Group Annual Report & Financial Statements

For the year ended 31 March 2024

Registration number
07220790
(England and Wales)

Kodal
Minerals

Connecting with the emerging lithium opportunity

Contents

Company Information

Directors
Bernard Aylward
Charles Joseland
David Teng
Robert Wooldridge
Steven Zaninovich

Secretary
Sarah Parker

Country of Incorporation
England and Wales

Registered Number
07220790

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

Nominated Adviser
Allenby Capital Limited
5 St Helen's Place
London EC3A 6AB

Solicitors
Fieldfisher LLP
Riverbank House
2 Swan Lane
London EC4R 3TT

Financial Adviser and Joint Broker
SP Angel Corporate Finance LLP
Prince Frederick House
35-39 Maddox Street
London W1S 2PP

Joint Broker
Canaccord Genuity Limited
88 Wood Street
London
EC2V 7QR

Auditor
RSM UK Audit LLP
25 Farringdon Street
London EC4A 4AB

Share Registrars
Share Registrars Limited
3 The Millennium Centre
Crosby Way
Farnham
Surrey GU9 7XX

Highlights

- The Bougouni Lithium Project with our operating partner Hainan Mining Co. Ltd is on track to be the first commercial producer of lithium in Mali
- DMS development now fully funded and construction is well underway, with first lithium production expected in 2024.
- Project delivers high returns with an estimated post-tax NPV of over US$440m with an IRR of 270% and a short three-month payback period.
- Extension drilling has returned wide, high-grade intersections, returning a 40% increase to Bougouni's mineral resource
- Company is fully funded to seek additional investment opportunities in the lithium sector.

KODAL MINERALS PLC

Strategic Report

Chairman's statement

I am delighted to present the Annual Report of Kodal Minerals plc ("Kodal" or the "Company" and together with its subsidiaries, the "Group") for the year ended 31 March 2024.

DMS footings prepared by the team at Ngoualana plant site

This financial year saw our Group deliver on its near-term strategy of developing the Bougouni Lithium Project ("Bougouni" or "the Project") into a significant producer of spodumene concentrate, a product critical for the lithium-ion battery industry. The completion of the financing by our operating partner Hainan Mining Co. Limited ("Hainan"), a subsidiary of Fosun International Ltd ("Fosun"), and the commencement of construction of Bougouni, are key stepping stones in our broader strategy of becoming a focused lithium explorer and developer participating in the rapidly expanding global electric vehicle and battery storage industries.

The relationship with Hainan, Fosun's industrial platform for mining and resources, is critical to the construction of Bougouni. This partnership was cemented through the completion of the milestone funding package in November 2023, providing US$100m for the construction, development and commencement of production at Bougouni, for a 51% stake in Kodal Mining UK Limited ("KMUK"), which owns the Bougouni asset. This funding also provides capital for an extensive exploration programme across the Bougouni licence area. The transaction with Hainan gave rise to a non-cash revaluation gain in the Group of £30.5 million, recognised in the year to 31 March 2024.

As discussed in more detail in the Operational Review, significant progress was made in the financial year, and has continued to be made over the last six months, in constructing the mine and building the operational teams in Mali. We have also continued to work with and support the local community through a wide variety of local initiatives and look forward to continuing to build on this strong relationship.

The Hainan agreement also provided additional funding for continued exploration, and our ongoing drilling at the Boumou prospect continues to exceed our expectations. The extension drilling has returned wide, high-grade intersections that have allowed the Company to announce a significant 40% increase to Bougouni's mineral resource, adding 10.6Mt to bring the overall JORC compliant Mineral Resource Estimate ("MRE") to 31.9Mt at 1.06% Li_2O following 3,230 metres of reverse circulation ("RC") drilling completed in the first half of 2023.

Chairman's statement continued

The Board has undertaken a review of the Group's gold projects during the year and intends to focus ongoing attention on the Fatou and Niéllé gold projects, where we believe there is a reasonable prospect of advancing the projects towards mineral resource estimates.

The direct investment of US$17.75m into Kodal Minerals plc by Hainan, becoming our largest single shareholder with a stake of 14.51%, has provided a platform for the Company to seek additional investment opportunities in the lithium sector.

Kodal took the opportunity to further strengthen the Board with the appointment of Lei ("David") Teng, President and Vice Chairman of Hainan, as a Non-executive Director in March 2024. David is able to draw on over fifteen years' experience from his many roles in natural resources at the Fosun Group, from Investment Director to Co-Chairman, and is a welcome addition to our management team at a Board level as well as at project level in Mali. Dr Qingtao Zeng, retired from the board in September 2023 and I would like to thank him for his valuable contributions to the Group during his time as a director.

Kodal remains firmly committed to the highest standards of corporate governance and, as guided by the QCA Code, we are continuing to look to further improve and strengthen our team as the Company evolves from development into production.

Outlook

As Bougouni goes into production, expected by the end of 2024, the next twelve months will see KMUK take the final steps to become a fully-fledged lithium producer in West Africa. The transition from developer to producer is a significant evolution in the business and scale of operations at Bougouni, bringing with it many challenges as well as opportunities, and we remain focussed on supporting KMUK in its successful execution of this important milestone. We are confident that the successful development of the Bougouni lithium mine will be achieved and that the resource base will continue to grow in this highly prospective region which offers multiple opportunities for future expansion.

We have had enormous support from our shareholders over the years, and most recently from our operating partner, Hainan. We are grateful for the continued interest and support from our shareholders, and we look forward to providing regular updates for this exciting year ahead as Bougouni moves into production.

Robert Wooldridge
Non-executive Chairman

2 September 2024

Mining commenced at Ngoualana open pit

Operational review

The year ended 31 March 2024 was a significant year in our progress towards becoming Africa's next lithium producer.

Despite the significant headwinds facing junior mining companies in most international capital markets in recent years, the closure of the US$117.5m financing is testament to the quality, long life and upside prospects of Bougouni and our broader strategy. The Project is now fully funded for development and construction is well underway.

During the year, the Bougouni Lithium Project was transferred to KMUK and Hainan took a 51% stake in KMUK for US$100m. Kodal retains a 49% shareholding in KMUK and continues to hold significant influence over KMUK business. Although Kodal has a non-controlling 49% stake in KMUK, both your Chief Executive Officer and your Operations Director are on the board of KMUK and we are closely involved in the day-to-day decision making surrounding the construction and development at Bougouni.

As the Bougouni Lithium Project remains the most important asset for the Group, both in terms of management attention and impact on the financial position, the main focus of this Operational Review is on the Project's progress and the strategy for completion of its development.

Following completion of the Hainan investment in November 2023, the team in Bougouni were able to progress the onsite activity and construction of the Stage 1 dense media separation ("DMS") processing plant at a more rapid rate, with first production planned by the end of 2024. In addition, we continued our exciting exploration and resource extension drilling that continued to highlight significant potential for expansion of the Bougouni resource. A summary of progress is provided below.

Development progress

Following a formal tender process in the first quarter of 2024, the KMUK group entered into contracts with the main contractors for the mine construction, all of whom have made significant progress since the year end:

- The manufacture of the DMS processing plant and crushing circuit modules was commissioned during the year and has now been completed in China. The items are currently being shipped to the port of Abidjan prior to transport to site.
- Structural steelwork fabrication is complete for the main process plant buildings and is currently being transported to Bougouni, along with spare parts, consumables and essential supplies.
- A consortium of mining contractors comprising Auxin Mining Services Mali SARL ("Auxin") and Enterprise Générale Traoré et Frères SARL ("EGTF") (the "Mining Contractors") was awarded the Mining Contract at Bougouni during the financial year under review and mobilised to site in April 2024.
- The Mining Contractors have now completed site clearing, topsoil removal and storage and have commenced the removal of overburden and waste at the Ngoualana open-pit site in order to expose the Ngoualana spodumene bearing ore in readiness for commissioning later in the year.
- Since the year end, the contract for the site civil construction has been awarded to Bambara Resources SARL ("Bambara"), a local Malian company, working together with an established and experienced Malian-based company, GZB Mali ("GZB"), part of the China-based Gezhouba Group.
- The preparation of foundations and concreting for the processing plant is continuing on schedule and is expected to be completed in advance of the arrival of the plant and crushing circuit for construction on site.
- With the absence of reticulated power in the Bougouni region, a 5MW diesel power plant was procured from Jiangsu Fukangsi in China, comprising Cummins engines. The power solution will include in its design the installation of complementary solar power, however due to the short time frame for project construction the solar circuit will be deferred into the future; likely after 12 months of operation.

The development schedule and capital budget for the Stage 1 DMS operation has been reviewed in conjunction with the Hainan team, with costs updated to reflect the awarded contracts and the finalisation of design and construction of the plant items. The confirmed capital expenditure estimate to build the Project remains at US$65 million, as per the 2020 feasibility study, testament to the conservative nature of our approach, further emphasised by the ongoing inflationary environment within global supply chains.

Aerial view of process plant and office area

Bougouni Development Activity

Registration of KMUK's new subsidiary mining company in Mali, Le Mines de Lithium de Bougouni SA ("LMLB"), has been completed and LMLB will be the operator of the Bougouni lithium mine with the Government of Mali entitled to a 10% free carried interest and the right to purchase an additional 10% equity interest according to the 2019 Mining Code. The transfer of the Bougouni mining licence from Future Minerals SARL to LMLB is still pending formal approval of the Direction Nationale de la Geologie et des Mines ("DNGM") in Mali, however the moratorium on dealing with mining concessions imposed by the Malian Government has prevented the transfer to date. The Government announced on 9 July 2024 that the moratorium will be lifted and Kodal continues to liaise with the DNGM to secure completion of the transfers as soon as possible.

DMS Plant and crushing circuit

The manufacture of the crushing circuit and the DMS processing equipment is complete with both suppliers delivering on schedule all equipment and associated spares. The material is now in transit in two cargo shipments from China to the port of Abidjan in Côte d'Ivoire ahead of trucking to site.

The crushing modules were manufactured by Beijing HighDynamic Technology Co., Ltd. ("BHD"), and the DMS equipment manufactured by Haiwang Technology Group ("Haiwang") in Shandong Province, China. These fabrication groups are specialists in the manufacture of mining plant and have completed several projects of similar size and nature to Bougouni. The Haiwang group will send key construction specialists to site to supervise the final installation and remain for the commissioning of the plant to ensure full working order in accordance with contractual performance warranties.

Mining Contract

The mining contract has been awarded to the Mining Contractors. EGTF, a fully owned Malian company, mobilised earthworks equipment to the site in April, and immediately commenced bush clearing, topsoil stripping, and bulk earthworks.

The process plant area earthworks are completed and assistance has been provided to the civil concrete contractor to ensure the construction of foundations and footings for the plant area continues on schedule.

In May 2024, the Mining Contractors commenced the removal of weathered overburden and waste material from the Ngoualana open pit area that will be the source of the ore to be processed at the Bougouni DMS plant.

Ngoualana DMS process plant footings in construction

Civil Construction – Concrete Contract

Following a tender process to four companies with local region experience and based on the designs from Haiwang, the concrete contract was awarded under budget to a Malian company, Bambara Resources SARL ("Bambara"). Bambara is a Malian company established in 2017 to provide services to the mining industry in Mali. Kodal Minerals plc worked with Bambara previously to acquire the concessions at Mafélé Ouest and Nkeméné Ouest that formed the "Bougouni West" project, further details of which were announced on 30 January 2019.

Bambara is engaged as the head contractor and will utilise under sub-contract the services of GZB, an established and experienced Malian-based company with a China parent. GZB boasts 13 years construction experience in Mali, which includes the development of several prominent roads and bridges, and most notably the supply of concrete to the third bridge over the Niger River in Bamako.

Bambara will provide all local labour and services and manage GZB, which will provide much of the equipment, engineering technicians and on-site supervision. The Project team believes this contracting arrangement will be crucial to correctly interpreting the designs and drawings during construction, since they are developed in Chinese, as part of the Haiwang package.

Offtake Agreement

In March 2024, we reached an agreement to terminate the right of first refusal granted to Suay Chin over 80% of the spodumene product produced at the Bougouni Lithium Project. Kodal and KMUK are continuing negotiations with Hainan to finalise an offtake agreement with Hainan for 100% of the spodumene product produced at the Bougouni Lithium Project. It has been agreed between Kodal and Hainan that any offtake agreement reached between KMUK and Hainan will be based on market prices for spodumene and will require express written approval from Kodal as a shareholder of KMUK. The offtake agreement with Hainan will initially relate to spodumene production from only the Stage 1 DMS processing plant.

Exploration update

On the 14 November 2023, Kodal announced a significant 40% increase to Bougouni's mineral resource, adding 10.6Mt to bring the overall JORC compliant (refer notes below) MRE to 31.9Mt at 1.06% Li_2O following 3,230 metres of reverse circulation ("RC") drilling completed in the first half of 2023.

The updated JORC compliant Mineral Resource estimate for the Bougouni Lithium Project, including the Sogola-Baoulé, Ngoualana and Boumou prospects is tabulated below:

	Indicated			Inferred			Total		
Prospect	Tonnes (Mt)	Li_2O% Grade	Contained Li_2O (kt)	Tonnes (Mt)	Li_2O% Grade	Contained Li_2O (kt)	Tonnes (Mt)	Li_2O% Grade	Contained Li_2O (kt)
Ngoualana	3.2	1.19	38.0	3.5	0.82	28.5	6.7	1.00	66.7
Sogola-Baoulé	8.4	1.09	91.9	3.8	1.13	42.8	12.2	1.10	134.8
Boumou	–	–	–	13.1	1.04	135.8	13.1	1.04	135.8
TOTAL	**11.6**	**1.12**	**129.9**	**20.4**	**1.02**	**207.1**	**32.0**	**1.06**	**337.3**

Notes:

These mineral resources are reported in accordance with the Australasian Joint Ore Reserves Committee Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the "JORC Code" or "the Code"). The Code sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves.

Sogola-Baoulé resource estimate unchanged from 2019. A 0.5% Li_2O lower cut-off applied, and resource wireframe defined by a 0.3% Li_2O selected boundary. Estimate completed utilising Surpac software.

Ngoualana resource estimate reported utilising a 0.5% Li_2O lower cut-off. All pegmatite mineralisation modelled including zones of waste material for a fully diluted model. Estimate completed using Leapfrog modelling software.

Boumou resource reported using a 0.75% Li_2O lower cut-off. All pegmatite mineralisation modelled including zones of waste material for a fully diluted model. Estimate completed using Leapfrog modelling software.

Figures in table may not sum due to rounding. The contained metal is determined by the estimate tonnage and grade.

Boumou prospect diamond drill core highlighting coarse spodumene mineralisation

The Boumou prospect, located centrally within the Bougouni granted mining licence area, was a key driver in this increase with the drilling completed in 2023 highlighting wide, high grade pegmatite veins that remained open along strike and at depth. Following the success of the 2023 campaign and the expansion of the MRE for the Boumou prospect to 13.1Mt at 1.04% Li_2O, the exploration drilling continued in early 2024 with a focus on the continued extension and definition to prepare for an updated mineral resource estimate and future planning of the Project development strategy.

The 2024 drilling campaign has continued to return strongly mineralised pegmatite intersections up to 66m at 1.26% Li_2O from 72m in drill hole KLRC211 and has added significantly to the strike length of the prospect. Diamond core drilling is ongoing to provide detailed geological information to support the interpretation of the mineralised zones. The initial geological logging and comparison of the diamond drill core and the logging of the RC drill holes has confirmed the continuity of the pegmatite veins and highlighted the coarse nature of the spodumene mineralisation.

Bougouni Environmental Sustainability and Community Relations

We have achieved two key milestones during the year that are of critical importance to the Project, the Company and our stakeholders; an updated Environmental, Social Impact Assessment (ESIA) and the establishment of our Community Development Programme.

Strong relations with the Malian government are key to our success at Bougouni and in early 2024, KMUK received approval for the updated ESIA for Bougouni Project Phase 1 DMS processing from Mali's Department of the Environment. Professor Tiémoko Sangaré, Minister for Environment, was welcomed to the Project site in early February 2024 and our team presented the Minister with the features and plans for the Phase 1 DMS operation, with a specific focus on the environment and our programme for future community development.

The approval of the ESIA alongside Kodal's Community Development Plan marks the completion of all outstanding permitting. Our positive engagement with the local community in Bougouni is crucial to the ongoing success of the Project, and I am delighted with our team's continued work over the past twelve months. KMUK's financing of current social initiatives has been informed by our community consultations and includes the funding of a full-time school teacher at Kola Sokoura, the village closest to Bougouni, and the donation of several tractors to local communities to support sustainable agriculture. In addition, KMUK has addressed key local infrastructure requirements with the replacement of a broken water pump in the community, upgrades to existing access roads and the installation of additional solar capacity at the local water well at Ngoualana village.

We remain committed to open dialogue and ongoing engagement with community leaders to ensure we maintain our active partnership, and to supporting the communities directly and indirectly as a part of our Community Development Programme.

Community relations in focus with donation of two tractors

Kodal Minerals 100% Controlled Assets

Kodal retains a portfolio of gold focussed exploration assets in Mali and Côte d'Ivoire. Kodal's management has continued to review the projects with a particular focus on the legal ownership, the age of concessions and prospectivity and ensures that all government compliance, reporting and fees are kept up to date and that future expenditure on the projects is in line with the Company targets and expectations.

Exploration Concession Review

The Company's gold projects have been reviewed, and the table below contains the assets on which the Company will focus future exploration activity in Mali and Côte d'Ivoire.

Table of Concessions – Kodal Gold Concessions in West Africa:

Tenements	Country	Kodal Economic Ownership	Project	Validity
Boundiali	Côte d'Ivoire	100% direct ownership (under application)	Gold Exploration	Licence application submitted and in process. Application updated during 2020 and application remains in good standing.
Niéllé	Côte d'Ivoire	100% direct ownership	Gold Exploration	Licence valid and in good standing. Initial licence expired on 7 January 2017, and Renewal decree received on 28 February 2018 for a 3 year- period. Second Renewal decree received on 18 December 2020 for a 3 year-period. On 8 March 2023 the Company received a further 2 year extension of the Niéllé concession with Decree number No. 000298 MMPE/DGMG/DCM
M'Bahiakro	Côte d'Ivoire	100% direct ownership (under application)	Gold Exploration	Licence application submitted and in process. Application updated during 2020 and application remains in good standing.
Fininko	Mali	Held through option agreement giving right to acquire 100% ownership	Fatou Project Gold Exploration	Licence in good standing. First renewal granted by Arrêté number 2021-2876/MMEE-SG of 6 August 2021 for a period of 3 years.
Foutiere	Mali	Held through option agreement giving right to acquire 100% ownership	Fatou Project Gold Exploration	Licence in good standing. Arrêté number 2017-0170/MM-SG of 2 February 2017. Application for second three-year renewal has been lodged and all fees and taxes have been paid. Renewal approval pending.

The Board has undertaken a review of the Group's gold projects during the year, which has resulted in certain of the Group's gold projects being removed from the concession table.

The Dabakala and Tiebissou projects in Côte d'Ivoire have been removed from the concession table due to significant delays in receiving approval for the renewal of concession in the case of the Korhogo project, and for the Dabakala project the ongoing review of the potential forestry permit and discussions with the DGMG of Côte d'Ivoire have lowered confidence with these licences.

In Mali, the Djelibani Sud, Nangalasso, Sotian and Tiedougoubougou concessions have been removed from the table following the Company's review of the age, prospectivity and low potential for exploration expenditure relative to the focus on the Fatou project. The Company has negotiated a sale of the Djelibani Sud, Nangalasso, Sotian and Tiedougoubougou concessions to the original vendors of the concessions which is being documented and these concessions are therefore included within assets held for resale at the year end.

As a result of the review of gold projects outlined above, an impairment charge of £1,572,000 (2023: £nil) has been recognised in the year.

Gold Exploration Strategy

Following the completion of the Hainan financing transaction, Kodal is well funded to undertake the necessary exploration at the Fatou and Niéllé prospects to advance these projects towards maiden minerals resource estimates. Kodal's exploration geologists have visited both the Fatou and Niéllé sites during the year and developed an exploration targeting assessment to finalise planning of the exploration programmes.

In northern Côte d'Ivoire, the Niéllé project remains a high priority for infill and definition drilling along the 4.5km gold anomalous trend for which previous drilling has returned significant gold intersections including 26m @ 1.95 g/t Au from 32m, and 26m @1.79 g/t Au from 108m. The geological review of this project highlights the potential for resource definition drilling supported by additional geophysics and surface geochemistry to further extend the prospective gold anomalous corridor.

In southern Mali, the Fatou project is a further priority for gold exploration and geological field visits have confirmed the surface geochemical anomalies, the presence of substantial artisanal mining sites and limited effective historic drilling. Previous exploration at the Fatou project completed between 2009 and 2014 targeted limited areas of artisanal workings and concluded an historical resource estimate of approximately 350 koz Au. Kodal geologists have outlined additional extensions to the historic exploration drilling as well as identifying new priority areas. The Group has completed one exploration drilling programme that returned drill intercepts of 23m @ 1.63 g/t Au from 82m, and 6m @ 1.49 g/t Au from 40m.

Kodal retains a primary focus on the continued exploration and development of the Bougouni Project, however as development is proceeding the Company is now able to focus more attention on the priority projects of Fatou and Niéllé and expects to undertake exploration programmes over the next 12 months to include detailed geological review, geochemical sampling, geophysical surveys, and drilling campaigns.

Outlook

In summary, the year to 31 March 2024 saw a rapid acceleration of our transition from explorer to developer, whilst the next financial period will see us emerge as a leading West African producer of high quality spodumene concentrates, when Bougouni starts production as currently expected by the end of 2024.

I look forward to reporting on construction progress at Bougouni and on our exploration activities in the months ahead as we edge closer to becoming the first ever London-listed Lithium producer in West Africa.

Finally, I would like to recognise the important contributions of all our stakeholders and partners this year and thank them for their support. Along with them, I look forward to our continued progress and success.

Bernard Aylward
Chief Executive Officer

2 September 2024

Finance review

Results of operations

For the year ended 31 March 2024, the Group reported an operating loss of £3,344,000, including share-based payment costs of £242,000 (2023: £517,000) and impairment of exploration and evaluation assets of £1,572,000 (2023: £nil), compared to a loss of £1,461,000 in the previous year. The Group has continued to run the offices in Mali and Côte d'Ivoire and significant additional exploration activity for both gold and lithium was undertaken during the year, although lithium expenditure by the Group ceased in November 2023 following the sale of the Bougouni Lithium Project to KMUK Limited. Further information is provided in the Operational Review above.

During the year, the Group invested £2,971,000 (2023: £3,227,000) in exploration and evaluation expenditure on its various projects. The sale of the Bougouni Lithium Project reduced the carrying value of exploration and evaluation expenditure by £13,488,000. Following a strategic review, an impairment charge of £1,572,000 was made against the Group's remaining gold assets. As a result, the carrying value of the Group's capitalised exploration and evaluation expenditure decreased from £14,522,000 to £2,162,000 after taking account of the effects of foreign exchange. At 31 March 2024, after taking account of the effects of foreign exchange, the carrying value of the gold projects in Mali and Côte d'Ivoire was £2,162,000 (2023: £3,306,000) and of the lithium projects in Mali was £nil (2023: £11,216,000).

As outlined on page 5, on 15 November 2023 the Group transferred ownership of the Bougouni Lithium Project into KMUK Limited. The company completed a funding package with Hainan in November 2023, that provided US$100m for the construction, development and commencement of production at Bougouni, for a 51% stake in KMUK.

Kodal continues to hold significant influence over KMUK and is able to participate in the financial and operating decisions of KMUK through its two appointed board members. As a result, KMUK is recognised as an associate by Kodal for the year ended 31 March 2024 and Kodal's share of the profit or loss of KMUK is shown in the consolidated statement of comprehensive income. The value of Kodal's investment in KMUK as at 31 March 2024 was £31.3 million and of KMUK's loss for the period was £84,000.

As a results of the transaction with Hainan, Kodal has undertaken a revaluation of its remaining 49% stake in KMUK, which has given rise to a gain of £30.5 million, recognised in the year to 31 March 2024. Hainan also made a direct equity investment of US$17.75m into Kodal Minerals Plc.

Cash balances as at 31 March 2024 were £16,327,000, an increase of £15,782,000 on the previous year's level of £545,000. Net assets of the Group at the year-end were £57,430,000 (2023: £14,883,000).

Financing

In November 2023, the Company completed a funding transaction with the Hainan group regarding the Bougouni Lithium Project in Mali. Alongside funding for the Project, the transaction also included a US$17.75 million equity subscription by the Hainan group into Kodal.

In addition, the Company has raised £700,000 during the year from the exercise of share options, warrants and performance share rights in May 2023 and November 2023.

Going concern and funding

The Group is still in the exploration and development phase of its business and the operations of the Group are currently being financed by funds which the Company has raised from the issue of new ordinary shares.

The Directors have prepared cash flow forecasts for the period ending 31 March 2026. The forecasts include additional exploration expenditure for the Group's gold assets, as well as covering ongoing overheads and include a contingency for cash calls on the Bougouni Lithium Project during its development phase. The forecasts show that the Group has sufficient cash resources available to allow it to continue as a going concern and meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements without the need for a further financing. As at 27 August 2024 the Group has cash at bank amounting to £18,477,000. Accordingly, the financial statements have been prepared on a going concern basis.

Utilising key performance indicators ("KPIs")

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

KPI	31 March 2024	31 March 2023
Cash and cash equivalents (a)	£16,327,000	£545,000
Administrative expense (b)	£1,389,000	£944,000
Exploration and evaluation expenditure (c)	£2,971,000	£3,227,000

The directors have provided more information on the state of the Group's financing and operational activity above.

a. 'Cash and cash equivalents' is used to measure the Group's financial liquidity. Cash and cash equivalents have increased by £15,782,000 in the year following the equity investment by the Hainan group.

b. 'Administrative expenses' monitored as a KPI above excludes one-off legal fees relating to the Hainan funding transaction, 'Administrative expenses' is used to measure the Group's administrative costs and operating results. Administrative expenses for the year were £1.39 million, an increase of £0.4 million compared to the previous year. Group corporate activity increased this year as negotiations were concluded regarding the future of the Bougouni Lithium Project, following which the Remuneration Committee approved increases to Directors' remuneration. The Group has also continued to run the offices in Mali and Côte d'Ivoire.

c. 'Exploration and evaluation expenditure' is used to measure expenditure on the Group's gold and lithium projects. Exploration and evaluation expenditure in the year was £0.3 million lower than prior year. Investment in the Bougouni Lithium Project continued until November 2023 when the project was sold to KMUK. Expenditure after that date focussed on the Group's gold assets which, as noted in the Operational Review on page 11, has continued at a lower level.

As the Bougouni Lithium Project enters the development and production phases, additional KPIs are being developed and used by the Board to assist in tracking KMUK's operational progress, including monitoring performance against the production timetable and forecast construction spend and the level of lithium reserves.

Financial risk management objectives and policies

The Group's principal financial instruments comprise cash and trade and other payables. It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are liquidity risk, price risk and foreign exchange risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash reserves to fund the Group's exploration and operating activities. Management prepares and monitors forecasts of the Group's cash flows and cash balances monthly and ensures that the Group maintains sufficient liquid funds to meet its expected future liabilities. The Group intends to raise funds in discrete tranches to provide sufficient cash resources to manage the activities through to revenue generation.

Price risk

The Group is exposed to fluctuating prices of commodities, including gold and lithium, and the existence and quality of these commodities within the licence and project areas. The Directors will continue to review the prices of relevant commodities as development of the projects continues and will consider how this risk can be mitigated closer to the commencement of mining.

Foreign exchange risk

The Group operates in a number of overseas jurisdictions and carries out transactions in a number of currencies including Sterling, CFA Franc, US dollars and Australian dollars. The Group does not have a policy of using hedging instruments but will continue to keep this under review. The Group operates foreign currency bank accounts to help mitigate the foreign currency risk.

Principal risks and uncertainties

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

Risk	Comment and Mitigating Actions
Operational risk	
The Bougouni Lithium Project is operated through KMUK, in which the Group is a minority shareholder and does not have control over matters such as costs associated with development or adherence to schedule. As the Bougouni Lithium Project enters the development phase, KMUK will be entering into a significant number of new contracts for construction, mining, transportation etc, which mean that the Project will be dependent on the performance of third parties. In addition, the Project will be employing a large workforce and its success will depend on the team's ability to recruit and retain key staff members. If the management team is unable to manage the increased operational risks, the Bougouni Lithium Project may not be delivered on schedule and/or within budget.	To help manage the operational risk and work in partnership with Hainan, our CEO and Operations Director are on the board of KMUK, and our Operations Director has been appointed Deputy General Manager of Bougouni Mining SA, the operations company building the mine and processing plant. The Operations Director spends large amounts of his time in Mali and is very involved in the day-to-day decision making. The operation of KMUK is governed by a shareholder agreement between the Hainan group and Kodal, with key decisions requiring the approval of shareholders.
Financial Risk	
The Bougouni Lithium Project is now entering the development phase and consequently has significant contracted financial commitments. Working capital issues may arise for KMUK in the event of project delays and/or unbudgeted overspends. Depleted cash resources in KMUK may require the shareholders, including Kodal, to invest more funds to ensure that the Bougouni Lithium Project reaches production. Aside from the interest in the Bougouni Lithium Project, the Group is an exploration company and does not generate revenue or self-sustaining funding at this stage. The Group requires funds to support ongoing exploration and future development of mineral properties. The Group's access to funding will depend on its ability to obtain financing through the raising of equity capital, joint venture projects, debt financing, farm outs or other means. There is no assurance that the Group will be successful in obtaining the necessary financing in a timely manner on acceptable terms to complete its investment strategy. The equity markets and ability to raise finance remain challenging but there are recent signs of improvement. If the Group is unable to obtain additional financing as needed, some interests may be relinquished, and / or the scope of the operations reduced.	Kodal's CEO and Operations Director are on the board of KMUK and are closely involved in the financial management of KMUK. In addition, the Board regularly reviews the progress of the Bougouni Lithium Project against budget and schedule to ensure that it is on target. The Board regularly reviews the levels of discretionary spending on capital items and exploration expenditure within the Group's projects. This includes regularly updating working capital models, reviewing actual costs against budget and assessing potential impacts on future funding requirements and performance targets. In the past, the Group has been successful in raising additional equity finance to support its ongoing activities. Following the funding received by Company as part of the Hainan financing transaction, the Company has sufficient funds to support all future plans and has no immediate plans for additional equity finance.

Risk	Comment and Mitigating Actions
Exploration Risk	
The Group maintains exploration assets in Mali and Cote d'Ivoire and the future success of the Company is dependent on the discovery and/or acquisition of new Mineral Reserves and Mineral Resources and the successful development of mines therefrom. Significant risk exists within technical, legal and financial aspects of the exploration for and the development of mines, which may have an adverse effect on the Group's business.	There is no assurance that the Group's exploration and potential future development activities will be successful, and statistically few properties that are explored are ultimately developed into profitable producing mines. The Group ensures that there is regular review of projects, expenditure and exploration activity to maintain focus on targets and ensure best possible information in the decision-making process to focus resources and expenditure upon key exploration and development targets.
Reliability of Mineral Resources and Mineral Reserves	
The Group's associated undertaking KMUK has reported Mineral Resources for its Bougouni Lithium project in West Africa. Any estimates will be based on a range of assumptions, including geological, metallurgical and technical factors; there can be no assurance that the anticipated tonnages or grades will be achieved.	The Mineral Resource estimates are prepared by third party consultants who have considerable experience and are certified by appropriate bodies. Mineral Resources are reported as general indicators and should not be interpreted as assurances of minerals or the profitability of current or future operations.
Licensing and Title Risk	
The Group's exploration and future development opportunities are dependent upon maintaining clear tenure and access to licences as well as ensuring the relevant operation licences, permits and regulatory consents are valid. The licences and regulatory permits may be withdrawn or made subject to limitations. The granting of licences and permits are a practical matter subject to the discretion of the applicable government or government office. The interpretations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a material adverse impact on the Group's results of operations and financial condition. In August 2023 a new mining code (the "2023 Mining Code") passed before the Republic of Mali Assemblie Nationale. The 2023 Mining Code has some significant changes from the previous 2019 code including the intention of the Government of Mali to increase its direct ownership of projects and changes to certain taxes and exemptions previously applicable.	The Group complies with existing laws and regulations. The Group ensures that the regulatory reporting and the government compliance requirements for each licence are met. There is a risk that negotiations with a government in relation to the grant, renewal or extension of a licence may not result in the grant, renewal or extension taking effect prior to the expiry of the previous licence period, and there can be no assurance of the terms of any extension, renewal or grant. The Group regularly monitors the good standing of its licences. The Group notes the new 2023 Mining code has been passed by the Government of Mali, with a key element being the potential for the Government to purchase up to an additional 20% interest in a project (previously 10% interest). However the Company's licences where currently valid remain under the provision of previous mining codes. The Group is maintaining regular correspondence with the Mali government. The Company retains the rights to the disposal proceeds of the NKéméné Ouest concession. The Company has agreed to sell this asset, however the completion of the transaction has been delayed due to the moratorium on the renewal and transfer of mining concessions. The Company continues to discuss with the DNGM and Government of Mali to progress this transfer and allow the completion of the NKéméné Ouest sale, however no timing of the finalisation can be provided.

Principal risks and uncertainties continued

Risk	Comment and Mitigating Actions
Mali Mining Concessions	
The Government has imposed a moratorium on the official dealings with mining concessions by the DNGM. This moratorium has resulted in significant delays in the processing and approval of concession applications, concession renewals and concession transfers. The new 2023 Mining Code was approved in August 2023, however the decree of application to provide the regulations for the operation of the new mining code was passed on 4 July 2024. At the date of this report, the moratorium on official dealings has not yet been lifted.	The Group continues discussions with the Mali Government for all mining concessions. The Group is impacted by the delay of the transfer of the Bougouni Mining concession to the newly established mining company Les Mines de Lithium de Bougouni, a 100% owned subsidiary of KMUK. This transfer is a legally required transfer to allow the Mali Government to participate in the Project. The licence was awarded to the KMUK's exploration subsidiary in Mali, Future Minerals SARL, and remains in good standing. The Group is also impacted by the delay in completing the sale of the Bougouni West concession Nkéméné Ouest as this concession is awaiting completion of the renewal process. The Group confirms that the sale agreement remains in good standing and it expects to complete the sale during 2024. The Group has completed a review of the Mali gold exploration concessions and in particular noted the age, renewal requirements where appropriate and the requirement for new applications. The Group has determined that some concessions are no longer appropriate to be maintained.
Political Risk	
The Group has significant activities in Mali and Côte d'Ivoire in West Africa. The success of the Group will be influenced by the legal, political and economic situation in Mali, Côte d'Ivoire and the wider African region. Countries in the region have experienced political instability and economic uncertainty in the past. Government policy in the countries in which the Group operates can be unpredictable, and the institutions of government and market economy may be unstable and subject to rapid change, which may result in a material adverse effect on the Group's operations. The renewal of exploration and exploitation licences is an area of risk given the countries in which the Group operates. Whilst the Group has in place legal titles on the assets in its portfolio, there remains a risk to the Group that changes within regimes could put the ownership of these assets at risk. The Group is also at risk of taxation reviews that may change or apply more stringently the laws and regulations of the countries in which it operates. The Government of Mali has announced its intention to withdraw form the West African trading and single currency bloc of ECOWAS. In addition the Government has announced to form a new group with the countries of Burkina Faso and Niger. Negotiations are ongoing.	A Transition Government was installed in Mali following the military coup of 24 May 2021. Presidential elections, originally scheduled for February 2024, have been postponed and no new timetable agreed. The Company maintains communications with the Government at the national Ministry level and local levels to ensure that the Company's interests are promoted and protected where possible. The Company has maintained all regulatory compliance to ensure concessions and operations remain in good standing. The Company is monitoring the new position of the Mali Government and the withdrawal from the ECOWAS bloc and formation of a new group between Mali, Burkina Faso and Niger. The potential impact on the Bougouni lithium operation and current import and export routes, tax concessions and possible currency risk is being investigated, however the full details have not yet been finalised. The Company continues to operate under existing laws and practices. In general, the security risk in Mali remains high. The security situation in the northeast of the country and neighbouring Burkina Faso and Niger remains volatile with increased terrorist activities and civil unrest. The Company's projects located in the south of Mali remain peaceful, however the Company maintains regular security reviews and communication with Malian officials to ensure the safety of all our people. In Côte d'Ivoire, the political situation has been calm since 2011. The election in 2015 returned the government of President Ouattara with increased popular support and on 31 October 2020 President Ouattara was returned for a further 5-year mandate. The economic situation in Côte d'Ivoire is improving dramatically with significant government expenditure on infrastructure and development activity.

S172 Statement

The Directors of the Company have a duty to promote the success of the Company. A director of the Company must act in the way they consider, in good faith, to promote the success of the Company for the benefit of its members, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company to maintain a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

The Directors are committed to developing and maintaining a governance framework that is appropriate to the business and supports effective decision making coupled with robust oversight of risks and internal controls.

The Board believes that long-term success requires good relations with a range of different stakeholder groups both internal and external. The board has identified Kodal's stakeholders to include employees and consultants working for the Company, the local communities and governments in Mali and Côte d'Ivoire in which it operates, suppliers and contractors, as well as shareholders. With the Bougouni Lithium Project now fully funded in KMUK and in construction, the relationships with our capital equipment suppliers, local contractors and workforce and our operating partner Hainan are of particular importance.

In the Corporate Governance Report, we explain the regular engagement with employees, communities and local governments in West Africa where we operate; and the impact assessment we have performed on the environment and local society as part of our permitting process. We also comment on the decision-making for the long-term success of the Company, its governance and culture; as well as the nature and methods of communication with all shareholders.

The Group relies heavily on having suppliers and contractors with appropriate levels of experience and expertise of working successfully with junior miners in West Africa, as well as professional advice for AIM quoted companies in London. Accordingly, Kodal is committed to maintaining constructive relationships with all its suppliers and advisers and operating in line with its Corporate Code of Conduct.

Signed on behalf of the Board

Bernard Aylward
Chief Executive Officer

2 September 2024

Kodal Minerals

Governance

Report of the directors

For the year ended 31 March 2024

The Directors present their report, together with the audited consolidated financial statements for Kodal Minerals Plc for the year ended 31 March 2024.

Principal activity

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

Domicile and principal place of business

Kodal Minerals Plc is domiciled in the United Kingdom and has its registered office at Prince Frederick House, 35-39 Maddox Street, London W1S 2PP. Its principal place of business as at 31 March 2023 was West Africa, and specifically Mali and Côte d'Ivoire.

Directors

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

Bernard Aylward
Charles Joseland
David Teng (appointed 19 March 2024)
Robert Wooldridge
Steven Zaninovich
Qingtao Zeng (resigned 18 September 2023)

Directors' interests

The beneficial interests in the Company's shares of the current Directors and their families as at 31 March 2024 are as follows:

Directors	Ordinary Shares 31 March 2024	Ordinary Shares 31 March 2023
Bernard Aylward	321,364,799	251,364,799
Charles Joseland	36,250,000	11,250,000
David Teng	–	–
Robert Wooldridge	186,223,858	169,973,858
Steven Zaninovich	33,809,513	7,142,847

Events after the reporting period

Events after the reporting period are outlined in note 18 to the financial statements on page 65.

Directors' and Officers' liability insurance

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

Strategic Report

The Directors have chosen, in accordance with s414(c) of the Companies Act, to include in the Strategic Report on pages 3 to 17 information on the Group's principal activities, business review and key performance indicators which would otherwise be required to be included in the Directors' Report and which they consider to be of strategic importance to the Company.

Statement as to disclosure of information to auditors

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

Directors' responsibilities statement

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

Company law requires the directors to prepare group and company financial statements for each financial year. The directors have elected under company law and the AIM Rules of the London Stock Exchange to prepare the group financial statements in accordance *with UK*-adopted International Accounting Standards and have elected under company law to prepare the company financial statements in accordance with UK-adopted International Accounting Standards and applicable law.

The group and company financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position of the group and the company and the financial performance of the group and the company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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

In preparing each of the group and company financial statements, the directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and accounting estimates that are reasonable and prudent;

c. state whether they have been prepared in accordance with UK-adopted International Accounting Standards;

d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

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

Environmental, Social & Governance (ESG) and Sustainability

The Directors recognise the importance of operating in a sustainable manner with high levels of governance, and with respect for environmental and social considerations. As this also helps drive value for shareholders over the long term, there is increasing investor and public interest in understanding how companies address ESG issues. We note the Quoted Companies Alliance has published a Practical Guide to ESG for small and mid-sized quoted companies.

Albeit the Group is only able to exert influence over the operations of KMUK and cannot ultimately control operational activity, we recognise our responsibility in ensuring that the Bougouni Lithium Project is delivered in a sustainable way. Lithium has a crucial role in helping to decarbonise the economy and in enabling the global energy transition through its use in electric vehicles that use Li-ion batteries, but it is also important that the lithium is mined in a responsible and sustainable manner.

Social considerations

As KMUK is currently in the exploration and development stage of the mine life cycle, the principal focus has been on the social aspects of ESG.

Strong engagement with the people of Mali is vital to the long-term sustainability of the Bougouni Lithium Project and we are committed to playing a positive social role in the local community throughout the life cycle of the project, minimising disruption, providing job opportunities, and supporting local social projects.

Although we have been granted a formal legal licence, we also need the goodwill of the local community to operate near Bougouni. The compensation process for land acquisition at the Ngoualana mine was concluded with agreement protocols formally signed at the Bougouni local court in late March 2024. We have engaged with the Malian government and local communities to develop our approach and have established a community consultation committee through which local people can feed their needs and concerns.

Key outcomes from the community consultation process in the year have included the following:

- As part of our commitment to improving the livelihood of the adjacent communities, KMUK donated two tractors to the Kola-Sokoura and Ngoualana villages.
- KMUK provided funding to enable the employment of a full-time schoolteacher at Kola-Sokoura, the village closest to the mine site, which has been without one for some time. To further support the school and its kids, KMUK provided school kits including books and stationery.
- With the help of the Malian mining contractor, EGTF, a water retention dam was constructed adjacent to the main access road to provide stored water for the communities.
- Following consultation with the Ngoualana village, it was discovered the village's water borehole pump system was inoperable with the community people forced to walk some 2km each way to fetch water from the Baoulé River. The Project team subsequently arranged to inspect the pump system and conducted repairs to enable successful re-commissioning of the water supply system.

We are also committed to supporting the KMUK management team in creating an inclusive and safe environment in which the workforce operates. We are committed to ensuring that people are fairly, employed from the local community as far as practicable, and to adopting best management practices and policies as the workforce grows and the supply chain develops.

Kola-Soukoura village school room supported by Bougouni Lithium Project

Environmental considerations

All resource extraction tends to harm the local environment in some way and the potential environmental impact of the Bougouni Lithium Project will increase as KMUK progresses the mine development, including mine and plant construction, and enter into production. However, we are ensuring that it considers those environmental aspects now within our design plans.

Our Environmental Social Impact Assessment (ESIA) considered air quality, water & waste-water management, energy sources, waste & hazardous materials management, as well as the potential ecological impacts. These results formed part of our Preliminary Feasibility Study (PFS) and feed into our engineering design plans. In early 2024, KMUK received approval for the updated ESIA for Bougouni Project Phase 1 DMS processing from Mali's Department of the Environment.

KMUK continues to develop the PFS and the project design, not only to improve the process engineering and efficiency of the plant, but also to ensure the impact of potential climate change events is managed, and improvements to greenhouse gas emissions and energy sources are also considered.

KMUK is in the process of updating the ESIA and carrying out further engagement with the local community and mining ministry explaining the latest plans and responding to their feedback.

Governance

Our approach to governance already follows the QCA Code, as set out below in our Corporate Governance Report. This details the way we approach governance considering the 10 principles.

As we develop our projects over the next few years, we will also develop our narrative to explain how we address environmental and social matters, and our ESG objectives, targets and results alongside our normal financial performance reporting.

Auditors and annual general meeting

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

Approved by the board of directors and signed on behalf of the board on 29 August 2024.

Robert Wooldridge
Director

2 September 2024

Board of directors

The current membership of the board is set out below:

Bernard Aylward
(Chief Executive Officer)

Bernard is a geologist with over 20 years' experience as a manager and exploration geologist in the mining and exploration industry in a variety of commodities. Bernard's experience includes serving as the Managing Director of Taruga Gold Limited from its initial listing on the ASX, Chief Operating Officer of International Goldfields Ltd, General Manager of Azumah Resources Ltd (Ghana), and Exploration Manager for Croesus Mining NL. Bernard has been involved in the discoveries and management of the Bepkong, Julie, Collette and Kunche deposits in Ghana, as well as the Deep South gold deposit, Gladstone North deposit, St Patrick's, Norseman Reef, and the Safari Bore gold deposit in Western Australia. Bernard has experience operating in Europe (Greece Sappes deposit), Siberia, South America and extensive experience throughout West Africa. He brings significant experience in geology, mineral exploration and evaluation, and mine engineering and development; he has the leadership, public communication skills and legal & regulatory understanding required for a publicly listed, junior miner.

Charles Joseland
(Independent Non-executive Director)

Charles is a former Chartered Accountant with 32 years' experience. After graduating with a degree in Classics from Cambridge University, he joined PwC where he was an audit partner for 20 years as part of its Energy, Utilities & Mining Group, including secondments to Moscow and Madrid. Charles has been responsible for providing services to many international resources groups, including those with operations in Russia, Kazakhstan and Africa, as well as North & South America. Charles has also acted as reporting accountant and advisor for many companies quoted on both LSE's AIM and Main Market. He brings knowledge and skills to the board in the areas of finance & accounting, audit, corporate governance, internal control & risk management frameworks for public quoted, mining companies. As an audit partner for 20 years, he is experienced in providing an independent point of view.

David Teng
(Non-executive Director)

David qualified as a certified practising accountant ("CPA") in Australia and has over 15 years' experience working in the natural resource division (Fosun Resource Group) of Fosun Group. At Fosun Resource Group, David has held various senior positions, including but not limited to, investment director, senior investment director, executive director, managing director and co-chairman with a focus on investment, strategy and management in the global resource sector. Most recently, David was appointed president and vice chairman of Hainan Mining Co Ltd, a publicly listed subsidiary of Fosun Group, and he is the non-executive board chairman of ROC Oil Company Pty Ltd, an Australia-based petroleum company also controlled by Fosun Group. David is also a global partner at the Fosun Group where he is responsible for global natural resource investment and management.

Robert Wooldridge
(Non-executive Chairman)

Robert is currently a partner at SP Angel Corporate Finance LLP, the leading adviser and broking for mining companies listed on the AIM market. 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, healthcare and technology sectors. He brings knowledge of and skills in capital markets, broking, corporate finance and corporate governance in small & mid-cap miners.

Steven Zaninovich
(Operations Director)

Steve has more than 25 years' experience in project management, encompassing all stages of mine development. Steve has been closely involved with the delivery and commissioning of lithium producer Tawana Resources Ltd's Bald Hill Lithium Project in Western Australia. Prior to Tawana Resources Ltd, Steve served as COO with Gryphon Minerals before assuming the role of Vice President of Major Projects and becoming part of the Executive Management Team at Teranga Gold Corporation, following its acquisition of Gryphon. During his extensive career, Steve has gained specific expertise in the development of multiple mining operations across various commodities and jurisdictions in West Africa.

Corporate governance report

For the year ended 31 March 2024

Chairman's introduction

Kodal follows the Quoted Companies Alliance (QCA) Corporate Governance Code, believing it to be the most appropriate code for an AIM quoted company of our size and stage of development. A new version of the code was published in November 2023. While we have considered this new version and started to follow some of its recommendations, we will report on our application of the 2023 Code in next year's Annual Report in line with the QCA's recommended timetable.

As chairman, I am responsible for leading the board, ensuring its composition with people of the right experience and engagement, and delivering our strategy to bring our African lithium project to production. As a small company, we are aware that the board's and senior management's actions and attitude have a strong impact on the culture of our organisation.

During the year Hainan took a 51% stake in our lithium assets in Mali and provided funding to commence the construction of the mine project. This is an exciting and important development for Kodal shareholders, employees and the local communities, and we have developed new governance arrangements to work with our operating partner, Hainan. We continue to engage with the local communities and the Malian government, mindful of our environmental and social obligations, and the potential impact of this next stage of our development.

Our CEO and Operations Director have continued to provide the market with updates of our progress during the year, made presentations and engaged with stakeholders to keep them informed and understand their expectations.

We explain more under the QCA Code's ten principles below.

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

The Company recognises the importance of decarbonisation and the energy transition, and the role that electric batteries will play in that. Kodal is committed to providing lithium, an important battery metal, in a socially and environmentally responsible manner.

In the medium- and long-term, value can be best delivered to shareholders though the continued development and exploitation of the Bougouni Lithium Project located in southern Mali. The Strategic and Operational Review above explains the strategy, key areas of focus and the challenges, and management's action, including the commencement of construction of the spodumene processing plant, further clarification of the pegmatite ore bodies and the phased approach to production.

The Principal Risks outlined on pages 14 to 16 highlight the key challenges the Group faces in executing the strategy and how the Board seeks to protect the Group from those risks.

To help manage the development risk and work in partnership with Hainan, our CEO and Operations Director are on the board of KMUK, and our Operations Director has been appointed Deputy General Manager of Bougouni Mining SA, the operations company building the mine and processing plant. He is also spending large amounts of his time in Mali. He developed Kodal's Bougouni Project plan and Preliminary Feasibility Study and has significant experience of successful development in Africa and of lithium projects.

Compliance with mining and other applicable laws and regulations are of critical importance to the Group. The mining laws and regulations in Mali have recently been updated but are not yet fully operational. Our Country Manager meets regularly with local mining officials to ensure the lithium and gold licences and titles are kept in good standing. The Minister for Environment visited the lithium project during the year and KMUK secured approval of its updated Environmental & Social Impact study.

Although the Company's cash position has improved significantly during the year, the board and the executive team closely monitor the group's and KMUK's financial position and cash flow forecasts.

In addition to the lithium prospects in Mali, the Company holds a suite of gold assets in Mali and Côte d'Ivoire. The Company has recently reviewed its gold projects and established priorities, with some licences being relinquished, others sold and the remainder held for further exploration to improve their value for our shareholders.

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

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

Hainan, as well as investing in the Bougouni Project, also took a 14% stake in Kodal Minerals Plc; there is a relationship agreement in place and they have exercised their right to appoint a Director, with David Teng joining the Kodal board in March 2024. As a board member he is able to provide direct input on Hainan's views as shareholder.

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

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

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

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

A key part of Kodal's business model is assessing the impact that the Company's business activities will have on the host communities and environment in which it operates. The Company's Chief Executive, Operations Director and Country Manager in Mali regularly visit the locations in which Kodal operates and meets with these stakeholders in order to gain their feedback on the Company's operations.

As KMUK's operations scale up to bring the Bougouni Lithium Project into development, good relationships with the capital equipment suppliers, engineering contracts, local workforce, finance providers and offtake customers will become increasingly important. Any concerns raised are communicated to the Boards of KMUK and the Company for further consideration. As part of the application for a mining licence at Bougouni, the Company supported KMUK in carrying out an Environmental and Social Impact Assessment (ESIA) engaging with and responding to comments from officials of the departments of Geology & Mines, Forestry & Water, Heritage & Culture, as well as the local community as a whole.

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

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

The Board is responsible for identifying and managing areas of significant business risk for the Company; the Audit & Risk Committee assists the board in ensuring that there is an effective system for risk management and an appropriate internal controls framework in place. The principal risk areas identified by the board and the mitigating actions are set out above.

At each Board meeting, the Directors review ongoing performance – this includes a specific monthly report from the Operations Director on the KMUK and the Bougouni project; discussion on management accounts, budgets and forecasts; considering any new risks and agreeing appropriate mitigating actions with management. The Board formally reviews and documents the principal risks to the business at least annually as part of the annual audit process.

In addition to the Operations Director appointed as Deputy General Manager of Bougouni Mining SA, Kodal was also significantly involved in the selection and appointment of the CFO, who has become resident in Mali. They have introduced controls over procurement, cash management, salaries, HR and expenses, as well as developing accounting and company secretarial functions, which is supported by the UK Financial Controller. The CFO is in the process of implementing a new finance IT system as preparations are made to scale up for operational readiness. The status of operations, controls and risks are monitored by the Deputy General Manager and reported monthly to KMUK board; this report is also seen by the Kodal board.

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

The company uses a range of experts for assurance and technical advice. Lawyers and tax advisers both in the UK and in Mali were used as part of the transaction with Hainan. For assessing our mineral resources the Group employs independent experts and assayers to analyse the results from our drilling programmes. Our nominated advisor provides us with guidance on listing regulation compliance. The Board has considered the need for an internal audit function to provide assurance on the effectiveness of risk management and internal controls; however, given the size of the group and the stage of its development, the board does not currently consider this necessary.

RSM provide an external audit of the Annual Report & Accounts. The Audit & Risk Committee has received confirmation from management and board members that there are no commercial or other relationships with RSM, who only provide audit services to the company. The partner and senior management on the audit have only been involved for two years on the audit. Accordingly, RSM are considered to be independent.

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

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

The structure and composition of the Board has been kept under review by the Chair. As noted above during the year a non-executive director stepped down and a Hainan representative joined the board. Although the board has just one formal independent non-executive director (below the QCA guidelines), there are two executive directors and three non-executive directors, who recognise the importance of maintaining an independent mindset and objectivity in their views.

With the increased level of activity with the lithium project moving into the development phase, the chairman is looking to recruit an additional independent non-executive, as well as also considering the gender and diversity balance on the board.

Although these directors hold some share options and Company shares, the holdings are not considered to be of sufficient size to impact their independent judgments (including Charles Joseland, the independent director, whose shares represent 0.18% of the Company's capital). Biographical details of all the directors are set out on pages 22 and 23.

In the year ended 31 March 2024 there were 12 full board meetings of which Robert Wooldridge attended 12, Bernard Aylward 12, Charles Joseland 12, Steven Zaninovich 12, Qingtao Zeng 5 and David Teng 0. In addition to the full board meetings, additional ad hoc meetings were convened as required to issue shares and for other procedural matters.

The Board has an Audit & Risk Committee which during the year to 31 March 2024 comprised Charles Joseland (Chair) and Robert Wooldridge. In the year ended 31 March 2024, the Audit & Risk Committee met twice, both members attending on each occasion.

The Board also has a Remuneration & Nomination Committee which during the year to 31 March 2024 comprised Robert Wooldridge (Chair), Charles Joseland and, until his resignation, Qingtao Zeng. The Remuneration & Nomination Committee meets as required and at least once each year. In the year ended 31 March 2024, the Remuneration and Nomination Committee met once, all members attending.

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

Biographical details of the Directors are on pages 22 and 23.

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience. These include the CEO who has significant geology and mineral exploration expertise, and is experienced in engaging with shareholders. Our Operations Director has a career in mine engineering and development both in Africa and also with lithium projects. Our Chairman is experienced in corporate finance, broking, working with mid-cap public companies and capital markets. Our independent director as a former audit partner with listed company experience brings expertise on finance, internal controls, risk management and corporate governance, as well as an independent mindset. Our Hainan representative from his career in the resources sector brings investment, strategy and management expertise.

The directors keep their skillsets up to date by attending industry and relevant seminars and training sessions. During the year, the Directors sought advice from their corporate advisers (including the Company's nominated adviser, lawyers and accountants in both UK and Mali) on the Hainan contractual arrangements, and tax treatments across jurisdictions for the various agreements entered into during the year.

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

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

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

The Chairman sets individual objectives for each Director within the context of the overall strategy and objectives for the Company; at the end of the year, he considers each director's performance, including the level of achievement of their objectives, and their overall contribution to the Company's performance. The review establishes further objectives for the coming year, identifying any additional training or other support that may be required.

The reviews for the year recognised the executive directors' success of achieving completion of the Hainan transaction and financing to commence construction of the spodumene processing plant; monitoring the plant development; managing government and local relations; establishing governance and control frameworks at the KMUK board and operational levels, and building working relationships with our operating partners, Hainan. The non-executives contribution was recognised in providing robust challenge to management on strategic priorities, budgets, and the Hainan deal structure, as well as KMUK governance, internal control, and financial, tax and HR matters.

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

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

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

Foremost amongst these are its focus on:

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

Details of our social and environmental focus are included above on pages 20 and 21.

Our Operations Director is spending much of his time in Mali, and the CEO also visits on a frequent basis. Together with the Country Manager, they meet regularly with mining officials and ministers, as well as local leaders and communities. Local engagement to understand local concerns and requirements is an important aspect of the way we want to do business.

Nearly all of the group's employees are based at our offices in Mali and Côte d'Ivoire. There is near daily contact with these offices and the regular visits by the CEO and Operations Director provide important interaction with and guidance to our employees. Management can hear any concerns first hand but also ensure conduct and behaviour are in line with the company's ethical values and standards.

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

Kodal's key strategic, financial and operational decisions are reserved exclusively for the decision of the Board. The Board seeks to meet formally approximately once a month and is supplied with appropriate and timely information ahead of each meeting. The Directors are free to seek any further information they consider necessary. In addition, there are additional Board meetings to consider specific matters that require decision between the regular board meetings and to which all Directors are invited. In addition to the formal meetings, there is regular contact and communication between the Board members to discuss day-to-day operational matters. The independence of the Board is considered in Principle 5 above.

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

Since entering the arrangements with Hainan during the year, new governance structures and processes have been set up with Kodal appointees on the KMUK board and the roles of Deputy General Manager and CFO in Bougouni Mining SA, the operations company in Mali. There is continuous monitoring of the KMUK's operations and Project development, and monthly reporting to the Kodal board by the Operations Director, Steve Zaninovich.

At year-end Charles Joseland, as chair of the Audit & Risk Committee provided additional input into the audit process, reviewing financial forecasts, judgments and estimates, accounts disclosure and liaising with the auditors; and reviewing the accounting papers prepared by the CEO, Operations Director and/or Financial Controller.

The former shareholder's representative left the board during the year. Hainan has taken a 14% stake in the Company and appointed a representative to the Board. A Relationship Agreement between Hainan and the Company establishes the requirements on transactions and behaviour between the two parties.

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

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

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

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

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

As noted in Principle 8 above, the CEO, Operations Director and Mali Country Manager meet with mine and environmental officials, local leaders and communities on a regular basis.

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

The Company's website contains historical annual reports for the past five years and also notices of general meetings.

Report from the Audit & Risk Committee

The Audit & Risk Committee comprised Charles Joseland and Robert Wooldridge and was chaired by Charles Joseland during the year. The Committee meets at least twice a year to consider the integrity of the financial statements of the Group, including its annual and interim accounts, the accounting policies and auditor reports, as well as the terms of appointment and remuneration for the auditors, the effectiveness of the Group's internal controls and risk management systems, and external compliance matters.

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

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

The Committee also considered the process for identifying and considering risks and their mitigating actions, and their disclosure in the Annual Report on pages 14 to 16. They also considered the need for an internal audit function but decided the size and complexity of the Group did not justify it at present. However, it will keep this decision under annual review.

Remuneration Report

The Remuneration Committee performs both remuneration and nomination functions and during the year ended 31 March 2024 comprised Robert Wooldridge (Chair), Charles Joseland, and Qingtao Zeng (until his resignation). It meets as and when required but at least annually. The purpose of the remuneration function is to ensure that the directors are fairly rewarded for their individual contributions to the overall performance of the Group, to determine all elements of the remuneration of the executive directors and to demonstrate to the Group's shareholders that the remuneration of the directors is set by a Board committee whose Chairman has no personal interest in the outcome of the committee's decision and will have appropriate regard to the interests of the shareholders.

The purpose of the nomination function is to identify and nominate potential new directors to the Board as considered necessary and make recommendations on such appointments to be considered by the Board as a whole.

Directors' remuneration

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

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

The Remuneration Committee reviewed the current incentive plans for executive management in the form of share options and performance shares, which are focused on the stages required for the lithium project to reach sustained levels of production (financing & licensing; first production; 175,000t of spodumene produced). They believed the current plans continue to remain appropriate and no new options were awarded in the year. They determined that the financing hurdle (but not the licensing requirements) were met in the year and so these options vested. Salary levels were reviewed and were adjusted to better reflect median salaries for Aim companies of our size.

	Directors' salary and fees year ended 31 March 2024 £	Gain on exercise of share options year ended 31 March 2024 £	Total year ended 31 March 2024 £	Total year ended 31 March 2023 £
Bernard Aylward (a)	308,442	349,125	657,567	181,707
Charles Joseland	68,332	105,000	173,332	70,044
David Teng	–	–	–	–
Robert Wooldridge	88,335	26,375	114,710	55,509
Steven Zaninovich (b)	269,000	89,333	358,333	171,299
Qingtao Zeng (c)	11,508	–	11,508	25,000
	745,617	569,833	1,315,450	503,559

a Matlock Geological Services Pty Ltd ("Matlock") a company wholly owned by Bernard Aylward, provided consultancy services to the Group during the year ended 31 March 2024 and received fees of £224,694 (2023: £139,514). These fees are included within the remuneration figure shown for Bernard Aylward.

b Zivvo Pty Ltd ("Zivvo") a company wholly owned by Steven Zaninovich, provided consultancy services to the Group during the year ended 31 March 2024 and received fees of £210,000 (2003: £140,000 in the period after his appointment as director on 27 July 2022). These fees are included within the remuneration figure shown for Steven Zaninovich.

c In addition to the amounts included above, Geosmart Consulting Pty Ltd, a company wholly owned by Qingtao Zeng, provided consultancy services to the Group during the prior year and received fees of £nil (2023: £24,627).

Further information on the share options granted to the Directors is set out in Note 5 on page 52.

Notice periods of the Directors

Bernard Aylward's appointment will continue until the earlier of: (i) the termination of the consultancy agreement between the Company and Matlock Geological Services Pty Ltd (a company wholly owned by Mr Aylward); and (ii) termination by either the Company or Mr Aylward on three months' prior written notice.

Steven Zaninovich's appointment will continue until the earlier of: (i) the termination of the consultancy agreement between the Company and Zivvo Pty Ltd (a company wholly owned by Mr Zaninovich); and (ii) termination by either the Company or Mr Zaninovich on six months' prior written notice.

Charles Joseland's, Robert Wooldridge's and David Teng's service agreements are subject to three months' notice of termination by either party.

Pensions

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

Independent Auditor's Report

To the members of Kodal Minerals Plc for the year ended 31 March 2024

Opinion

We have audited the financial statements of Kodal Minerals Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise of the consolidated statement of comprehensive income, the consolidated and parent company statements of financial position, the consolidated and parent company statement of changes in equity, the consolidated and parent company statement of cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Accounting Standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Summary of our audit approach		
Key audit matters	**Group** • Hainan investment in Kodal Mining UK Limited (KMUK)	
Materiality	**Group** • Overall materiality: £637,000 (2023: £339,000) • Performance materiality: £477,000 (2023: 254,000)	**Parent Company** • Overall materiality: £508,000 (2023: £327,000) • Performance materiality: £381,000 (2023: £245,000)
Scope	Our audit procedures covered 100% of total assets and 98% of profit before tax.	

Key audit matters

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

Hainan investment in KMUK	
Key audit matter description	During the period Kodal Minerals plc and the Hainan Mining Group ("Hainan") entered into an associate arrangement development agreement for the Bougouni Lithium Project, with both parties consequently sharing ownership of Kodal Mining UK Limited ("KMUK"), 49% owned by Kodal Minerals plc and 51% by the Hainan Group. KMUK was established as a UK registered company as the development vehicle for the Bougouni Lithium Project. Kodal Minerals plc and its associate KMUK have received funds related to the funding transaction for US$117.75 million agreed between the Company and Hainan, comprising a US$100 million investment from Hainan into KMUK, and a further US$17.75 million received for the subscription for new ordinary shares in Kodal Minerals Plc at 0.5p per share. This is considered to be a Key Audit Matter due to the significance of the investment in associate that Kodal Minerals Plc has recognised in the Consolidated Statement of Financial Position as well the gain recognised on the partial disposal of the subsidiary in the Consolidated Statement of Comprehensive Income.
How the matter was addressed in the audit	Management prepared a Step Plan to determine the accounting steps taken to recognise the partial disposal of a subsidiary and subsequent recognition of an investment in an associate. Management also prepared a paper explaining the accounting treatment, with reference to the relevant accounting standards, alongside detailed calculations on the gain recognised. Our work on this included: • Review of management's Step Plan along with the supporting documentation for each of the steps taken. • Assessment of whether the recognition of KMUK as an associate is appropriate based on the control and influence Kodal Minerals Plc have retained over the entity. • Challenging management on their application of accounting standards in the calculation of the gain on partial disposal. • Review of management's assessment as to whether the disposal constituted a business or an asset under IFRS 3. • Review of management's calculation of the gain on disposal in line with IFRS 10 and IAS 28 and checking that the gain recognised to the extent of the unrelated investors' interest is reasonable. • Review of management's fair value calculation of the 49% retained interest to check that the rationale and the calculation itself are reasonable and checking that this was eliminated in the gain on disposal calculation. • Auditing the share issue by Kodal Minerals Plc to Hainan to check the accuracy of the share premium recognised. • Auditing the disclosures within the financial statements to assess whether they are fair and reasonable.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£637,000 (2023: £339,000)	£508,000 (2023: £327,000)
Basis for determining overall materiality	Based upon 1% of total assets	Based upon 2% of total assets
Rationale for benchmark applied	The nature of business is such that there is no 3rd party revenue for Kodal Minerals Plc and the group is still in its exploration stage with an associate in the early stages of mine development. We have considered the FRC's thematic review in relation to materiality for this, where 1% of total assets is used by a number of audit firms for the review of entities/Group's in the mining industry.	The value of the company is reflected in its investment and intercompany balances with its subsidiaries and as such total assets is considered to be the appropriate benchmark.
Performance materiality	£477,000 (2023: £254,000)	£381,000 (2023: £245,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £31,800 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £26,800 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group consists of 8 components, located in the following countries;

- United Kingdom
- Mali
- Bermuda
- Ivory Coast

The coverage achieved by our audit procedures was:

Full scope audits were performed for 1 component, specific audit procedures for 4 components and analytical procedures at group level for the remaining 3 components.

	Number of components	Total assets	Profit before tax
Full scope audit	1	42%	9%
Specific audit procedures*	4	58%	89%
Total	5	100%	98%

* Note that this includes one equity accounted component due to its significance to total assets and profit before tax for the period.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the group's cashflow forecasts, including challenge of the forward-looking assumptions used by management in their assessment;
- Checking the mathematical accuracy of management's cashflow models and agreeing opening balances to 31 March 2024 actual figures;
- Corroborating the inputs into the cashflow forecast by checking that they are consistent with the testing performed in respect of management's impairment review;
- Reviewing management's sensitivity analysis and performing our own analysis based on further sensitising of the models to take account of reasonably possible scenarios that could arise from the risks identified;
- Reviewing the accuracy and completeness of disclosures in the financial statements

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 19, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation / regulation	Additional audit procedures performed by the Group audit engagement team included:
IFRS and Companies Act 2006	Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance.
UK Bribery Act	Enquiry of internal and external legal advisors; Inspection of policies and procedures, internal reports and minutes of meetings of the Board, Committees and management.
Licensing compliance regulations	Review of all licenses to check validity and check expiry; Review of the process behind application of extensions and renewals, to check that this is being conducted appropriately and in a timely manner.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

Use of our report

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

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

2 September 2024

Financial Statements

Consolidated statement of comprehensive income

For the year ended 31 March 2024

CONTINUING OPERATIONS	Note	Year ended 31 March 2024 £	Year ended 31 March 2023 £
Impairment of exploration and evaluation assets	7	(1,572,302)	–
Administrative expenses	2	(1,530,114)	(944,473)
Share based payments	5	(241,888)	(516,581)
Operating loss		(3,344,304)	(1,461,054)
Finance income		92,693	–
Revaluation gain on sale of subsidiary undertakings	9	30,521,645	–
Share of loss of an associate	9	(83,610)	–
Profit / (loss) before tax	2	27,186,424	(1, 461,054)
Taxation	6	–	–
Profit/(loss) for the year from continuing operations		27,186,424	(1, 461,054)
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to profit or loss			
Currency translation gain		3,230	331,259
Total comprehensive income for the year		27,189,654	(1,129,795)
Profit / (loss) per share from continuing operations			
Basic (pence)	4	0.1491	(0.0087)
Diluted (pence)	4	0.1431	(0.0087)

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

Consolidated and parent company statements of financial position

As at 31 March 2024

Registered number: 07220790

NON-CURRENT ASSETS	Note	Group 31 March 2024 £	Group 31 March 2023 £	Company 31 March 2024 £	Company 31 March 2023 £
Intangible assets	7	2,162,452	14,521,888	–	-
Property, plant and equipment	8	664	91,771	–	-
Investment in associate undertaking	9	31,260,186	–	5,235	-
Amounts due from subsidiary undertakings	10	–	–	2,998,485	14,296,318
Amounts due from associated undertaking	11	4,312,785	–	4,312,785	-
Investments in subsidiary undertakings	10	–	–	512,373	512,373
		37,736,087	14,613,659	7,828,878	14,808,691
CURRENT ASSETS					
Trade and other receivables	11	3,427,357	11,175	3,301,322	11,175
Cash and cash equivalents		16,326,507	544,988	16,284,225	425,704
Non-current assets classified as held for sale	7	79,606	513,109	–	-
		19,833,470	1,069,272	19,585,547	436,879
TOTAL ASSETS		57,569,557	15,682,931	27,414,425	15,245,570
CURRENT LIABILITIES					
Trade and other payables	12	(139,301)	(800,007)	(139,301)	(378,171)
TOTAL LIABILITIES		(139,301)	(800,007)	(139,301)	(378,171)
NET ASSETS		57,430,256	14,882,924	27,275,124	14,867,399
EQUITY					
Attributable to owners of the parent:					
Share capital	13	6,325,349	5,315,619	6,325,349	5,315,619
Share premium account	13	32,624,071	18,765,206	32,624,071	18,765,206
Share based payment reserve		1,147,664	1,537,779	1,147,664	1,537,779
Translation reserve		15,862	12,632	–	-
Retained surplus / (deficit)		17,317,310	(10,748,312)	(12,821,960)	(10,751,205)
TOTAL EQUITY		57,430,256	14,882,924	27,275,124	14,867,399

The Company's loss for the year ended 31 March 2024 from continuing operations was £2,949,953 (2023: £1,206,922) and total comprehensive loss for the year was £2,949,953 (2023: £1,206,922).

The financial statements were approved and authorised for issue by the board of directors on 2 September 2024 and signed on its behalf by

Charles Joseland
Director

Consolidated statement of changes in equity

For the year ended 31 March 2024

Attributable to the owners of the Parent

GROUP	Share capital £	Share premium account £	Share based payment reserve £	Translation reserve £	Retained surplus / (deficit) £	Total equity £
At 31 March 2022	4,947,595	15,933,071	1,150,678	(318,627)	(9,622,062)	12,090,655
Comprehensive income						
Loss for the year	–	–	–	–	(1,461,054)	(1, 461,054)
Other comprehensive income						
Currency translation gain	–	–	–	331,259	–	331,259
Total comprehensive income for the year	–	–	–	331,259	(1,461,054)	(1,129,795)
Transactions with owners						
Share based payment	–	–	721,905	–	–	721,905
Proceeds from shares issued	334,821	2,665,179	–	–	–	3,000,000
Proceeds from exercise of share options	33,203	309,171	–	–	–	342,374
Share options lapse	–	–	(334,804)	–	334,804	-
Share issue expenses	–	(142,215)	–	–	–	(142,215)
At 31 March 2023	5,315,619	18,765,206	1,537,779	12,632	(10,748,312)	14,882,924
Comprehensive income						
Profit for the year	–	–	–	–	27,186,424	27,186,424
Other comprehensive income						
Currency translation gain	–	–	–	3,230	–	3,230
Total comprehensive income for the year	–	–	–	3,230	27,186,424	27,189,654
Transactions with owners						
Share based payment	–	–	489,083	–	–	489,083
Proceeds from shares issued	918,063	13,251,199	–	–	–	14,169,262
Proceeds from exercise of share options	91,667	607,666	–	–	–	699,333
Reserves movement for exercised / lapsed options	–	–	(879,198)	–	879,198	-
At 31 March 2024	6,325,349	32,624,071	1,147,664	15 ,862	17,317,310	57,430,256

Kodal Minerals

Parent company statement of changes in equity

For the year ended 31 March 2024

COMPANY	Share capital £	Share premium account £	Share based payment reserve £	Retained surplus / (deficit) £	Total equity £
At 31 March 2022	4,947,595	15,933,071	1,150,678	(9,879,087)	12,152,257
Comprehensive income					
Loss for the year	–	–	–	(1,206,922)	(1,206,922)
Total comprehensive income for the year	–	–	–	(1,206,922)	(1,206,922)
Transactions with owners					
Share based payment	–	–	721,905	–	721,905
Proceeds from shares issued	334,821	2,665,179	–	–	3,000,000
Proceeds from exercise of share options	33,203	309,171	–	–	342,374
Share options lapse	–	–	(334,804)	334,804	-
Share issue expenses	–	(142,215)	–	–	(142,215)
At 31 March 2023	5,315,619	18,765,206	1,537,779	(10,751,205)	14,867,399
Comprehensive income					
Loss for the year	–	–	–	(2,949,953)	(2,949,953)
Total comprehensive income for the year	–	–	–	(2,949,953)	(2,949,953)
Transactions with owners					
Share based payment	–	–	489,083	–	489,083
Proceeds from shares issued	918,063	13,251,199	–	–	14,169,262
Proceeds from exercise of share options	91,667	607,666	–	–	699,333
Reserves movement for exercised / lapsed options	–	–	(879,198)	879,198	-
At 31 March 2024	6,325,349	32,624,071	1,147,664	(12,821,960)	27,275,124

Consolidated and parent company statements of cash flows

For the year ended 31 March 2024

	Note	Group Year ended 31 March 2024 £	Group Year ended 31 March 2023 £	Company Year ended 31 March 2024 £	Company Year ended 31 March 2023 £
Cash flows from operating activities					
Profit / (loss) before tax		27,186,424	(1,461,054)	(2,949,953)	(1,206,923)
Adjustments for non-cash items:					
Revaluation gain on sale of subsidiary undertaking		(30,521,645)	–	–	–
Impairment / (Write back of impairment) of intercompany balances		–	–	598,000	(180,000)
Impairment of exploration and evaluation assets		1,572,302	–	–	–
Share based payments		241,888	516,581	241,888	516,581
Share of loss from associate		83,610	–	–	–
Interest income		(92,694)	–	(92,694)	–
Operating cash flow before movements in working capital		(1,530,115)	(944,473)	(2,202,759)	(870,342)
Movement in working capital					
Increase in receivables		(343,785)	(5,406)	(230,946)	(5,406)
(Decrease) / increase in payables		(660,702)	393,666	(238,869)	277,213
Net movements in working capital		(1,004,487)	388,260	(469,815)	271,807
Net cash outflow from operating activities		(2,534,602)	(556,213)	(2,672,574)	(598,535)
Cash flows from investing activities					
Purchase of tangible assets	8	–	(103,633)	–	–
Purchase of intangible assets	7	(2,736,084)	(3,006,324)	–	–
Disposal of intangible assets		400,000	–	–	–
Loans to subsidiary undertakings		–	–	(2,173,695)	(3,125,764)
Loan repayments from associated undertakings		5,807,937	–	5,807,937	–
Net cash outflow from investing activities		3,471,853	(3,109,957)	3,634,242	(3,125,764)
Cash flow from financing activities					
Interest income		28,258	–	28,258	–
Net proceeds from share issues		14,169,262	2,857,785	14,169,262	2,857,785
Net proceeds from exercise of share options		699,333	342,374	699,333	342,374
Net cash inflow from financing activities		14,896,853	3,200,159	14,896,853	3,200,159
Increase / (decrease) in cash and cash equivalents		15,834,104	(466,011)	15,858,521	(524,140)
Cash and cash equivalents at beginning of the year		544,988	1,045,515	425,704	949,844
Exchange gain / (loss) on cash		(52,585)	(34,516)	–	–
Cash and cash equivalents at end of the year		16,326,507	544,988	16,284,225	425,704

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

Principal accounting policies

For the year ended 31 March 2024

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

The Company is incorporated in England and Wales with registered number 07220790. The Company's registered office is at Prince Frederick House, 35-39 Maddox Street, London W1S 2PP.

Basis of preparation

The consolidated financial statements of Kodal Minerals Plc are prepared in accordance with the historical cost convention and in accordance with UK-adopted International Accounting Standards. The Company's ordinary shares are quoted on AIM, a market operated by the London Stock Exchange.

In accordance with the exemption allowed by Section 408(3) of the Companies Act 2006, the Company has not presented its own income statement or statement of comprehensive income.

Going concern

The Group is still in the exploration and development phase of its business and the operation of the Group are currently being financed by funds which the Company has raised from the issue of new ordinary shares.

The Directors have prepared cash flow forecasts for the period ending 31 March 2026. The forecasts include additional exploration expenditure for the Group's gold assets, as well as covering ongoing overheads. The forecasts , which include a contingency for cash calls on the Bougouni Lithium Project during its development phase, show that the Group has sufficient cash resources available to allow it to continue as a going concern and meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements without the need for a further financing. As at 27 August 2024 the Group has cash at bank amounting to £18,477,000. Accordingly, the financial statements have been prepared on a going concern basis.

Basis of consolidation

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

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

If the Group loses control over a subsidiary, it derecognises the related assets and liabilities and any resultant gain is recognised in profit or loss.

Foreign currency translation

Items included in the Group's consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are presented in pounds sterling ("£"), which is the functional and presentational currency of the Parent Company and the presentational currency of the Group. End of year balances in the Group's West African subsidiary undertakings were converted using an end of year rate of XOF 1 : £0.00130 (2023: XOF 1 : £0.00135).

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

Property, plant and equipment

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

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

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

Investments in subsidiaries

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

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating decisions of the investee but has no control over those policies.

Under the equity method, the investment in an associate is initially recognised at fair value (see note 9). Thereafter the Group recognises its share of the profit or loss of an associate and it is shown on the face of the statement of profit or loss outside operating profit, and added to or subtracted from the carrying value of the associate.

Where the recoverable amount of the investment is less than the carrying amount, an impairment is recognised.

Assets held for resale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as a current asset held for resale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell.

If assets no longer meet the criteria to be classified as non-current assets held for resale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified for resale, adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for resale.

When an asset is disposed of, the value of the asset in the balance sheet is written off to, and receipts from disposals are credited to, the statement of comprehensive income as part of the gain or loss on disposal.

Exploration and evaluation expenditure

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

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

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

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

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

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

Exploration and evaluation assets – impairment

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

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

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

The aggregate carrying value is compared against the expected recoverable amount, generally by reference to the present value of the future net cash flows expected to be derived from production of the commercial reserves. Where the carrying amount exceeds the recoverable amount, an impairment is recognised in profit or loss.

Intangible assets and impairment

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

Software	3 years

Deferred taxation

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

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

Financial instruments

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

IFRS 7 (Financial Instruments: Disclosures) requires information to be disclosed about the impact of financial instruments on the Group's risk profile, how the risks arising from financial instruments might affect the entity's performance, and how these risks are being managed. The required disclosures have been made in Note 14 to the financial statements.

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

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand.

Other receivables

Other receivables are carried at amortised cost less provision made for impairment of these receivables. A provision for impairment of receivables is established when there is an expected credit loss on amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets' carrying amount and the recoverable amount. Provisions for impairment of receivables are included in profit or loss.

Trade and other payables

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

Provisions

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

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

Share capital

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

Equity settled transactions (Share based payments)

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

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

In valuing equity settled transactions, account is taken of service and performance conditions (vesting conditions), in addition to performance conditions linked to the price of the shares of the Company (market conditions). No expense is recognised for awards that do not ultimately vest.

At each reporting date before vesting, the cumulative expense is calculated; representing the extent to which the vesting period has expired and management's best estimate of the number of equity instruments that will ultimately vest. The movement in the cumulative expense since the previous reporting date is recognised in profit and loss, with a corresponding entry in equity, or for options awarded to executive directors, the award is considered as part of their remuneration and the overall cost is allocated between operating costs and exploration and evaluation cost.

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

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

Segmental reporting

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

Critical accounting judgements and estimates

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

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

Exploration and evaluation expenditure – judgement and estimate

In accordance with the Group's accounting policy for exploration and evaluation expenditure, after obtaining licences giving legal rights to explore in the project area, all exploration and evaluation costs for each project are capitalised as exploration and evaluation assets.

The exploration and evaluation assets for each project are assessed for impairment when such facts and circumstances suggest that the carrying value of the assets may exceed the recoverable amount.

The directors have reviewed the Group's gold projects in Mali and Côte d'Ivoire and determined that where a project is not expected to be commercially viable the licences will be relinquished and the costs capitalised as exploration and evaluation assets should be written off in full. No impairment has been charged on those gold licences to be retained.

During the year, the assets relating to the Bougouni Lithium Project were transferred into the associated undertaking.

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

As detailed in the Operational Review, at the date of these financial statements, the Group's key exploration licences are current. As detailed in note 7, the total carrying value of the exploration and evaluation assets at 31 March 2024 was £2.2million (2023: £14.5 million). The Group complies with the prevailing laws and regulations relating to these licences and ensures that the regulatory reporting and government compliance requirements for each licence are met.

Valuation of warrants and share options - estimate

No share options or warrants were issued in the year.

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

For options awarded to the non-executive directors, the award has been considered to be in relation to their overall contribution to the Group and, accordingly, the charge has been included within operating costs in the Consolidated Statement of Comprehensive Income. For options awarded to executive directors, the award is considered as part of their remuneration. This overall cost is allocated between operating costs and exploration and evaluation cost, the latter of which are capitalised against specific projects. For the award of warrants associated with the raising of funds through the issue of new shares, the charge has been treated as a share issue expense and offset against the share premium account.

Hainan transaction – judgement and estimate

Kodal Minerals Plc relinquished 51% of its ownership in the Bougouni Lithium Project in return for financing and participation with Hainan to bring the project into development. No cash was received by the Group for its part disposal of the project, but $94m of equity funding from Hainan was retained for development use within KMUK, of which Kodal retains 49% ownership.

The board has considered the tests under IFRS3 and in their judgment determined that the 51% disposal of the Bougouni Lithium Project was the sale of an asset, not of a business. On reviewing the terms of the shareholders agreement with Hainan, KMUK is not judged to be a joint arrangement.

Under the requirements of IFRS10 the retained 49% interest was re-measured to fair value. The best indicator of value was estimated to be the Hainan purchase of 51% of KMUK, being a recent, arm's length transaction for the same asset.

Considering IFRS10 para B99A, IAS28 and the IASB guidance of September 2014 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28), the Company has judged that more reliable and relevant information is provided by recognising the gain on the Hainan transaction only to the extent of the unrelated investor interest in KMUK. Accordingly, only 51% of the gain has been recognised, with the remaining part of the gain eliminated against the Company's investment in KMUK. That value has been used as the cost on the initial recognition of the investment in KMUK, its associate.

Adoption of New and Revised Standards

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

New standards and interpretations not applied

At the date of authorisation of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Group. These are listed below. The Board anticipates that all of the pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. The amendments to the standards noted below are not expected to have a material impact on the Group's consolidated financial statements.

Standard	Details of amendment / New Standards and Interpretations	Annual periods beginning on or after
IAS 1 Presentation of Financial Statements	*Non-current Liabilities with Covenants (Amendments to IAS 1)* to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.	1 January 2024
IFRS 16 Leases	*Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)* with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions	1 January 2024
IFRS 7 Financial Instruments	*Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)* to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.	1 January 2024
IAS 21 The Effects of Changes in Foreign Exchange Rates	*Lack of Exchangeability (Amendments to IAS 21)* to provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	1 January 2025
IFRS 18 Presentation and Disclosure in Financial Statements	IFRS 18 Presentation and Disclosure in Financial Statements includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.	1 January 2027

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

Notes to the financial statements

For the year ended 31 March 2024

1. SEGMENTAL REPORTING

The operations and assets of the Group in the year ended 31 March 2024 are focused in the United Kingdom and West Africa and comprise one class of business: the exploration and evaluation of mineral resources. Management have determined that the Group had three operating segments being the West African Gold Projects, the West African Lithium Projects and the UK administration operations. The Parent Company acts as a holding company. At 31 March 2024, the Group had not commenced commercial production from its exploration sites and therefore had no revenue for the year.

YEAR ENDED 31 MARCH 2024	UK £	West Africa Gold £	West Africa Lithium £	Total £
Impairment of exploration and evaluation assets	–	(1,572,302)	–	(1,572,302)
Administrative expenses	(1,407,702)	(80,926)	(41,486)	(1,530,114)
Share based payments	(241,888)	–	–	(241,888)
Finance income	92,693	–	–	92,693
Revaluation gain on sale of subsidiary undertaking	–	–	30,521,645	30,521,645
Share of loss from associate	–	–	(83,610)	(83,610)
Profit from continuing operations for the year	(1,556,897)	(1,653,228)	30,396,549	27,186,424
At 31 March 2024				
Trade and other receivables	18,605	–	7,721,537	7,740,142
Cash and cash equivalents	16,284,228	42,279	–	16,326,507
Non-current assets classified as held for sale	–	79,606	–	79,606
Trade and other payables	(139,301)	–	–	(139,301)
Intangible assets – exploration and evaluation expenditure	–	2,162,452	–	2,162,452
Investment in associated undertaking	–	–	31,260,186	31,260,186
Property, plant and equipment	–	664	–	664
Net assets at 31 March 2024	16,163,532	2,285,001	38,981,723	57,430,256

YEAR ENDED 31 MARCH 2023	UK £	West Africa Gold £	West Africa Lithium £	Total £
Administrative expenses	(912,390)	(4,288)	(27,795)	(944,473)
Share based payments	(516,581)	–	–	(516,581)
Loss for the year	(1,428,971)	(4,288)	(27,795)	(1,461,054)
At 31 March 2023				
Other receivables	11,175	–	–	11,175
Cash and cash equivalents	425,704	90,426	28,858	544,988
Non-current assets classified as held for sale	–	–	513,109	513,109
Trade and other payables	(129,332)	–	(670,675)	(800,007)
Intangible assets – exploration and evaluation expenditure	–	3,305,948	11,215,940	14,521,888
Property, plant and equipment	–	1,042	90,729	91,771
Net assets at 31 March 2023	307,547	3,397,416	11,177,961	14,882,924

2. PROFIT/LOSS BEFORE TAX

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

	Group Year ended 31 March 2024 £	Group Year ended 31 March 2023 £
Impairment of exploration and evaluation assets	1,572,302	–
Fees payable to the Company's auditor	100,000	53,000
Share based payments (note 5)	241,888	516,581
Directors' salaries and fees	471,840	182,247
Employer's National Insurance	33,476	10,598

Amounts payable to RSM UK Audit LLP and its associates in respect of audit services are as follows;

	Group Year ended 31 March 2024 £	Group Year ended 31 March 2023 £
Audit services		
– statutory audit of parent and consolidated accounts	100,000	53,000

3. EMPLOYEES AND DIRECTORS' REMUNERATION

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

	Group 31 March 2024 Number	Group 31 March 2023 Number	Company 31 March 2024 Number	Company 31 March 2023 Number
Average number of employees (including directors):	60	45	5	5

The directors are key management personnel of the Company. The remuneration expense for directors and employees is as follows:

	Group 31 March 2024 £	Group 31 March 2023 £	Company 31 March 2024 £	Company 31 March 2023 £
Directors' remuneration	471,840	182,247	471,840	182,247
Employee wages and salaries	24,726	–	12,000	–
Social security costs	33,476	10,598	33,476	10,598
Total	530,042	192,845	517,316	192,845

In addition to the amounts included above, £273,777 (2023: £282,267) of the directors' remuneration cost and £194,032 (2023: £150,525) of employee wages and local social security costs have been treated as Exploration and Evaluation expenditure within the Group.

	Directors' salary and fees year ended 31 March 2024 £	Gain on exercise of share options year ended 31 March 2024 £	Total year ended 31 March 2024 £
Bernard Aylward (a)	308,442	349,125	657,567
Charles Joseland	68,332	105,000	173,332
David Teng	–	–	–
Robert Wooldridge	88,335	26,375	114,710
Steven Zaninovich (b)	269,000	89,333	358,333
Qingtao Zeng (c)	11,508	–	11,508
	745,617	569,833	1,315,450

Included within the amounts shown above for Directors' salary and fees for the year ended 31 March 2024, £43,500 has been recharged to the associated undertaking (2023: £nil).

	Directors' salary and fees year ended 31 March 2023 £	Gain on exercise of share options 31 March 2023 £	Total year ended 31 March 2023 £
Bernard Aylward (a)	177,847	3,860	181,707
Charles Joseland	50,000	20,044	70,044
Robert Wooldridge	45,000	10,509	55,509
Steven Zaninovich (b)	166,667	4,632	171,299
Qingtao Zeng (c)	25,000	–	25,000
	464,514	39,045	503,559

a Matlock Geological Services Pty Ltd ("Matlock") a company wholly owned by Bernard Aylward, provided consultancy services to the Group during the year ended 31 March 2024 and received fees of £224,694 (2023: £139,514). These fees are included within the remuneration figure shown for Bernard Aylward.

b Zivvo Pty Ltd ("Zivvo") a company wholly owned by Steven Zaninovich, provided consultancy services to the Group during the year ended 31 March 2024 and received fees of £210,000 (2003: £140,000 in the period after his appointment as director on 27 July 2022). These fees are included within the remuneration figure shown for Steven Zaninovich.

c In addition to the amounts included above, Geosmart Consulting Pty Ltd, a company wholly owned by Qingtao Zeng, provided consultancy services to the Group during the prior year and received fees of £nil (2023: £24,627).

4. PROFIT / (LOSS) PER SHARE

Basic profit / (loss) per share is calculated by dividing the profit / (loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the result and share data used in the computations:

	Profit / (loss) £	Weighted average number of shares	Diluted weighted average number of shares	Basic (profit) / loss per share (pence)	Diluted (profit) / loss per share (pence)
Year ended 31 March 2024	27,186,424	18,228,192,472	19,000,275,806	0.1491	0.1431
Year ended 31 March 2023	(1,461,054)	16,812,417,355	16,812,417,355	(0.0087)	(0.0087)

4. PROFIT / (LOSS) PER SHARE continued

Diluted profit / (loss) per share is calculated by dividing the profit / (loss) attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. In previous years, options in issue were not considered diluting to the loss per share as the Group was loss making. Diluted loss per share was therefore the same as the basic loss per share.

5. SHARE BASED PAYMENTS

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Share options outstanding	Year ended 31 March 2024 Number	Year ended 31 March 2023 Number
Opening balance	582,500,000	250,000,000
Lapsed in the year	(43,333,333)	(77,500,000)
Issued in the year	–	470,000,000
Exercised in the year	(186,666,667)	(60,000,000)
Closing balance	352,500,000	582,500,000

Performance share rights outstanding	Year ended 31 March 2024 Number	Year ended 31 March 2023 Number
Opening balance	240,000,000	175,000,000
Issued in the year	–	75,000,000
Exercised in the year	(80,000,000)	(10,000,000)
Closing balance	160,000,000	240,000,000

Warrants outstanding	Year ended 31 March 2024 Number	Year ended 31 March 2023 Number
Opening balance	326,250,000	205,000,000
Lapsed in the year	–	(12,500,000)
Issued in the year	–	170,000,000
Exercised in the year	(26,666,666)	(36,250,000)
Closing balance	299,583,334	326,250,000

Group profit for the year was stated after a share based payment charge of £241,888 (2023: £516,581). In addition, a share based payment charge of £247,195 (2023: £205,324) has been treated as Exploration Expenditure within the Group. The reference to 'share based payments' relates to a theoretical calculation of the non-cash cost to the Group of share options and warrants that have been awarded and have yet to vest.

Options, warrants and performance share rights outstanding for each of the directors at the year-end are outlined below:

Exercisable date	Bernard Aylward	Robert Wooldridge	Charles Joseland	Steven Zaninovich
6 November 2021	–	–	–	33,333,334
To be determined (Note 1)	–	–	–	90,000,000
To be determined (Note 1)	75,000,000	–	–	–
27 Aug 2021 – 27 Aug 2026	–	5,000,000	–	–
27 Aug 2022 – 27 Aug 2027	–	7,500,000	–	–
27 Aug 2023 – 27 Aug 2028	–	7,500,000	–	–
15 November 2023	30,000,000	–	–	72,500,000
To be determined (Note 1)	40,000,000	–	–	77,500,000
To be determined (Note 2)	60,000,000	–	–	95,000,000
18 Aug 2022 – 18 Aug 2027	–	23,333,334	–	–
18 Aug 2023 – 18 Aug 2028	–	33,333,333	–	–
18 Aug 2024 – 18 Aug 2029	–	33,333,333	25,000,000	–
Closing balance	205,000,000	110,000,000	25,000,000	368,333,334

1. Exercisable from date of first commercial production from the Bougouni Project
2. Exercisable from date of production of 175,000 tonnes of spodumene concentrate from the Bougouni project

Details of share options outstanding at 31 March 2024:

Date of grant	Number of options	Option price	Exercisable between
8 May 2017	12,500,000	0.38 pence	8 May 2019 – 8 May 2024
27 August 2021	5,000,000	0.36 pence	27 Aug 2021 – 27 Aug 2026
27 August 2021	7,500,000	0.36 pence	27 Aug 2022 – 27 Aug 2027
27 August 2021	7,500,000	0.36 pence	27 Aug 2023 – 27 Aug 2028
18 August 2022	37,500,000	0.3 pence	To be determined
18 August 2022	47,500,000	0.34 pence	To be determined
18 August 2022	70,000,000	0.38 pence	To be determined
18 August 2022	26,666,668	0.3 pence	18 Aug 2022 – 18 Aug 2027
18 August 2022	36,666,666	0.34 pence	18 Aug 2023 – 18 Aug 2028
18 August 2022	61,666,666	0.34 pence	18 Aug 2024 – 18 Aug 2029

Details of performance share rights outstanding at 31 March 2024:

Date of grant	Number of performance share rights	Option price	Exercisable between
27 August 2021	85,000,000	nil	To be determined
27 July 2022	25,000,000	nil	To be determined
27 July 2022	25,000,000	nil	To be determined
27 July 2022	25,000,000	nil	To be determined

5. SHARE BASED PAYMENTS continued

Details of warrants outstanding at 31 March 2024:

Date of grant	Number of warrants	Option price	Exercisable between
22 May 2017	6,250,000	0.38 pence	22 May 2019 – 22 May 2024
23 November 2018	33,333,334	0.14-0.38 pence	To be determined
23 November 2018	90,000,000	0.14-0.38 pence	To be determined
27 July 2022	47,500,000	0.28 pence	To be determined
27 July 2022	52,500,000	0.325 pence	To be determined
27 July 2022	70,000,000	0.38 pence	To be determined

Additional disclosure information:

Weighted average exercise price of share options and warrants:

• outstanding at the beginning of the period	0.27 pence
• granted during the period	N/A
• outstanding at the end of the period	0.28 pence
• exercisable at the end of the period	0.34 pence
Weighted average remaining contractual life of share options outstanding at the end of the period	5.2 years

Warrants, Options and Performance Share Rights issued in the year to 31 March 2023

On 27 July 2022 the Company granted warrants over 170,000,000 ordinary shares and Performance Share Rights of up to 75,000,000 ordinary shares to Steven Zaninovich. The warrants are registered in the name of Zivvo Pty Ltd, a company wholly owned by Steven Zaninovich.

The Warrants and Performance Share Rights carry vesting conditions that are linked to achievement of milestones critical to the development of the Bougouni Project as follows:

- Securing of finance for the Bougouni mine and completion of all Mali Government Agreements, Update and Variation of Mining Licence and Environment permitting in relation to the Bougouni Project;
- Receipt of funds from first sale of spodumene concentrate from the Bougouni Project within 18 months of receipt of finance; and
- 175,000 tonnes of spodumene concentrate produced from the Bougouni Project.

Subject to the vesting conditions being satisfied, Mr Zaninovich may call for Ordinary Shares, as set out in the table below, to be issued to him at any time within five years of the vesting condition being met and upon payment by them of the nominal value for the Ordinary Shares in relation the Performance Share Rights and the exercise price in relation to the share options.

	Warrants		
Vesting criteria	Exercise Price	Number	Performance Share Rights
Securing of finance for the Bougouni mine	£0.00280p	47,500,000	25,000,000 capped at £250,000 value
Receipt of funds from first sale of spodumene concentrate from Bougouni within 18 months of receipt of finance	£0.00325p	52,500,000	25,000,000 capped at £250,000 value
Production of 175,000 tonnes of spodumene concentrate from Bougouni	£0.00380p	70,000,000	25,000,000 capped at £250,000 value
Total	£0.00335p average	170,000,000	75,000,000 total capped at £750,000 value

On 18 August 2022 the Company granted options over 155,000,000 ordinary shares to Bernard Aylward and Mohamed Niare (Country Manager, Mali).

The Share Options carry vesting conditions that are linked to achievement of milestones critical to the development of the Bougouni Project as follows:

- Securing of finance for the Bougouni mine and completion of all Mali Government Agreements, Update and Variation of Mining Licence and Environment permitting in relation to the Bougouni Project;
- Receipt of funds from first sale of spodumene concentrate from the Bougouni Project within 18 months of receipt of finance; and
- 175,000 tonnes of spodumene concentrate produced from the Bougouni Project.

Subject to the vesting conditions being satisfied, the holders of the Share Options may call for Ordinary Shares, as set out in the table below, to be issued to them at any time within five years of the vesting condition being met.

		Share Options	
Vesting criteria	**Exercise price**	**Bernard Aylward**	**Mohamed Niare**
Securing of finance for the Bougouni mine	0.3 pence	Up to 30 million ordinary shares	Up to 7.5 million ordinary shares
Receipt of funds from first sale of spodumene concentrate	0.34 pence	Up to 40 million ordinary shares	Up to 7.5 million ordinary shares
175,000 tonnes of spodumene concentrate produced	0.38 pence	Up to 60 million ordinary shares	Up to 10 million ordinary shares
Total		Up to 130 million ordinary shares	Up to 25 million ordinary shares

On 18 August 2022, the Company granted options over 315,000,000 Ordinary Shares to members of the management team, of which those granted to Non-Executive Directors were as set out in the table below. The options will vest in equal tranches with the first one third vesting immediately and exercisable at 0.3 pence per share, and the remaining two thirds vesting in two equal tranches on the first and second anniversaries of the grant and exercisable at 0.34 pence per share.

Director	**Number of Options granted**
Charles Joseland	75,000,000
Robert Wooldridge	100,000,000
Qingtao Zeng	130,000,000

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

	27 July 2022	**18 August 2022**
Strike price	0.00p – 0.38p	0.30p – 0.38p
Share price	0.11p – 0.25p	0.11p – 0.26p
Volatility	75%	75%
Expiry date	15/3/28 – 15/12/30	15/3/28 – 15/12/30
Risk free rate	0.24% - 0.26%	0.23% - 0.30%
Dividend yield	0.0%	0.0%

6. TAXATION

	Group Year ended 31 March 2024 £	Group Year ended 31 March 2023 £
Taxation charge for the year	–	–
Factors affecting the tax charge for the year		
Profit / (loss) from continuing operations before income tax	27,186,424	(1,461,054)
Revaluation gain on sale of subsidiary undertakings	(30,521,645)	–
Profits subject to corporation tax	(3,335,221)	(1,461,054)
Tax at 25% (2023: 19%)	(833,805)	(277,600)
Expenses not deductible	354	636
Losses carried forward not deductible	772,979	178,814
Deferred tax differences	60,472	98,150
Income tax expense	–	–

During the year the UK corporation tax rate was increased from 19% to 25%.

The Group has tax losses and other potential deferred tax assets (including in relation to share options) totalling £3,993,000 (2023: £3,759,000) which will be able to be offset against future income. No deferred tax asset has been recognised in respect of these losses as their utilisation is uncertain at this stage.

7. INTANGIBLE ASSETS

GROUP	Exploration and evaluation £
COST	
At 1 April 2022	11,442,403
Additions in the year	3,226,956
Classified as held for sale	(513,109)
Effects of foreign exchange	365,638
At 1 April 2023	14,521,888
Additions in the year	2,971,083
Disposals in the year	(13,488,010)
Classified as held for sale	(79,606)
Licences written off in the year	(1,572,302)
Effects of foreign exchange	(190,601)
At 31 March 2024	2,162,452
NET BOOK VALUES	
At 31 March 2024	2,162,453
At 31 March 2023	14,521,888
At 31 March 2022	11,442,403

The Company did not have any Intangible Assets as at 31 March 2022, 2023 and 2024.

	Group 31 March 2024 £	Group 31 March 2023 £	Company 31 March 2024 £	Company 31 March 2023 £
Non-current assets classified as held for sale	79,606	513,109	–	–
	79,606	513,109	–	–

During the year the Group received an offer of US$100,000 to purchase the gold projects at Djelibani Sud, Nangalasso, Sotian and Tiedougoubougou. The carrying value of these projects was impaired by £877,422 and the projects transferred to current held as assets for sale at 31 March 2024. The assets relating to the Bougouni West project were held as assets held for sale at 31 March 2023. These assets were transferred to Kodal Mining UK Limited in November 2023 as part of the Hainan financing transaction. However, Kodal remains entitled to receive the sale proceeds (see note 18).

8. PROPERTY, PLANT AND EQUIPMENT

GROUP	Plant and machinery £
COST	
At 1 April 2022	27,633
Additions in the year	103,633
Effects of foreign exchange	137
At 1 April 2023	131,403
Disposals in the year	(101,148)
Effects of foreign exchange	(2,702)
At 31 March 2024	27,555
DEPRECIATION	
At 1 April 2022	24,324
Depreciation charge	15,308
At 1 April 2023	39,632
Disposals in the year	(25,883)
Depreciation charge	13,140
At 31 March 2024	26,889
NET BOOK VALUES	
At 31 March 2024	664
At 31 March 2023	91,771
At 31 March 2022	3,309

All tangible assets are wholly associated with exploration and development projects and therefore the amounts charged in respect of depreciation are capitalised as evaluation and exploration assets within intangible assets.

The Company did not have any Property, Plant and Equipment as at 31 March 2022, 2023 and 2024.

9. ASSOCIATED UNDERTAKING

On 15 November 2023, the Group's interest in Kodal Mining UK Limited ("KMUK") reduced to 49% as a result of Hainan's subscription for 51% of the newly issued share capital of KMUK. Prior to the transaction with Hainan, KMUK was accounted for as a subsidiary undertaking of the Group. With the reduction to a 49% interest and loss of control but retention of significant interest, KMUK has been accounted for as an associated undertaking from that date.

As a result of the transaction with Hainan, Kodal has revalued its remaining 49% stake in KMUK to fair value, reflecting the price paid by Hainan for its 51% stake, and the payment for the termination of the Suay Chin offtake agreement. This has given rise to a non-cash gain on partial disposal of a subsidiary undertaking of £30.5 million. The fair value has been used as the cost for the initial recognition of KMUK as an associate.

The assets and liabilities of KMUK at 15 November 2023 and at 31 March 2024 were:

	15 November 2023 £	31 March 2024 £
Assets		
Cash and cash equivalents	71,113,968	70,813,016
Other debtors	–	43,003
Property, plant and equipment	107,179	357,588
Intangible assets – Exploration and Evaluation	14,659,493	18,937,151
Accounts receivable	8,557,667	–
Liabilities		
Trade and other payables	(30,525,750)	(26,408,836)
Net Assets	63,912,557	63,741,922
Group's share in equity – 49%	31,317,153	31,233,543
Goodwill	26,643	26,643
Group's carrying value of the investment	31,343,796	31,260,186

Trade and other payables includes an amount of £11,144,868 payable to Suay Chin for the termination of their off-take agreement. From the date of acquisition, KMUK contributed a loss of £83,610 to the profit before tax from continuing operations of the Group:

	Period to 31 March 2024
Financing income	443,225
Administrative expenses	(482,451)
Financing costs	(131,407)
Loss before tax	(170,633)
Group's share of loss for the year	(83,610)

The associate had no contingent liabilities or capital commitments at 15 November 2023 and 31 March 2024.

10. SUBSIDIARY UNDERTAKINGS

a. AMOUNTS DUE FROM SUBSIDIARY UNDERTAKINGS

	Company 31 March 2024 £	Company 31 March 2023 £
Amounts due from subsidiary undertakings	2,998,485	14,296,318
	2,998,485	14,296,318

Under the requirements of IFRS 9 management has run various scenarios on the expected credit loss of the Company's intercompany balances, including the project being put into operation, the project being sold and the project collapsing. Management has updated its calculations reflecting:

a) additional amounts advanced to its subsidiaries for work on its gold projects during the year;

b) the status of the Group's gold licences, in particular where renewal is not considered possible and there is no prospect of recovery;

c) the expected sale proceeds where there is an expectation of a project being sold; and

d) the reduced risk of project collapse following the grant of a mining license, assessed at 5%.

The review has concluded that at 31 March 2024 a credit loss provision of £1,099,000 should be held against amounts due from subsidiaries (2023: £501,000).

b. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

The consolidated financial statements include the following subsidiary companies:

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

Kodal Minerals plc has issued a guarantee under section 479C to its subsidiary, Kodal Norway (UK) Ltd ("Kodal Norway", company number 08491224) in respect of its activities for the year ended 31 March 2024 to allow Kodal Norway to take advantage of the exemption under s479A of the Companies Act 2006 from the requirements of the Act relating to audit of its individual accounts for the year ended 31 March 2024.

CARRYING VALUE OF INVESTMENT IN SUBSIDIARIES	Year ended 31 March 2024 £	Year ended 31 March 2023 £
Opening balance	512,373	512,373
Impairment in the year	–	–
Closing balance	512,373	512,373

11. CURRENT AND NON-CURRENT RECEIVABLES

	Group 31 March 2024 £	Group 31 March 2023 £	Company 31 March 2024 £	Company 31 March 2023 £
Non-current receivables				
Receivable from the associate	4,312,785	–	4,312,785	–
	4,312,785	–	4,312,785	–
Current receivables				
Trade receivables	336,355	–	223,516	–
Receivable from the associate	3,072,398	–	3,059,202	–
Other receivables	18,604	11,175	18,604	11,175
	3,427,357	11,175	3,301,322	11,175

No receivables are past due. The Directors consider that the carrying amount of all receivables, both current and non-current,approximates their fair value and there are no expected credit losses.

Amounts receivable from the associate relate to amounts advanced to KMUK and its subsidiary undertakings, all of which is repayable on demand. £4.3 million of this balance, shown as a non-current receivable, was advanced under the terms of a facility agreement and accrues interest at a rate of 4% per annum.

12. TRADE AND OTHER PAYABLES

	Group 31 March 2024 £	Group 31 March 2023 £	Company 31 March 2024 £	Company 31 March 2023 £
Trade payables	37,369	616,877	37,369	195,041
Other payables	101,932	183,130	101,932	183,130
	139,301	800,007	139,301	378,171

All trade and other payables at each reporting date are current. The Directors consider that the carrying amount of the trade and other payables approximates their fair value.

13. SHARE CAPITAL

GROUP AND COMPANY

Allotted, issued and fully paid:

	Note	Nominal Value	Number of Ordinary Shares	Share Capital £	Share Premium £
At 31 March 2022			15,832,302,387	4,947,595	15,933,071
May 2022	a	£0.0003125	1,071,428,569	334,821	2,522,964
March 2023	b	£0.0003125	106,250,000	33,203	309,171
At 31 March 2023			17,009,980,956	5,315,619	18,765,206
May 2023	c	£0.0003125	12,500,000	3,906	43,594
November 2023	d	£0.0003125	2,937,801,971	918,064	13,251,198
November 2023	e	£0.0003125	280,833,333	87,760	564,073
At 31 March 2023			20,241,116,260	6,325,349	32,624,071

a) On 10 May 2022, a total of 1,071,428,569 shares were issued via a placing and subscription at a price of 0.28 pence per share.

b) On 20 March 2023, a total of 106,250,000 shares were issued pursuant to the exercise of options, warrants and Performance Share Rights from certain directors, senior management and consultants of the Company. The shares were issued at between 0.14 and 0.38 pence per share.

c) On 12 May 2023, a total of 12,500,000 shares were issued pursuant to the exercise of options by a former director of the Company. The shares were issued at 0.38 pence per share.

d) On 14 November 2023, 2,937,801,971 share were issued via a subscription to Xinmao Investment Co. Limited for gross proceeds of US$17.75 million.

e) On 16 November 2023, 280,833,333 shares were issued pursuant to the exercise of options, warrants and Performance Share Rights from certain directors, senior management and consultants of the Company. The shares were issued at between par and 0.38 pence per share.

14. RESERVES

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

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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

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

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

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

Market risk

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

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

Interest rate risk

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

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

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

The Group in the year to 31 March 2024 earned interest of £92,694 (2022: £nil).

Credit risk

Credit risk refers to the risk that a counterparty could default on its contractual obligations resulting in financial loss to the Group. The Group's principal financial assets are cash balances and other receivables, including receivables from the associated undertaking. The Company's financial assets also include amounts receivable from subsidiary undertakings.

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

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

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT continued

Financial instruments by category – Group

	Financial assets at amortised cost	Other financial liabilities at amortised cost	Total
31 March 2024			
Assets			
Amounts due from associated undertaking	4,312,785	–	4,312,785
Trade and other receivables	3,427,357	–	3,427,357
Cash and cash equivalents	16,326,507	–	16,326,507
Total	24,066,649	–	24,066,649
Liabilities			
Trade and other payables	–	(139,301)	(139,301)
Total	–	(139,301)	(139,301)
31 March 2023			
Assets			
Other receivables	11,175	–	11,175
Cash and cash equivalents	544,988	–	544,988
Total	556,163	–	556,163
Liabilities			
Trade and other payables	–	(800,007)	(800,007)
Total	–	(800,007)	(800,007)

Financial instruments by category – Company

	Financial assets at amortised cost	Other financial liabilities at amortised cost	Total
31 March 2024			
Assets			
Amounts due from associated undertaking	4,312,785	–	4,312,785
Trade and other receivables	3,301,322	–	3,301,322
Cash and cash equivalents	16,284,225	–	16,284,225
Total	23,898,332	–	23,898,332
Liabilities			
Trade and other payables	–	(139,301)	(139,301)
Total	–	(139,301)	(139,301)
31 March 2023			
Assets			
Amounts due from subsidiary undertaking	14,296,318	–	14,296,318
Other receivables	11,175	–	11,175
Cash and cash equivalents	425,704	–	425,704
Total	14,733,197	–	14,733,197
Liabilities			
Trade and other payables	–	(378,171)	(378,171)
Total	–	(378,171)	(378,171)

Foreign exchange risk

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

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

The Group continues to keep the matter under review as further exploration and evaluation work is performed in West Africa and other countries and will develop currency risk mitigation procedures if the significance of this risk materially increases.

The Group's consolidated financial statements have a low sensitivity to changes in exchange due to the low value of assets and liabilities (principally cash balances) maintained in foreign currencies. Once any project moves into the development phase a greater proportion of expenditure is expected to be denominated in foreign currencies which may increase the foreign exchange risk.

Financial instruments by currency – Group

	GBP	USD	ZAR	AUD	XOF	EUR	Total
31 March 2024							
Assets							
Amounts due from associated undertaking	–	4,312,785	–	–	–	–	4,312,785
Trade and other receivables	3,354,961	72,396	–	–	–		3,427,357
Cash and cash equivalents	12,477,576	3,799,067	–	–	42,282	7,582	16,326,507
Total	15,832,537	8,184,248			42,282	7,582	24,066,649
Liabilities							
Trade and other payables	(139,301)	–	–	–	–	–	(139,301)

	GBP	USD	ZAR	AUD	XOF	EUR	Total
31 March 2023							
Assets							
Other receivables	11,175	–	–	–	–	–	11,175
Cash and cash equivalents	425,704	–	–	–	119,284	–	544,988
Total	436,879	–	–	–	119,284	–	556,163
Liabilities							
Trade and other payables	(122,278)	(446,098)	(98,621)	(65,094)	(67,916)	–	(800,007)

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT continued

Financial instruments by currency – Company

	GBP	USD	ZAR	AUD	XOF	EUR	Total
31 March 2024							
Assets							
Amounts due from associated undertaking	–	4,312,785	–	–	–	–	4,312,785
Trade and other receivables	3,236,886	64,436	–	–	–	–	3,301,322
Cash and cash equivalents	12,477,576	3,799,067	–	–	–	7,582	16,284,225
Total	15,714,462	8,176,288	–	–	–	7,582	23,898,332
Liabilities							
Trade and other payables	(139,301)	–	–	–	–		(139,301)

	GBP	USD	ZAR	AUD	XOF		Total
31 March 2023							
Assets							
Amounts due from subsidiary undertakings	14,296,318	–	–	–	–	–	14,296,318
Other receivables	11,175	–	–	–	–		11,175
Cash and cash equivalents	425,704	–	–	–	–		425,704
Total	14,733,197	–	–	–	–		14,733,197
Liabilities							
Trade and other payables	(122,278)	(24,262)	(98,621)	(65,094)	(67,916)		(378,171)

Liquidity risk

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

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

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

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

Capital management

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

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

Fair value

The fair value of the financial assets and financial liabilities of the Group, at each reporting date, approximates to their carrying amount as disclosed in the Statement of Financial Position and in the related notes.

The fair values of the financial assets and liabilities are included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The cash and cash equivalents, other receivables, trade payables and other current liabilities approximate their carrying value amounts largely due to the short-term maturities of these instruments.

Disclosure of financial instruments and financial risk management for the Company has not been performed as they are not significantly different from the Group's position described above.

16. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2024, the associated undertaking repaid to the Group expenses paid on its behalf of £336,355 (2023: £nil). The balance due to the Group at 31 March 2024 was £7,385,182 (2023: £nil). Further information on the balance is shown in note 11 on page 60.

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

Robert Wooldridge, a director, is a member of SP Angel Corporate Finance LLP ("SP Angel") which acts as financial adviser and broker to the Company. During the year ended 31 March 2024, the Company paid fees to SP Angel of £32,500 (2023: £173,605). The balance due to SP Angel at 31 March 2024 was £nil (2023: £nil).

Matlock Geological Services Pty Ltd ("Matlock") a company wholly owned by Bernard Aylward, a director, provided consultancy services to the Group during the year ended 31 March 2024 and received fees of £224,694 (2023: £139,514). These fees are included within the remuneration figure shown for Bernard Aylward in note 3. The balance due to Matlock at 31 March 2024 was £nil (2023: £nil).

Geosmart Consulting Pty Ltd ("Geosmart"), a company wholly owned by Qingtao Zeng, a director, provided consultancy services to the Group during the year ended 31 March 2024 and received fees of £nil (2023: £24,627). The balance due to Geosmart at 31 March 2024 was £nil (2023: £nil).

Zivvo Pty Ltd ("Zivvo"), a company wholly owned by Steven Zaninovich, a Director, provided consultancy services to the Group during the year ended 31 March 2024 and received fees of £210,000 (2023: £140,000). These fees are included within the remuneration figure shown for Steven Zaninovich in note 3. The balance due to Zivvo at 31 March 2024 was £nil (2023: £nil).

17. CONTROL

No one party is identified as controlling the Group.

18. CAPITAL COMMITMENTS AND CONTINGENCIES

The Group had capital commitments to exploration and evaluation expenditure of £nil (2022: £nil).

With respect to the sale of Bougouni West as agreed with Leo Lithium in April 2023, one of the licences, N'kemene Ouest, has not yet been renewed by the Mali mining authorities (a sale condition), pending the completion of the new mining code and related regulations, and the moratorium on the renewal and transfer of mining concessions. Accordingly, the Company has not yet recognised the income from the sale proceeds of £1.5 million. The licence is considered to be of good standing and the renewal is expected to occur but no timing of finalisation can be provided.

The Company and KMUK have continued to be in discussion with the Ministry of Mines and the Ministry of Economy and Finance in Mali in the context of the mining licence transfer from Future Minerals to Les Mines de Lithium de Bougouni (a subsidiary undertaking of KMUK). In recent communications the ministries have sought information on various aspects of the Hainan funding transaction and the development and future operation of the Bougouni Lithium Project. There has been no challenge to the validity of the licence or to its transfer to LMLB.

At the current time, the Company cannot determine the outcome of the discussions, and hence the nature and amount of any payments or concessions which may be required, if any, and which may result in an economic outflow from the Company. The Company and KMUK will continue to work with the authorities to provide the information and explanations requested.

19. EVENTS AFTER THE REPORTING PERIOD

On 12 May 2024, the Company received notice for the exercise of warrants from an adviser to the Company to subscribe for a total of 6,250,000 ordinary shares at an exercise price of 0.38 pence per share. The exercise of the warrants generated proceeds of £23,750 for the Company.

Notice of Annual General Meeting

Kodal Minerals Plc (Registered in England and Wales No. 07220790)

Notice is hereby given that the Annual General Meeting of Kodal Minerals plc (the "**Company**") will be held at Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT on Thursday 26 September 2024 at 11:00 am for the purposes of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 to 8 (inclusive) will be proposed as ordinary resolutions and Resolution 9 will be proposed as a special resolution:

ORDINARY BUSINESS

1. To receive the audited financial statements of the Company for the financial period ended 31 March 2024 and the reports of the directors of the Company (the "**Directors**") and the auditors thereon.
2. To re-appoint David Teng as a Director, who retires in accordance with article 24.2 of the articles of association of the Company and offers himself for re-appointment.
3. To re-appoint Robert Wooldridge as a Director, who retires and offers himself for re-appointment.
4. To re-appoint Steven Zaninovich as a Director, who retires and offers himself for re-appointment.
5. To re-appoint Bernard Aylward as a Director, who retires and offers himself for re-appointment.
6. To re-appoint Charles Joseland as a Director, who retires and offers himself for re-appointment.
7. To re-appoint RSM UK Audit LLP as the auditors of the Company until the next Annual General Meeting and to authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

8. That the Directors, and any committee to which the Directors delegate relevant powers, be and they are hereby, generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "**Act**") to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company ("**Rights**") up to a maximum aggregate nominal amount of £3,163,650 and this authority will (unless renewed, revoked or varied by the Company in general meeting) expire at the conclusion of the next Annual General Meeting of the Company but the Company may, before this authority expires, make an offer or agreement which would or might require shares to be allotted or Rights to be granted after the authority expires and the Directors may allot shares or grant Rights pursuant to such offer or agreement as if the authority conferred hereby had not expired, such authority to be in substitution for any existing authorities conferred on the Directors pursuant to section 551 of the Act.
9. That, conditional on the passing of Resolution 8, the Directors, and any committee to which the Directors delegate relevant powers, be and they are hereby generally empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by Resolution 8 above as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be in substitution for any previous powers conferred on the Directors pursuant to section 570 of the Act and shall be limited to:
   a. the allotment of equity securities in connection with an issue in favour of the holders of ordinary shares of the Company in proportion (as nearly as may be) to their respective holdings of ordinary shares, subject only to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements, legal or practical problems arising in any overseas territory or the requirements of any regulatory body or stock exchange in any territory; and
   b. the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £1,265,460, and the power hereby granted shall expire at the conclusion of the next Annual General Meeting of the Company save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry but otherwise in accordance with the foregoing provisions of this power in which case the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

BY ORDER OF THE BOARD	REGISTERED OFFICE
Sarah Parker Company Secretary	Prince Frederick House 35-39 Maddox Street London
3 September 2024	W1S 2PP

NOTES:

ENTITLEMENT TO ATTEND, SPEAK AND VOTE

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company has specified that only those members entered on the register of members at 11:00 am on 24 September 2024 (or in the event that this meeting is adjourned, on the register of members 48 hours excluding non-business days before the time of any adjourned meeting) shall be entitled to attend, speak and vote at the meeting in respect of the number of ordinary shares in the capital of the Company held in their name at that time. Changes to the register after 11:00 am on 24 September 2024 shall be disregarded in determining the rights of any person to attend, speak and vote at the meeting.

APPOINTMENT OF PROXIES

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

3. You can register your vote(s) for the Annual General Meeting either:

   - by visiting www.shareregistrars.uk.com, clicking on the "Proxy Vote" button and then following the on-screen instructions (you can find your log-in details for the on-line portal on the top of your proxy form);
   - by post or by hand to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX using the proxy form accompanying this notice;
   - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in notes 7 to 10 below.

   In order for a proxy appointment to be valid the proxy must be received by Share Registrars Limited by 11:00 am on 24 September 2024.

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

APPOINTMENT OF PROXIES USING HARDCOPY PROXY FORM

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

6. To be valid, the Form of Proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be lodged at the offices of the Company's registrars, Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX by hand, or sent by post, so as to be received not less than 48 hours excluding non-business days before the time fixed for the holding of the meeting or any adjournment thereof (as the case may be).

APPOINTMENT OF PROXIES USING CREST

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

8. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: 7RA36) by 11:00 am on 25 September 2024. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

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

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

CHANGING PROXY INSTRUCTIONS

11. To change your proxy instructions, simply submit a new proxy appointment using one of the methods set out above.

12. Note that the cut-off time for receipt of proxy appointments also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. If the Company receives more than one appointment of a proxy in respect of any one share, the appointment received last revokes each earlier appointment and the Company's decision as to which appointment was received last is final.

TERMINATION OF PROXY APPOINTMENTS

13. In order to revoke a proxy appointment, you must notify the Company by no later than 11.00 am on 24 September 2024. If you attempt to revoke your proxy appointment but the revocation is received after the time specified, your original proxy appointment will remain valid.

JOINT SHAREHOLDERS

14. In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person (including by corporate representative) or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members.

CORPORATE REPRESENTATIVES

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

EXPLANATORY NOTES TO THE RESOLUTIONS

An explanation of each of the resolutions contained in the notice of meeting is set out below.

Resolutions 1 to 8 (inclusive) will be proposed as ordinary resolutions. For an ordinary resolution to be passed, more than half of the votes cast must be in favour of the resolution.

Resolution 9 will be proposed as a special resolution. For a special resolution to be passed, at least three quarters of the votes cast must be in favour of the resolution.

Resolution 1 - This resolution seeks approval from shareholders for the receipt of the directors' and auditors' reports and the financial statements of the Company for the year ended 31 March 2024.

Resolution 2 - This resolution seeks approval from shareholders to re-appoint David Teng as a director of the Company ("**Director**"), who retires in accordance with article 24.2 of the articles of association of the Company (the "**Articles**") and offers himself for re-appointment.

Resolutions 3 to 6 – The Articles require that at each Annual General Meeting of the Company, one third of the Directors for the time being (or their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office. However, the Directors have chosen to adopt the recommendations of the Quoted Companies Alliance that all directors should seek re-election annually. Accordingly, these resolutions seek approval from shareholders to re-appoint Robert Wooldridge, Steven Zaninovich, Bernard Aylward and Charles Joseland as Directors, who each retire and offers himself for re-appointment.

Resolution 7 - This resolution seeks approval from shareholders to reappoint RSM UK Audit LLP as the auditors of the Company and to authorise the Directors to fix their remuneration as they see fit.

Resolution 8 - This resolution, to be proposed as an ordinary resolution, relates to the grant to the Directors of the authority to allot ordinary shares and grant rights to subscribe for or convert securities into ordinary shares with such authority expiring at the conclusion of the next Annual General Meeting of the Company, unless the authority is renewed or revoked prior to such time. This authority is limited to the issue of a maximum of 10,123,680,000 ordinary shares (representing approximately 50 per cent. of the Company's entire issued share capital as at the date of this notice). This is consistent with the level of authority approved at the Company's previous Annual General Meeting.

Resolution 9 - The Companies Act 2006 (the "**Act**") requires that, if the Directors decide to allot ordinary shares in the Company for cash, the shares proposed to be issued be first offered to existing shareholders in proportion to their existing holdings. These are known as shareholders' pre-emption rights. However, to act in the best interests of the Company the Directors may require flexibility to allot shares for cash without regard to the provisions of Section 561(1) of the Act. Therefore, this resolution, to be proposed as a special resolution, seeks authority to enable the Directors to allot equity securities for cash free of such pre-emption rights, with such authority expiring at the conclusion of the next Annual General Meeting of the Company. This authority is limited to the allotment of a maximum of 4,049,472,000 ordinary shares for cash, free of pre-emption rights (representing approximately 20 per cent. of the Company's entire issued share capital as at the date of this notice).

ISSUED SHARES AND TOTAL VOTING RIGHTS

As at 6.00 p.m. on 2 September 2024, the Company's issued share capital comprised 20,247,366,260 ordinary shares of £0.0003125 each fully paid. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 2 September 2024 is 20,247,366,260. The Company does not hold any shares in treasury.

Notes

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Kodal Minerals

35 - 39 Maddox Street
London
W1S 2PP

+44 (0) 20 3463 2260

PR & IR: info@stbridespartners.co.uk