial Instruments: Presentation	Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards followed, and the related net credit exposure. This information will help investors understand the extent to which an entity has set off in its statement of financial position and the effects of rights of set-off on the entity's rights and obligations.	1 January 2014
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine.	1 January 2014

3. SEGMENTAL REPORTING

It is the opinion of the Directors that the operations of Kodal Phosphate represent one segment, and are treated as such when evaluating its performance.

4. OPERATING LOSS

The operating loss before tax is stated after charging:

	Period ended 31 December 2012 £
Sundry expenses	8
Legal fees	3,289
	3,297

5. CASH AND CASH EQUIVALENTS

	31 December 2012 £
Cash at bank and in hand	2,330
	2,330

6. ORDINARY SHARES

As at 31 December 2012:

Class	*Nominal value Kroner*	*Nominal value £*	*Shares Number*	*Total £*
Ordinary	30	3.321	1,000	3,321

Allotted, issued and fully paid:

	Nominal Value £	*Number of Ordinary Shares Number*	*Share Capital £*	*Share Premium £*	*Total £*
10 April 2012	3.321	1,000	3,321	2,302	5,623
At 31 December 2012	3.321	1,000	3,321	2,302	5,623

7. TAXATION

	Period ended 31 December 2012 £
Taxation charge for the year	–
Factors affecting the tax charge for the year	
Loss from continuing operations before income tax expenses	(3,293)
Tax at 20%	(659)
Expenses not deductible	–
Losses carried forward not recognised	659
Income tax expense	–

Kodal Phosphate has tax losses which will be available for offset against future income. No deferred tax has been reflected on these assets as the timing of their utilisation is uncertain at this stage.

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Kodal Phosphate's financial instruments comprise cash and cash equivalents.

The main purpose of cash and cash equivalents financial instruments is to finance Kodal Phosphate's operations.

It has been Kodal Phosphate's policy, throughout the periods presented in the historical financial information, that no trading in financial instruments was to be undertaken, and no such instruments were entered into.

The main risk is considered to be interest rate risk arising from Kodal Phosphate's cash and cash equivalents holdings. 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.

Interest rate risk

Kodal Phosphate's exposure to the risks of changes in market interest rates relates primarily to Kodal Phosphate's cash and cash equivalents with a floating interest rate. These financial assets with variable rates expose Kodal Phosphate 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, Kodal Phosphate periodically analyses its exposure. Within this analysis consideration is given to alternative investments and the mix of fixed and variable interest rates. Kodal Phosphate does not engage in any hedging or derivative transactions to manage interest rate risk.

Interest rate risk is measured as the value of assets and liabilities at fixed rate compared to those at variable rate.

	Weighted average effective interest rate %	*Floating interest rate maturing in 1 year or less* £	*Non-interest bearing* £	*Total* £
31 December 2012				
Financial instruments				
Financial assets				
Cash on deposit	0.00	2,330	–	2,330
Total financial assets		2,330	–	2,330

Foreign exchange risk

Throughout periods presented in the historical financial information, the functional currency for Kodal Phosphate's operating activities has been Norwegian Kroner.

Kodal Phosphate incurs operating and exploration costs in Norwegian Kroner. Currently all activity is based in Norway thus limiting any currency exposure.

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 it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions.

The entity 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

Kodal Phosphate'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 Kodal Phosphate's ability to continue as a going concern. This is to enable Kodal Phosphate, once projects become commercially and technically viable, to provide appropriate returns for shareholders and benefits for other stakeholders.

Fair value

The fair value of the financial assets and financial liabilities of Kodal Phosphate, at each reporting date, approximates to their carrying amount as disclosed in the Statement of Financial Position and in the related notes.

9. RELATED PARTY TRANSACTIONS

On 16 July 2012 Kodal Phosphate entered into an agreement whereby an exploratory mining license was transferred from Tetra Minerals Oy, Kodal Phosphate's parent during the period, for nil consideration. This exploratory mining license grants exploratory mining rights within the Vestfold county of Norway.

10. EMPLOYEES' AND DIRECTORS' REMUNERATION

There were no employees in the period to 31 December 2012 and the directors did not receive any remuneration.

11. CONTROLLING PARTY

The ultimate and immediate controlling party of Kodal Phosphate during the period was Tetra Minerals Oy.

12. POST BALANCE SHEET EVENTS

On 11 July 2013, Kodal Phosphate was granted extraction permits for three areas within the Andebu and Larvik municipalities of Vestfold county in Norway. Expenditure commitments exist in relation to these permits held by Kodal Phosphate totalling 9,000 Kroner (approximately £990) per annum for the life of the permit. The first of these payments, in relation to 2014, falls due on 14 January 2014.

On 12 October 2012 Kodal Phosphate's parent, Tetra Minerals Oy, entered into a share option agreement with Kodal Minerals plc, whereby Kodal Minerals plc was granted the option to acquire all of the issued share capital of Kodal Phosphate for a consideration of €100,000 payable in cash and £1,750,000 to be satisfied by the allotment of Ordinary Shares of the Company. This option was exercised on 17 December 2013, with the acquisition conditional on Admission.

PART C – REPORT ON THE HISTORICAL UNAUDITED INTERIM FINANCIAL INFORMATION OF KODAL PHOSPHATE

The following is the full text of a report on Kodal Phosphate AS from Baker Tilly Corporate Finance LLP, the Reporting Accountants, to the Directors of Kodal Minerals plc.

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The Directors
Kodal Minerals plc
Prince Frederick House
35-39 Maddox Street
London W1S 2PP

20 December 2013

Dear Sirs

Kodal Phosphate AS

Introduction

We have been engaged by Kodal Minerals plc ("the Company") to review the unaudited consolidated financial information relating to Kodal Phosphate AS for the six month period ended 30 June 2013 as set out in Part D of Part V of the Admission Document dated 20 December 2013 ("Admission Document") ("Interim Financial Information") of the Company. We have read the other information contained in the Admission Document and considered whether it contains any apparent misstatements or material inconsistencies with the Interim Financial Information.

This report is made solely to the Company in accordance with the requirements of International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council in the United Kingdom ("ISRE 2410"), as if it applied to the Company's auditor and for no other purpose. Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review 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, for our review work, for this report, or for the opinions we have formed or consenting to its inclusion in the Admission Document.

Responsibilities

The Interim Financial Information is the responsibility of, and has been approved by, the directors of the Company ("the Directors"). The Directors are responsible for preparing the Interim Financial Information in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") and by applying the accounting policies and presentation consistent with those that will be adopted in the Company's next annual financial statements and the requirements of paragraph 20.6 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules.

Our responsibility is to express to the Company a conclusion on the Interim Financial Information, for the purposes of the Admission Document, based on our review.

Scope of review

We conducted our review in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom and ISRE 2410 as if it applied to the Company's auditor. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Interim Financial Information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that, for the purposes of the Admission Document, the Interim Financial Information has not been prepared, in all material respects, with International Financial Reporting Standards as adopted by the EU.

Declaration

For the purposes of part (a) of Schedule Two to the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with item 1.2 of Annex I and item 1.2 of Annex III of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules.

Yours faithfully

Baker Tilly Corporate Finance LLP

Regulated by the Institute of Chartered Accountants in England and Wales

PART D – HISTORICAL UNAUDITED INTERIM FINANCIAL INFORMATION OF KODAL PHOSPHATE

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2013

Kodal Phosphate AS entered into no transactions and subsequently incurred no profit or loss during the current or comparative periods. Accordingly, no Statement of Comprehensive Income is presented.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	*Audited 31 December 2012* £	*Unaudited 30 June 2013* £
CURRENT ASSETS			
Cash and cash equivalents	3	2,330	2,330
		2,330	2,330
NET ASSETS		2,330	2,330
EQUITY			
Called up share capital	4	3,321	3,321
Share premium account	4	2,302	2,302
Retained deficit		(3,293)	(3,293)
TOTAL EQUITY		2,330	2,330

STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Share Capital £	*Share Premium* £	*Retained Deficit* £	*Total* £
At 10 April 2012	3,321	2,302	–	5,623
Comprehensive income				
Loss for the period	–	–	(3,293)	(3,293)
Other comprehensive income	–	–	–	–
Total comprehensive loss for the period	–	–	(3,293)	(3,293)
Audited as at 31 December 2012	3,321	2,302	(3,293)	2,330
Comprehensive income				
Loss for the period	–	–	–	–
Other comprehensive income	–	–	–	–
Total comprehensive loss for the period	–	–	–	–
Unaudited as at 30 June 2013	3,321	2,302	(3,293)	2,330

STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2013

		Period from 10 April 2012 to 30 June 2012 £	*Six months ended 30 June 2013* £
Cash flows from operating activities		–	–
Cash flows from investing activities		–	–
Cash flow from financing activities			
Issued shares	4	5,623	–
Interest earned		–	–
Net cash inflow from financing activities		5,623	–
Increase/(decrease) in cash and cash equivalents		5,623	–
Cash and cash equivalents at beginning of the period		–	2,330
Cash and cash equivalents at end of the period		5,623	2,330

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2013

1. PRINCIPAL ACTIVITIES

Kodal Phosphate AS ("Kodal Phosphate") is registered in Norway, having been incorporated on 10 April 2012 under Norwegian law with a registration number 998 591 422 as a private company limited by shares. The registered office of Kodal Phosphate is Filipstad, Brygge I, 0252 Oslo, Norway.

The principal activities of Kodal Phosphate comprise the acquisition, management and sale of mineral rights, and the exploration of mineral resources and mining operations. As at 31 December 2012, Kodal Phosphate held exploratory mining rights within the Vestfold county of Norway (Note 6.). After the period end, Kodal Phosphate has been granted extraction permits within the Vestfold county of Norway (Note 9.).

Accordingly the principal operational risks and uncertainties facing Kodal Phosphate include, but are not limited to, the time and monetary costs associated with unsuccessful exploration efforts; mechanical or technical problems encountered during exploration; failure to define economic mineral resources; inability to establish an economic processing method for any mineral deposit discovered; deterioration in commodity prices or economic conditions.

2. ACCOUNTING POLICIES

Kodal Phosphate has adopted the accounting policies set out below in preparation of the interim financial information. All of these policies have been applied consistently throughout the period unless otherwise stated.

Basis of preparation

The interim financial information is prepared in accordance with the historical cost convention and in accordance with the International Financial Reporting Standards ("IFRSs"), including IFRS 6 *Exploration for and Evaluation of Mineral Resources*, as adopted by the European Union ("EU").

Going concern

Kodal Phosphate is currently dependent upon the financial support received from its shareholders until revenues from its primary business activities are sufficient to satisfy its obligations and fully finance its exploration and development programme. The Directors of Kodal Minerals plc have prepared projected cash flow information for the Enlarged Group including Kodal Phosphate AS taking into account the proceeds of the Placing and the forecast development of the Enlarged Group's cost base. After making enquiries and considering sensitivities the Directors are of the opinion that the Enlarged Group and Kodal Phosphate individually, have adequate cash resources to continue in operational existence for the foreseeable future that is for at least twelve months from the date of this document.

Exploration and evaluation expenditure

In accordance with IFRS 6, exploration and evaluation costs incurred before Kodal Phosphate 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 ("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, Kodal Phosphate 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 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 – 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.

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable from the sale of goods and services from Kodal Phosphate's ordinary business activities. Revenue is stated net of discounts, sales and other taxes. There was no revenue received in any of the reported periods.

Foreign currency translation

Items included in Kodal Phosphate's interim financial information are measured using the currency of the primary economic environment in which Kodal Phosphate operates ("the functional currency"), which in this case is the Norwegian Kroner. The interim financial information is presented in pounds sterling ("£"), which is the functional and presentational currency of Kodal Phosphate.

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 interim financial information. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Statement of Financial Position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of receivables is established when there is objective evidence that Kodal

Phosphate 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 the Statement of Comprehensive Income.

Trade and other payables

Trade payables and other payables represent liabilities for goods and services provided to Kodal Phosphate prior to the end of the financial year that are unpaid and arise when Kodal Phosphate becomes obliged to make future payments in respect of the purchase of these goods and services. 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 increase of new shares or options are shown in equity as a deduction from the proceeds.

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 Kodal Phosphate.

Financial instruments

IFRS7 requires information to be disclosed about the impact of financial instruments on Kodal Phosphate's risk profile, how the risks arising from financial instruments might affect the entity's performance, and how these risks are being managed.

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

Kodal Phosphate's policies include that no trading in derivative financial instruments shall be undertaken.

The required disclosures have been made in Note 5 to the accounts.

Critical accounting judgements and estimates

The preparation of interim financial information in conformity 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 interim financial information 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 Kodal Phosphate's accounting policies.

No critical accounting judgements and estimates have been identified by management

New standards and interpretations not applied

At the date of authorisation of this interim financial information, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by Kodal Phosphate.

Management anticipates that all of the pronouncements will be adopted in Kodal Phosphate's accounting policy 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 Kodal Phosphate's interim financial information.

Standard	*Details of amendment*	*Annual periods beginning on or after*
IFRS 9 Financial Instruments	New standard that forms the first part of a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement.	1 January 2015
IFRS 10 Consolidated Financial Statements	New standard that replaces the consolidation requirements in SIC-12 Consolidation – Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. Standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the Company and provides additional guidance to assist in the determination of control where this is difficult to assess.	1 January 2013
IFRS 11 Joint Arrangements	New standard that deals with the accounting for joint arrangements and focuses on the rights and obligations of the arrangement, rather than its legal form. Standard requires a single method for accounting for interests in jointly controlled entities.	1 January 2014
IFRS 12 Disclosure of Interests in Other Entities	New and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off statement of financial position vehicles.	1 January 2014
IFRS 13 Fair Value Measurement	New guidance on fair value measurement and disclosure requirements.	1 January 2014
IAS 27 Consolidated and Separate Financial Statements	Consequential amendments resulting from the issue of IFRS 10, 11 and 12.	1 January 2014
IAS 28 Investments in Associates	Consequential amendments resulting from the issue of IFRS 10, 11 and 12.	1 January 2014
IAS 32 Financial Instruments: Presentation	Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards followed, and the related net credit exposure. This information will help investors understand the extent to which an entity has set off in its statement of financial position and the effects of rights of set-off on the entity's rights and obligations.	1 January 2014

3. CASH AND CASH EQUIVALENTS

	Audited 31 December 2012 £	*Unaudited 30 June 2013* £
Cash and cash equivalents	2,330	2,330
	2,330	2,330

4. ORDINARY SHARES

Audited at 31 December 2012:

Class	*Nominal value Kroner*	*Nominal value* £	*Shares Number*	*Total* £
Ordinary	30	3.321	1,000	3,321

Unaudited at 30 June 2013:

Class	*Nominal value Kroner*	*Nominal value* £	*Shares Number*	*Total* £
Ordinary	30	3.321	1,000	3,321

Allotted, issued and fully paid:

	Nominal Value	*Number of Ordinary Shares*	*Share Capital* £	*Share Premium* £	*Total* £
Audited at 31 December 2012	3.321	1,000	3,321	2,302	5,623
Unaudited at 30 June 2013	3.321	1,000	3,321	2,302	5,623

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Kodal Phosphate's financial instruments comprise cash and cash equivalents. The main purpose of cash and cash equivalents financial instruments is to finance Kodal Phosphate's operations.

It has been Kodal Phosphate's policy, throughout the periods presented in the interim financial information, that no trading in financial instruments was to be undertaken, and no such instruments were entered into.

The main risk is considered to be interest rate risk arising from Kodal Phosphate's cash and cash equivalents holdings. 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.

Interest rate risk

Kodal Phosphate's exposure to the risks of changes in market interest rates relates primarily to Kodal Phosphate's cash and cash equivalents with a floating interest rate. These financial assets with variable rates expose Kodal Phosphate 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, Kodal Phosphate periodically analyses its exposure. Within this analysis consideration is given to alternative investments and the mix of fixed and variable interest rates. Kodal Phosphate does not engage in any hedging or derivative transactions to manage interest rate risk.

Interest rate risk is measured as the value of assets and liabilities at fixed rate compared to those at variable rate.

	Weighted average effective interest rate %	*Floating interest rate maturing in 1 year or less* £	*Non-interest bearing* £	*Total* £
Audited at 31 December 2012				
Financial instruments				
Financial assets				
Cash on deposit	0.00	2,330	–	2,330
Total financial assets		2,330	–	2,330
Unaudited at 30 June 2013				
Financial instruments				
Financial assets				
Cash on deposit	0.00	2,330	–	2,330
Total financial assets		2,330	–	2,330

Foreign exchange risk

Throughout periods presented in the interim financial information, the functional currency for Kodal Phosphate's operating activities has been Norwegian Kroner.

Kodal Phosphate incurs operating and exploration costs in Norwegian Kroner. Currently all activity is based in Norway thus limiting any currency exposure.

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 it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions.

The entity 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

Kodal Phosphate'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 Kodal Phosphate's ability to continue as a going concern. This is to enable Kodal Phosphate, once projects become commercially and technically viable, to provide appropriate returns for shareholders and benefits for other stakeholders.

Fair value

The fair value of the financial assets and financial liabilities of Kodal Phosphate, at each reporting date, approximates to their carrying amount as disclosed in the Statement of Financial Position and in the related notes.

6. RELATED PARTY TRANSACTIONS

On 16 July 2012 Kodal Phosphate entered into an agreement whereby an exploratory mining license was transferred from Tetra Minerals Oy, Kodal Phosphate's parent during the period, for nil consideration. This exploratory mining license grants exploratory mining rights within the Vestfold county of Norway.

7. EMPLOYEES' AND DIRECTORS' REMUNERATION

There were no employees in the period to 31 December 2012 and the directors did not received any remuneration.

8. CONTROL

The ultimate and immediate controlling party of Kodal Phosphate during the period was Tetra Minerals Oy.

9. POST BALANCE SHEET EVENTS

On 11 July 2013, Kodal Phosphate was granted extraction permits for three areas within the Andebu and Larvik municipalities of Vestfold county in Norway. Expenditure commitments exist in relation to these permits held by Kodal Phosphate totalling 9,000 Kroner (approximately £990) per annum for the life of the permit. The first of these payments, in relation to 2014, falls due on 14 January 2014.

On 12 October 2012 Kodal Phosphate's parent, Tetra Minerals Oy, entered into a share option agreement with Kodal Minerals plc, whereby Kodal Minerals plc was granted the option to acquire all of the issued share capital of Kodal Phosphate for a consideration of €100,000 payable in cash and £1,750,000 to be satisfied by the allotment of Ordinary Shares of the Company. This option was exercised on 17 December 2013, with the acquisition conditional on Admission.

PART VI

PRO FORMA STATEMENT OF NET ASSETS

PART A – REPORT ON THE PRO FORMA STATEMENT OF NET ASSETS

The following is the full text of a report on Kodal Minerals plc from Baker Tilly Corporate Finance LLP, the Reporting Accountants, to the Directors of Kodal Minerals plc.

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The Directors
Kodal Minerals plc
Prince Frederick House
35-39 Maddox Street
London W1S 2PP

20 December 2013

Dear Sirs

Kodal Minerals plc ("the Company")

We report on the pro forma statement of net assets (the "Pro Forma Statement of Net Assets") set out in Part B of Part VI of the admission document dated 20 December 2013 ("Admission Document") of Kodal Minerals plc, which has been prepared on the basis described in the notes to the Pro Forma Statement of Net Assets, for illustrative purposes only, to provide information about how the Placing and Acquisition might have affected the information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ending 30 September 2013. This report has been prepared in accordance with the requirements of paragraph 20.2 of Annex I of Appendix 3.1.1 of the Prospectus Rules as if they had been applied by part (a) of Schedule Two to the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under paragraph 20.2 of Annex I of Appendix 3.1.1 of the Prospectus Rules as if they had been applied by part (a) of Schedule Two to the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, and given solely for the purposes of complying with paragraph 20.2 of Annex I of Appendix 3.1.1 of the Prospectus Rules as if they had been applied by part (a) of Schedule Two to the AIM Rules, or consenting to its inclusion in the Admission Document.

Responsibilities

It is the responsibility of the directors of Company to prepare the Pro Forma Statement of Net Assets in accordance with paragraph 20.2 of Annex I of the Prospectus Rules as if they had been applied by part (a) of Schedule Two to the AIM Rules.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Rules as if it had been applied by part (a) of Schedule Two to the AIM Rules, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Statement of Net Assets, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Statement of Net Assets with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Statement of Net Assets has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

(a) the Pro Forma Statement of Net Assets has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of part (a) of Schedule Two to the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with item 1.2 of Annex I and item 1.2 of Annex III of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules.

Yours faithfully

Baker Tilly Corporate Finance LLP

Regulated by the Institute of Chartered Accountants in England and Wales

PART B – PRO FORMA STATEMENT OF NET ASSETS

Set out below is an unaudited Pro Forma Statement of Net Assets for the Enlarged Group, which has been prepared by the Directors on the basis of the notes set out below, to show the effect of the Placing and Acquisition on the net assets of the Group as at 30 September 2013, as if the Placing and Acquisition had occurred on that date.

It is the sole responsibility of the Directors to prepare Pro Forma Statement of Net Assets. The Pro Forma Statement of Net Assets has been prepared by the Directors for illustrative purposes only and, because it addresses a hypothetical situation, does not represent the Group's actual financial position either prior to or following the Placing and Acquisition.

	Net assets of the Group as at 30 September 2013 (Note1) £	*Placing (Note 2)* £	*Acquisition consideration (Note 3)* £	*Net assets of Kodal Phosphate AS as at 30 June 2013 (Note 4)* £	*Pro Forma Net Assets of the Enlarged Group* £
Non current assets					
Intangible assets	626,068	–	1,834,034	–	2,460,102
Property, plant and equipment	23,635	–	–	–	23,635
	649,703	–	–	–	2,483,737
Current assets					
Trade and other receivables	13,950	–	–	–	13,950
Cash and cash equivalents	20,114	770,000	(84,034)	2,330	708,410
	34,064	770,000	(84,034)	2,330	722,360
Current liabilities					
Trade and other payables	(122,629)	–	–	–	(122,629)
	(122,629)	–	–	–	(122,629)
Net current (liabilities)/assets	(88,565)	770,000	(84,034)	2,330	599,731
Net (liabilities)/assets	561,138	770,000	1,750,000	2,330	3,083,468

Notes

1. The net asset figures of the Group have been extracted without material adjustment from the unaudited consolidated interim accounts as at 30 September 2013 as set out in Part IV of this Document.
2. The gross Placing proceeds are £1,000,000, with cash issue costs of £230,000, giving net Placing proceeds of £770,000. A further £187,500 of issue costs have been satisfied by the issue of Ordinary Shares at the Placing Price.
3. The Acquisition comprises the consideration payable to Tetra Minerals of £1,750,000 to be satisfied by the issue of 250,000,000 Ordinary Shares at the Placing Price and in addition, €100,000 (£84,034) payable in cash.
4. The net asset figures of Kodal Phosphate AS have been extracted without material adjustment from the unaudited interim accounts as at 30 June 2013 as set out in Part V of this Document.
5. No account has been taken of any movement in the net assets of the Group since 30 September 2013 or Kodal Phosphate AS since 30 June 2013, nor of any other event save as disclosed above.

PART VII

ADDITIONAL INFORMATION

1. Responsibility

1.1 The Company and the Directors, whose names and functions appear on page 6, accept responsibility, individually and collectively, for the information contained in this Document and for compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information. All Directors accept responsibility accordingly.

1.2 CSA Global (UK) Limited accepts responsibility for its report set out in Part III of this Document and for any information sourced from that report in this Document. To the best of the knowledge and belief of CSA (which has taken all reasonable care to ensure that such is the case), the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

2.1 The Company was incorporated and registered in England and Wales on 13 April 2010 as a private limited company with the name of Clearphos Limited and with registered number 07220790. On 8 July 2013 the Company changed its name to Kodal Minerals Limited. By special resolutions dated 19 December 2013 the Company was converted to a public limited company and changed its name to Kodal Minerals plc on 19 December 2013.

2.2 The principal legislation under which the Company operates is the Companies Act 2006 (the "Act") and the regulations made thereunder.

2.3 The liability of the members of the Company is limited to the amount, if any, unpaid on the shares respectively held by them.

2.4 The registered office of the Company and its principal place of business is at Prince Frederick House, 35-39 Maddox Street, London W1S 2PP. The Company is domiciled in England & Wales. The telephone number is +44 (0)203 463 2260.

2.5 Weaver Financial Limited was appointed company secretary of the Company on 11 December 2013.

2.6 The accounting reference date of the Company is currently 31 March.

2.7 The business of the Company and its principal activities are exploring for and developing mining assets and acting as a holding company.

2.8 Details of the Company's subsidiaries are set out below:

Name	*Company number*	*Place of incorporation*	*Principal Activity*	*Proportion of ownership interest/ voting power*
Clearphos Limited	08491224	England & Wales	Mining and Exploration	100%
Kodal Mining AS	00912258556	Norway	Mining and Exploration	100%
Kodal Phosphate AS	00998591422	Norway	Mining and Exploration	100% (with effect from Admission)

2.9 Except in relation to the Acquisition under the Acquisition Agreement as set out in paragraph 12.1 of this Part VII, the Company does not have, nor has it taken any action to acquire, any significant investments.

2.10 Save in relation to the Acquisition under the Acquisition Agreement as disclosed in paragraph 12.1 of this Part VII, the Company does not hold, and nor will it on Admission hold, a proportion of the capital of any undertaking likely to have a sufficient effect on the assessment of its own assets and liabilities, financial position or profits and losses.

3. Share Capital

3.1 The entire issued share capital of the Company at the date of this Document is 207,097,792 ordinary shares of £0.0003125 each, and assuming full subscription of the Placing will be 670,240,747 Ordinary Shares following Admission. The Ordinary Shares are issued in pounds sterling.

3.2 Following Admission, the Ordinary Shares may be held in either certificated or uncertificated form under the CREST system, which is a paperless settlement procedure in accordance with the Uncertificated Securities Regulations 2001 enabling securities to be evidenced and transferred otherwise than by a written instrument. The Company's Registrars are responsible for keeping the Company's register of members.

3.3 The following is a summary of the changes to the issued share capital of the Company since incorporation:

3.3.1 On the date of incorporation, one ordinary share of £1 was issued to PMA Nominees Limited at its nominal value.

3.3.2 On 24 March 2011, the one ordinary share of £1 was transferred to Emin Eyi and the issued and unissued share capital of the Company was subdivided into ordinary shares of £0.01 each.

3.3.3 On 24 March 2011, 999 ordinary shares of £0.01 each were issued to Emin Eyi and one ordinary share of £0.01 was issued to Nicholas Roche at £0.01 fully paid up. On 6 May 2011, Nicholas Roche transferred his one ordinary share of £0.01 to Emin Eyi.

3.3.4 On 10 May 2011, 3,300 ordinary shares of £0.01 each were issued at their nominal value fully paid up.

3.3.5 On 28 July 2011, the Company issued for cash consideration an additional 500 ordinary shares of £0.01 each at an issue price of £100 per share.

3.3.6 On 31 July 2012, the Board approved the issue of 4,680,000 ordinary shares of £0.01 each by way of a bonus issue of 975 ordinary shares of £0.01 each for each ordinary share in issue on 31 July 2012. The bonus issue was funded from the share premium account.

3.3.7 On 31 July 2012, the issued and unissued share capital of the Company was subdivided into ordinary shares of £0.0003125 each.

3.3.8 On 16 October 2012, the Company issued for cash consideration an additional 25,000,000 ordinary shares of £0.0003125 each at £0.01 per share fully paid.

3.3.9 On 28 March 2013, 458,542 ordinary shares of £0.0003125 each were issued to a supplier of the Company in settlement of services provided to the Company by the supplier. These shares were issued at £0.01 per share fully paid.

3.3.10 On 8 April 2013, 7,500,000 ordinary shares of £0.0003125 each were issued to two separate suppliers of the Company in settlement of their services to the Company by the suppliers. These shares were issued at £0.01 per share fully paid.

3.3.11 On 2 May 2013, the Company issued for cash consideration an additional 1,830,000 ordinary shares of £0.0003125 at £0.0164 per share fully paid.

3.3.12 On 21 May 2013, a total of 6,100,000 ordinary shares of £0.0003125 each were issued for cash at an issue price of £0.0164 per share fully paid.

3.3.13 On 20 June 2013, a total of 6,863,900 ordinary shares of £0.0003125 each were issued for cash at an issue price of £0.0164 per share fully paid.

3.3.14 On 8 July 2013, a total of 3,860,600 ordinary shares of £0.0003125 each were issued for cash at an issue price of £0.0164 per share fully paid.

3.3.15 On 18 July 2013, a total of 2,750,000 ordinary shares of £0.0003125 each were issued to a supplier of the company in settlement of services provided to the Company by that supplier. 500,000 shares were issued at £0.01 and 2,250,000 shares were issued at £0.0164.

3.3.16 On 25 November 2013, a total of 2,821,150 ordinary shares of £0.0003125 each were issued to two separate suppliers of the Company in settlement of their services provided to the Company at an issue price of £0.007 per share fully paid.

3.4 Under a consultancy agreement dated 8 November 2013 between Novoco Mine Engineering Limited ("Novoco") and the Company, 43,500,000 Ordinary Shares are to be issued at the Placing Price on Admission as payment for services provided to the Company. Further details are set out in paragraph 12.4 of this Part VII.

3.5 Under arrangements entered into by the Company with Thomas Eggar LLP, Allenby Capital and SP Angel, a total of 23,214,286 Ordinary Shares are to be issued at the Placing Price to Allenby Capital and SP Angel on Admission, further details of which are set out in paragraph 12.7 of this Part VII, and a total of 3,571,429 Ordinary shares are to be issued at the Placing Price to Thomas Eggar LLP on Admission in partial payment of their fees.

3.6 By Written Resolution passed on 19 December 2013, the members of the Company passed as ordinary resolution, in accordance with section 551 of the Act authorising the Directors to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £900,000 comprising:

3.6.1 up to an aggregate nominal amount of £280,000 in connection with the Placing, the Acquisition and the Fee Shares;

3.6.2 up to an aggregate nominal amount of £320,000 in connection with the Tetra Options; and

3.6.3 otherwise than pursuant to sub-paragraphs 3.6.1 and 3.6.2 above, up to an aggregate nominal value of £300,000,

provided that this authority shall, unless renewed, varied or revoked by the Company, expire 24 months after the passing of this Resolution or if earlier on the date of the annual general meeting of the Company to be held in 2015, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by the Ordinary Resolution has expired.

3.7 By Written Resolution passed on 19 December 2013, the members of the Company passed a special resolution with section 570 of the Act, to empower the Directors to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by the ordinary resolution referred to in paragraph 3.6 above, as if section 561(1) of the Act did not apply to any such allotment provided that this power is limited to:

3.7.1 up to an aggregate nominal amount of £280,000 in connection with the Placing, the Acquisition and the issue (on or prior to the date of Admission) of Ordinary Shares to consultants and advisers to the Company;

3.7.2 up to an aggregate nominal amount of £320,000 for the Tetra Options; and

3.7.3 otherwise than in connection with sub-paragraphs 3.7.1 and 3.7.2, up to an aggregate nominal amount of £300,000,

and such authority shall expire 24 months after the passing of the Resolution or if earlier on the date of the annual general meeting of the Company to be held in 2015, save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant thereto as if the power conferred hereby had not expired.

3.8 With effect immediately upon Admission, 142,857,240 new Ordinary Shares will be allotted at the Placing Price pursuant to the Placing, which represents a premium of £0.0066875 per share above the nominal value of £0.0003125.

3.9 The Company's issued fully paid share capital at the date of this Document and on Admission will be as follows:

	As at the date of this Document	
	Nominal value	*Number*
Ordinary Shares	£64,718.06	207,097,792

	On Admission	
	Nominal value	*Number*
Ordinary Shares	£209,450.23	670,240,747

3.10 On completion of the Placing and Acquisition, and following the issue of the Fee Shares, holders of Existing Ordinary Shares will suffer a dilution of 69.1 per cent. in their interests in the Company.

3.11 The Ordinary Shares have been created under the Articles and will rank *pari passu* in all respects including the right to receive all dividends and other distributions declared, made or paid on the Ordinary Shares from the date of this Document. The Ordinary Shares are entitled on a *pari passu* basis with all issued Ordinary Shares to share in any surplus on a liquidation of the Company.

3.12 The Ordinary Shares have no right to share in the profits of the Company other than through a dividend, distribution or return of capital, further details of which are set out in paragraph 4 of this Part VII. The dividend and voting rights attaching to the Ordinary Shares are also set out in paragraphs 4.2.3 and 4.2.1 of this Part VII.

3.13 The Ordinary Shares have no redemption or conversion rights.

3.14 Save as disclosed in this Document, there are no acquisition rights or obligations over authorised but unissued capital, nor is there an undertaking to increase the share capital of the Company.

3.15 Save as disclosed in this Document:

3.15.1 no share or loan capital of the Company has been issued or is proposed to be issued;

3.15.2 no person has any preferential or subscription rights for any share capital of the Company;

3.15.3 there are no convertible securities, exchangeable securities or securities with warrants issued by the Company;

3.15.4 the Company does not have in issue any securities not representing share capital, and none of the Company's shares are held by or on behalf of the Company itself; and

3.15.5 no share or loan capital of the Company is proposed to be issued or is under option or is the subject of an agreement, conditional or unconditional, to be put under option.

3.16 The Ordinary Shares are to be freely transferable provided that such shares are fully paid, the Company has no lien over such shares, the instrument of transfer is duly stamped, is in favour of not more than four joint holders as transferees and is in respect of only one class of shares, and the transfer procedure set out at paragraph 4.2.7 of this Part VII has been complied with. Transfer restrictions may apply to shares where a member has failed to comply with a notice requesting information served by the Company under Section 793 of the Act.

3.17 A shareholder is required pursuant to the AIM Rules and Disclosure and Transparency Rules to notify the Company when he acquires or disposes of a material interest in shares in the capital of the Company equal to or in excess of three per cent. of the nominal value of that share capital (and thereafter any whole percentage change in such interests).

3.18 The Ordinary Shares will be subject to the Takeover Code. Under rule 9 of the Takeover Code ("**Rule 9**") where: (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested), carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code; or (ii) any person, together with persons acting in concert with him, is interested in shares which in the

aggregate carry not less than 30 per cent. of the voting rights of the company subject to the Takeover Code but does not hold shares carrying more than 50 per cent. of such voting rights and such a person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, that person is normally obliged to make a general offer to all shareholders to purchase in cash their shares at the highest price paid by him or any person acting in concert with him within the preceding 12 months.

3.19 No person has made a public takeover bid for the Company's issued share capital in the financial period to 31 March 2013 or in the current financial period.

4. Summary of the Articles of the Company

4.1 By resolutions of the Company passed on 19 December 2013 the Company was re-registered as a public company and adopted new articles of association applicable to a public company limited by shares. Under the Act, all provisions of the Company's memorandum of association are deemed to form part of the Company's articles of association including, in particular, the statement of objects. The Act does not require a company to set out its objects. It provides that, unless the articles of association state otherwise, a company's objects will be unrestricted.

4.2 The Articles as adopted by special resolution on 19 December 2013 contain, *inter alia*, provisions to the following effect:

4.2.1 ***Voting Rights***

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held (as to which there are none at present), on a show of hands every holder of an Ordinary Share present in person or by proxy (if an individual) or duly authorised representative (if a corporation) shall have one vote, and on a poll every holder of an Ordinary Share shall have one vote for each Ordinary Share of which he is the holder. Unless the Directors determine otherwise, a member of the Company is not entitled in respect of any shares held by him to vote at any general meeting of the Company if any amounts payable by him in respect of those shares have not been paid or if the member has failed to comply with a notice under section 793 of the Act and the Articles.

4.2.2 ***Variation of Rights***

If at any time the capital of the Company is divided into different classes of shares, none of the rights, privileges or conditions for the time being attached to or belonging to any class of shares forming part of the issued share capital for the time being of the Company shall be modified, varied or abrogated in any manner except with the consent in writing of the holders of three fourths in nominal value of the issued shares of the class or, subject to the provisions of the Act, the sanction of a special resolution passed at a separate meeting of the members of that class but not otherwise.

4.2.3 ***Dividends***

Subject to the provisions of the Act and to any special rights attaching to any shares, the Shareholders are to distribute amongst themselves the profits of the Company according to the amounts paid up on the shares held by them, provided that no dividend will be declared in excess of the amount recommended by the Directors. Subject to the provisions of the Act and if the profits of the Company justify such payments, the Directors may declare and pay interim dividends on Ordinary Shares in such amounts as and when they see fit. A member will not be entitled to receive any dividend if he has failed to comply with a notice under section 793 of the Act. Interim dividends may be paid if profits are available for distribution and if the Directors so resolve. Subject to the provisions set out in the Articles, the Directors may resolve to issue script dividends. Any dividend unclaimed after a period of 12 years from the date of its declaration shall, if the Directors so resolve, be forfeited and will revert to the Company.

4.2.4 ***Untraceable Members***

Subject to various notice requirements, the Company may sell any shares of a shareholder if, during a period of 12 years, at least three dividend payments on those shares have become

payable and the cheques or warrants have remained uncashed and on or after the expiry of that period of 12 years, the Company has published advertisements both in an international newspaper and in a newspaper circulating in the area of the last known address of the shareholder and the Company has received no indication of the existence of such shareholder during such period. Notice of the intention to sell must also be given to the corporate adviser of the Company for the time being.

4.2.5 ***Return of Capital on Winding Up***

On a winding-up of the Company, the balance of the assets available for distribution will, subject to any sanction required by the Act, be divided amongst the members.

4.2.6 ***Power to Issue Shares***

Subject to the Statutes (as defined in the Articles) and to the authority of the company in General Meeting required by the Statutes, the Directors may allot, grant options over, offer or otherwise deal with or dispose of any share of the Company to such persons, at such times and generally on such terms and conditions as the Directors may determine. The Directors may not issue any relevant securities unless authorised to do so by an ordinary resolution of the Company and relevant securities may not be allotted for cash unless authorised to do so by a special resolution of the Company. Any such resolution shall state the maximum amount of relevant securities that can be allotted under it and shall also state the date on which such authority shall expire. Any authority must not be for more than five years from the date on which the resolution is passed.

4.2.7 ***Restrictions on Transferability of Share***

Subject to the provisions of the Articles relating to CREST, in order to transfer Ordinary Shares, all transfers must be in any usual form or in such other form which the Directors may approve, and must be signed by or on behalf of the transferor and, in the case of a partly paid share, by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of it. The Directors may, in their absolute discretion and without assigning any reason (but must provide the transferee with a notice of the refusal within two months), refuse to register the transfer of a share if it is not fully paid or if the Company has a lien on it, or if it is not duly stamped, or if it is by a member who has failed to comply with a notice under section 793 of the 2006 Act.

The Directors may also decline to register any instrument of transfer unless: (i) it is in respect of only one class of share; (ii) it is lodged with the Company, together with the relevant share certificate(s); and (iii) it is in favour of not more than four transferees jointly in respect of a single transfer.

The Articles contain no other restrictions on the free transferability of fully paid ordinary shares provided that the transfers are in favour of not more than four transferees, the transfers are in respect of only one class of share and the provisions in the Articles, if any, relating to registration of transfers have been complied with.

4.2.8 ***Notifiable Interest in Holdings of Shares***

A person is required by law to notify the Company if he has a "notifiable interest" in holdings of 3 per cent. or more of the Company's total voting rights and capital in issue. The obligation also arises if such holdings change to reach, exceed or fall below every one per cent. increment above three per cent. of the Company's total voting rights and capital in issue. "Notifiable interests" in this context include both direct and indirect interests in the voting rights of the Company, and financial instruments which give the holder the formal entitlement to acquire shares with voting rights attached. The obligations to notify the Company as aforesaid are subject to certain exceptions set out in the Disclosure and Transparency Rules published by the FCA.

4.2.9 ***Alteration of Share Capital***

The Company may by ordinary resolution cancel any unissued shares, consolidate all or any of its share capital into shares of larger amount and, subject to the provisions of the Statutes, subdivide its shares into shares of smaller amount. Subject to the provisions of the 2006 Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

4.2.10 ***Purchase by the Company of its own Shares***

Subject to the provisions of the Act and to the authority of the Company in general meeting required by the Act, the Company may purchase its own shares.

4.2.11 ***Borrowing Powers***

The Directors may exercise all the powers of the Company to borrow upon such terms and in such manner as they think fit and, subject to the provisions of the Act, to grant any mortgage, charge or debentures, debenture stock or other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

4.2.12 ***Board of Directors***

No shareholding qualification is required by a Director. Unless otherwise determined by ordinary resolution of the Company, the number of Directors (other than alternate Directors) shall not be subject to any maximum but shall be not less than two. The Directors shall not require a share qualification, but shall nevertheless be entitled to attend and speak at any general meetings of the Company.

The Company may by ordinary resolution appoint any person to be a Director or may by ordinary resolution remove any director. Subject to the provisions of the Articles, at the annual general meeting of the Company in each year, one-third of the Directors for the time being shall retire from office by rotation. The Directors to retire by rotation on each occasion shall be those directors that have been longest in office since their last appointment or reappointment but, as between persons who became or were last reappointed directors on the same day, those to retire shall (unless otherwise agreed among themselves) be determined by lot. In addition, any director who would not otherwise be required to retire, shall retire by rotation at the third annual general meeting after his last appointment or reappointment.

The Directors shall have the power at any time to appoint any person as a director, either to fill a casual vacancy or as an additional director provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the Articles as the maximum number of directors. Any Director so appointed shall retire at the next annual general meeting but shall then be eligible for election and any director who so retires shall not be taken into account in determining the number of directors who are to retire by rotation.

Subject to the provisions of the Articles, the directors may regulate their proceedings as they think fit.

4.2.13 ***Disclosure of Interests in Contracts***

Any Director may hold any other office or place of profit under the Company (except that of Auditor) in conjunction with his office of director and, subject to Section 188 of the Act, on such terms as to remuneration and otherwise as the Board shall arrange. Any Director may continue to be or become a Director, managing director, manager, executive or other officer or member of any other company or a party to any contract, transaction or arrangement with, or otherwise interested in, any body corporate in which the Company may be interested as shareholder or otherwise or any parent undertaking or subsidiary undertaking of any parent undertaking of the Company, and (unless otherwise agreed) no such Director shall be accountable for any remuneration or other benefits received by him as a Director, managing director, manager, executive or other officer or member of any such other company which derive from any such office or employment or from any contract, transaction, or arrangement with or from his membership or interest in such other body corporate or undertaking. No

such office, employment, contract, transaction or arrangement or interest shall be liable to be avoided on the ground of any such interest or benefit.

The Directors may exercise the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the directors, managing directors, managers, executives or other officers of such company) and any Director of the Company may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or be about to be, appointed a Director, managing director, manager, executive or other officer of such other company, and as such is or may become interested in the exercise of such voting rights in manner aforesaid. Subject to the provision of the Statutes (as defined in the Articles), no Director or intending Director shall be disqualified by his office from contracting with the Company (or otherwise entering into any arrangement, transaction or proposal with the Company) either as vendor, purchaser or otherwise nor, subject to the interest of the Director concerned being duly declared as required by Articles 94 of the Articles, shall any such contract or arrangement, transaction or proposal or any contract, arrangement, transaction or proposal entered into by or on behalf of the Company in which any Director shall be in any way interested be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit, remuneration or other benefit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) on any resolution including:

(i) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

(ii) the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub underwriting thereof;

(iv) any proposal concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise howsoever provided that he (together with any person connected with him) is not the holder or beneficially interested in one per cent or more of any class of shares (excluding any shares held as treasury shares) or of any third company through which his interest is derived or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);

(v) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of HM Revenue & Customs for taxation purposes or which does not accord to any Director as such any privilege or benefit not accorded to the employees to which the scheme or fund relate;

(vi) any contract, arrangement or proposal for the benefit of employees of the group under which the Director benefits in a similar manner as the employees or which does not accord to any Director as such any privilege or benefit not accorded to the employees to which the scheme or fund relates; and

(vii) any proposal concerning insurance which the Company proposes to maintaining or purchase for the benefit of Directors or for the benefit persons including Directors.

Subject to and only to the extent permitted by the Act, the Directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise:

(i) any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties); and

(ii) a Director to accept or continue in any office, employment or position in addition to his office as a Director of the Company and without prejudice to the generality of Article 95.6.1 may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises, provided that the authorisation is only effective if:

(a) any requirement as to the quorum at the meeting at which the matter is considered is met without counting the Director in question or any other interested Director, and

(b) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

The Company may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of Article 95 of the Articles.

4.2.14 ***Remuneration and other Compensation of Directors***

The Directors shall determine the remuneration of the Directors. The Directors shall be paid all travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Directors, or a combination of the two. The Directors may also by resolution approve additional remuneration to any Director for any services other than his ordinary routine work as a Director.

There shall be available to be paid out of the funds of the Company to the Directors as fees for their services as Directors (excluding amounts payable under any other provisions in the Articles and the remuneration of any Managing Director or Director holding executive office) in each year such sums as the Board may determine form time to time not exceeding an aggregate sum of £200,000 or such other higher amount as sanctioned by ordinary resolution of the Company.

The quorum for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed shall be two if there are two or more Directors, and shall be one if there is only one Director.

4.2.15 ***General Meetings***

The Company shall in each year hold a general meeting as its annual general meeting. The annual general meetings shall be held at such time and place as the Directors shall determine. The Directors may, (in addition) call a general meeting other than the annual general meeting and shall, upon a shareholders' requisition convene an extraordinary general meeting. A shareholders' requisition is a requisition of shareholders of the Company holding at the date of deposit of the requisition not less than five per cent. in par value of the capital of the Company as at that date that carries the right of voting at general meetings of the Company. At the least 21 days' notice shall be given of any annual general meeting and at least 14 clear days' notice shall be given in respect of any other general meeting of the Company to those members who under the provisions of the Articles or under the rights attached to the shares held by them are entitled to receive the notice, and to the auditors. The notice shall specify the place, the day and the hour of the meeting and the general nature of the business to be transacted at the meeting.

Subject to the provisions of the Act, a resolution may be put to a vote at a general meeting of the Company or any class of shareholders only if: (i) it is proposed by or at the direction of the Directors; (ii) it is proposed at the direction of the court; (iii) it is proposed on the requisition in writing of such number of shareholders as is prescribed by, and is made in accordance with, the relevant provisions of the Act; or (iv) the chairman of the meeting, in his absolute discretion, decides that the resolution may properly be put to a vote at that meeting. No business shall be transacted at any general meeting unless a quorum is present. Two shareholders being individuals present in person or by proxy or if a corporation or other non-natural person by its duly authorised representative shall be a quorum unless the Company has only one shareholder entitled to vote at such general meeting in which case the quorum shall be that one shareholder present in person or by proxy or (in the case of a corporation or other non-natural person) by a duly authorised representative. In the case of an equality of votes, the chairman of the Meeting shall be entitled to a further or casting vote in addition to the votes to which he may be entitled as a member. Unless a poll is demanded in accordance with Article 65 of the Articles, a declaration by the chairman that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the Company is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

No member shall be entitled to vote at any general meeting either personally or by proxy or to exercise any privilege as a member, unless all calls or other sums presently payable to him in respect of shares in the Company have been paid. The instrument appointing a proxy must be in writing in any usual or common form, or such other form as may be approved by the Directors, and will be signed by the appointor or by his agent duly authorised in writing or if the appointor is a corporation, must be either under its common seal or signed by an officer or agent so authorised, or if permitted by the Directors, in electronic form in the manner and form and subject to such terms and conditions as the Directors may decide. The Directors may, but will not be bound to, require evidence of authority of such officer or agent. An instrument of proxy need not be witnessed.

5. Mandatory Bids, Squeeze Out Rights and Sell Out Rights

5.1 Section 979 of the Act provides that if, within certain time limits, an offer is made for the share capital of the Company, the offeror is entitled to acquire compulsorily any remaining shares if it has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90 per cent. in value of the shares to which the offer relates and in a case where the shares to which the offer relates are voting shares, not less than 90 per cent. of the voting rights carried by those shares. The offeror would effect the compulsory acquisition by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and, six weeks from the date of the notice, pay the consideration for the shares to the Company to hold on trust for the outstanding shareholders. The consideration offered to shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration available under the takeover offer.

5.2 Section 983 of the Act permits a minority shareholder to require an offeror to acquire its shares if the offeror has acquired or contracted to acquire shares in the Company which amount to not less 90 per cent. in value of all the voting shares in the Company and carry not less than 90 per cent. of voting rights. Certain time limits apply to this entitlement. If a shareholder exercises its rights under these provisions, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

5.3 Other than as provided by the Act and the Articles, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules in relation to the Ordinary Shares.

6. United Kingdom Taxation

The following summary, which is intended as a general guide only, outlines certain aspects of current UK tax legislation, and what is understood to be the current practice of HMRC in the United Kingdom regarding the ownership and disposal of Ordinary Shares. This summary is not a complete and exhaustive analysis of all the potential UK tax consequences for holders of Ordinary Shares and should not be construed as

constituting advice. It addresses certain limited aspects of the UK taxation position of UK resident and domiciled Shareholders who are beneficial owners of their Ordinary Shares and who hold their Ordinary Shares as an investment. Any person who is in any doubt as to his tax position or who is subject to taxation in a jurisdiction other than the UK should consult his professional advisers immediately as to the taxation consequences of their purchase, ownership and disposition of Ordinary Shares. This summary is based on current United Kingdom tax legislation. Shareholders should be aware that future legislative, administrative and judicial changes could affect the taxation consequences described below.

6.1 ***Taxation of Dividends***

No tax will be withheld by the Company when it pays a dividend. A UK resident individual shareholder who receives a dividend from the Company will be entitled to a tax credit, currently at the rate of 1⁄9th of the cash dividend paid (or 10 per cent. of the aggregate of the net dividend and related tax credit, being the gross dividend). The individual is treated as receiving for tax purposes gross dividend income equal to the cash dividend plus the tax credit. The tax credit is set against the individual's tax liability on that gross income.

An individual shareholder who is not liable to income tax at a rate greater than the basic rate (currently 20 per cent.) will have no additional income tax to pay in respect of the gross dividend. On the basis that the lower rate on income tax on the gross dividend income is currently 10 per cent., this would be deemed settled by the 10 per cent. tax credit. An individual liable to tax at the higher rate of income tax will be liable to taxation on gross dividends at a rate of 32.5 per cent. This means that such an individual shareholder will have further income tax to pay at a rate of 22.5 per cent. of the gross dividend (being equivalent to a tax rate of 25 per cent. on the net dividend received). An individual shareholder liable to tax at the additional rate, will be liable to taxation on gross dividends at a rate of 37.5 per cent. This means such an individual shareholder will have further income tax to pay at a rate of 27.5 per cent. of the gross dividend (being the equivalent to a tax rate of 30.6 per cent. on the net dividend received). UK resident shareholders who do not pay income tax or whose liability to income tax on the dividend and related tax credit is less than the tax credit, including pension funds, charities and certain individuals are not generally entitled to claim repayment of any part of the tax credit associated with the dividend from HM Revenue & Customs.

Individual holders of Ordinary Shares who are UK resident but who are not domiciled in the UK and who have made a claim to be taxable on the remittance basis, will only be subject to UK income tax as described above if and to the extent that such income is remitted or deemed to be remitted to the UK.

A UK resident corporate shareholder will not generally be liable to corporation tax on any dividend received from the Company and are not entitled to payment in cash of the related 10 per cent. tax credit. There are various exceptions to this exemption from UK taxation, depending on the size of the corporate Shareholder, and whether certain anti-avoidance provisions apply. Corporate Shareholders should confirm their tax position with a specialist tax adviser.

Whether a shareholder who is not resident in the UK for tax purposes is entitled to a tax credit in respect of dividends paid by the Company and to claim payment of any part of the tax credit will depend, in general, on the provisions of any double taxation convention which exists between the shareholder's country of residence and the UK. A non-UK resident shareholder may also be subject to foreign taxation on dividend income.

Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions or what relief or credit may be claimed in the jurisdiction in which they are resident.

6.2 ***Taxation of Chargeable Gains***

The Ordinary Shares allotted by the Company will, for the purpose of tax on chargeable gains, be treated as acquired on the date of allotment. The amount paid for the Ordinary Shares will usually constitute the base cost of a shareholder's holding. If a shareholder disposes of all or some of his Ordinary Shares a liability to tax on chargeable gains may, depending on his circumstances, arise. UK resident individuals and trustees are generally subject to capital gains tax at a current flat rate of 28 per cent. (reduced to 18 per cent. where a gain falls within an individual's unused basic rate income tax band).

Gains made by UK resident companies are generally subject to corporation tax but there is an entitlement to indexation allowance which may reduce the chargeable gain. A shareholder who is not resident in the UK for tax purposes, but who carries on a trade, profession or vocation in the UK through a permanent establishment or through a branch or agency (where the shareholder is not a company) and has used, held or acquired the Ordinary Shares for the purposes of such trade, profession or vocation or such permanent establishment, branch or agency (as appropriate) will be subject to UK tax on capital gains on the disposal of Ordinary Shares.

In addition, any holders of Ordinary Shares who are individuals and who dispose of shares while they are temporarily non resident may be treated as disposing of them in the tax year in which they again become resident in the UK.

6.3 ***Stamp Duty and Stamp Duty Reserve Tax***

The following comments are intended as a guide to the general UK stamp duty and stamp duty reserve tax ("SDRT") position and do not apply to persons such as market makers, brokers dealers or intermediaries.

No stamp duty or SDRT will be payable on the issue of Ordinary Shares.

Where Ordinary Shares are held in certificated form, no stamp duty or SDRT will arise on a transfer of such Ordinary Shares into CREST unless such transfer is made for a consideration in money or money's worth, in which case a liability to SDRT (usually at a rate of 0.5 per cent.) will arise. Paperless transfers of Ordinary Shares within CREST will be liable to SDRT rather than stamp duty.

Any transfer of, or agreement to transfer, Ordinary Shares outside CREST made for a consideration in money or money's worth will give rise to a liability on the purchaser to stamp duty or SDRT, in the case of stamp duty usually at the rate of 0.5 per cent. of the consideration paid (and rounded up to the next £5) and, in the case of SDRT, normally at the rate of 0.5 per cent. of the consideration paid.

7. Significant Shareholders

7.1 Save as set out below, the Company is not aware of any holding (within the meaning of the AIM Rules) in the Company's ordinary share capital which amounts to or would, on Admission, amount to three per cent. or more of the Company's issued share capital:

	At the date of this Document					*On Admission*	
Name	*Number of Ordinary Shares*	*Percentage of Existing Share Capital*	*Number of Ordinary Shares subscribed for pursuant to the Placing*	*Number of Fee Shares due on Admission*	*Number of Consideration Shares due on Admission*	*Number of Ordinary Shares*	*Percentage of Enlarged Share Capital*
Emin Eyi	22,290,847	10.76	7,857,150	–	–	30,147,997	4.50
Robert Wooldridge	21,510,047	10.39	28,571,430	–	–	50,081,477	7.47
John Mackay	21,510,046	10.39	28,571,430	–	–	50,081,476	7.47
David Facey	21,510,046	10.39	–	–	–	21,510,046	3.21
SP Angel	17,093,714	8.25	–	17,857,143	–	34,950,857	5.21
Dermot Jenkinson	14,287,143	6.90	–	–	–	14,287,143	2.13
Stephen Dickinson	9,607,314	4.64	–	–	–	9,607,314	1.43
David Jones	7,808,000	3.77	–	–	–	7,808,000	1.16
James Fleming	7,144,286	3.45	–	–	–	7,144,286	1.07
Corinthian Financial Management Limited	7,145,714	3.45	–	–	–	7,145,714	1.07
Galloway Limited	7,145,714	3.45	–	–	–	7,145,714	1.07
Pelamis Investments Limited	7,145,714	3.45	–	–	–	7,145,714	1.07
InCoR Holdings plc	–	–	28,571,429	–	–	28,571,429	4.26
Tetra Minerals	Nil	–	–	–	250,000,000	250,000,000	37.3
Novoco Mine Engineering Limited*	5,000,000	2.41	–	43,500,000	–	48,500,000	7.24

* A company wholly owned by Luke Bryan.

7.2 No major holder of Ordinary Shares, either as listed above, or as set out in paragraph 8.1 of this Part VII, has voting rights that differ from other holders of Ordinary Shares.

7.3 Except as regards the Acquisition and as disclosed in this Document, the Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

8. Directors' Interests

8.1 The interests of the Directors, their immediate families and civil partners (as defined in the Civil Partnership Act 2004) (if any) and persons connected with them, within the meaning of Sections 252-254 of the Act, in the issued share capital of the Company as at the date of this Document or could, with reasonable diligence, be ascertained by the Directors, all of which are beneficial, are set out in the table below:

	At the date of this Document				*On Admission*	
Name	*Number of Ordinary Shares*	*Percentage of Existing Issued Share Capital*	*Number of Ordinary Shares subscribed for pursuant to the Placing*	*Number of Fee Shares due on Admission*	*Number of Ordinary Shares*	*Percentage of Enlarged Issued Share Capital*
David Jones	7,808,000	3.77	–	–	7,808,000	1.16
Luke Bryan	5,000,000*	2.41	–	43,500,000	48,500,000*	7.24
Robert Wooldridge	21,510,047	10.39	28,571,430	–	50,081,477	7.47
Emin Eyi	22,290,847	10.76	7,857,150	–	30,147,997	4.50
Guy Eastaugh	Nil	–	2,857,150	–	2,857,150**	0.43

* Held by Novoco Mine Engineering Limited, a company wholly owned by Luke Bryan.
** Held by GEE Consulting Limited, a company wholly owned by Guy Eastaugh.

8.2 Save as disclosed in paragraph 8.1 above, none of the Directors, nor any persons connected with them, is interested in any related financial instrument (as defined in the AIM Rules) whose value in whole or in part is determined directly or indirectly by reference to the price of the Ordinary Shares, including a contract for difference or a fixed odds bet.

8.3 There are no outstanding loans granted by any member of the Group to any Director, nor has any guarantee been provided by any member of the Group for their benefit.

8.4 Save as disclosed in this Document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.

8.5 No Director has been interested in any transaction with the Company which was unusual in its nature or conditions or significant to the business of the Company during the current financial year which remains outstanding or unperformed.

8.6 In the case of those Directors who have roles as directors of companies which are not a part of the Enlarged Group, although there are no current conflicts of interest, it is possible that the fiduciary duties owed by those Directors to companies of which they are directors from time to time may give rise to conflicts of interest with the duties owed to the Enlarged Group. Except as expressly referred to in this Document, there are no potential conflicts of interest between the duties owed by the Directors to the Company and their private duties or duties to third parties.

8.7 Except for the Directors, the Board does not believe that there are any other senior managers who are relevant in establishing that the Company has the appropriate expertise and experience for the management of the Company's business.

9. Share Option Agreements

9.1 Under an option agreement dated 20 December 2013, between the Company and Novoco Mine Engineering Limited ("Novoco"), a company wholly owned by Luke Bryan, the Company has granted to Novoco, conditional upon Admission, the option to subscribe for a total of 25,000,000 Ordinary Shares at an exercise price of 0.7 per share, being equal to the Placing Price. The option becomes exercisable in respect of one third of the total number of Option Shares on each of the first, second and third anniversaries of Admission provided that the consultancy agreement between the Company and Novoco (details of which are set out in paragraph 10.2 of this Part VII) has not been terminated prior to those dates. The options granted to Novoco are exercisable for a period of ten years from the date on which they vest and become exercisable.

If a change of control of the Company takes place, Novoco may exercise all of its options, but they will lapse if not exercised within one month of such change of control being obtained.

If notice is given of a general meeting of the Company at which a resolution will be proposed for the voluntary winding up of the Company, Novoco may exercise all of its options, but they will lapse if not exercised within three months of the date of passing such voluntary winding up resolution.

The number of Option Shares and the exercise price may be adjusted to take account of any consolidation subdivision or comparable capital reorganisation.

9.2 Under an option agreement dated 20 December 2013, between the Company and David Hakes, a consultant to the Company, the Company has granted to Mr Hakes, conditional on Admission, the option to subscribe for a total of 15,000,000 Ordinary Shares at an exercise price of 0.7 per share, being equal to the Placing Price. The option becomes exercisable in respect of one third of the total number of Option Shares on each of the first, second and third anniversaries of Admission provided that Mr Hake's engagement to provide services to the Enlarged Group has not been terminated prior to those dates.

The options granted to Mr Hakes are exercisable for a period of ten years from the date on which they vest and become exercisable.

If a change of control of the Company takes place, Mr Hakes may exercise all of its options, but they will lapse if not exercised within one month of such change of control being obtained.

If notice is given of a general meeting of the Company at which a resolution will be proposed for the voluntary winding up of the Company, Mr Hakes may exercise all of its options, but they will lapse if not exercised within three months of the date of passing such voluntary winding up resolution.

The number of Option Shares and the exercise price may be adjusted to take account of any consolidation subdivision or comparable capital reorganisation.

9.3 Details of the Tetra Options are set out in paragraph 12.3 of this Part VII.

10. Letters of Engagement and Service Contracts of the Directors

10.1 Under a Service Agreement dated 20 December 2013 between the Company and Luke Bryan, Luke Bryan was appointed as an executive director of the Company to hold office as Chief Executive. His appointment will continue for an initial term of 12 months and will continue thereafter subject to six months' notice of termination by either party. The Service Agreement provides for the obligations of Luke Bryan as an executive director of the Company. Luke Bryan is obliged to devote five working days in each calendar month to his services under the Service Agreement. A salary at the rate of £50,000 per annum is to be paid by the Company to Luke Bryan. In addition, the Company is obliged to make payments to Luke Bryan on termination of his Service Contract (which are inclusive of compensation for termination of his employment): if Luke Bryan ceases to be employed as a result of wrongful dismissal, illness or retirement, he is to be paid the sum of £150,000; if he ceases to be employed for other reasons, other than his resignation, voluntary termination or dismissal for cause, he will be paid the sum of £75,000; and Luke Bryan will have no entitlement to compensation if he leaves employment by resigning or giving notice voluntary or if he is dismissed for good cause and does not have a valid claim for wrongful dismissal. Luke Bryan may also provide services to the

Company as set out below in paragraph 10.2 of this Part VII and has provided services to the Company as set out in paragraph 12.4 of this Part VII.

10.2 Under an Agreement dated 20 December 2013, between Clearphos and Novoco, a company wholly owned by Luke Bryan, Novoco agreed to provide consulting and other services to the Company. These services consist of the provision of Luke Bryan or a person of equivalent skills and experience as a project manager. The fees payable by the Company to Novoco are at a rate of £1,000 for each such working day. The Consultancy Agreement is subject to termination by one month's notice given by either the Company or by Novoco at any time.

10.3 On 20 December 2013, conditional upon Admission, the Company entered into a letter of appointment with David Jones in respect of his proposed appointment as non-executive chairman of the Company with effect from Admission. The terms of this letter provide for a monthly fee of £2,500. The appointment will continue for an initial period of 12 months and thereafter be subject to 3 months' notice of termination by either party to expire at the end of the initial 12 month period or at anytime thereafter. No compensation will be payable for loss of office and the appointment may be terminated immediately if, among other things, Mr. Jones is in material breach of the terms of the appointment.

10.4 On 20 December 2013, conditional upon Admission, the Company entered into a letter of appointment with Robert Wooldridge in respect of his proposed appointment as a non-executive director of the Company with effect from Admission. The terms of this letter provide for an annual fee of £20,000 of which 50 per cent. is to be satisfied in arrears by the issue of new Ordinary Shares on a quarterly basis (the first issue falling due on the date that is three months from Admission) at a price equal to the average mid-market closing price of the Ordinary Shares for the last five trading days of the period for which such shares are being issued. The appointment will continue for an initial period of 12 months and thereafter be subject to 3 months' notice of termination by either party to expire at the end of the initial 12 month period or at anytime thereafter. No compensation will be payable for loss of office and the appointment may be terminated immediately if, among other things, Robert Wooldridge is in material breach of the terms of the appointment.

10.5 On 20 December 2013, conditional upon Admission, the Company entered into a letter of appointment with Emin Eyi in respect of his proposed appointment as a non-executive director of the Company with effect from Admission. The terms of this letter provide for an annual fee of £20,000 which is to be satisfied in arrears by the issue of new Ordinary Shares on a quarterly basis (the first issue falling due on the date that is three months from Admission) at a price equal to the average mid-market closing price of the Ordinary Shares for the last five trading days of the period for which such shares are being issued. The appointment will continue for an initial period of 12 months and thereafter be subject to 3 months' notice of termination by either party to expire at the end of the initial 12 month period or at anytime thereafter. No compensation will be payable for loss of office and the appointment may be terminated immediately if, among other things, Emin Eyi is in material breach of the terms of the appointment.

10.6 On 20 December 2013, conditional upon Admission, the Company entered into a letter of appointment with Guy Eastaugh in respect of his proposed appointment as a non-executive director of the Company with effect from Admission. The terms of this letter provide for an annual fee of £20,000. The appointment will continue for an initial period of 12 months and thereafter be subject to 3 months' notice of termination by either party to expire at the end of the initial 12 month period or at anytime thereafter. No compensation will be payable for loss of office and the appointment may be terminated immediately if, among other things, Guy Eastaugh is in material breach of the terms of the appointment.

10.7 Conditional upon Admission, the aggregate remuneration paid and benefits in kind granted to the Directors for the 12 months to Admission, under the arrangements in force at the date of this Document, amount to £354,500, of which £304,500 will be satisfied by the issue of Ordinary Shares on Admission. It is estimated that the aggregate remuneration payable to the Directors from the date of Admission to 31 December 2014 under arrangements that are in force and that will come into effect on Completion will amount to £140,000 of which £30,000 is payable in Ordinary Shares.

10.8 Except as set out above, there are no liquidated damages or other compensation payable by the Company upon early termination of the contracts of the Directors.

10.9 None of the Directors has any commission or profit sharing arrangements with the Company.

10.10 Except as provided for in paragraphs 10.1 to 10.6 above, the total emoluments of the Directors will not be varied as a result of the Admission.

10.11 Except as disclosed in this paragraph 10, there are no existing or proposed service contracts between the Company and any of the Directors which are not terminable on less than 12 months' notice, nor have any of their letters of appointment or service contracts been amended in the six months prior to the date of this Document.

11. Additional Information on the Board

11.1 In addition to their directorships of the Group, the Directors are or have been directors or partners of the following companies or partnerships within the five years prior to the publication of this Document:

Director	*Current directorships/ partnerships*	*Past directorships/ partnerships*
David Jones	None	Coalfield Resources plc United Utilities Group plc United Utilities Water plc
Guy Eastaugh	Pequod Producers LLP GEE Consulting Limited	Invista Real Estate Investment Management Holdings plc Invista Real Estate Investment Management Limited HI Tricomm Holdings Limited Infrastructure Investors Defence Housing (Bristol) Limited Invista Castle Limited Invista Residential Property Trust Limited Tricomm Housing (Holdings) Limited Tricomm Housing Limited Invista Real Estate International Fund Investing Partner Limited Invista Real Estate Opportunity Fund Investing Partner Limited Invista Real Estate International Fund General Partner Limited Invista Real Estate Opportunity Fund General Partner Limited Invista Property Management Limited Invista Global Property Securities Fund Investing Partner Limited Invista Real Estate Limited Invista Industrial (General Partner) Limited Invista Industrial (Nominee) Limited
Emin Eyi	Tri-Star Resources plc	S.P. Angel Corporate Finance LLP

Director	*Current directorships/ partnerships*	*Past directorships/ partnerships*
Luke Bryan	Novoco Mine Engineering Limited Novoco Limited Stannum Resources Limited	West Africa Gold Exploration (Namibia) (Pty) Limited Namib Lead & Zinc Mining (Pty) Limited Brandberg Energy (Proprietary) Limited North River Resources (Namibia) (Pty) Limited North River Resources (Murrupla) Limitada North River Resources (Mavuzi) Limitada Rangahau Gold Limited Stannum Resources Limited
Robert Wooldridge	Pequod Producers LLP VH Nominees Limited Westco Medical Holdings Limited Westco Medical Limited Swan Enford Limited Creatolyte Limited S.P. Angel Corporate Finance LLP S.P. Angel & Co Limited ARC Cable and Communications Limited Octavus Properties LLP PLSL Nominees Limited	Helvetia Asset Management Holdings Limited UKFS 5 Limited Liability Partnership

11.2 David Jones was a director of Energis PLC (a former subsidiary of National Grid Group plc), which appointed administrators on 16 July 2002, with debts of circa £690 million. Following a complex debt for equity swap and refinancing with its lending consortium, the business was eventually sold to Cable and Wireless plc in August 2005 for up to £674 million.

11.3 Save as disclosed in paragraph 11.2 of this Part VII, as at the date of this Document, none of the Directors has:

11.3.1 had any convictions in relation to fraudulent offences or unspent convictions in relation to indictable offences;

11.3.2 had a bankruptcy order made against him or entered into an individual voluntary arrangement;

11.3.3 been a director of any company or been a member of the administrative, management or supervisory body of an issuer or a senior manager of an issuer which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, or company voluntary arrangement or which entered into any composition or arrangement with its creditors generally or any class of its creditors whilst he was acting in that capacity for that company or within the 12 months after he ceased to so act;

11.3.4 been a partner in any partnership placed into compulsory liquidation, administration or partnership voluntary arrangement where such director was a partner at the time of or within the 12 months preceding such event;

11.3.5 been subject to receivership in respect of any asset of such Director or of a partnership of which the Director was a partner at the time of or within 12 months preceding such event; or

11.3.6 been subject to any official public criticisms by any statutory or regulatory authority (including designated professional bodies) nor has such Director been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

12. Material Contracts

The following material contracts (not being contracts entered into in the ordinary course of business) have been or will be entered into by the members of the Group in the last two years or are other contracts that contain provisions under which the members of the Group have an obligation or entitlement which is material to the Enlarged Group as at the date of this Document:

12.1 ***Acquisition Agreement***

A share acquisition agreement dated 12 October 2012 between Tetra Minerals and the Company under which Tetra Minerals granted to the Company an option to acquire all of the issued and to be issued share capital of Kodal Phosphate ("Call Option") for a consideration consisting of:

(a) the sum of €100,000 payable in cash on Admission;

(b) the sum of £1,750,000 to be satisfied by the allotment of 250,000,000 Ordinary Shares at the Placing Price on Admission;

(c) the grant by the Company to Tetra Minerals of the right to subscribe for new Ordinary Shares under the terms of the Tetra Option Agreement referred to in paragraph 12.3 below; and

(d) Kodal Minerals entering into the Tetra Royalty Agreement described in paragraph 12.2 below.

The Call Option has been exercised and completion of the Acquisition is subject to Admission becoming effective on or before 31 December 2013 (which represents an extension of the original period by written agreement between the parties).

On completion and Admission, Tetra Minerals will transfer the shares of Kodal Phosphate to Kodal Minerals and the board of directors will be constituted to consist of directors nominated by Kodal Minerals. Tetra Minerals is also to deliver a lock-in deed in relation to the Consideration Shares (as described in paragraph 12.9.2 of this Part VII), a bank statement in relation to Kodal Phosphate and those items of mining information in relation to the assets of Kodal Phosphate that are not already owned and held by the Company.

Under the Acquisition Agreement, Tetra Minerals gives warranties in respect of the corporate status of Kodal Phosphate, the mining and exploration licences held by Kodal Phosphate and other related matters. Those warranties apply at the date of execution and at completion and Admission, subject to matters disclosed by Tetra Minerals. The Company also gives warranties to Tetra Minerals relating to its corporate status and related matters.

The Acquisition Agreement is subject to English law.

12.2 ***Tetra Royalty Agreement***

The Tetra Royalty Agreement, which is to be dated on Admission, between the Company, Tetra Minerals and Kodal Phosphate under which, subject to completion of the Acquisition Agreement, Kodal Phosphate is to pay to Tetra Minerals a royalty of 1.5 per cent. of the gross revenues generated by the realisation of minerals derived from the Kodal Project.

The obligation to pay royalties continues for the full term of the Kodal Extraction Licences and any successor licences.

Kodal Phosphate may not transfer its interest in the Kodal Extraction Licences without having the transferee assume the royalty obligation. However, the Company will not be under any continuing obligation if it disposes of its interest in the shares of Kodal Phosphate.

The royalty is calculated and paid annually by reference to gross revenues received during each financial year of Kodal Phosphate.

Kodal Phosphate may relinquish all or any of the Kodal Extraction Licences and is to give notice thereof to Tetra Minerals. Tetra Minerals may then require that the Kodal Extraction Licence to be relinquished is transferred to Tetra Minerals.

The royalties cease to be payable in respect of licences that are relinquished or conveyed to Tetra Minerals. If however after being relinquished, a licence is revived by Kodal Phosphate or a member of its group, the royalty obligations are reinstated.

If Kodal Phosphate and/or the Company sells or disposes of its interest in the Kodal Project before all of the vesting conditions in the Tetra Option Agreement (as set out in paragraph 12.3 below) have been satisfied and the Company has not used reasonable endeavours to achieve the vesting conditions, then the royalty payable to Tetra Minerals shall increase to 2 per cent. of the gross revenues generated by the realisation of minerals derived from the Kodal Project.

12.3 ***Tetra Option Agreement***

An agreement between the Company and Tetra Minerals, to be dated on Admission, pursuant to which the Company has granted to Tetra Minerals an option to subscribe for new Ordinary Shares. The maximum number of Ordinary Shares that are subject to the option is 714,285,714, corresponding to the number of Ordinary Shares that would be issued for a total amount of £5 million at the Placing Price. The option vests and becomes exercisable only once the JORC indicated resource for phosphate minerals at the Kodal Project meet certain thresholds. These are as follows:

JORC Indicated Mineral Resource threshold reached (tonnes of phosphate minerals)	*Proportion of maximum number of Option Shares that will vest (%)*
90,000,000	20
110,000,000	20
130,000,000	20
150,000,000	20
170,000,000	20

Once vested, the option may be exercised by Tetra Minerals at a subscription price of 10p per Ordinary Share for a period of three years after the date on which each tranche vests.

If Kodal Phosphate relinquishes or does not renew the Kodal Extraction Licences before any of the options vest then those options will lapse.

12.4 ***Contract with Novoco***

On 8 November 2013, the Company entered in to a consulting contract with Novoco which documented the agreement that existed between the Company and Novoco since 1 March 2013. Under this consultancy agreement Novoco provided services to the Company to progress and develop the Kodal Project and the Company agreed to pay the consultant fees as follows:

12.4.1 An initial fee of £50,000 which was satisfied by the issue of 5,000,000 Ordinary Shares to the consultant on 8 April 2013; and

12.4.2 A success fee of £250,000 payable only on Admission which will be satisfied by the issue of either (i) 43,500,000 new Ordinary Shares; or (ii) such higher number of new Ordinary Shares which at the Placing Price have a value of £250,000; and

12.4.3 A cash success fee which accrues at the rate of £12,500 per month from 1 September 2013 until the date of Admission and is payable only on Admission.

This agreement will terminate on Admission.

12.5 ***Nominated Adviser Agreement***

On 20 December 2013, the Company, the Directors and Allenby Capital entered into a nominated adviser agreement pursuant to which, conditional on Admission, the Company has appointed Allenby Capital to act as nominated adviser to the Company on an ongoing basis as required by the AIM Rules from Admission. The Company has agreed to pay Allenby Capital a fee of £25,000 per annum (plus VAT) for retaining its services as nominated adviser. The agreement contains certain undertakings

and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. These arrangements continue for an initial period of 12 months from Admission unless terminated for reason prior to such date in accordance with the terms of the agreement and thereafter until terminated by either party on three months' notice.

12.6 ***Broker Agreement***

On 27 November 2013, the Company and SP Angel entered into a broker agreement pursuant to which the Company has appointed SP Angel to act as broker to the Company on an ongoing basis as required by the AIM Rules. The Company has agreed to pay SP Angel, a fee of £25,000 per annum (plus VAT) for retaining its services as broker which fee may in the first year, if the gross proceeds of the Placing are less than £1.0 million, at the Company's option be paid in new Ordinary Shares. The agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. These arrangements continue for an initial period of 12 months from Admission unless terminated for reason prior to such date in accordance with the terms of the Agreement and thereafter until terminated by either party on three months' notice.

12.7 ***Placing Agreement***

On 20 December 2013, the Company, the Directors, Allenby Capital and SP Angel entered into a Placing Agreement (the "Placing Agreement"), pursuant to which SP Angel, subject to certain conditions, including Admission taking place on or before 30 December 2013 (or such later date as the Company, Allenby Capital and SP Angel may agree, but not later than 31 December 2013), has agreed to use reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. Under the terms of the Placing Agreement, the Company has agreed to pay Allenby Capital a corporate finance fee of £75,000 plus VAT, of which £37,500 is payable in cash and £37,500 is payable in new Ordinary Shares at the Placing Price, and to pay SP Angel:

(a) a corporate finance fee of £75,000 plus VAT to be payable in new Ordinary Shares at the Placing Price; and

(b) a commission of 5 per cent. of the gross funds raised pursuant to the Placing to be payable in new Ordinary Shares at the Placing Price.

The Placing Agreement contains certain warranties given by the Directors and the Company, and indemnities given by the Company in favour of Allenby Capital and SP Angel. It also contains provisions entitling Allenby Capital and SP Angel to terminate the agreement prior to Admission if, among other things, a breach of any of the warranties occurs or on the occurrence of an event fundamentally and adversely affecting the position of the Company. The liability of the Company under the warranties and indemnities is not subject to a financial limit, but the liability of each of the Directors is subject to maximum financial limits.

12.8 ***Relationship Agreement***

On 20 December 2013 the Company, Allenby Capital and Tetra Minerals entered into a relationship agreement pursuant to which Tetra Minerals undertook that it shall not (whether by procuring the exercise of its voting rights or otherwise) do any thing or carry out any measures that would prevent or obstruct the Company or the Enlarged Group's capacity to ensure that, inter alia: the Enlarged Group is capable at all times of carrying on its business independently of Tetra Minerals and its associates; the Board is able at all times to act in the best interests of its shareholders as a whole; any transactions entered into between Tetra Minerals and the Enlarged Group will be on arm's length terms and approved by the majority of the Directors who do not have a significant business, financial or commercial relationship with Tetra Minerals ("the Independent Directors"); there are and remain at all times no fewer that two Independent Directors or such greater number to ensure that a majority of the Board are Independent Directors; no general meeting is requisitioned by it to appoint or remove a director (except in furtherance of its right of appointment described below) or amend the articles of association of the Company in a way which might adversely effect the independence of the Enlarged Group; any conflicts of interest which may arise are declared to the Independent Directors a soon as is reasonably practicable to do so, and; it and any associates do not take any steps which would cause it to be treated as acting in concert with any other shareholder. The Company has also granted Tetra Minerals the right to appoint and maintain a director to the Board for so long as Tetra Minerals

together with any associate(s) hold 30 per cent. or more of the voting rights in the Company. Any such appointment shall be subject to Tetra Minerals having first consulted with the Company's nominated adviser (and having taken into account its reasonable requests) and the nominated adviser having completed satisfactory due diligence on the proposed director. Any such appointment would also be subject to its compliance with the AIM Rules. The relationship agreement shall be in full force and effect for so long as Tetra Minerals together with any associate(s) hold at least 30 per cent. of the voting rights in the share capital of the Company.

12.9 ***Lock-in Deeds***

12.9.1 On 20 December 2013, the Company, Allenby Capital, SP Angel and each of the Directors (excluding Novoco) entered into a Lock-In Deed in accordance with rule 7 of the AIM Rules pursuant to which each has agreed with the Company, Allenby Capital and SP Angel, not to dispose of any shares in the capital of the Company in which they are interested for a period of one year from Admission, other than in the event of an intervening court order, upon receipt of a takeover offer relating to the Company's share capital from an unconnected third party offeror or upon the death of the Director. They have also agreed that for a further period of 12 months, they will only dispose of their Ordinary Shares through SP Angel (or the then broker of the Company) so as to ensure an orderly market in the Ordinary Shares.

12.9.2 On 20 December 2013, the Company, Allenby Capital, SP Angel and Tetra Minerals entered into a Lock-in Deed in accordance with rule 7 of the AIM Rules pursuant to which Tetra Minerals agreed not to dispose of any shares in the capital of the Company in which it is interested for a period of one year from Admission, other than in the event of an intervening court order or receipt of a takeover offer relating to the Company's share capital from an unconnected third party offeror.

12.9.3 On 20 December 2013, the Company, Allenby Capital, SP Angel and Novoco entered into a Lock-In Deed in accordance with rule 7 of the AIM Rules pursuant to which Novoco has agreed not to dispose of any shares in the capital of the Company in which it is interested for a period of one year from Admission and in respect of 50 per cent. of the Ordinary Shares in which it is interested for a further period of one year, other than in the event of an intervening court order or receipt of a takeover offer relating to the Company's share capital from an unconnected third party offeror. Novoco has also agreed that for a further period of 12 months following each restricted period, it will only dispose of its Ordinary Shares through SP Angel (or the then broker of the Company) so as to ensure an orderly market in the Ordinary Shares.

12.9.4 On 20 December 2013, the Company, Allenby Capital and SP Angel entered into a Lock-In Deed pursuant to which SP Angel has agreed with the Company and Allenby Capital not to dispose of any shares in the capital of the Company in which it is interested for a period of one year from Admission, subject to certain limited exceptions, including in the event of an intervening court order or receipt of a takeover offer relating to the Company's share capital from an unconnected third party offeror. They have also agreed that for a further period of 12 months, they will only dispose of their Ordinary Shares through SP Angel (or the then broker of the Company) so as to ensure an orderly market in the Ordinary Shares.

12.9.5 On 20 December 2013, the Company, Allenby Capital, SP Angel and each of John Mackay and David Facey entered into a Lock-In Deed pursuant to which each has agreed with the Company, Allenby Capital and SP Angel, not to dispose of any shares in the capital of the Company in which they are interested for a period of one year from Admission, subject to certain limited exceptions, including in the event of an intervening court order or receipt of a takeover offer relating to the Company's share capital from an unconnected third party offeror. They have also agreed that for a further period of 12 months, they will only dispose of their Ordinary Shares through SP Angel (or the then broker of the Company) so as to ensure an orderly market in the Ordinary Shares.

12.10 ***Service Contracts and Letters of Appointment***

The existing and proposed service agreements and letters of appointments entered into between each of the Directors and the Company are referred to at paragraphs 10.1 to 10.6 of this Part VII.

12.11 Under an agreement dated 26 November 2013 between Octavus Properties LLP and the Company, Octavus Properties LLP advanced £900,000 by way of an unsecured loan to the Company carrying interest at the rate of 5 per cent. per annum and arrangement fee of 0.5 per cent. of the principal amount of the loan. The loan was applied by the Company as an investment in Clearphos Limited ("Clearphos") (a wholly-owned subsidiary of the Company) and the proceeds received by Clearphos were then used to pay the consideration for the acquisition of assets by Clearphos from the Company under the sale agreement referred to in paragraph 12.12 below ("Sale Agreement"). The amount received by the Company as consideration under the Sale Agreement has been used to repay the principal amount of the loan which was accordingly discharged on 28 November 2013.

12.12 Under an agreement dated 26 November 2013 between Clearphos and the Company, the Company agreed to sell to Clearphos all of the mining information, technical information, proprietary know-how and contracts in relation to the development of the Kodal Project. The consideration for the assets to be sold was the sum of £900,000 that was paid by Clearphos to the Company on 28 November 2013.

12.13 Under an agreement dated 26 November 2013 between the Company and Clearphos, the Company is to procure that Kodal Phosphate will grant to Clearphos the right to extract and exploit minerals and ores from the Kodal Project, subject to completion of the transfer of assets to Clearphos under the Sale Agreement referred to in paragraph 12.12 above, the acquisition by the Company of Kodal Phosphate and such approvals as may be required under Norwegian Law or from the Norwegian Directorate of Mining. Clearphos will pay to the Company a royalty of 1.75 per cent. of the gross revenues earned by Clearphos from the extraction of minerals and ores from the Kodal Project.

13. Working Capital

In the opinion of the Directors, having made due and careful enquiry, the working capital available to the Company and the Enlarged Group will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

14. Environmental Issues

As far as the Directors are aware, there are no environmental issues that may affect the Enlarged Group's utilisation of its tangible fixed assets.

15. Litigation

15.1 The Group is not involved in any governmental, legal or arbitration proceedings which have or, since incorporation, may have had, a significant effect on the Group's financial position or profitability nor, so far as the Directors are aware, are any such proceedings pending or threatened by or against the Group.

15.2 Kodal Phosphate is not currently involved in any governmental, legal or arbitration proceedings which have or, in the 12 months preceding the date of this Document, may have had, a significant effect on Kodal Phosphate's financial position or profitability nor, so far as the Directors are aware, are any such proceedings pending or threatened by or against Kodal Phosphate.

16. Intellectual Property

Save for the Kodal Extraction Licences, the Enlarged Group is not dependent on any patents, licences, industrial, financial or commercial contracts or new manufacturing processes which have a material effect on the Enlarged Group's business or profitability.

17. Premises

The Enlarged Group does not own any premises.

18. Significant Changes

18.1 The financial information relating to the Group referred to in Part IV of this Document has been prepared to 30 September 2013. Save as disclosed in this Document, there has been no significant change in the financial or trading position of the Company and its subsidiaries since 30 September 2013.

18.2 The financial information relating to Kodal Phosphate referred to in Part V of this Document has been prepared to 30 June 2013. Save as disclosed in this Document, there has been no significant change in the financial or trading position of Kodal Phosphate since 30 June 2013.

19. Related Party Transactions

19.1 Other than as disclosed in this Document, during the period from its incorporation to the date of this Document, the Company has not entered into any related party transactions.

19.2 Other than as disclosed in this Document, the Group has not entered into any related party transactions that are outstanding.

20. General

20.1 Save as disclosed in this Document, there have been no interruptions in the business of the Group, nor are there any significant recent trends, which may have or have had in the 12 months preceding the publication of this Document a significant effect on the financial position of the Group or which are likely to have a material effect on the prospects of the Enlarged Group for the next 12 months.

20.2 Except as disclosed in this Document, there have been no significant authorised or contracted capital commitments at the date of publication of this Document.

20.3 The gross proceeds of the Placing receivable by the Company are expected to be approximately £1,000,000. The total costs and expenses payable by the Company in connection with the Placing and Admission (including processional fees, costs of printing and other fees payable and sales commissions) are estimated to be approximately £417,500 (excluding VAT) which will be split £230,000 payable in cash from the Placing proceeds and £187,500 to be satisfied by the issue of new Ordinary Shares at the Placing Price.

20.4 Except as stated in this Document (and in particular in connection with the Placing as set out in paragraph 20.3 of this Part VII) and for the advisers named on pages 6 and 7 of this Document to the extent disclosed elsewhere in this Document and trade suppliers, no person has received, directly or indirectly, from the Company within the 12 months preceding the date of this Document or has entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission, fees totalling £10,000 or more or securities in the Company with a value of £10,000 calculated by reference to the Placing Price or any other benefit with a value of £10,000 or more at the date of Admission. No payments aggregating to more than £10,000 have been made to any government or regulatory authority or similar body nor been made by the Company or on its behalf with regard to the acquisition or maintenance of the Kodal Project.

20.5 Other than pursuant to the Placing, the Ordinary Shares have not been sold, nor are they available, in whole or in part, to the public in conjunction with the application for Admission.

20.6 Application has been made to the London Stock Exchange for the Enlarged Issued Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Enlarged Issued Share Capital will commence on AIM at 8.00 a.m. on 30 December 2013.

20.7 It is expected that definitive share certificates will be dispatched by hand or first class post. In respect of uncertificated shares it is expected that shareholders' CREST stock accounts will be credited on 30 December 2013.

20.8 The Ordinary Shares are in registered form. No temporary documents of title will be issued.

20.9 Allenby Capital has given and not withdrawn its written consent to the issue of this Document with references to its name in the form and context in which they appear.

20.10 SP Angel has given and not withdrawn its written consent to the issue of this Document with references to its name in the form and context in which they appear.

20.11 The reporting accountant, Baker Tilly Corporate Finance LLP, has given and not withdrawn its written consent to the issue of this Document with the inclusion in it of its reports in Parts A and C of Part IV, Parts A and C of Part V and Part A of Part VI of this Document in the form and context in which they appear. Baker Tilly Corporate Finance LLP is a member firm of the Institute of Chartered Accountants in England and Wales.

20.12 CSA has given and not withdrawn its written consent to the issue of this Document with the inclusion of its CPR and references to its name in the form and context in which they appear.

20.13 Where information contained in this Document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is indicated on the relevant pages.

20.14 The financial information relating to the Company contained in this Document does not comprise statutory accounts for the purposes of section 434(3) of the Act.

20.15 The accounting reference date of the Company is currently 31 March of each year and will remain so on Admission. The Company will publish its audited accounts for the year ended 31 March 2014 on or before 30 September 2014. The Company will notify unaudited interim accounts for the six months ended 30 September 2014 on or before 31 December 2014. The Company will publish its audited accounts for the year ended 31 March 2015 on or before 30 September 2015.

20.16 The Company has not declared a dividend for any of the financial years in the period covered by the historical financial information set out in Part IV of this Document.

Dated: 20 December 2013

GLOSSARY OF TECHNICAL TERMS

%	per cent
µm	Micrometer, or 0.000001m
3D	Three dimensional
Alkaline	In geological terms, alkaline indicates low silica content indicated by being quartz poor
ALS	ALS Laboratories
Amphibole	Dark-colored, inosilicate minerals, forming prism or needle like crystals
amsl	Atmospheric meters above sea level
Anticline	A fold that is convex up and has its oldest beds at its core
Apatite	A hydrous phosphate mineral
Azimuth	An angular measurement in a spherical coordinate system, i.e. deviation degree relative to north
Biotite	A common phyllosilicate mineral within the mica group
BPM	Bits per meter core, a geotechnical measurement used to determine rock competency
BQ	A core diamond drill diameter of 36.5 mm
BQTK	A core diamond drill diameter of 40.5 mm
Breccia	A rock composed of broken fragments of minerals or rock cemented together by a fine-grained matrix
Carbonate	A gangue rock, consisting of rocks/minerals rich in CO3
CB	crush blank
CES	Conceptual Engineering Study
Clinopyroxene	A group of important rock-forming inosilicate minerals found in many igneous and metamorphic rocks
cm	Centimeter
Collar	Geographical coordinates of the top of a drill hole or a working portal
Compositing	The process of dividing or adding sample intervals together to form a regular length
Core	A cylindrical piece of solid rock obtained during diamond drilling
CRM	Certified Reference Material

Cut-off grade	The threshold value in exploration and geological resources estimation above which mineralised material is selectively processed or estimated
CV	Coefficient of variation is a normalized measure of dispersion of a probability distribution or frequency distribution.
Datum	A set of values used to define a specific geodetic system
DD	Diamond core drilling method
Deposit	A geological unit, with anomalous grades of economically important minerals
Diamond drill	A method of drilling using hollow diamond encrusted core bits that sample and return cylinders of solid rock retrieved by a wireline
Dip	The angle of drilling (or of a structure) relative to horizontal
DTR	Davis Tube Recovery, a magnetic measurement method to establish magnetite content and retrieval
E	East
Easting	Meters east of a grid point, typically used for UTM based projections
ESIA	Environmental and Social Impact Assessment
ETRS1989	A Datum, namely European Terrestrial Reference System 1989
EX	A core diamond drill diameter of 18.6 mm
Fe	Iron
Feldspars	A group of rock-forming tectosilicate minerals, that make up as much as 60 per cent. of the Earth's crust
g	Gram
g/cm^3	Grams per centimeter cubed, a measure of density
Gabbro	A coarse-grained, intrusive mafic igneous rocks chemically equivalent to basalt
Geochemical sampling	In exploration, the main method of sampling for determination of presence of mineralisation. A geochemical sample usually unites fragments of rock chipped with a hammer from drill hole core at a specific interval
GIS	Geographical Information System
GPS	Global Positioning System
Graben	A depressed block of land bordered by parallel faults
Histogram	Diagrammatic representation of data distribution by calculating frequency of occurrence
HQ	A diamond drill core diameter of 96 mm (outside of bit) and 63.5 mm (inside of bit)

ICP MS	Inductively coupled plasma mass spectrometry, a type of mass spectrometry capable of detecting low elemental concentrations
Ilmenite	A major, ore mineral, weakly magnetic titanium-iron oxide
Ilmenomagnetite	A major, ore mineral, a titaniferous magnetite
INAB	Irish National Accreditation Board
Inferred Mineral Resources	Under JORC 2012, An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
Indicated Mineral Resource	Under JORC 2012, An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit
Intrusive	An igneous rock that crystalised within the earth's crust forming often coarse grained crystals
IP	An electromagnetic geophysical ground probing technology using induced potential/voltage
ISO 9000	A family of standards related to quality management systems
Jacupirangite	A variety of pyroxene rich rock that is dominated by titanaugite with minor nepheline and accessory biotite and magnetite
JORC or JORC – 2012	A professional code of practice that sets minimum standards for Public Reporting of minerals Exploration Results, Mineral Resources and Ore Reserves.
kHz	Kilohertz, Hz is an S.I. unit measure of frequency for electromagnetic waves, the number of wave cycles per second
km	Kilometer
km^2	Kilometer squared
Kriging	Method of interpolating grade using variogram parameters associated with the samples' spatial distribution. Kriging estimates grades in untested areas (blocks) such that the variogram parameters are used for optimum weighting of known grades. Kriging weights known grades such that variation of the estimation is minimised, and the standard deviation is equal to zero (based on the model)
Lamphropyre	Uncommon, small volume ultrapotassic, alkaline, ultramafic igneous rocks primarily occurring as small intrusions
Larvikites	A rock, a variety of monzonite, with ternary feldspars, often rich in titanium

LIMS	low intensity magnetic separation
LOI	Loss on Ignition, to establish proportion of volatiles lost during incremental increase in temperature until sample mass ceases to change
m	Meter
M	Million
M.S.L	Meters above sea level
Ma	Million years
Mafic	An rock rich in iron and/or magnesium
Magnetite	A magnetic and naturally occurring iron oxide, in the form Fe3O4
Mean	Arithmetic mean, average
Median	Sample occupying the middle position in a database
ME-XRF21	Fused disc XRF analysis
Mica	A major group of sheeted, silicate-phyllosilicate minerals
MICROMINE	A 3D mining software package
micron	Micron
Mineral Resource	Under JORC 2012, A 'Mineral Resource' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories
mm	millimetre
Monzonite	A quartz poor igneous intrusive rock, composed of approximately equal amounts of plagioclase and alkali feldspar
MRE	Mineral resource estimate
Mt	Million Tonnes
N	North
NEA	Norwegian Environment Agency
Nepheline	A silica-undersaturated aluminosilicate
NGU	Norwegian Geological Authority
Northing	Meters north of a grid point, typically used for UTM based projections

NQ	A core diamond drill diameter of 47.6 mm
Nuggety	The distribution of ore minerals are not homogeneously distributed, but are rather clustered together in small (mm-meters) high grade 'pods'
OK	Ordinary Kriging
Olivine	A magnesium iron silicate mineral
OMAC	OMAC Laboratories, Ireland
Orogeny	Forces and events leading to a large structural deformation of the Earth's lithosphere (crust and uppermost mantle) due to the engagement of tectonic plates
Overburden	Sterile/barren waste that overlies an ore deposit
P	Phosphorous
P_2O_5	Phosphate oxide
PFS	Pre-Feasibility Study
Population	In geostatistics, a population formed from grades having identical or similar geostatistical characteristics. Ideally, one given population is characterized by a linear distribution
porphyry	A variety of igneous rock consisting of large-grained crystals, such as feldspar or quartz, dispersed in a fine-grained feldspathic matrix or groundmass
ppb	parts per billion
ppm	parts per million
PQ	A diamond drill core diameter of 122.6mm (outside of bit) and 85mm (inside of bit)
QA/QC	Quality assurance and quality control procedures and methods
Quartz	The second most abundant mineral in the Earth's continental crust, in the form SiO2
Recovery	A measure of total length of core returned during a single run, or diamond drilled hole, typically expressed as a percent of the total length drilled
Reserves	Mineable geological resources
Resources	Geological resources (both mineable and un-mineable)
RQD	Rock Quality designation, a geotechnical measurement used to determine rock competency
S	South
Sample	Specimen with analytically determined grade values for the components being studied

Sericite	A fine grained mica, commonly derived from hydrothermal alteration of orthoclase or plagioclase feldspars
SG	Specific gravity is the ratio of the density of a substance to the density (mass of the same unit volume) of a reference substance, typically water at 1 atm
SI	International System of Units
SOP	standard operating procedures
SQL	Structured Query Language, is a special purpose programming language designed for managing data
Swath plot	A method of block model validation using a graph that compares input grades, drill meters, block model tonnes and output block model grades, over slices through the model in the N, E and RL planes
SWEDAC	Swedish Board for Accreditation and Conformity Assessment, is a government authority for quality and safety
Syenite	A quartz poor igneous rock with alkaline feldspar and ferromagnesium minerals
t	Tonne
TiO2	Titanium Oxide
Top cut	A value to which anomalously high grades are restricted to, determined by statistical methods
UTM	Universal Trans-Mercator
Variation	In statistics, the measure of dispersion around the mean value of a data set
Variogram	Graph showing variability of an element by increasing spacing between samples
Variography	The process of constructing a variogram
Variscan Orogeny	A geologic mountain-building event caused by Late Paleozoic continental collision between Euramerica (Laurussia) and Gondwana to form the supercontinent of Pangaea
VLF	An electromagnetic geophysical ground probing technology that utilizes very low frequency signals in the 15 to 30 kHz range
W	West
WGS84	World Geodetic System initialised in 1984
WRS	waste rock stockpile
wt%	weight per cent
X	The direction aligned with the x-axis of a coordinate system
XRF	An geochemical analytical method which analyses the emission of x-rays from an ionized sample

Y	The direction aligned with the y-axis of a coordinate system
Z	The direction aligned with the z-axis of a coordinate system

Further information on the minerals mentioned in this Document can be found in the Competent Person's Report in Part III of this Document.

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