

Registration number 07220790 (England and Wales)

KODAL MINERALS PLC
GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

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KODAL MINERALS PLC

COMPANY INFORMATION

DIRECTORS	Luke Bryan Markus Ekberg David Jones Robert Wooldridge
SECRETARY	Weaver Financial Limited Stapeley House London Road Nantwich CW5 7JW
COUNTRY OF INCORPORATION	England and Wales
REGISTERED NUMBER	07220790
REGISTERED OFFICE	Prince Frederick House 35-39 Maddox Street London W1S 2PP
NOMINATED ADVISOR	Allenby Capital Limited 3 St Helen's Place London EC3A 6AB
SOLICITORS	Field Fisher Waterhouse LLP Riverbank House 2 Swan Lane London EC4R 3TT
FINANCIAL ADVISER & BROKER	SP Angel Corporate Finance LLP Prince Frederick House 35-39 Maddox Street London W1S 2PP
AUDITOR	Baker Tilly UK Audit LLP 25 Farringdon Street London EC4A 4AB
SHARE REGISTRARS	Share Registrars Limited Suite E, First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL

**HIGHLIGHTS
FOR THE YEAR ENDED 31 MARCH 2015**

The year ended 31 March 2015 has been a one of mixed results for Kodal Minerals plc (“Kodal Minerals” or the “Company” and with its subsidiaries the “Group”); operationally much has been achieved, however the capital markets were challenging places for most junior mining companies and the Company has been under pressure along with the rest of the sector. In addition the price of iron ore has continued to fall thus negatively impacting the potential of the Group’s titanomagnetite and phosphate deposit in southern Norway referred to as the Kodal Project. The Company has responded to the change of circumstances by pegging new exploration ground at very low cost and taking advantage of lower prices for exploration services.

Grimeli Project

- In July 2014, the Group was granted three exploration licences over 30 sq km and covering three historic copper mines. The Company refers to these licences as the Grimeli Project.
- A ground based geophysics programme (magnetics) was completed to support and expand upon results from a survey completed by the Norwegian Geological Survey (“NGU”) in about 1980. In total the survey yielded 3,200 metres of anomalous results spread over multiple horizons.
- Underground channel sampling was carried out in the old underground mines. Very encouraging results were obtained including 7.24% copper over 1.74 metres.
- Given the positive results from the geophysics and channel sampling a 2,000 metre diamond drilling programme was started in February 2015.
- The highest grades returned were 8.39% Copper and 6.98% Zinc. This was the first time zinc mineralisation had been encountered.

Kodal Project

- The price of iron ore (62% Fe) halved from US\$112 per tonne in March 2014 to US\$57 per tonne in March 2015, and has continued to fall since, reaching a low of US\$47 per tonne.
- In light of the fall in iron ore prices and in the absence of market expectations for it to recover significantly, the Company has decided to cease all major expenditure on the Kodal Project while continuing to expend very limited funds to progress the planning process.
- During the year work on the Kodal Project was focused on progressing the low cost environmental and planning processes. Environmental baseline studies were completed and public meetings were held in both Larvik and Andebu municipalities.
- The Company is currently working with the municipalities of Larvik and Andebu to approve the format of the Environmental and Social Impact Assessment (“ESIA”). There is no prescribed duration for this process and so the timing of the approval is uncertain.
- In March 2014 the Group was granted 7 new exploration licences by the Norwegian Directorate of Mining covering an area of nearly 20 sq km around the Kodal Project, including an area in which a geophysical anomaly has historically been reported. Mapping of the entire exploration licence area was completed and two new areas of mineralised outcrop were identified.

Financial Highlights

- Following an impairment review triggered by the dramatic fall in the iron ore price, the carrying value of the Kodal Project was written off in full resulting in an impairment charge of £3,412,000.

KODAL MINERALS PLC

HIGHLIGHTS FOR THE YEAR ENDED 31 MARCH 2015

- Including the Kodal Project impairment charge, for the year to 31 March 2015 the Group showed a loss of £3,960,000 (2014: loss of £231,000).
- At 31 March 2015, the Group had cash balances of £307,000 compared with £1,501,000 at 31 March 2014.
- After the end of the financial year, in May 2015, the Company raised £0.4 million (before expenses) by way of a placing of 222,222,222 ordinary shares at 0.18 pence.

In early 2014, the Board made the decision to acquire additional mineral exploration licences in Norway. This decision was based upon the realisation that the planning process for the continued development of the titanomagnetite and phosphate deposit in Southern Norway (referred to as the “Kodal Project”) was going to be slower than anticipated coupled with a degree of apprehension about the future of the iron ore price. The decision to stay in Norway was relatively easy as the Company’s operations were already established there and early research had identified possible areas of interest. The Company started a review of publicly available information and arrived at a shortlist of projects which were visited by the Company’s technical staff in spring of 2014. An area in Western Norway covering former copper mines, referred to as the Grimeli Project, was identified as being the most prospective, and the Group applied to the Norwegian Directorate of Mining for three exploration licences covering this area. The licences were acquired in June 2014 at a cost of approximately £300.

By mid October 2014, the historic copper mines covered by these licences had been accessed, surveyed and channel sampled and a surface magnetic survey had been completed. The results from this were announced in early November 2014. The Company was excited to be able to announce a best channel result of 7.24% copper over 1.74 metres along with three other results between 4% and 5% copper. These excellent results were very encouraging and the Company committed to a 2,000 metre diamond drill programme to test a number of targets for possible mineralisation.

Kodal Project impairment

Unfortunately the price of iron ore has fallen dramatically during the year from US\$112 per tonne (62% Fe) in March 2014 to US\$57 per tonne in March 2015, reaching a low of US\$47 per tonne. The preliminary design for the Kodal Project was for a mine producing six hundred thousand tonnes of titanomagnetite per year and, at the time of listing Kodal Minerals plc in December 2013, it was anticipated that revenue from iron ore sales would contribute approximately half of the project’s revenue. The fall in price has eliminated this income stream and rendered the overall project uneconomic at current prices. Following an impairment review of the Kodal Project, the directors have determined to impair the carrying value of the project resulting in a charge to income in the year to 31 March 2015 of £3,411,664. The Group will not commit substantial further funds to the development of the Kodal Project given the current market conditions.

The extraction licences at Kodal do not expire until July 2023 and the Company may be able to renew them for a further 10 years. The Company will continue to monitor both iron ore and phosphate prices and will recommence development of the Kodal Project once conditions support that decision. In the meantime, the Company believes the Kodal Project remains one of the most significant and technically advanced phosphate resources in Europe.

Grimeli Project

The Grimeli Project was the focus of the majority of the Group’s activity during the year and almost all of the exploration work.

In July 2014, the Group was granted three exploration licences by the Norwegian Directorate of Mining covering 30 sq km. The Company refer to these licences as the Grimeli Project.

Size and Location

The three contiguous licences (Grimeli 1 – 3) cover a total of 30 sq km and also cover three previously producing copper mines. The nearest substantial town is Førde, a municipality in the county of Sogn og Fjordane in western Norway which is approximately 50 km to the east of the project area. The licences are approximately 130 km north of Bergen.

The exploration licences are valid for seven years to July 2021.

Historic Production

The licence area covers three former copper mines:

- a. Grimeli mine: The Grimeli copper mine was in production over three periods from 1759-1776, 1854-1883 and 1906 -1920. The underground workings extend over two areas, the first approximately 200m vertical by 200m horizontal and the second about half those dimensions according to a mine plan dated 1929. At this stage it is thought that the Grimeli mines produced a hand cobbled high grade copper ore which was exported to England for smelting.
- b. Vågendal mine: Vågendal was in operation as an underground copper mine between 1871 and 1880.

The Grimeli and Vågendal historic copper mines are located on opposite sides of a long hill forming a peninsular. The Grimeli copper mines, the larger of the two mining areas, is located within three hundred metres of the coast while the smaller Vågendal mine is located 7 km away to the east. The Company has traced a surface gossan for 1.6 km east toward Vågendal from Grimeli, encountering several historic test pits in the process before losing the trace under superficial cover.

The Company explored all the accessible mine openings at Grimeli and Vågendal. It appears the mineralisation was typically 1.5 to 3.0 metres wide.

Previous Works and Reports

The Company has located a number of historic reports in Norwegian and German most of which have been translated. While of interest and of some help in approximating the location of some physical features, the reports were on the whole of limited use due to either their age and lack of relevant geological or engineering comment or the fact that the more recent ones were completed after production had ended. No credible grade or production figures were obtained.

Of more interest was work completed by the Norwegian Geological Survey (NGU) in 1979 and 1981. The NGU conducted geophysical surveys east from Grimeli and west from Vågendal but apparently did not connect the two surveys, with some 5 km of untested ground between them. The diagram below shows the NGU geophysics and interpreted mineralised horizons over the old Grimeli mining area.

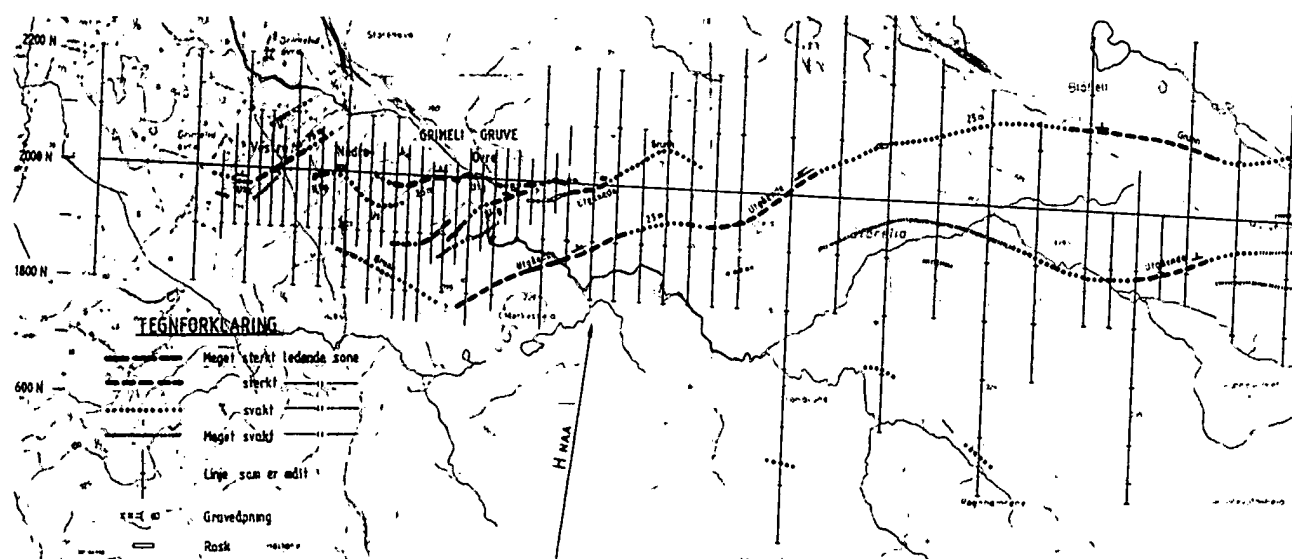


Diagram 1: NGU geophysics data at Grimeli Project

Geology

The mineralisation at Grimeli is hosted within the Solund-Stavfjord ophiolite complex and varies between massive sulphide and disseminated mineralisation along a number of closely associated stratiform horizons, with chalcopyrite, sphalerite and pyrite being the principal sulphides. At the time of acquiring the licences the Company believed there was potential for the recovery of both copper and zinc from the area although there was no evidence of zinc mineralisation in the mine spoil dumps.

Exploration Programme and Results

A ground based geophysics programme (magnetics) was completed over the most accessible parts of the Grimeli Project in September/October 2014. The results supported and expanded upon results from a survey completed by the Norwegian Geological Survey in about 1980. In total the survey yielded 3,200 metres of anomalous results spread over multiple horizons

Underground channel sampling was carried out in the old underground mines as announced in November 2014. Very encouraging results were obtained including:

Interval (m)	% Copper
1.74	7.24
0.96	4.93
0.50	4.89
0.86	4.70
0.50	4.19

Table 1: Channel sample results at Grimeli.

Given the positive results from the geophysics and channel sampling, a 2,000 metre diamond drilling programme was started in February 2015. The results of this programme were announced in March 2015 and August 2015. Zinc mineralisation was encountered for the first time and the highest grades returned were 8.39% Copper and 6.98% Zinc (included within the intersections below).

The results included the following intersections:

Interval (m)	% Copper	% Zinc
0.97	6.39	0.82
0.50	4.29	6.98
0.51	4.92	0.82
0.48	2.77	1.10
1.00	0.26	2.44

Table 2: Channel sample results at Grimeli

A total of 21 holes were drilled from two groups of locations. The first group are adjacent to the access road to the site. The second group are on a plateau approximately 200 vertical metres above the first location. The drilling positions were limited by rugged topography.

The results listed in Table 2 above represent a previously un-mined, vein-like massive sulphide occurrence which has been defined over 150 metres strike and remains open in all directions. This occurrence is positioned adjacent to the old mining areas and has no surface expression. This confirms the potential for blind ore bodies nearby the former mines.

As part of the drilling programme the Company re-established a vehicle track up the mountain and now has limited four wheel drive access to the plateau rising from about 200 metres above sea level.

Future Plans

The recently completed drill programme on the Grimeli Project was designed to test a number of horizons defined by historic geophysics and in the process provide the Company with information to guide future exploration efforts. Overall the programme was successful with the earlier holes locating a new high grade copper and zinc occurrence and the later drilling higher up the mountain returning wide intersections of iron sulphides which had negligible copper or zinc. However, the current geophysics does not appear to distinguish between the high grade copper zinc zones and the non-economic disseminated iron sulphides. The Company is currently assessing alternative techniques that may assist in targeting future drilling locations.

Kodal Project

Description of the Kodal Project

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

The Kodal Project area is covered by three contiguous extraction licences issued by the Norwegian Directorate of Mining which expire in July 2023. The location of the Kodal Project extraction licences is shown below.

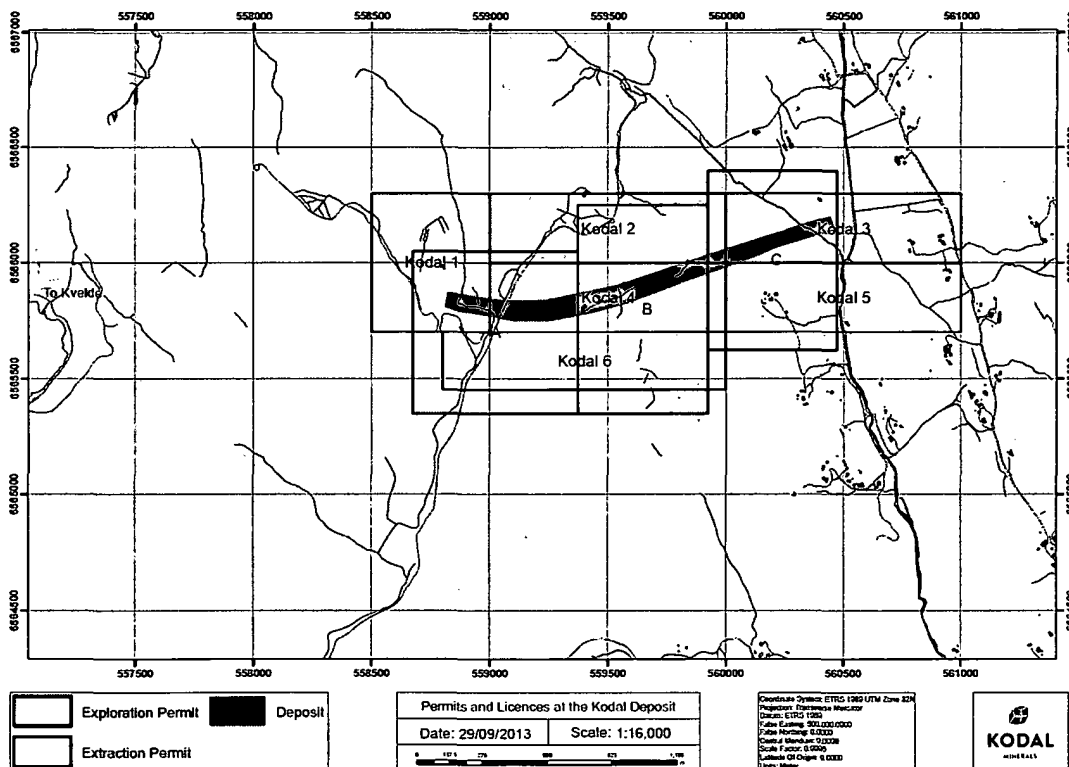


Diagram 2: Location map of the Kodal Project concessions

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

The first phase was completed between 1960 and 1963 with 40 shallow (less than 50 metres) diamond drill holes over 20 profiles with subsequent follow-up drilling between 1974 and 1975 when an additional 20 diamond drill holes were drilled. These additional holes are deeper, with depths ranging from 110 to 550 metres.

More recently, Kodal Minerals drilled seven diamond drill holes in 2012, comprising 918 metres of drilling designed to verify historical drill data. A summary of drilling undertaken on the Kodal Project is set out in Table 3 below.

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

Table 3: Drill results at the Kodal Project

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

Historic data has been validated in three ways:

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

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

The Kodal Project has a JORC compliant total Indicated Resource of 14.6 million tonnes (Mt) at 2.26% P (5.18% P₂O₅) and 24.12% Fe with an Inferred Resource of 34.3 Mt at 2% P (4.59% P₂O₅) and 20.38% Fe. Table 4 below sets out a summary of the Kodal Project resource by status.

Category	Gross					Net attributable					Operator
	Tonnes (millions)	Grade		Contained Metal		Tonnes (millions)	Grade		Contained Metal		
		P ₂ O ₅ (%)	Fe (%)	P ₂ O ₅ (Mt)	Fe (Mt)		P ₂ O ₅ (%)	Fe (%)	P ₂ O ₅ (Mt)	Fe (Mt)	
Ore/Mineral reserves per asset	-	-	-	-	-	-	-	-	-	-	
Proved	-	-	-	-	-	-	-	-	-	-	
Probable	-	-	-	-	-	-	-	-	-	-	
Sub-total	-	-	-	-	-	-	-	-	-	-	
Mineral resources per asset											
Measured	-	-	-	-	-	-	-	-	-	-	
Indicated	14.6	5.18	24.1	0.76	3.52	14.6	5.18	24.1	0.76	3.52	Kodal Minerals
Inferred	34.3	4.59	20.0	1.58	6.99	34.3	4.59	20.0	1.58	6.99	Kodal Minerals
Sub-total	48.9	4.77	21.49	2.34	10.51	48.9	4.77	21.49	2.34	10.51	Kodal Minerals
Total	48.9	4.77	21.49	2.34	10.51	48.9	4.77	21.49	2.34	10.51	Kodal Minerals

Table 4: Summary resources at the Kodal Project by status

Exploration Permits

The Group holds seven exploration permits covering a total land area of 19.795 sq km which surround the three Kodal Project extraction licences.

These licences include a reported positive magnetic and gravity anomaly identified by ground geophysics. The Company has three reports detailing geophysics in the project area dated 1973, 1976 and 1983 by various authors including the Norwegian Geological Survey ("NGU").

Kodal Minerals has completed geological mapping of the entire exploration licence during the year and followed up with a limited number of ground magnetic lines to check the response.

Exploration Results

The surface mapping identified two areas of anomalous mineralisation which were previously unknown. Grade data to date has been obtained by using a handheld X-Ray Fluorescence unit ("XRF") to test samples of surface outcrop taken from the anomalous areas. Outcrop is limited and so these grades cannot be regarded as anything more than indicative.

The XRF grade of the Western anomaly sample is 7.8% P₂O₅ which is substantially higher than the JORC compliant Indicated Resource grade of 5.18 %P₂O₅.

A preliminary ground magnetic survey over the Southern anomaly revealed a 300 metre long magnetic high which is open to the east. No detailed dimensions are available at this stage. A laboratory assay grade from the outcrop was 3.1% P₂O₅.

Environmental Baseline Studies

Environmental baseline studies were completed during the year. These studies covered all areas thought to be required by the Norwegian planning process and legislation. The areas of study were aquatic ecology, social baseline, community perception, fauna, recreation, forestry/agriculture land use, flora and vegetation and insects. The results have broadly been within expectations.

Change of Land Use Application

In 2013, based on the advice of local planning consultants, the Group submitted applications to the Larvik and Andebu municipalities (the two local municipalities in which the Kodal Project is located) for change of land use permission to allow mining operations to be undertaken. This planning route is typically available for small projects. Given the scale of the Kodal Project, the municipalities advised the Company that a more extensive process was required. This step in itself did not constitute a delay. Subsequently, the Company has been engaging with both municipalities to agree the format of the ESIA prior to it being submitted to a public review. If accepted then post review the Company has a defined list of requirements which, if satisfied, may lead to the granting of operational permits. There is no prescribed duration for this process and so the timing of the approval is uncertain.

During the year the Company held two public meetings as part of the planning process, one in Larvik and one in Andebu. Both were very well attended.

Future Capital Requirements

The Group will not commit substantial further funds to the development of the Kodal Project given the current market conditions. The extraction licences at Kodal do not expire until July 2023 and the Company may be able to renew them for a further 10 years. The Company will continue to monitor both iron ore and phosphate prices and will recommence development of the Kodal Project once conditions support that decision. In the meantime the Kodal Project remains one of the most significant and technically advanced phosphate resources in Europe.

Given the fall in iron ore prices the Kodal Project is not currently economically viable. Should iron ore prices recover to approximately US\$130 per tonne or above the Board will evaluate the project and may restart development. Until that time there is no capital requirement at the Kodal Project.

Future Plans

The Company intends to retain the Kodal extraction licenses as they represent a very good option on world phosphate prices. They have low holding costs and are well located.

Financing

Following the end of the financial year the Company raised £400,000 (before expenses) from the issue of 222,222,222 ordinary shares of £0.0003125 in the Company at a price of 0.18 pence per share. The shares were placed with new investors and existing shareholders of the Company. The net proceeds from the placing will be used to continue exploration work at the Grimeli Project and for general corporate purposes.

Going concern and funding

The Group has not earned revenue during the year to 31 March 2015 as it is still in the exploration and development phases of its business. The operations of the Group are currently being financed from funds which the Company has raised from the issue of new shares.

As at 31 March 2015, the Group held cash balances of £307,000. In May 2015, the Group raised a further £400,000 by way of a placing of new shares. The Group's cash balances at 31 August 2015 were £293,000.

The Directors have prepared cash flow forecasts for the period ending 30 September 2016. The forecasts include the unavoidable running costs of the Group and limited discretionary exploration and development expenditure. The forecasts demonstrate that the Group has sufficient cash resources available to allow it to continue as a going concern and meets its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements without the need for a further fund raising. However, further fund raising will be required at an appropriate time in order to complete the Grimeli Project and the Kodal Project. Accordingly, the financial statements have been prepared on a going concern basis.

Utilising key performance indicators ("KPIs")

At this early stage of its exploration and development activities, Kodal Minerals does not consider KPIs to be a relevant performance metric.

Outlook

In the light of the broad commodity sell off, it appears there may be a prolonged period of challenging conditions ahead for the Group. The Board has reacted to this by diversifying its project risk and will continue cautiously to progress its projects whilst continuing to appraise further low cost opportunities to create value. In light of the initial success at Grimeli Project, for example, the Group may apply for additional exploration licences in Norway or elsewhere.

The results from the work completed at the Grimeli Project are very encouraging. Multiple high grade results from 4% to over 8% seem to confirm the historic mines were very high grade by current standards. More importantly the discovery of a massive sulphide body with up to over 8% copper and almost 7% zinc show the project has exploration potential. The Company will reassess the geophysical data in the light of the drill results and consider how best to move forward.

Luke Bryan
CEO

3 September 2015



KODAL MINERALS PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2015

The Directors present their report, together with the audited consolidated financial statements for Kodal Minerals Plc for the year ended 31 March 2015.

The Company is registered in England and Wales, having been incorporated on 13 April 2010 under the Companies Act 2006 with registration number 07220790 as a private company limited by shares. On 30 December 2013 its shares were admitted to trading on the AIM Market of the London Stock Exchange.

Principal activity

The Company was incorporated for the purposes of exploring and developing mineral assets.

Domicile and principal place of business

Kodal Minerals Plc is domiciled in the United Kingdom. Its principal place of business as at 31 March 2015 was Norway.

Directors

The following Directors held office during the year:

David Jones	
Luke Bryan	
Markus Ekberg	
Robert Wooldridge	
Guy Eastaugh	Resigned 21 January 2015
Emin Eyi	Resigned 21 January 2015

Biographical details of the Directors

David Harold Jones CBE (Chairman, Non-executive Director)

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

Luke Robert Bryan (Chief Executive Officer)

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

Markus Ekberg (Non-executive Director)

Mr Ekberg is a director and 50% shareholder of Tetra Minerals Oy ("Tetra") which holds 250,000,000 shares in Kodal Minerals, representing approximately 23.8% of the issued share capital, and was appointed as a representative of Tetra. Markus has nearly 30 years' experience in the management and construction of mines and mining projects, particularly with projects involving base metals, gold and chromium. His experience covers participation in various projects in Finland, Norway, Ireland and Australia. Since 2009 he has been the CEO of Endomines AB, a company listed on NASDAQ OMX in Helsinki and Stockholm, which owns a producing gold mine in Finland.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2015**

Robert Ian Wooldridge (Non-executive Director)

Robert is currently a partner at SP Angel Corporate Finance LLP. After graduating with a degree in Natural Sciences from Cambridge University, he spent eight years at PricewaterhouseCoopers International Limited, qualifying as a chartered accountant in 1989. He left in 1994 to join the international equity capital markets division of HSBC Investment Bank where he spent a further eight years and was responsible for completing a number of landmark equity transactions across Europe, India and the Middle East & Africa. In 2003 he joined an investment banking boutique, to head up its corporate finance and securities operation and was then one of the founding partners of SP Angel in 2006. SP Angel is an independent corporate finance and broking operation which focuses on advising small and mid-cap companies in the mining, oil and gas, property and technology sectors.

Directors' interests

The beneficial interests in the Company's shares and share options of the current Directors and their families, as at 31 March 2015 are as follows:

Directors	Shares 31 March 2015	Shares 31 March 2014	Notes
David Jones	7,808,000	7,808,000	
Luke Bryan	48,500,000	48,500,000	1 & 2
Markus Ekberg	250,000,000	250,000,000	3
Robert Wooldridge	50,417,949	50,081,477	4

Note 1: Held by Novoco Mine Engineering Limited ("Novoco"), a company wholly owned by Luke Bryan.

Note 2: Under an option agreement between the Group and Novoco, the Company has granted to Novoco options over 25,000,000 Shares ("Option Shares") at an exercise price of 0.7 pence per share. The options become exercisable in respect of one third of the total number of Option Shares on each of the first, second and third anniversaries of 30 December 2013. The options are exercisable for a period of ten years from the date on which they vest and become exercisable.

Note 3: These shares are held by Tetra Minerals Oy, a company in which Markus Ekberg is a director and 50% shareholder.

Note 4: Robert Wooldridge is a partner of SP Angel Corporate Finance LLP which owns 34,950,857 shares.

Directors' and Officers' liability insurance

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

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 are required by the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2015**

have elected under company law to prepare the Company financial statements in accordance with IFRS as adopted by the EU.

The financial statements are required by law and IFRS as adopted by the EU to present fairly the financial position of the Group and the Company and the financial performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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

In preparing the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

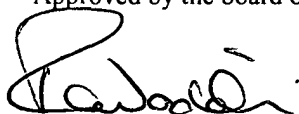
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose, with reasonable accuracy at any time, the financial position of the Group and the Company and enable them to ensure that the financial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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors and Annual General Meeting

Baker Tilly UK Audit LLP offer themselves for reappointment as auditors in accordance with section 489(4) of the Companies Act 2006. A resolution to reappoint Baker Tilly 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 3 September 2015.



Robert Wooldridge
Director

Introduction

While not mandatory for an AIM company, the Directors take due regard, where practical for a company of this size and nature, of certain provisions of the principles of good governance and code of best practices under the UK Corporate Governance Code. The disclosures presented herein are limited and are not intended to constitute a corporate governance statement.

Directors

The Company supports the concept of an effective board leading and controlling the Group. The Board is responsible for approving Group policy and strategy. It meets on a regular basis and has a schedule of matters specifically reserved for decision. Procedures are in place for operational management to supply the Board with appropriate and timely information and the Directors are free to seek any further information they consider necessary.

The Directors that served during the year are detailed on page 13. The Non-Executive Chairman of the Board is David Jones.

Relations with shareholders

The Company values the views of its shareholders and recognises their interest in the Group's strategy and performance. The Annual General Meeting will be used to communicate with private investors and they are encouraged to participate. The Directors will be available to answer questions. Separate resolutions will be proposed on each issue so that they can be given proper consideration and there will be a resolution to approve the annual report and accounts.

Internal control

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

The Audit and Risk Committee comprises David Jones, Markus Ekberg and Robert Wooldridge and is chaired by David Jones. It meets at least twice a year to consider the integrity of the financial statements of the Group, including its annual and interim accounts, the effectiveness of the Group's internal controls and risk management systems, auditor reports, and terms of appointment and remuneration for the auditors.

The Remuneration Committee performs both remuneration and nomination functions and comprises David Jones, Markus Ekberg and Robert Wooldridge and is chaired by David Jones. It meets as and when required. The purpose of the remuneration function is to ensure that the executive directors are fairly rewarded for their individual contributions to the overall performance of the Group, to determine all elements of the remuneration of the executive directors and to demonstrate to the Group's shareholders that the remuneration of the executive directors is set by a Board committee whose members have no personal interest in the outcome of the committee's decision and who will have appropriate regard to the interests of the shareholders.

The purpose of the nomination function is to identify and nominate new directors to the Board as considered necessary.

The Board has considered the need for an internal audit function but has decided the size and complexity of the Group does not justify it at present. However, it will keep this decision under annual review.

**REPORT ON REMUNERATION
FOR THE YEAR ENDED 31 MARCH 2015**
Directors' remuneration

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

Policy on Directors' remuneration

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

The amounts shown as "Share option expense" relate to a theoretical calculation of the non-cash cost to the Group of the share options granted to the directors, further details of which are provided in Note 5. These do not represent cash payments to the Directors either made in the past or due in the future.

The remuneration of the Directors who served during the year ended 31 March 2015 was as follows:

	Fees and salary year to 31 March 2015 £	Share based payments year to 31 March 2015 £	Total year to 31 March 2015 £	Total year to 31 March 2014 £
Luke Bryan *	50,000	55,347	105,347	28,472
Guy Eastaugh	16,154	-	16,154	5,000
Markus Ekberg	20,000	-	20,000	767
Emin Eyi **	15,000	-	15,000	5,000
David Jones	30,000	-	30,000	7,500
Robert Wooldridge	20,000	-	20,000	5,000
	<u>151,154</u>	<u>55,347</u>	<u>206,501</u>	<u>51,739</u>

* Novoco Mine Engineering Limited, a company wholly owned by Luke Bryan, provided consultancy services to the Group during the year and received fees of £168,500 (2014: £100,000).

** The fee paid to Emin Eyi was settled by the allotment of 4,018,127 shares at various prices ranging from 0.743 pence per share to 0.262 pence per share during the year to 31 March 2015.

Directors' service contracts

Luke Bryan. The Service Agreement between the Company and Luke Bryan appointed him as an executive director of the Company to hold office as Chief Executive on a salary of £50,000 per annum. His appointment is subject to six months' notice of termination by either party. In addition, the Company is obliged to make payments to Luke Bryan on termination of his Service Contract (which are inclusive of compensation for termination of his employment): if Luke Bryan ceases to be employed as a result of wrongful dismissal, illness or retirement, he is to be paid the sum of £150,000; if he ceases to be employed for other reasons, other than his resignation, voluntary termination or dismissal for cause, he will be paid the sum of £75,000; and Luke Bryan will have no entitlement to compensation if he leaves employment by resigning or giving notice voluntary or if he is dismissed for good cause and does not have a valid claim for wrongful dismissal. Luke Bryan may also provide consultancy services to the Company.

**REPORT ON REMUNERATION
FOR THE YEAR ENDED 31 MARCH 2015**

Markus Ekberg. The letter of appointment for Markus Ekberg is for the position of non-executive Director with effect from 19 March 2014 with an annual fee of £20,000. He was originally appointed under the terms of the agreement between the Company, Allenby Capital Limited and Tetra Minerals OY ("Tetra Minerals), which gave Tetra Minerals the right to appoint a representative to the Board whilst Tetra Minerals together with any associate retained an interest of 30% or more of the voting rights in the Company.

David Jones. The letter of appointment for David Jones is for the position of non-executive Chairman of the Company. The terms of this letter provide for a monthly fee of £2,500. The appointment is subject to 3 months' notice of termination by either party. No compensation will be payable for loss of office and the appointment may be terminated immediately if, among other things, Mr. Jones is in material breach of the terms of the appointment.

Robert Wooldridge. The letter of appointment with Robert Wooldridge is for the position of non-executive Director of the Company. The terms of this letter provide for an annual fee of £20,000 and is subject to 3 months' notice of termination by either party. No compensation will be payable for loss of office and the appointment may be terminated immediately if, among other things, Robert Wooldridge is in material breach of the terms of the appointment.

Pensions

The Company does not operate a pension scheme for Directors or employees.

We have audited the group and parent company financial statements ("the financial statements") on pages 20 to 48. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on pages 13 to 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion

- the financial statements give a true and fair view of the state of the group's and the parent's affairs as at 31 March 2015 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union
- the parent financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union 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.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the Principal Accounting Policies on page 25 to the financial statements concerning the company's and the group's ability to continue as a going concern. The group incurred a net loss of £3,959,576 during the year ended 31 March 2015 and is dependent on further fund raising to complete its Exploration and Evaluation Projects. These conditions, along with the other matters explained in the Principal Accounting Policies to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's and the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company and the group were unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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

Baker Tilly UK Audit LLP

GRAHAM RICKETTS (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

3 September 2015

KODAL MINERALS PLC
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Continuing operations			
Revenue		-	-
Impairment of exploration and evaluation assets	7	(3,411,664)	-
Administrative expenses		(459,435)	(195,151)
Share based payments	5	(88,555)	(33,056)
OPERATING LOSS		(3,959,654)	(228,207)
Finance costs		-	(4,500)
Finance income		78	2
LOSS BEFORE TAX	2	(3,959,576)	(232,705)
Taxation	6	-	-
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		(3,959,576)	(232,705)
Discontinued operations			
Profit after tax for the year from discontinued operations	15	-	1,238
LOSS FOR THE YEAR		(3,959,576)	(231,467)
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to profit or loss			
Currency translation gain/(loss)		3,287	(245)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(3,956,289)	(231,712)
Loss per share			
Basic and diluted – earnings per share on continuing operations - pence per share	4	(0.5107)	(0.0688)
Basic and diluted – earnings per share on total earnings - pence per share	4	(0.5107)	(0.0684)

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

KODAL MINERALS PLC
**CONSOLIDATED AND PARENT COMPANY STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2015**

Registered number: 07220790

	Note	Group 31 March 2015 £	Group 31 March 2014 £	Company 31 March 2015 £	Company 31 March 2014 £
NON CURRENT ASSETS					
Intangible assets	7	298,741	2,944,069	-	-
Property, plant and equipment	8	119,860	77,157	-	-
Amounts due from subsidiary undertakings		-	-	-	2,554,211
Investments in subsidiary undertakings	9	-	-	476,752	900,010
		<u>418,601</u>	<u>3,021,226</u>	<u>476,752</u>	<u>3,454,221</u>
CURRENT ASSETS					
Other receivables	10	28,095	82,994	29,690	73,330
Cash and cash equivalents		<u>306,843</u>	<u>1,501,343</u>	<u>301,431</u>	<u>1,332,834</u>
		<u>334,938</u>	<u>1,584,337</u>	<u>331,121</u>	<u>1,406,164</u>
TOTAL ASSETS		<u>753,539</u>	<u>4,605,563</u>	<u>807,873</u>	<u>4,860,385</u>
CURRENT LIABILITIES					
Trade and other payables	11	<u>(83,715)</u>	<u>(97,930)</u>	<u>(62,812)</u>	<u>(85,120)</u>
TOTAL LIABILITIES		<u>(83,715)</u>	<u>(97,930)</u>	<u>(62,812)</u>	<u>(85,120)</u>
NET ASSETS		<u>669,824</u>	<u>4,507,633</u>	<u>745,061</u>	<u>4,775,265</u>
EQUITY					
Attributable to owners of the parent:					
Share capital	12	243,186	240,700	243,186	240,700
Share premium account	12	4,562,017	4,527,078	4,562,017	4,527,078
Share based payment reserve		114,111	33,056	114,111	33,056
Translation reserve		3,042	(245)	-	-
Retained deficit		<u>(4,252,532)</u>	<u>(292,956)</u>	<u>(4,174,253)</u>	<u>(25,569)</u>
TOTAL EQUITY		<u>669,824</u>	<u>4,507,633</u>	<u>745,061</u>	<u>4,775,265</u>

The financial statements were approved and authorised for issue by the board of directors on 3 September 2015 and signed on its behalf by



Robert Wooldridge
Director

KODAL MINERALS PLC
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015**

Group	Note	Attributable to the owners of the Parent					Total equity
		Share capital	Share premium account	Retained deficit	Share based payment reserve	Translation reserve	
		£	£	£	£	£	£
At 31 March 2013		54,804	249,825	(61,489)	-	-	243,140
Comprehensive income							
Loss for the year		-	-	(231,467)	-	-	(231,467)
Other comprehensive income							
Currency translation loss		-	-	-	-	(245)	(245)
Total comprehensive income for the year		-	-	(231,467)	-	(245)	(231,712)
Transactions with owners							
Proceeds from shares issued	12	81,722	2,474,212	-	-	-	2,555,934
Share issue expenses	12	-	(416,933)	-	-	-	(416,933)
Shares issued to purchase Kodal Phosphate AS	12	78,125	1,671,875	-	-	-	1,750,000
Shares in settlement of services	12	26,049	548,099	-	-	-	574,148
Share based payment		-	-	-	33,056	-	33,056
At 31 March 2014		240,700	4,527,078	(292,956)	33,056	(245)	4,507,633
Comprehensive income							
Loss for the year		-	-	(3,959,576)	-	-	(3,959,576)
Other comprehensive income							
Currency translation gain		-	-	-	-	3,287	3,287
Total comprehensive income for the year		-	-	(3,959,576)	-	3,287	(3,956,289)
Transactions with owners							
Shares in settlement of services	12	2,170	27,755	-	-	-	29,925
Transfer from share based payments reserve		316	7,184	-	(7,500)	-	-
Share based payment		-	-	-	88,555	-	88,555
At 31 March 2015		243,186	4,562,017	(4,252,532)	114,111	3,042	669,824

KODAL MINERALS PLC
**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	Share capital £	Share premium account £	Retained deficit £	Share based payment reserve £	Total equity £
Company						
At 31 March 2013		54,804	249,825	(61,489)	-	243,140
Comprehensive income						
Profit for the year		-	-	35,920	-	35,920
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	35,920	-	35,920
Transactions with owners						
Proceeds from shares issued	12	81,722	2,474,212	-	-	2,555,934
Share issue expenses	12	-	(416,933)	-	-	(416,933)
Shares issued to purchase Kodal Phosphate AS	12	78,125	1,671,875	-	-	1,750,000
Shares in settlement of services	12	26,049	548,099	-	-	574,148
Share based payment		-	-	-	33,056	33,056
At 31 March 2014		240,700	4,527,078	(25,569)	33,056	4,775,265
Comprehensive income						
Loss for the year		-	-	(4,148,684)	-	(4,148,684)
Total comprehensive income for the year		-	-	(4,148,684)	-	(4,148,684)
Transactions with owners						
Shares in settlement of services	12	2,170	27,755	-	-	29,925
Transfer from share based payments reserve		316	7,184	-	(7,500)	-
Share based payment		-	-	-	88,555	88,555
At 31 March 2015		<u>243,186</u>	<u>4,562,017</u>	<u>(4,174,253)</u>	<u>114,111</u>	<u>745,061</u>

KODAL MINERALS PLC
**CONSOLIDATED AND PARENT COMPANY STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015**

		Group Year ended 31 March 2015 £	Group Year ended 31 March 2014 £	Company Year ended 31 March 2015 £	Company Year ended 31 March 2014 £
	Note				
Cash flows from operating activities					
(Loss) / profit before tax	2	(3,959,576)	(232,705)	(4,148,684)	35,920
Adjustments for non-cash items:					
Impairment of exploration and evaluation assets	7	3,411,664	-	3,656,899	-
Share based payments		88,555	33,056	88,555	33,056
Equity settled transactions		37,425	-	37,425	-
Operating cash flow before movements in working capital		(421,932)	(199,649)	(365,805)	68,976
Movement in working capital					
Decrease / (increase) in receivables		54,899	(77,518)	43,640	(67,854)
(Decrease) / increase in payables		(14,215)	(39,025)	(22,308)	(51,835)
Net movements in working capital		40,684	(116,543)	21,332	(119,689)
Net cash outflow from operating activities		(381,248)	(316,192)	(344,473)	(50,713)
Cash flows from investing activities					
Sale of intangible assets		-	-	-	900,000
Purchase of property, plant and equipment		(75,051)	(80,614)	-	-
Purchase of intangible assets		(748,089)	(441,950)	-	(153,848)
Disposal cost for discontinued operation		-	(3,762)	-	-
Investment in subsidiary undertakings		-	-	-	(900,000)
Loans to subsidiary undertakings		-	-	(686,930)	(804,211)
Net cash outflow from investing activities		(823,140)	(526,326)	(686,930)	(958,059)
Cash flow from financing activities					
Loan received		-	900,000	-	900,000
Loan repaid		-	(900,000)	-	(900,000)
Interest received		78	2	-	-
Interest paid		-	(4,500)	-	(4,500)
Net proceeds from share issues	12	-	2,326,501	-	2,326,501
Net cash inflow from financing activities		78	2,322,003	-	2,322,001
(Decrease) / increase in cash and cash equivalents		(1,204,310)	1,479,485	(1,031,403)	1,313,229
Cash and cash equivalents at beginning of the year		1,501,343	19,605	1,332,834	19,605
Exchange gain on cash		9,810	2,253	-	-
Cash and cash equivalents at end of the year		306,843	1,501,343	301,431	1,332,834

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

KODAL MINERALS PLC

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2015

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

Basis of preparation

The consolidated financial statements of Kodal Minerals Plc are prepared in accordance with the historical cost convention and in accordance with International Financial Reporting Standards ("IFRSs"), as adopted by the European Union ("EU") and in accordance with the provisions of the Companies Act 2006. The Company's ordinary shares are quoted on AIM, a market operated by the London Stock Exchange.

Going concern

The Group has not earned revenue during the year to 31 March 2015 as it is still in the exploration and development phases of its business. The operations of the Group are currently being financed from funds which the Company has raised from the issue of new shares.

As at 31 March 2015, the Group held cash balances of £306,843. In May 2015, the Group raised a further £400,000 by way of a placing of new shares.

The Directors have prepared cash flow forecasts for the period ending 30 September 2016. The forecasts include the unavoidable running costs of the Group and limited discretionary exploration and development expenditure. The forecasts demonstrate that the Group has sufficient cash resources available to allow it to continue as a going concern and meet all its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements without the need for a further fund raising. However, further fund raising will be required at an appropriate time in order to complete the Grimeli Project and the Kodal Project. 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.

Discontinued operations

The Group reports the results of discontinued operations in the period in which they occur separately within the consolidated statement of income as "discontinued operations". All prior period consolidated statements of income are adjusted to report the results of the component within discontinued operations. In the consolidated statement of cash flows the cash flows resulting from discontinued operations are presented separately from cash flows resulting from continuing operations with prior year presentation adjusted accordingly.

Foreign currency translation

Items included in the Group's consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are presented in pounds sterling ("£"), which is the functional and presentational currency of the Parent Company and the presentational currency of the Group. End of year balances in the Group's Norwegian subsidiary undertakings were converted using an end of year rate of NOK 1 : £0.083780 (2014: NOK 1 : £0.099980).

**PRINCIPAL ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2015**

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.

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.

Cash and cash equivalents

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

Other receivables

Other receivables are carried at amortised cost less provision made for impairment of these receivables. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets' carrying amount and the recoverable amount. Provisions for impairment of receivables are included in profit or loss.

Trade and other payables

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

Provisions

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

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

Property, plant and equipment

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

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

**PRINCIPAL ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2015**

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

Investments in subsidiaries

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

Exploration and evaluation expenditure

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

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

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

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

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

- where commercial reserves have been discovered, the carrying value of the exploration and evaluation assets are reclassified as development and production assets and amortised on an expected unit 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.

Intangible assets and impairment

Externally acquired intangible assets are initially recognised at cost and subsequently amortised over their useful economic lives. Amortisation 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
----------	---------

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

In valuing equity settled transactions, no account is taken of any service and performance (vesting conditions), other than performance conditions linked to the price of the shares of the Parent Company (market conditions). Any other conditions which are required to be met in order for the Director and an external consultant to become fully entitled to an award are considered to be non-vesting conditions. Market performance conditions and non-vesting conditions are taken into account in determining the grant value.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance or service conditions are satisfied.

At each reporting date before vesting, the cumulative expense is calculated; representing the extent to which the vesting period has expired and management's best estimate of the number of equity instruments that will ultimately vest. The movement in the cumulative expense since the previous reporting date is recognised in the profit and loss, with a corresponding entry in equity.

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

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

Segmental reporting

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

Financial instruments

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.

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.

**PRINCIPAL ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2015**

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

The required disclosures have been made in Note 14 to the accounts.

Critical accounting judgements and estimates

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

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

Exploration and evaluation expenditure

The Group has capitalised all expenditure incurred in relation to exploration and evaluation of the Kodal Project and the Grimeli Project.

The Kodal Project is a phosphate and titanomagnetite deposit in southern Norway which the Group is treating as a project area in each period presented in the consolidated financial statements. The Company signed binding heads of terms in January 2012 to acquire the legal and beneficial ownership to licences which granted the right to explore and evaluate mineral resources in the Kodal Project area. Legal completion for this option agreement occurred in October 2012 and on 30 December 2013 the Company exercised its option to complete the licence acquisition. The Directors consider it appropriate to capitalise costs directly attributable to exploration and evaluation activities on the Kodal Project and has been doing so from January 2012 in accordance with the accounting policy for these costs.

An economic model was prepared for the Kodal Project in 2013 based on a mine processing 1.6 million tonnes of ore per annum for the initial estimated 19 year life of the mine and using a discount rate of 10 per cent. Capital and operating costs were based on estimates and mine plans provided by third party consultants with levels of royalties and taxation based on current rates. Selling prices were based on prevailing market prices for each of the two products, iron ore and phosphate, adjusted for the specific properties of the sample Kodal Project ore. In the case of the iron ore, due to the presence of significant titanium in the ore, it was assumed that the realisable selling price would be at a very significant discount to the prevailing spot price, based on indications of the current selling price for similar ores in China and the additional transport cost that would be necessary. Under these assumptions, the economic model indicated that the project had a positive net present value ("NPV") of approximately US\$250 million.

Since the model was prepared, the price of iron ore has fallen dramatically from a level of approximately US\$112 per tonne in March 2014 to its current level of less than US\$50 per tonne. As a result, the Board has undertaken an impairment review of the carrying cost of the Kodal Project by performing a value in use calculation.

The review identified that, although there are indications that would support the use of slightly lower capital and operating costs, the key sensitivity is to the fall in commodity prices and specifically the fall in the price of iron ore. Using iron ore and phosphate prices based on the prevailing prices, the model indicates that the project is uneconomic under current market conditions and accordingly the Board has determined to impair in full the carrying value of the Kodal Project. This has resulted in an impairment charge in the year to 31 March 2015 of £3,411,664 (2014: £nil). At 31 March 2015 the carrying value of the Kodal Project was £nil compared to £2,921,137 in 2014.

The Grimeli Project is an early stage exploration project which has generated positive initial drill results indicating the possible presence of further mineralisation. The carrying value of the project's exploration and evaluation assets at 31 March 2015 was £284,898 (2014: £nil) and the Board does not consider these assets to require impairment.

**PRINCIPAL ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2015**

Going concern

The Group has not earned revenue during the year to 31 March 2015 as it is still in the exploration and development phases of its business. The operations of the Group are currently being financed from funds which the Company has raised from the issue of new shares.

As at 31 March 2015, the Group held cash balances of £306,843. In May 2015, the Group raised a further £400,000 by way of a placing of new shares.

The Directors have prepared cash flow forecasts for the period ending 30 September 2016. The forecasts include the unavoidable running costs of the Group and limited discretionary exploration and development expenditure. The forecasts demonstrate that the Group has sufficient cash resources available to allow it to continue as a going concern and meet all its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements without the need for a further fund raising. However, further fund raising will be required at an appropriate time in order to complete the Grimeli Project and the Kodal Project. Accordingly, the financial statements have been prepared on a going concern basis.

Share based payments

The Group has recorded charges for share based payments of £88,555 (2014: £33,056).

For option based share based payments, management estimate certain factors used in the option pricing model, including volatility, exercise date of options and number of options likely to be exercised. If these estimates vary from actual occurrence, this will impact the charges and reserves.

Further detailed analysis of the critical judgements and estimates relating to share based payments is addressed in Note 5.

Tetra option agreement (see note 5)

An agreement between the Group and Tetra Minerals Oy ("Tetra"), granted to Tetra an option to subscribe for new shares in the Company. The maximum number of shares that are subject to the option is 714,285,714, corresponding to the number of shares that would be issued for a total amount of £5 million at 0.7 pence per share. The options vest and become exercisable only once the JORC indicated resource for phosphate minerals at the Kodal Project meets certain thresholds. Once vested, the options may be exercised by Tetra at a subscription price of 10p per share for a period of three years after the date on which each tranche vests. If Kodal Phosphate AS relinquishes or does not renew the Kodal Project extraction licences before any of the options vest then those options will lapse.

The Board has reviewed the Tetra option arrangements and determined that the fair value of the Tetra options is nil on the grounds that the option distribution is dependent on thresholds associated with the JORC phosphate mineral resources, the first of which, 90m tonnes, is well beyond the size of the current targeted ore body, which has a JORC mineral resource of 48.9m tonnes. Unless and until further exploration of the Kodal Project identifies a further potential ore body the likelihood of the thresholds being met is considered to be remote.

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.

The Board anticipates that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The new standards and interpretations are not expected to have a material impact on the Group's consolidated financial statements.

**PRINCIPAL ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2015**

Standard	Details of amendment	Annual periods beginning on or after
IFRS 9 Financial Instruments	Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and de-recognition in July 2014.	1 January 2018
IFRS 10 Consolidated Financial Statements	Amendments regarding the application of the consolidation exception in December 2014	1 January 2016
IFRS 11 Joint Arrangements	Amendments regarding the accounting for acquisitions of an interest in a joint operation in May 2014	1 January 2016
IFRS 12 Disclosure of Interests in Other Entities	Amendments regarding the application of the consolidation exception in December 2014	1 January 2016
IAS 1 Presentation of Financial Statements	Amendments resulting from the disclosure initiative in December 2014	1 January 2016
IAS 34 Interim Financial Reporting	Amendments resulting from September 2014 Annual Improvements to IFRSs in September 2014	1 January 2016
IAS 38 Intangible Assets	Amendments regarding the clarification of acceptable methods of depreciation and amortisation in May 2014	1 January 2016

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

KODAL MINERALS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. SEGMENTAL REPORTING

The operations and assets of the Group are focused in the United Kingdom and Norway and comprise one class of business: the exploration and evaluation of mineral resources. Management have determined that the Group has two operating segments being the Kodal Project and the Grimeli Project. The Parent Company acts as a holding company. At 31 March 2015, the Group had not commenced commercial production from its exploration sites and therefore had no revenue for the year.

The Group's accounting policy is to capitalise exploration and evaluation expenditure on the Kodal Project and the Grimeli Project in Norway. Consequently, the administrative expenses in the statement of comprehensive income reflect the administration costs necessary to run the Group and maintain its listing on the AIM market in the UK.

Year ended 31 March 2015	UK	Norway Kodal Project	Norway Grimeli Project	Total
	£	£	£	£
Other income	-	78	-	78
Administration expenses	(441,201)	(13,676)	(4,558)	(459,435)
Impairment charge	-	(3,411,664)	-	(3,411,664)
Share based payments	(88,555)	-	-	(88,555)
Loss for the year	(529,756)	(3,425,262)	(4,558)	(3,959,576)
At 31 March 2015				
Trade and other receivables	21,514	6,581	-	28,095
Cash and cash equivalents	301,514	5,329	-	306,843
Trade and other payables	(77,653)	(6,062)	-	(83,715)
Intangible assets - software	-	13,843	-	13,843
Intangible assets - exploration and evaluation expenditure	-	-	284,898	284,898
Property plant and equipment	-	55,136	64,724	119,860
Net assets	245,375	74,827	349,622	669,824
Year ended 31 March 2014	UK	Norway Kodal Project	Norway Grimeli Project	Total
	£	£	£	£
Other income	2	-	-	2
Administration expenses	(195,151)	-	-	(195,151)
Share based payments	(33,056)	-	-	(33,056)
Finance costs	(4,500)	-	-	(4,500)
Profit from discontinued operations	1,238	-	-	1,238
Loss for the year	(231,467)	-	-	(231,467)
At 31 March 2014				
Trade and other receivables	82,994	-	-	82,994
Cash and cash equivalents	1,332,839	168,504	-	1,501,343
Trade and other payables	(97,930)	-	-	(97,930)
Intangible assets - software	-	22,932	-	22,932
Intangible assets - exploration and evaluation expenditure	-	1,087,842	-	1,087,842
Intangible asset - licence	-	1,833,295	-	1,833,295
Property plant and equipment	-	77,157	-	77,157
Net assets	1,317,903	3,189,730	-	4,507,633

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**
2. LOSS BEFORE TAX

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

	Group Year ended 31 March 2015 £	Group Year ended 31 March 2014 £
Impairment charge (Note 1)	3,411,664	-
Audit services (Note 2)	27,500	20,000
Legal fees	11,888	29,351
Consultants	26,664	7,140
Other professional fees	119,883	55,030
Share based payment	88,555	33,056
Directors' fees	151,154	35,767
Website costs	-	13,115
Stock exchange fees	10,170	8,550
Share register costs	3,687	5,184
Foreign exchange losses	36,588	3,416
Other corporate expenses	37,281	-
Sundry	34,542	22,096
	<u>3,959,576</u>	<u>232,705</u>

Notes

1. Following an impairment review of its carrying value, the Board has determined to impair the value of the Kodal Project in full resulting in an impairment charge in the year to 31 March 2015 of £3,411,664 (2014: £nil).

2. Amounts payable to Baker Tilly UK Audit LLP and its associates in respect of both audit and non-audit services are as follows;

	Group Year ended 31 March 2015 £	Group Year ended 31 March 2014 £
Audit services		
- statutory audit of parent and consolidated accounts	18,000	18,000
- statutory audit of subsidiaries	2,000	2,000
- review of interim accounts	7,500	-
Taxation advisory services	800	3,600
Services relating to corporate finance transactions entered into or proposed to be entered into by or on behalf of the company or any of its associates (Note 3)	-	42,500
	<u>28,300</u>	<u>66,100</u>

Note 3: These expenses were incurred as part of the admission of the Company's shares to trading on AIM in December 2013.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**
3. EMPLOYEES' AND DIRECTORS' REMUNERATION

Apart from the Directors who are considered to be the Group's key management personnel, there were no employees in the years to 31 March 2015 and 2014 respectively.

	Group Year ended 31 March 2015 £	Group Year ended 31 March 2014 £
Directors' remuneration	151,154	35,767
Directors' social security costs	9,054	2,996
Total	160,208	38,763

	Directors' salary and fees year ended 31 March 2015 £	Share based payments year ended 31 March 2015 £	Total year ended 31 March 2015 £
Luke Bryan (Note 1)	50,000	55,347	105,347
Guy Eastaugh	16,154	-	16,154
Markus Ekberg	20,000	-	20,000
Emin Eyi (Note 2)	15,000	-	15,000
David Jones	30,000	-	30,000
Robert Wooldridge	20,000	-	20,000
	151,154	55,347	206,501

	Directors' salary and fees year ended 31 March 2014 £	Share based payments year ended 31 March 2014 £	Total year ended 31 March 2014 £
Luke Bryan	12,500	15,972	28,472
Guy Eastaugh	5,000	-	5,000
Markus Ekberg	767	-	767
Emin Eyi	5,000	-	5,000
David Jones	7,500	-	7,500
Robert Wooldridge	5,000	-	5,000
	35,767	15,972	51,739

Note 1 Novoco Mine Engineering Limited, a company owned by Luke Bryan, provided consultancy services to the Group during the year and received fees of £168,500 (2014: £100,000) in cash. No shares were issued to Novoco in the year to 31 March 2015. In the year ended 31 March 2014 48,500,000 in shares were issued to Novoco, of which 43,500,000 shares were conditional on the completion of the Company's admission to AIM.

Note 2 The fee paid to Emin Eyi was settled by the allotment of 4,018,127 Shares at various prices ranging from 0.743 pence per share to 0.262 pence per share during the year to 31 March 2015.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**
4. LOSS PER SHARE

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

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

	Loss per share on continuing operations	Loss per share on total earnings	Weighted average number of shares	Basic loss per share (pence)
	£	£		
Year ended 31 March 2015	(3,959,576)	-	775,195,325	0.5107
Year ended 31 March 2015	-	(3,959,576)	775,195,325	0.5107
Year ended 31 March 2014	(232,705)	-	338,258,503	0.0688
Year ended 31 March 2014	-	(231,467)	338,258,503	0.0684

Diluted loss per share is calculated by dividing the loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. Options in issue are not considered diluting to the loss per share as the Group is currently loss making. Diluted loss per share is therefore the same as the basic loss per share.

5. SHARE BASED PAYMENTS

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

	Year ended 31 March 2015	Year ended 31 March 2014
	£	£
Share options outstanding		
Opening balance	40,000,000	-
Issued in the period	-	40,000,000
Closing balance	<u>40,000,000</u>	<u>40,000,000</u>

Options issued in the year to 31 March 2014

Under an option agreement between the Company and Novoco Mine Engineering Limited ("Novoco"), a company wholly owned by Luke Bryan, the Company granted to Novoco options over 25,000,000 Shares ("Option Shares") at an exercise price of 0.7 pence per Share. The options become exercisable in respect of one third of the total number of Option Shares on each of the first, second and third anniversaries of 30 December 2013. The options are exercisable for a period of ten years from the date on which they vest and become exercisable.

Under an option agreement between the Company and David Hakes, a consultant to the Group, the Company granted to David Hakes options over 15,000,000 Shares ("Option Shares") at an exercise price of 0.7 pence per Share. The options become exercisable in respect of one third of the total number of Option Shares on each of the first, second and third anniversaries of 30 December 2013. The options are exercisable for a period of ten years from the date on which they vest and become exercisable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**
SHARE BASED PAYMENTS (continued)

Details of share options outstanding at 31 March 2015:

<i>Date of grant</i>	<i>Number of options</i>	<i>Option price</i>	<i>Exercisable between</i>
30 December 2013	13,333,333	0.7 pence	30 Dec 2014 – 30 Dec 2024
30 December 2013	13,333,333	0.7 pence	30 Dec 2015 – 30 Dec 2025
30 December 2013	13,333,333	0.7 pence	30 Dec 2016 – 30 Dec 2026

Included within administration expenses is a charge for issuing share options and making share based payments of £88,555 (2014: £33,056) which was recognised in accordance with the Group's accounting policies.

Additional disclosure information:

Weighted average exercise price of share options:

• outstanding at the beginning of the period	0.7 pence
• granted during the period	N/A
• outstanding at the end of the period	0.7 pence
• exercisable at the end of the period	0.7 pence

Weighted average remaining contractual life of share options outstanding at the end of the period	10.76 years
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Tetra Option Agreement

The Group has granted to Tetra Minerals Oy ("Tetra") an option to subscribe for new Shares. The maximum number of Shares that are subject to the option is 714,285,714, corresponding to the number of Shares that would be issued for a total amount of £5 million at the 0.7 pence per Share. The options vest and become exercisable only once the JORC indicated resource for phosphate minerals at the Kodal Project meet certain thresholds. These are as follows:

JORC Indicated Mineral Resource threshold reached of Tonnes of phosphate minerals	Proportion of maximum number Option Shares that will vest (%)
90,000,000	20
110,000,000	20
130,000,000	20
150,000,000	20
170,000,000	20

Once vested, the option may be exercised by Tetra at a subscription price of 10p per Share for a period of three years after the date on which each tranche vests. If Kodal Phosphate AS relinquishes or does not renew the Kodal Project extraction licences before any of the options vest then those options will lapse.

The Board has reviewed the Tetra option arrangements and determined that the fair value of the Tetra options is nil on the grounds that the option distribution is dependent on thresholds associated with the JORC phosphate mineral resources, the first of which, 90m tonnes, is well beyond the size of the current targeted ore body, which has a JORC mineral resource of 48.9m tonnes. Unless and until further exploration of the Kodal Project identifies a further potential ore body the likelihood of the thresholds being met is considered to be remote.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

6. TAXATION

	Group Year ended 31 March 15 £	Group Year ended 31 March 14 £
Taxation charge for the year	-	-
Factors affecting the tax charge for the year		
Loss from continuing operations before income tax	(3,959,576)	(232,705)
Tax at 20% (2014: 20%)	(791,915)	(46,541)
Expenses not deductible	367,868	53,949
Overseas rate differences	(5,388)	(105)
Gain not taxable	-	(53,216)
Losses carried forward not deductible	92,570	40,801
Other temporary differences	332,899	3,760
Non-current assets temporary differences	3,966	1,351
Income tax expense	-	-

The Group has tax losses and other deferred tax assets totalling £463,000 (2014: £51,000) which will be able to be offset against future income. No deferred tax asset has been recognised in respect of these losses as the timing of their utilisation is uncertain at this stage.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

7. INTANGIBLE ASSETS

	Exploration and evaluation £	Software £	Total £
GROUP COST			
At 1 April 2013	355,014	-	355,014
Additions in the year	2,566,060	27,295	2,593,355
Effects of foreign exchange	63	-	63
	<u>2,921,137</u>	<u>27,295</u>	<u>2,948,432</u>
At 1 April 2014	2,921,137	27,295	2,948,432
Additions in the year	781,252	-	781,252
Effects of foreign exchange	(5,827)	-	(5,827)
	<u>3,696,562</u>	<u>27,295</u>	<u>3,723,857</u>
At 31 March 2015	<u>3,696,562</u>	<u>27,295</u>	<u>3,723,857</u>
AMORTISATION			
At 1 April 2013	-	-	-
Amortisation charge	-	4,363	4,363
	<u>-</u>	<u>4,363</u>	<u>4,363</u>
At 31 March 2014	-	4,363	4,363
Amortisation charge	-	9,089	9,089
Impairment	3,411,664	-	3,411,664
	<u>3,411,664</u>	<u>13,452</u>	<u>3,425,116</u>
At 31 March 2015	<u>3,411,664</u>	<u>13,452</u>	<u>3,425,116</u>
NET BOOK VALUES			
At 31 March 2015	<u>284,898</u>	<u>13,843</u>	<u>298,741</u>
At 31 March 2014	<u>2,921,137</u>	<u>22,932</u>	<u>2,944,069</u>
At 31 March 2013	<u>355,014</u>	<u>-</u>	<u>355,014</u>

The Group has capitalised all expenditure incurred in relation to exploration and evaluation of the Kodal Project and the Grimeli Project. The additions to the Exploration and Evaluation category in the year ended 31 March 2014 represent the cost of the exploration licences of £1,833,295 acquired through the purchase of Kodal Phosphate AS.

The price of iron ore has fallen dramatically from a level of approximately US\$112 per tonne in March 2014 to its current level of less than US\$50 per tonne. As a result, the Board has undertaken an impairment review of the carrying value of the Kodal Project by performing a value in use calculation. The review identified that, although there are indications that would support the use of slightly lower capital and operating costs, the key sensitivity is to the fall in commodity prices and specifically the fall in the price of iron ore. Using iron ore and phosphate prices based on the current prevailing market prices the model indicates that the project is uneconomic under current market conditions and accordingly the Board has determined to impair in full the carrying value of the Kodal Project. This has resulted in an impairment charge in the year to 31 March 2015 of £3,411,664 (2014: £nil). At 31 March 2015 the carrying value of the Kodal Project was £nil compared to £2,921,137 in 2014.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**
INTANGIBLE ASSETS (continued)

The Board has concluded that the Grimeli Project's carrying value does not require impairment. This is covered in more detail under "Critical accounting judgements and estimates" within the Principal Accounting Policies section.

COMPANY	Exploration and evaluation £	Software £	Total £
COST			
At 1 April 2013	355,014	-	355,014
Additions in the year	1,833,295	-	1,833,295
Disposals in the year	<u>(2,188,309)</u>	<u>-</u>	<u>(2,188,309)</u>
At 31 March 2014 and 31 March 2015	<u>-</u>	<u>-</u>	<u>-</u>
AMORTISATION			
At 31 March 2013, 31 March 2014 and 31 March 2015	<u>-</u>	<u>-</u>	<u>-</u>
NET BOOK VALUES			
At 31 March 2014 and 31 March 2015	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2013	<u>355,014</u>	<u>-</u>	<u>355,014</u>

The disposal in the year ended 31 March 2014 represented the sale by the Company of the Kodal Project assets to a subsidiary undertaking.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

8. PROPERTY, PLANT AND EQUIPMENT

	Fixtures, fittings and equipment £	Plant and machinery £	Motor vehicles £	Total £
GROUP COST				
At 1 April 2013	-	-	-	-
Additions in the year	41,874	15,579	23,161	80,614
Effects of foreign exchange	143	27	417	587
At 1 April 2014	42,017	15,606	23,578	81,201
Additions in the year	57,194	17,857	-	75,051
Effects of foreign exchange	(2,763)	(2,790)	(3,820)	(9,373)
At 31 March 2015	96,448	30,673	19,758	146,879
DEPRECIATION				
At 1 April 2013	-	-	-	-
Depreciation charge	2,837	136	1,056	4,029
Effects of foreign exchange	4	2	9	15
At 1 April 2014	2,841	138	1,065	4,044
Depreciation charge	14,051	5,092	5,489	24,632
Effects of foreign exchange	(509)	(427)	(721)	(1,657)
At 31 March 2015	16,383	4,803	5,833	27,019
NET BOOK VALUES				
At 31 March 2015	80,065	25,870	13,925	119,860
At 31 March 2014	39,176	15,468	22,513	77,157
At 31 March 2013	-	-	-	-

The Company did not have any Property, Plant and Equipment as at 31 March 2013, 2014 and 2015.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

9. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

The consolidated financial statements include the following subsidiary companies:

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

Carrying value of investment in subsidiaries	Year ended 31 March 2015	Year ended 31 March 2014
Opening balance	900,010	-
Additions	-	900,010
Impairment charge	(423,258)	-
Closing balance	<u>476,752</u>	<u>900,010</u>

10. OTHER RECEIVABLES

	Group 31 March 2015	Group 31 March 2014	Company 31 March 2015	Company 31 March 2014
	£	£	£	£
Other receivables	<u>28,095</u>	<u>82,994</u>	<u>29,690</u>	<u>73,330</u>
	<u>28,095</u>	<u>82,994</u>	<u>29,690</u>	<u>73,330</u>

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

11. TRADE AND OTHER PAYABLES

	Group 31 March 2015	Group 31 March 2014	Company 31 March 2015	Company 31 March 2014
	£	£	£	£
Trade payables	51,857	70,445	36,830	57,636
Other payables	<u>31,858</u>	<u>27,485</u>	<u>25,982</u>	<u>27,484</u>
	<u>83,715</u>	<u>97,930</u>	<u>62,812</u>	<u>85,120</u>

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

12. SHARE CAPITAL**GROUP AND COMPANY**

Allotted, issued and fully paid:

	Nominal Value	Number of Ordinary Shares	Share Capital £	Share Premium £
At 31 March 2013	£0.0003125	175,372,142	54,804	249,825
Issue (Note 1)	£0.0003125	7,500,000	2,344	72,656
Issue (Note 2)	£0.0003125	18,654,500	5,828	300,105
Issue (Note 3)	£0.0003125	2,750,000	859	41,041
Issue (Note 4)	£0.0003125	2,821,150	882	18,866
Issue (Note 5)	£0.0003125	43,500,000	13,594	236,406
Issue (Note 6)	£0.0003125	26,785,715	8,371	179,129
Issue (Note 7)	£0.0003125	250,000,000	78,125	1,671,875
Issue (Note 8)	£0.0003125	142,857,240	44,643	955,358
Issue (Note 9)	£0.0003125	100,000,000	31,250	1,218,750
Share issue costs		-	-	(416,933)
At 31 March 2014		770,240,747	240,700	4,527,078
Issue (Note 10)	£0.0003125	2,358,681	737	16,788
Issue (Note 11)	£0.0003125	2,250,000	703	9,197
Issue (Note 12)	£0.0003125	1,436,781	449	4,551
Issue (Note 13)	£0.0003125	1,908,397	597	4,403
At 31 March 2015		778,194,606	243,186	4,562,017

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

Note 1: On 8 April 2013 7,500,000 Shares were issued to two separate suppliers of the Company in settlement of their services provided to the Company by the suppliers. These shares were issued at 1.0 pence each.

Note 2: Between April and July 2013 a further 18,654,500 Shares were issued at a price of 1.64 pence, raising £305,933.80 in additional capital.

Note 3: On 18 July 2013 2,750,000 Shares were issued to a supplier of the Company in settlement of services provided to the Company by that supplier. 500,000 Shares were issued at 1.0 pence and 2,250,000 Shares at 1.64 pence.

Note 4: On 25 November 2013, a total of 2,821,150 Shares were issued to two separate suppliers of the Company in settlement of their services provided to the Company at an issue price of 0.7 pence per Share.

Note 5: Under a consultancy agreement dated 8 November 2013 between Novoco Mine Engineering Limited and the Company, 43,500,000 Shares were issued on 30 December 2013 at 0.5747 pence per Share for services provided to the Company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

ORDINARY SHARES (continued)

Note 6: Under arrangements entered into by the Company with Thomas Eggar LLP, Allenby Capital limited and SP Angel Corporate Finance LLP, a total of 26,785,715 Shares were issued on 30 December 2013 at 0.7 pence per Share for services provided in relation to the admission of the Company to trading on AIM.

Note 7: Under the share acquisition agreement dated 12 October 2012 between Tetra Minerals Oy and the Company, the Company acquired all of the issued and to be issued share capital of Kodal Phosphate AS on completion of the Company's admission to AIM for a consideration consisting of:

(a) the sum of €100,000 payable in cash;

(b) the sum of £1,750,000 satisfied by the issue of 250,000,000 Shares at 0.7 pence per Share.

Note 8: On the 30 December 2013, 142,857,240 Shares were issued and allotted at 0.7 pence per Share in a placing at the time of the admission of the Company's Shares to trading on AIM.

Note 9: On 10 January 2014, 100,000,000 Shares were issued at 1.25 pence per Share in a placing.

Note 10: On 22 April 2014, a total of 2,358,681 Shares were issued to a supplier of the Company, Mr Eyi (a Director) and Mr R Wooldridge (a director) in settlement of their services provided to the Company at an issue price of 0.743 pence per Share.

Note 11: On 9 July 2014, a total of 2,250,000 Shares were issued to a supplier of the Company and Mr Eyi (a Director) in settlement of their services provided to the Company at an issue price of 0.44 pence per Share.

Note 12: On 9 October 2014, a total of 1,436,781 Shares were issued to Mr Eyi (a Director) in settlement of his services provided to the Company at an issue price of 0.348 pence per Share.

Note 13: On 9 January 2015, a total of 1,908,397 Shares were issued to Mr Eyi (a Director) in settlement of his services provided to the Company at an issue price of 0.262 pence per Share.

13. RESERVES

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

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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

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

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

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

Market risk

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

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

Interest rate risk

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

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

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

The Group in the year to 31 March 2015 earned interest of £78 (2014: £2). Due to the Group's relatively low level of interest bearing assets and the very low interest rates available in the market the Group is not exposed to any significant interest rate risk.

Credit risk

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial instruments by category

	Loans and receivables	Other financial liabilities at amortised cost	Total
	£	£	£
31 March 2015			
Assets			
Other receivables	28,095	-	28,095
Cash and cash equivalents	306,843	-	306,843
Total	334,938	-	334,938
Liabilities			
Trade and other payables	-	83,715	83,715
Total	-	83,715	83,715
31 March 2014			
Assets			
Other receivables	82,994	-	82,994
Cash and cash equivalents	1,501,343	-	1,501,343
Total	1,584,337	-	1,584,337
Liabilities			
Trade and other payables	-	97,930	97,930
Total	-	97,930	97,930

Foreign exchange risk

Throughout the periods presented in the consolidated financial statements, the functional currency for the Group's Norwegian subsidiaries has been the Norwegian Kronor.

The Group incurs certain exploration costs in Norwegian Kronor on the Kodal Project and Grimeli Project, and has exposure to foreign exchange rates prevailing at the dates when Sterling funds are transferred into Norwegian Kronor. The Group has not hedged against this foreign exchange risk as the Directors do not consider 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 on the Kodal Project, and will develop currency risk mitigation procedures if the significance of this risk materially increases.

The Group's consolidated financial statements are largely insensitive to a change in the Sterling to Norwegian Kroner exchange rate due to the low value of assets and liabilities (principally cash balances) maintained in Norwegian Kronor. Furthermore for the next 12 months the Group is expected to incur mainly Sterling denominated expenditure. Once the Kodal Project or Grimeli Project moves into the development phase a greater proportion of expenditure is expected to be Kroner denominated which may increase the foreign exchange risk.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial instruments by currency

	GBP denominated £	NOK denominated £	Total £
31 March 2015			
Assets			
Other receivables	21,514	6,581	28,095
Cash and cash equivalents	<u>301,514</u>	<u>5,329</u>	<u>306,843</u>
Total	<u>323,028</u>	<u>11,910</u>	<u>334,938</u>
Liabilities			
Trade and other payables	<u>77,653</u>	<u>6,062</u>	<u>83,715</u>
31 March 2014			
Assets			
Trade and other receivables	73,330	9,664	82,994
Cash and cash equivalents	<u>1,332,834</u>	<u>168,509</u>	<u>1,501,343</u>
Total	<u>1,406,164</u>	<u>178,173</u>	<u>1,584,337</u>
Liabilities			
Trade and other payables	<u>85,121</u>	<u>12,809</u>	<u>97,930</u>

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.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

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 noted above.

15. DISCONTINUED OPERATIONS

During the year to 31 March 2013, the Group held a 74% shareholding in Clear Phosphate Minerals (Pty) Ltd ("CPM") which was established to explore for phosphate in South Africa and all of its funding was provided by the Group. CPM incurred costs as a result of legal and consultancy work to secure an exploration licence, which was not subsequently granted. In early 2013 the Directors decided to close CPM. All balances due from CPM to the Group were written off as incurred and as at 31 March 2013 a £5,000 provision was made by the Group for closure costs of CPM. Finalisation of CPM's tax position and the company closure process took longer than expected with CPM formally being removed from the Registrar of Companies in South Africa in December 2013. At 31 March 2013 CPM had assets of £177 comprising cash at bank. This balance was used to part settle the costs of closure.

During the year to 31 March 2013 there was a charge to the accounts of Kodal Minerals Plc of £6,075 reflecting the costs of operations and closure of a South African subsidiary, Clear Phosphate Minerals (Pty) Limited ("CPM"). During the year to 31 March 2014, an amount of £1,238 was written back to the income statement, representing the unused accrual from the original £5,000 provision to close CPM. This amount has been shown on the consolidated statement of comprehensive income as discontinued operations in line with the Group's accounting policy.

16. RELATED PARTY TRANSACTIONS

Transactions with subsidiary companies

Prior to the setting up of bank accounts by its subsidiary companies, the Company made certain payments on behalf of its subsidiaries and processed these through intercompany accounts. During the year ended 31 March 2015, the Company and its subsidiaries have restructured these intercompany accounts by repaying existing loans and advancing new loans under new loan facilities such that the Company now finances Kodal Norway (UK) Limited, which in turn finances the Norwegian subsidiaries.

Consequently, during the year ended 31 March 2015, Kodal Mining AS repaid a loan of £211,734 from Kodal Minerals plc which then lent this same amount to Kodal Norway (UK) Limited which then lent this same amount to Kodal Mining AS.

Additionally, Kodal Phosphate AS repaid its loan of £1,370 from Kodal Minerals plc, which then lent this same amount to Kodal Norway (UK) Limited which then lent this same amount to Kodal Mining AS, which subsequently lent this same amount to Kodal Phosphate AS.

During the year ended 31 March 2015, Kodal Minerals plc purchased assets for a cost of £519,781 (2014: £47,603) on behalf of Kodal Norway (UK) Limited which it subsequently sold to Kodal Norway (UK) Limited at cost. This is in addition to a further £633,921 of assets sold by the Company in December 2013 for £900,000 to Kodal Norway (UK) Limited generating a profit of £266,079.

During the year ended 31 March 2015, Kodal Minerals plc advanced a loan to Kodal Norway (UK) Limited of £161,239, (2014: £nil), to support ongoing activity. This together with the transfer of the assets of £519,781 were included in the impairment charge to write-off the intercompany balance of £3,233,641 due from Kodal Norway (UK) Limited to Kodal Minerals plc including the brought forward balance of £2,554,211.

RELATED PARTY TRANSACTIONS (continued)

Transactions with related parties

Robert Wooldridge, a Director, is a member of SP Angel Corporate Finance LLP ("SP Angel") which acts as financial adviser and broker to the Company. During the year ended 31 March 2015, the Company has paid fees to SP Angel of £25,000 (2014: £6,250) for its services as broker.

SP Angel was reimbursed by the Group for travel and other sundry expenses in the year ended 31 March 2015 of £3,408 (March 2014: £19,117).

Novoco Mine Engineering Limited ("Novoco"), a company wholly owned by Luke Bryan, a Director, provided consultancy services to the Group during the year ended 31 March 2015 and received fees of £168,500 (2014: £100,000 in cash plus £300,000 in share based payments). During the year ended 31 March 2015, Novoco was reimbursed £8,863 (2014: £32,783) for expenses. At 31 March 2015, £11,034 (2014: £14,500) was owed by the group to Novoco this amount was paid in May 2015.

17. CONTROL

No one party is identified as controlling the Group.

18. CAPITAL COMMITMENT

In January 2015 the Company entered into a drilling contract with a contractor to undertake a 2,000 metre diamond drill programme and reinstate 900 metres of historic access track over the Grimeli Project area. The contracted cost was US\$400,000 (£264,000) of which US\$267,000 (£176,000) was payable in cash and the balance in shares. At 31 March 2015 an amount of £89,280 had been paid in cash to the contractor. The final payment under the contract was made in July 2015. There were no capital commitments at 31 March 2014.

19. EVENTS AFTER THE REPORTING PERIOD

In May 2015, the Company raised £400,000 (before expenses) from the issue of 222,222,222 new shares at 0.18 pence per share. The Shares were placed with new investors and existing shareholders of the Company. The net proceeds from the placing are being used to continue exploration work at the Grimeli Project and for general corporate purposes.

Under the terms of the drilling contract entered into by the Company in January 2015, as subsequently amended in May 2015, in relation to the drilling at the Grimeli Project, shares have been issued to the drill contractor as part payment for the services provided. In May 2015, the Company issued 22,867,135 shares at a price of 0.185 pence per share and in June 2015 a further 26,570,886 Shares were issued at a price of 0.158 pence per share. Under a further agreement entered into in June 2015, a final payment of £30,000 to be satisfied by the issue of 16,216,216 shares will be due to the contractor on completion of the drill programme and satisfaction by the contractor of certain other terms.