Registration number 07220790 (England and Wales)

KODAL MINERALS PLC

GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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COMPANY INFORMATION

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STRATEGIC REPORT

for the year ended 31 March 2020 – Chairman's Statement

Chairman's Statement

I am pleased to present the Annual Report of Kodal Minerals plc ("Kodal" or the "Company" and together with its subsidiaries the "Group") for the year ended 31 March 2020.

This year has again marked major developments for Kodal and our focus on the flagship Bougouni Lithium project (the "Project"). We have received an Environmental Permit following approval of our Environmental and Social Impact assessment ("ESIA") and have completed a Feasibility Study on the project. This study demonstrates a robust open pit mining and processing operation with an initial 8.5-year mine life, and a production profile of 220,000 tonnes of 6% spodumene concentrate per annum. The capital costs for the development are estimated to be US$117m (plus contingencies) with a payback period of 1.7 years. This positive Feasibility Study underpinned the Company's Mining Licence application lodged with the Mali Government in January 2020.

The outbreak of the Covid-19 pandemic at the beginning of 2020 caused significant disruption to global equity markets and impacted on our ability to readily raise funding for our ongoing development and exploration programmes at a crucial juncture. In April 2020 during these uncertain market conditions, the Company was able to secure funding through a Financing Facility, comprising a share subscription for £0.5 million and linked equity sharing agreement, such that the funding will be received over the next 12 months, but the net amount received will vary according to our share price performance. As a result, we have sought to minimise the Group's overheads and outgoings in order to preserve working capital, by reducing operational activity, agreeing salary and fee reductions for directors, management and staff, and reaching agreements with key suppliers on reduced charges and extending payment timings.

On 14 July 2020 the Company entered into a Convertible Loan Note Agreement for a total commitment of $1.5 million, with a first tranche of $750,000 advanced at closing and a second tranche at a date of mutual agreement, bearing interest at 9.85% per annum. These additional funds will enable us to finance our plans to further develop our Bougouni Lithium project, pay for the mining licence, fund additional exploration activity of our gold assets and explore new investment opportunities identified by the Company in the gold space.

The Company is maintaining close contact with the Mali Government with respect to its Mining Licence application, and while timing remains unclear, we understand it continues to progress well through the government agencies and is awaiting only final documentary sign off.

The year ahead promises to be a challenging and exciting one for Kodal as we expect to achieve full permitting of the Bougouni Lithium project and embark on the next stage of development, including final engineering design and financing negotiations for construction.

We thank all our shareholders for their continued support and hope that you keep safe and well.

Robert Wooldridge
Non-executive Chairman

21 July 2020

STRATEGIC REPORT (continued)

for the year ended 31 March 2020 – Operational Review

Operational Review

Summary

Kodal continued with the fast tracking of the flagship Bougouni Lithium project (the "Project") during this reporting year. Following the approval of the Company's ESIA in November 2019 and receipt of an Environmental Permit for the Project, the Company completed a feasibility study and lodged a Mining Licence application in January 2020. Following receipt of approval of the Mining licence application the Company will have a fully permitted project ready to move to development.

The Feasibility Study for the Project proposes a contract mining operation and conventional "Milling and Flotation" processing facility, capable of treating 2 Mtpa of ore, complete with associated infrastructure, to mine and process approximately 16Mt of pegmatite ore over an initial 8.5 year Life of Mine ('LOM').

Kodal Minerals, and its Mali subsidiary Future Minerals SARL ("Future Minerals"), coordinated and managed the Study with various industry expert consulting firms engaged to contribute in the areas of geology, resources, geo-technical, mining, metallurgy, engineering, tailings, cost estimating, project implementation, operational readiness, risk identification, and health, safety, environmental and social aspects. The Project will consist of open-pit mines, a lithium concentrate processing plant, a tailings dam, waste rock dumps, a water storage dam, stores, a camp including administrative and living quarters and associated infrastructure.

In May 2020, Kodal received results of the processing of its bulk sample, with over 800 tons of pegmatite hosted lithium mineralisation collected from the Ngoualana prospect within the Bougouni Lithium project. The testwork has returned very encouraging results confirming a high-grade, low impurity spodumene concentrate from the mineralised sample. The results of the testwork demonstrate a metallurgical recovery of up to 83% for a 5.5% to 6.0% Li2O spodumene product. This recovery is significantly higher than the 71% recovery used in the initial Feasibility Study and indicates upside on the Project's economics.

The Group carried out further exploratory work on its gold assets in Côte d'Ivoire during the year. It also maintained good title to its lithium and gold assets in Mali and Côte d'Ivoire.

Tenure Review

Lithium Projects

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

During the year, for the Bougouni Lithium project the Fariedele and Sogola-Nord concessions replaced the previous Madina concession that had reached its legal time limit. The new licences are held in the name of Kodal subsidiary companies Future Minerals (Fariedele) and International Goldfields Mali SARL ("IGS Mali") (Sogola-Nord) with Kodal holding a 90% economic interest in the concessions as per the Madina agreement. All concessions in the Project are now registered in the names of Kodal subsidiary companies with a granted area of 350km^2.

All licences remain valid and in good standing. All fees have been paid and reports lodged with the Directorate Nationale de la Géologie et des Mines ("DNGM", the Malian National Directorate of Geology and Mines).

The Diendio licences have passed their legal time limit; Kodal does not intend to renew them nor to undertake exploration on these areas in the future. Although they remain registered in the Company's name, they have been removed from the table of concessions below.

Table of Concessions – Mali Lithium projects

Tenements	Country	Kodal Economic Ownership	Project/ Joint Venture	Validity
Dogobala	Mali	90% economic interest via direct ownership following completion of option payments	Bougouni	Licence valid and in good standing. Arrêté No. 2018-1115 granted on13 April 2018 for initial 3 year period, with option for 2 extensions of 2 years validity each
Foulaboula	Mali	90% economic interest via direct ownership following completion of option payments	Bougouni	Licence valid and in good standing. Arrêté No. 2018-1116 granted on 13 April 2018 for initial 3 year period, with option for 2 extensions of 2 years validity each
Sogola Nord	Mali	90% economic interest. (*Concession replaces part of Madina concession, which had expired*).	Bougouni	Licence valid and in good standing. Arrete number 2020-0072 granted 22 January 2020 for an initial 3 year period, with option for 2 extensions of 2 years validity each
Fariedele	Mali	90% economic interest. (*Concession replaces part of Madina concession, which had expired*)	Bougouni	Licence valid and in good standing. Arrete number 2020-0073 granted 22 January 2020 for an initial 3 year period, with option for 2 extensions of 2 years validity each
Mafele Ouest	Mali	Held through Option to Purchase giving right to acquire 80% economic interest	Bougouni West	Licence valid and in good standing. Arrêté No. 2018-4537 granted on 31 December 2018 for initial 3 year period, with option for 2 extensions of 2 years validity each
NKemene Ouest	Mali	Held through Option to Purchase giving right to acquire 80% economic interest	Bougouni West	Licence valid and in good standing. Arrêté No. 2018-4486 granted on 28 December 2018 for initial 3 year period, with option for 2 extensions of 2 years validity each

STRATEGIC REPORT (continued)

for the year ended 31 March 2020 – Operational Review (continued)

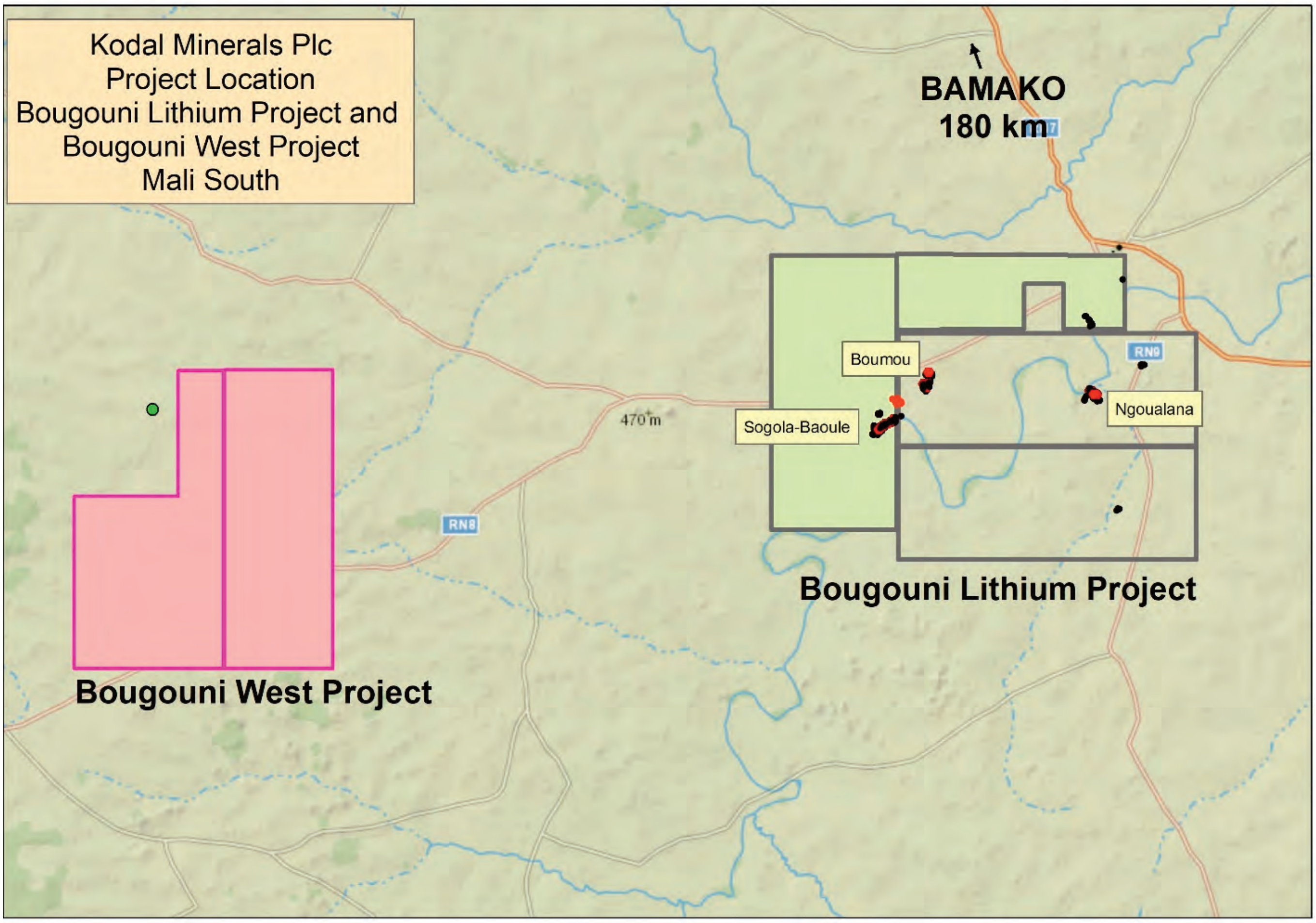


Figure 1: Location of Kodal Bougouni and Bougouni West Lithium projects and prospect, Mali

Gold Projects

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

In Côte d'Ivoire, the Group is the 100% owner of the Korhogo and Dabakala licences; during the year confirmation was received that the exploration licences for these concessions were each renewed for a further three-year term, expiring in April 2023.The Group is also applying for the Boundiali licence.The Group continued its joint venture with Resolute Mining Limited ("Resolute") in Côte d'Ivoire, with Resolute responsible for the maintenance and good standing of the licences held in the name of Corevtte CIV SARL namely the Nielle,Tiebissou and M'Bahaikro (application) concessions.

In Côte d'Ivoire, the Group continues to pursue the Boundiali and M'Bahaikro applications with the DGMG and is looking to advance the process this year and also to finalise the renewal of the Tiebissou concession.

In Mali, the Group has two projects, the Nangalasso Project (including the Nangalasso, Sotian and Tiedougoubougou licence areas) and the SLAM Project (the Djelibani Sud licence). No change to the Mali gold exploration concessions occurred during the year.

All licences remain valid and in good standing pending receipt of formal documents for renewals or arrêtés.

The gold exploration licences are tabled below:

Table of Licences – Gold Exploration projects

Tenements	Country	Kodal Economic Ownership	Project/ Joint Venture	Validity
Boundiali	Côte d'Ivoire	100% direct ownership (under application)	N/A	Licence application submitted and in process.
Korhogo	Côte d'Ivoire	100% direct ownership	N/A	Licence valid and in good standing. Renewal granted on 31 March 2020 for a 3 year term
Dabakala	Côte d'Ivoire	100% direct ownership	N/A	Licence valid and in good standing. Renewal granted on 31 March 2020 for a 3 year term
Niéllé	Côte d'Ivoire	100% direct ownership, may be reduced to 25% under JV agreement	Resolute JV	Licence valid and in good standing. Renewal decree received on the 28 February 2018 for a 3 year period.
Tiebissou	Côte d'Ivoire	100% direct ownership, may be reduced to 25% under JV agreement	Resolute JV	Licence valid and in good standing. Initial term expired 30 September 2018; an application for renewal has been lodged.
M'Bahiakro	Côte d'Ivoire	100% direct ownership, may be reduced to 25% under JV agreement	Resolute JV	Licence application submitted and in process.
Djelibani Sud	Mali	100% direct ownership	SLAM Project	Convention d'Etablissement granted on 21 December 2018. Application for Arrêté made and all fees paid.
Nangalasso	Mali	100% direct ownership following completion of option payments	Nangalasso Project	First renewal of licence granted on 1 November 2017; valid for 2 years with a further 2 year renewal available. Renewal extension has been lodged.
Sotian	Mali	Held through Option Agreement giving right to acquire 100% ownership.	Nangalasso Project	Arrêté No. 2018-1925 granted on 12 June 2018 for initial 3 year period, with option for 2 extensions of 2 years validity each.
Tiedougoubougou	Mali	Held through Option Agreement giving right to acquire 100% ownership.	Nangalasso Project	Arrêté No. 2018-3319 granted on 4 September 2018 for initial 3 year period, with option for 2 extensions of 2 years validity each

STRATEGIC REPORT (continued)

for the year ended 31 March 2020 – Operational Review (continued)

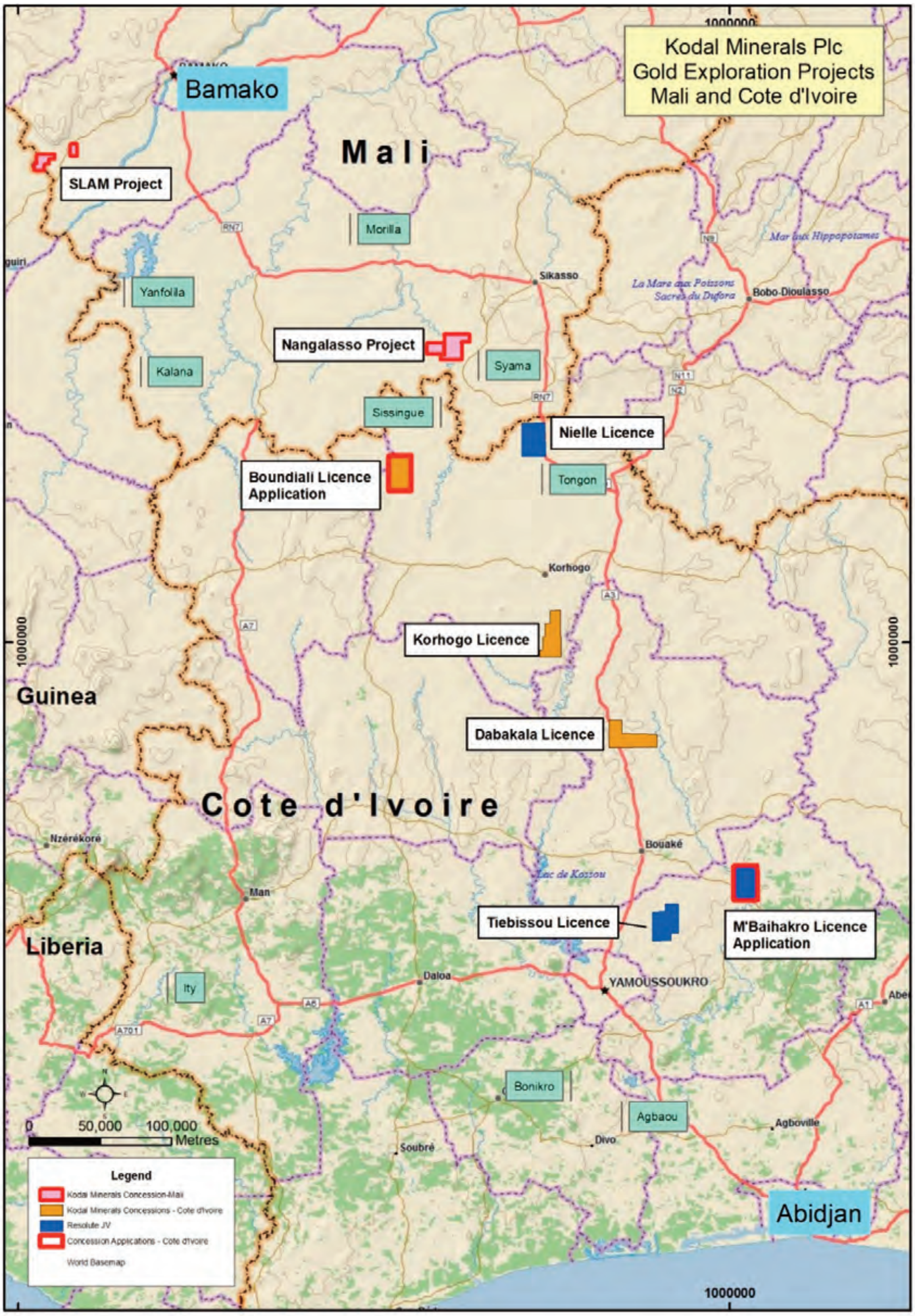


Figure 2: Location of Kodal Gold Exploration projects, West Africa

Norway Projects

The Company has reviewed the Norway projects and has formed the view that the potential for future development is low and the Company does not intend to undertake any work on the projects in the near future. The Company has taken the decision to not renew the Norway licences and consequently they are removed from the Tenure review.

Bougouni lithium Project review

Geology and Resources

The Bougouni pegmatites are hosted within an intercalated sequence of Palaeoproterozoic (Birimian-age) pelitic metasediments and amphibolites of the Leo-Man Shield, which are variably intruded by syn- and post-orogenic granitoids. Mineral Resources were modelled for three separate prospects; Ngoualana, Boumou and Sogola-Baoulé, on the basis of defining continuity of the pegmatite occurrence utilising a nominal 0.3% Li2O lower cut-off to define the boundary and continuity of the potential mineralised bodies. The mineral resource estimate ("MRE") has a cut-off date for data of 19 December 2018, with the MRE completed and announced on the 28 February 2019.

The geological interpretation has demonstrated strong continuity of mineralisation in the major pegmatite veins as well as the smaller subsidiary veins that have been identified in each prospect.

The Mineral Resources have been classified as Indicated and Inferred based on the guidelines specified in the JORC Code. The classification applied is based upon an assessment of geological understanding of the deposit, geological and mineralisation continuity, drill hole spacing, quality control results, search and interpolation parameters and an analysis of available density information. Areas which were coherently considered to meet the requirements to be classified as Indicated or Inferred were then defined on a per–object basis, and long section strings were digitised to provide constraining boundaries which were then applied on the per-object basis.

The Mineral Resource estimate for the Sogola-Baoule, Ngoualana and Boumou prospects are tabulated below. These mineral resources are reported in accordance with the JORC Code:

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

Notes: Mineral resources are reported using a 0.5%Li_2O cut-off applied to the block model for each prospect. The Block model for each prospect is based on the geological model of pegmatite bodies based on a 0.3%Li_2O cut-off. Figures may not sum due to rounding. The contained metal is determined by the estimated tonnage and grade.

STRATEGIC REPORT (continued)

for the year ended 31 March 2020 – Operational Review (continued)

Bougouni Lithium Project Feasibility Study and Mining Licence Application

Kodal completed a Feasibility Study for the Bougouni Lithium project in January 2020 and lodged a Mining Licence application for the future development of an open pit mining and spodumene concentration processing operation. The Feasibility Study is based on the Mineral Resource defined for the three prospects detailed above.

The highlights of the Feasibility Study are:

- It presents a very robust mining operation:
  - Minimum 8.5-year mine life;
  - Producing on average **220,000 tonnes of 6% spodumene concentrate** per annum, at life of mine ("LOM") lithium average **metallurgical recovery of 71%**, based on laboratory metallurgical recoveries of 75%;
  - Total LOM will produce 1.94Mt of concentrate; and
  - LOM revenue exceeding **US$1.4bn**, with an initial concentrate sale price of US$680/t based on operations commencing H2 2021, thereafter, increasing 2% year-on-year.
- Proposed **2Mtpa processing plant** utilising a conventional flotation circuit to maximise spodumene recovery:
  - Estimated **C1 cash costs of US$431 per tonne concentrate** (US$466 including royalties and sustaining capital).
- Capital requirement for development estimated to be **US$117M** plus contingency:
  - Forecast payback period of **1.7 years** (pre tax);
  - **IRR of 58% (51% post tax).**
- Pre-tax Project **$NPV_{7\%}$ of approximately US$300M ($NPV_{7\%}$ US$200M post-tax)**.
- Opportunities to improve Project design through:
  - Continued process plant reviews;
  - Mine scheduling and infrastructure planning;
  - Reducing initial capital expenditure.
- Opportunities for expansion of resource base through immediate extensions of defined mineralisation and continued exploration of key target areas.

A summary of the key findings of the Study including the financial parameters, capital and operating cost estimates, open-pit design and schedule, processing plant design, proposed operation and transport of product (note all costs referred to are in US dollars) are presented below:

Project Capital Costs and Operating Costs

The Study incorporated extensive review and communication with various West African and industry-wide operation and supply groups to determine expected capital and operating costs of the proposed operation. This Study has identified key operators who have been able to provide confidence in a low-cost, high quality contract mining operation and these costs have been used to inform the optimisation for the open-pit mining, planning and the expected Project development. The estimated operating costs for the operation are summarised below:

Cost Centre	Cost Basis US$ or %	Comment
Mining Costs	$2.63	Per tonne of material mined (ore + waste)
Processing Cost	$16.33	Per tonne of ore processed
General & Administration	$2.92	Per tonne of ore processed
Concentrate Freight Costs	$93.60	Per tonne of concentrate produced
Other Costs		
Royalties	3.0%	Of receipts from product sales
Local Partner Royalties	0.5%	Of receipts from product sales
Land Tax	$149,333	Over life of mine
ISCP on Turnover	3.0%	Of Gross cash flow from operations
Corporate Tax	25%	Of earnings before tax

These costs, when utilised in the optimisation studies, highlight a C1 (Brook Hunt) operating cost of US$431 per tonne of concentrate produced and benchmarks the Project as a low-cost producer. A summary of the operating cash costs is tabled below:

Area	Base Case (Total $M)	Cash Costs ($/t of production)
Mining Costs	334	172
Processing Costs	275	141
General & Admin Costs	47	24
Selling Costs	182	94
Sub Total (C1 Cash Cost)	838	431
Royalties (Government & NSR)	50	26
Sustaining Capital Costs	16	9
Net Cash Operating Costs	904	466

STRATEGIC REPORT (continued)

for the year ended 31 March 2020 – Operational Review (continued)

As outlined above, the proposed development of the Project is based on open-pit mining and processing through a 2Mtpa processing plant. The capital costs to develop this Project have been estimated utilising key consultants with relevant West African project experience, and represent all costs required to bring the Project into operation. A summary of the proposed capital costs is table below:

Main Area	US$M
Construction Indirect Costs	4.4
Treatment Plant Costs	52.4
Reagents and Plant Services	6.0
Infrastructure	17.7
Mining *	2.2
Management Costs	11.8
Owners Project Costs	13.5
Owners Operation Costs (Working Capital)	3.4
Project Freight and Transport Logistics	5.5
Subtotal	116.9
Contingency (10%)	11.7
Fees, Taxes & Duties	Excl.
Escalation	Excl.
Grand Total	128.6

* Mining cost is for mining mobilisation and establishment only. Pre-construction capital is accounted for in the mining contractor operating cost estimate.

These operating and capital costs were then assembled into the proposed mining and processing operation based on Indicated and Inferred Resources to develop a financial model in order to evaluate the economics of the operation. The estimate for revenue is based on a year-on-year estimated sliding scale lithium selling price for a 6% concentrate, Free on Board at the Port of San Pedro in Côte d'Ivoire. Concentrate selling price is based on a start price of $680/t for the first year of production (second half of 2021), which is considered reasonable under current market conditions, then increasing 2% year-on-year for the LOM. Summaries of the cash flow model inputs and the resulting cash flow model are tabled below:

Model Inputs

Variable	Units	Base Case
Mine Life	Years	8.5
Ore Tonnes	Mt	16.0
Lithium Grade	%	1.03
Lithium metallurgical recovery	%	71.0
6% Lithium Concentrate Produced	kilo-tonnes	1,942
Average Annual Production	kilo-tonnes	218

Cash flow model results – based on sliding scale lithium price

	Base Case Sliding Scale lithium sale price commencing US$680 per tonne concentrate ($'000)
Pre-Tax Cash Flow	395,766
Pre-Tax NPV @ 7%	293,460
Pre-Tax IRR	**57.8%**
Payback Period	**1.7 yrs**
Life of Mine Revenue	**1,432,907**
Post-Tax Cash Flow	306,186
Post-Tax NPV @ 7%	200,769
Post-Tax IRR	**50.9%**
Payback Period	**1.8 yrs**
Life of Mine Revenue	**1,432,907**

Mining

Conventional open-pit mining is considered as the preferred mining method for the operation at Bougouni given:

- the ore presents at or near surface
- there is space to construct waste dumps;
- it is expected, with a high chance of success, to generate the best value, and;
- the operation is planned to be a mine contractor run operation.

Three mining areas including four individual ultimate pits will be developed. Vegetation will be cleared and grubbed prior to topsoil stripping and later used to cover the topsoil stockpiles. Topsoil will be stockpiled around the open pits.

It is proposed that mining activities will be undertaken by an experienced contractor. There are a number of mining contractors operating in the region. Engaging an experienced mining contractor will have benefits, including reduced capital costs, reduced operational risk and reduced recruitment burden for the Company.

Future Minerals will retain responsibility for technical services comprising of mine planning, production scheduling, grade control, surveying and supervision and management of contract mining operations.

Pit optimisations were carried out using industry standard methods and WHITTLE™ 4x Software. The results of the open-pit optimisations were put in context of sensitivities, risks, contained ounces, mine life and total project size.

STRATEGIC REPORT (continued)

for the year ended 31 March 2020 – Operational Review (continued)

A proposed project layout is provided below:

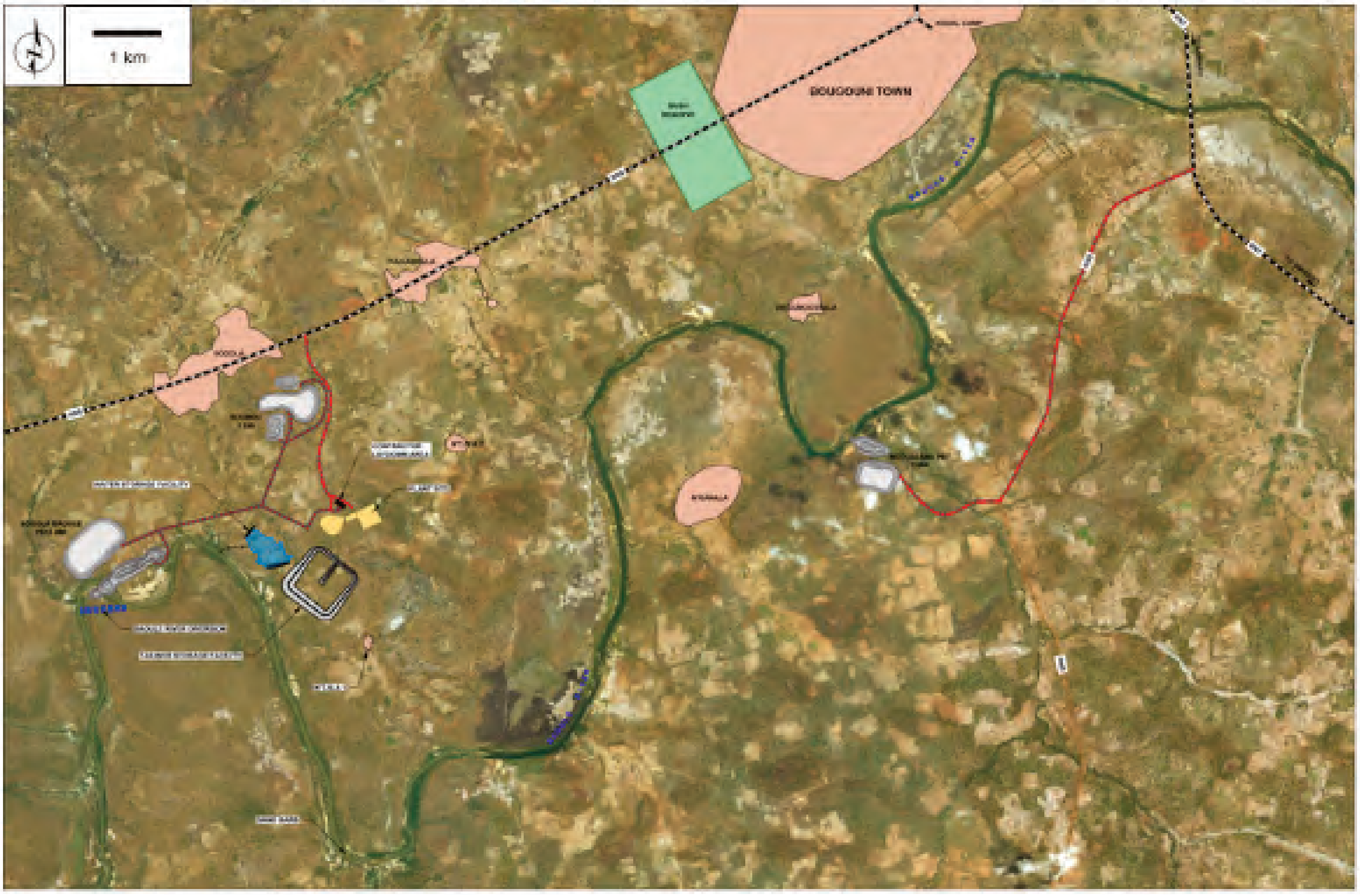


Figure 3: Metallurgy and Process Plant

The processing facility has been designed in accordance with accepted industry practice and the flowsheet incorporates unit operations that are well proven in the industry and commensurate with the testwork conducted and results achieved to date.

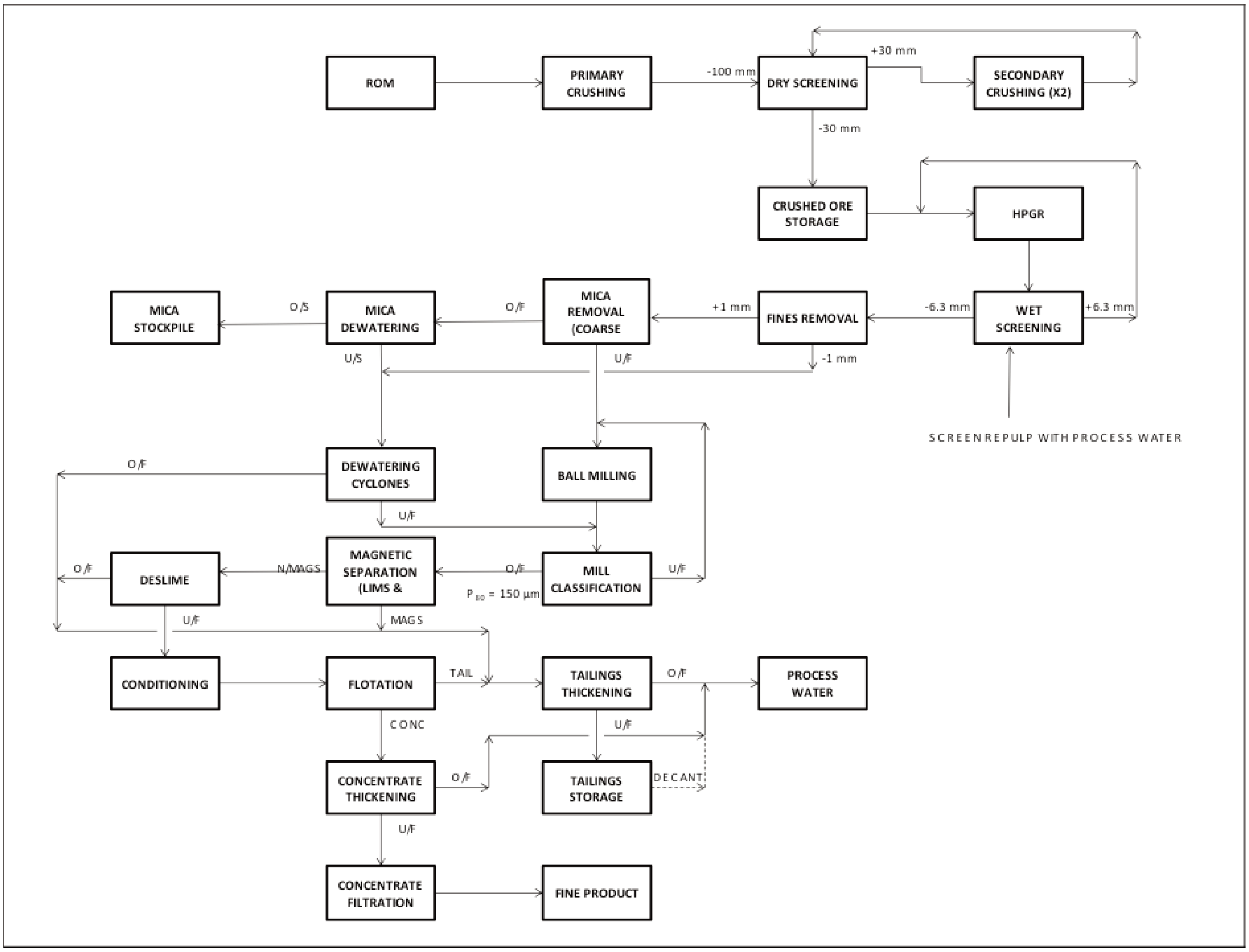
The plant layout provides ease of access to all equipment for operating and maintenance requirements while maintaining a compact footprint to minimise construction costs.The key Project and ore specific design criteria for the processing facility design are as follows:

- 2,000,000 t/y of Run-of-Mine ("ROM") ore through the crushing plant operating at 65% utilisation (5,694 h/y).
- Surface plant utilisation of 85% (7,446 h/y) supported by crushed ore storage and standby equipment in critical areas.
- Sufficient automated plant control to minimise the need for continuous operator interface and allow manual override and control if and when required.

The testwork supports a flowsheet that utilises flotation to recover spodumene to a saleable concentrate.The laboratory flowsheet can recover 75% of Li_2O to a concentrate grade of 6%. It is noted that the open-pit optimisations and mine scheduling were based on a more conservative recovery of 68%. Due to the timing of Study deliverables, this value had to be predicted in advance of finalising laboratory testwork. The laboratory scale recovery of 75% provided a more encouraging result but for the purposes of the financial modelling, a reduced metallurgical recovery of 71% was selected to reflect the likelihood of circuit losses when scaling up from the laboratory to a commercial production facility. This does therefore reflect a degree of conservatism in the Company's financial modelling.

As a result of the relatively conservative recovery value selected for the mine design process, the Project has an effective additional contingency margin within the pit inventories.

A flowsheet of the proposed processing plant and a 3-D representation are provided below:



STRATEGIC REPORT (continued)

for the year ended 31 March 2020 – Operational Review (continued)

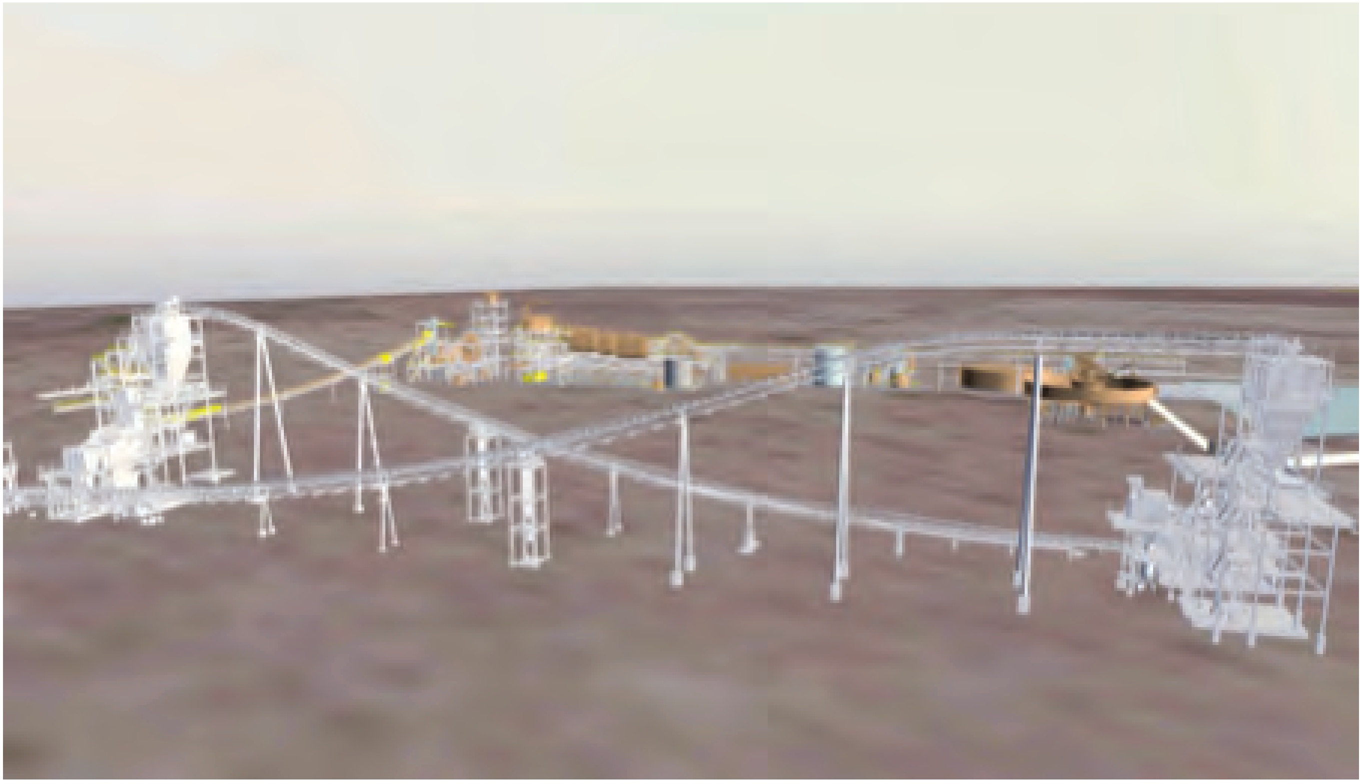


Figure 4: 3D representation of the Project

Project Implementation, Operations and Transport

It is proposed that an experienced Engineering firm (the "Engineer") will be engaged to provide Engineering, Procurement and Construction Management ("EPCM") services associated with the development of the process plant and associated infrastructure and services. Specialist consultants will be engaged to address specific elements of the Project not within the core competency of the Engineer.

Responsibility for the execution and delivery of the various Project scope elements will be divided between the Engineer and the Company. The implementation approach requires close integration with and collaboration between Company and Engineer to ensure all aspects of the Project development are executed efficiently.

Given the remote location of the Project in Mali, it will need to be self-sufficient in as many areas as possible. It is expected that the local Malian workforce will not have any previous mining and plant operation experience and that a core group of experienced Malian management and supervision, supplemented by expatriates, will be required for initial ramp-up, management and training of the operation.

As a result, an expatriate team has been included for start-up and establishment of procedures. It is anticipated that following two to three years of operation and training these expatriate roles will transfer to Malians.

The entire operations workforce will be under the control of a General Manager who will be supported by five main departments each with a manager heading the department; namely mining, exploration, processing, administration and health, safety, environment and community relations ("HSEC").

Transport and logistics are a significant component of the Project given the remote nature of the site. Internationally sourced goods, reagents and consumables will be containerised and transported by liner services to Abidjan or San Pedro ports in Côte d'Ivoire for forwarding on to the site. A freight forwarder will be engaged to clear port customs and organise transport to site. These services will be provided by a specialist West African transport and logistic firm with extensive experience in containerised and bulk commodity transport.

The Study determined costs for export of lithium concentrate product, which included consideration of ports in Côte d'Ivoire, Senegal and other regional facilities. Following consideration of transport routes, reliability and distance, it was concluded that the San Pedro Port provides the most cost-effective product export destination for the Project. A visit was conducted to the San Pedro Port Authority where Future Minerals was well received through a commitment to continue to work together in providing port access for product export.

Bulk Sample

In May 2020, Kodal received results for the testwork on the bulk sample that highlight opportunity for improvement of the feasibility study as the metallurgical recovery of up to 83% returned from the testwork is significantly higher than the 71% recovery used on the study. The test work was completed by Shandong Shengli Environment Protection Technology Co Ltd ('Shengli') a company associated with Shandong Ruifu Lithium Co Ltd ('Ruifu') at its Yishu plant in Shandong province, People's Republic of China. The Yishui processing plant is a 2 million tonne per annum (Mtpa) DMS (dense media separation) and flotation plant, purpose built for the concentration of spodumene mineralisation from pegmatite ore.

The bulk sample was assayed in the plant laboratory with lithium grades from 10 samples varying from 1.24% to 1.47% and is representative of the Ngoualana prospect. The bulk sample was processed via up-front crushing to reduce feed stock size to below 10mm for effective DMS extraction. The crushed ore is fed over a primary sizing screen whereby finer material reports to a flotation circuit, with the coarser material treated in the DMS circuit.

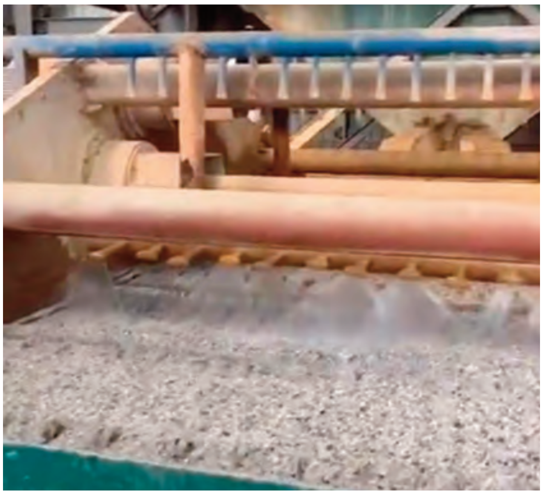


Figure 5: Primary sizing screen separating coarse DMS feed material from the finer Flotation feed material

The dual processing streams achieved improved recovery over the standalone flotation circuit used for the feasibility study. As a result, the overall recovery achieved by Shengli in testing the bulk sample reached 83% compared with 71% for the flotation only test work that supports the feasibility study assumptions. The quality of saleable spodumene product produced retained a 5.5% to 6% Li_2O grade in both instances.

STRATEGIC REPORT (continued)

for the year ended 31 March 2020 – Operational Review (continued)

It is noted that DMS recoveries have always proven to be higher for the Ngoualana deposit compared with the recoveries from the Sogola Baoule and Boumou prospects in laboratory testing. It was the reduced DMS recoveries from these two deposits that substantiated the decision to revert to whole of ore processing via flotation only that was assessed in the recent optimisation and Feasibility Study.

With the marked improvement in recovery experienced at the Shengli processing facility, it is possible that improved project economics could be achieved by adopting a similar DMS–flotation plant for Bougouni. Furthermore, the testing confirms that the Shengli facility is suitable for processing Bougouni ores and further synergies may be able to be gained through the adoption of the same plant configuration.

Figure 6: Flotation product undergoing filtration for reduction of moisture content to <5%

In order to investigate these potential benefits, Kodal will undertake a study optimisation process using the Feasibility Study as a basis. The optimisations will need to consider the benefit of improved overall recovery, against any additional capital and operating costs of a combined DMS–flotation circuit. The optimisation studies will be completed internally and the results of this work are expected to be finalised by the end of 2020.

This bulk sample test work confirms that the spodumene concentrate from Bougouni is low in impurities and aligns with previous test work completed by Ruifu that has demonstrated the suitability of the Bougouni spodumene concentrate to achieve downstream processing of high quality, low impurity battery grade lithium carbonate.

Gold Projects – Exploration Review

Kodal has continued to hold gold exploration projects in Mali and Côte d'Ivoire. For the projects in Côte d'Ivoire, Kodal has maintained the concessions in good standing with exploration review and geochemical surveys continuing on the Korhogo and Dabakala projects. In addition, the Côte d'Ivoire Joint Venture with Resolute is continuing with a focus on the Nielle concession where a drilling programme is planned to commence following the cessation of the annual wet season.

In Côte d'Ivoire the geochemical sampling by Kodal consisted of conventional surface samples and termite mound sampling (where available) on a nominal 2km x 200m sample spacing at Dabakala (225 samples) infilling an area of previously defined gold anomalism, and a nominal 1km x 200m spacing at Korhogo (190 samples) targeting infill at several gold anomalous zones and structural targets within the project.

The Dabakala project is a single concession in central Côte d'Ivoire where previous work completed by the Company highlighted an extensive surface geochemical anomaly and field geological mapping indicated the association of sheared and altered geology associated with the anomaly. This is a large surface anomaly, extending for over 10km of strike and up to 800m in width and exploration is at an early stage. The follow-up work completed by the Company infilled the anomaly to a nominal 1km x 200m spacing over the key anomaly (and notes that still is very wide and reconnaissance level) and assay results received confirm the anomaly with results up to 97ppb returned and confirming the extent of the anomaly. Further work is required to define this prospect prior to initial drill testing.

The Korhogo project is a single concession in north central Côte d'Ivoire and several phases of geochemical sampling has defined surface geochemical anomalies. The recent sampling by the company has confirmed gold anomalous zones extending for over 2kms in strike and up to 600m in width. Further exploration is required to review these targets and prioritise further work.

The Company is continuing to review opportunities for the prospective suite of gold projects.

Future Strategy and Work programme for 2020/21

The next important milestone for Kodal will be the granting of a Mining licence for the Bougouni Lithium project. The licence application process is very well advanced with recent confirmation in May 2020 that the Feasibility Study has been accepted, that no further technical and financial meetings are required and that the Mining Licence area and new permit boundaries have been agreed. The Company maintains its expectation of the licence being granted as all due processes are now complete although the Covid-19 restrictions have impacted on the Mali Government's process and the timing of the issuance of the Mining Licence documents remains uncertain. Once the licence is issued, the Company will have achieved a fully permitted project for mining operations.

The Feasibility Study, and recent results for the bulk sample testing, have highlighted areas for further review and assessment that may have significant impact on the project. These include:

- Resource growth and increase of head grade from further exploration in the highly prospective areas contained within existing exploration licences;
- Reduction in capital cost through further optimisation of the flowsheet and consideration of packaged or modular plant supplies;
- Investigation of more favourable power supply solutions to reduce operating costs;
- Optimisation of mine scheduling and drill and blast strategy; and
- Cost savings relating to the construction of the tailings storage facility. Currently the design of Stage 1 is based on 24 months of capacity to combat potential for adverse climatic conditions. Potentially this could be reduced to about 18 months' capacity if the sequencing of construction is favourable with respect to maximising construction in the dry season

In addition to the focus on our flagship Bougouni Lithium project, the Company will continue to explore and improve its high priority gold projects in Mali and Côte d'Ivoire in this strong gold market. An exploration programme has been prepared for further work at the Nangalasso project in Mali and the Dabakala project in Côte d'Ivoire and we hope to commence work after the end of the rainy season in the last quarter of this year.

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

Bernard Aylward
Chief Executive Officer

21 July 2020

STRATEGIC REPORT (continued)

for the year ended 31 March 2020 – Finance Review

FINANCE REVIEW

Results of operations

For the year ended 31 March 2020, the Group reported a loss for the year of £630,000 before Other Comprehensive Income compared to a loss of £713,000 in the previous year. Operational activity has remained broadly in line with last year as the Group has completed the Feasibility Study work at Bougouni and has continued the running of offices in Mali and Côte d'Ivoire. Further information is provided in the Operational Review above.

During the year, the Group invested £1,602,000 (2019: £3,463,000) in exploration and evaluation expenditure on its various projects, the large majority of which related to its Bougouni Lithium project. As a result, the carrying value of the Group's capitalised exploration and evaluation expenditure increased from £6,951,000 to £8,643,000. At 31 March 2020, the carrying value of the gold projects in Mali and Côte d'Ivoire was £1,179,000 (2019: £1,070,000) and of the lithium projects in Mali was £7,464,000 (2019: £5,881,000).

Cash balances as at 31 March 2020 were £33,000, a decrease of £1,375,000 on the previous year's level of £1,408,000. Net assets of the Group at the year-end were £8,052,000 (2019: £7,803,000).

Financing

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

In July 2019, the Company announced a fundraising of £575,000 before expenses through the issue of 718,750,000 ordinary shares including 250,000,000 shares for £200,000 placed with SVS Securities plc ("SVS"), a London based broking firm regulated by the Financial Conduct Authority ("FCA"). The shares were issued and admitted to trading on AIM on 2 August 2019 and the fundraising became unconditional at this time. On 5 August 2019, the FCA announced that SVS had entered special administration and subsequently SVS defaulted on its contractual commitment to pay for its shares. Under legal advice, the Company terminated the contract with SVS. 250,000,000 shares relating to SVS were not delivered to SVS and the shares remained under the control of the Company.

In October 2019, Kodal announced that it had completed a fundraising of £250,000 before expenses, for the purpose of further developing the Bougouni Lithium project, through the issue of 250,000,000 new ordinary shares as well as the placing out of the 250,000,000 ordinary shares allotted to SVS Securities plc in the fundraising announced in July 2019.

Subsequent to the year-end, in April 2020 the Company entered into a Financing Facility with Riverfort Global Opportunities PCC and YA II PN Ltd (the 'Investors'), who subscribed for 1,428,571,429 Ordinary Shares at a price of 0.035 pence per share, raising £0.5 million before expenses. These subscription proceeds were used immediately to satisfy the Company's obligation to pay £0.5 million to the Investors to enter into an Equity Sharing Agreement, under which the Investors will make monthly cash payments to the Company for a period of 12 months (which period can be shortened or extended up to 24 months at the Investors' discretion) based on the performance of Kodal's share price.

On 14 July 2020 the Company entered into a Convertible Loan Note Agreement with the Investors for a total commitment of $1.5 million before expenses with a first tranche of $750,000 advanced at closing, and a second tranche at a date of mutual agreement. Advances under the Loan Agreement have a 15-month term and carry interest at a rate of 9.85% per annum payable monthly. Investors have the option to convert outstanding principal and interest into new ordinary shares in the Company; conversion in shares is deferred for the first 90 days, and thereafter is at the lower of 130% of the share price at closing and 93% of the average of 3 daily VWAPs in the 10 days prior to conversion. The Company can repay the loan at any time in cash.

Impact of the Covid-19 pandemic

During the year to 31 March 2020, the Group's primary focus has been to complete the feasibility study and to submit its licence application for the Bougouni Lithium project to the Malian authorities, which it did in January 2020. Thereafter, in the first few months of 2020, there has been relatively limited activity on the ground in Mali and Côte d'Ivoire. Accordingly, the lockdown and travel ban imposed in many countries, including in West Africa, has had limited impact on the Group's planned operations, but all field operations have ceased. Due to the disruption caused to normal working patterns, there is less clarity over the process for, and timing of, the decision on the granting of a mining licence by the Malian authorities.

The most significant impact on the Company has been the ability to raise funding at an important time in the Group's development caused by the substantial disruption to global equity markets a result of the economic impact of the pandemic. Responding to these events, the directors have sought to minimise the Group's overheads and outgoings in order to preserve working capital, by reducing operational activity, with commensurate salary reductions of local staff; fee and salary cuts for management and directors, with back pay taken in shares; and reaching agreements with key suppliers on reduced charges and extending payment timings. The Company was able to raise some funds at the height of the market uncertainty in early April 2020, and these will be received over a 12 month period. Although major markets have recovered somewhat, the environment for financing smaller resource companies remains challenging; however, the Company has recently been able to agree a $1.5 million loan note funding commitment, with $750,000 drawn down in July 2020.

The Convertible Loan Note Agreement entered into in July 2020 will now enable the Company to finance its plans to further develop the Bougouni Lithium project, pay for the mining licence, fund additional exploration activity of our gold assets and explore new investment opportunities identified by the Company in the gold space.

Going concern and funding

The Group has not earned revenue during the year to 31 March 2020 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 and other equity linked facilities.

As at 31 March 2020, the Group held cash balances of £33,000 (2019: £1,408,000). As noted above, in April 2020 the Company entered into Financing Facility which will provide further funds on a monthly basis over approximately the next 12 months; however, the size of each month's receipts is dependent on the Company's share price during that month and hence the exact quantum of receipts cannot be known with any certainty. The Company also entered into a Convertible Loan Note Agreement for $1.5 million in July 2020, drawing down $750,000 on closing, with a second tranche of $750,000 to be drawn at a mutually agreed date. As a result, the Group's cash balances at 20 July 2020 were £598,433.

The Directors have prepared cash flow forecasts for the period ending 30 September 2021. The forecasts include payment for the Mining Licence, further development of the Feasibility Study, additional exploration activity for both gold and lithium as well as covering ongoing overheads; the drawdown of the second tranche of $750,000 is also included based on the directors' reasonable expectation of receipt. Further funding will be required in due course, but the forecasts show that the Group has sufficient cash resources available to allow it to continue as a going concern and meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements without the need for a further fund raising. Accordingly, the financial statements have been prepared on a going concern basis.

STRATEGIC REPORT (continued)

for the year ended 31 March 2020 – Finance Review (continued)

Utilising key performance indicators ("KPIs")

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

KPI	31 March 2020	31 March 2019
Cash and cash equivalents	33,221	1,408,393
Cash based administrative expense	590,389	613,450
Exploration and evaluation expenditure	1,601,526	3,462,593

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

Financial risk management objectives and policies

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

Liquidity risk

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

Price risk

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

Foreign exchange risk

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

STRATEGIC REPORT (continued)

for the year ended 31 March 2020 – Principal Risks and Uncertainties

PRINCIPAL RISKS AND UNCERTAINTIES

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

Risk	Comment and Mitigating Actions
Exploration and Development Risk The Group is a mineral exploration company and the success of the company is dependent on the discovery and/or acquisition of Mineral Reserves and Mineral Resources and the successful development of mines therefrom. Significant risk exists within technical, legal and financial aspects of the exploration for and the development of mines, which may have an adverse effect on the Group's business.	There is no assurance that the Group's exploration and potential future development activities will be successful, and statistically few properties that are explored are ultimately developed into profitable producing mines. The Group ensures that there is regular review of projects, expenditure and exploration activity to maintain focus on targets and ensure best possible information in the decision-making process to focus resources and expenditure upon key exploration and development targets.
Reliability of Mineral Resources and Mineral Reserves The Group has reported Mineral Resources for its Bougouni Lithium project in West Africa. Any estimates will be based on a range of assumptions, including geological, metallurgical and technical factors; there can be no assurance that the anticipated tonnages or grades will be achieved.	The Mineral Resource estimates are prepared by third party consultants who have considerable experience and are certified by appropriate bodies. Mineral Resources are reported as general indicators and should not be interpreted as assurances of minerals or the profitability of current or future operations.
Licensing and Title Risk The Group's exploration and future development opportunities are dependent upon maintaining clear tenure and access to licences as well as ensuring the relevant operation licences, permits and regulatory consents are valid. The licences and regulatory permits may be withdrawn or made subject to limitations. The granting of licences and permits are a practical matter subject to the discretion of the applicable Government or Government office. The interpretations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a material adverse impact on the Group's results of operations and financial condition. A new Mining Code has passed before the Republic of Mali Assembliee Nationale. The Company's licences have been granted under the previous Mining Code (June 21 2012 (modified)) and remain subject to these conditions. In addition, future Mining Licence applications will remain subject to the 2012 Mining code unless the Company specifically request a variation to the new code.	The Group complies with existing laws and regulations. The Group ensures that the regulatory reporting and the government compliance requirements for each licence are met. There is a risk that negotiations with a Government in relation to the grant, renewal or extension of a licence may not result in the grant, renewal or extension taking effect prior to the expiry of the previous licence period, and there can be no assurance of the terms of any extension, renewal or grant. The Group regularly monitors the good standing of its licences. The Company has received an Environmental Permit for the development of the Bougouni Lithium project following submission and acceptance of the Company's Environmental and Social Impact Assessment ("ESIA"). The Company has applied for a Mining Licence for the development of the Bougouni Lithium project and this remains in progress at the reporting date.

STRATEGIC REPORT (continued)

for the year ended 31 March 2020 – Principal Risks and Uncertainties (continued)

Risk	Comment and Mitigating Actions
Political Risk The Group has significant activities in Mali and Cŏte d'Ivoire in West Africa. The success of the Group will be influenced by associated legal, political and economic situation in Mali, Cŏte d'Ivoire and the wider African region. Countries in the region have experienced political instability and economic uncertainty in the past. Government policy in the countries in which the Group operates can be unpredictable, and the institutions of government and market economy may be unstable and subject to rapid change, which may result in a material adverse effect on the Group's operations. The renewal of exploration and exploitation licences is an area of risk given the countries in which the Group operates. Whilst the Group has in place legal titles on the assets in its portfolio, there remains a risk to the Group that changes within regimes could put the ownership of these assets at risk. The Group is also at risk of taxation reviews that may change or apply more stringently the laws and regulations of the countries in which it operates.	Mali is engaged in political recovery and stabilisation after a military coup in March 2012 and a French-led military intervention against the separatist Tuareg rebels in the north of Mali in January 2013. The President Ibrahim Keita was returned for a second 5 year term following election in 2018 in a peaceful election process. In April 2019, the Prime Minister and Government (Ministerial positions) resigned and a new Prime Minister and Government was appointed on 22 April 2019. In May 2020 Mali held Congress elections (Assembliee Nationale) with the Presidential coalition achieving majority. Following the appointment of a new Congress, the existing Executive Government (Ministry) resigned and was expected that new appointments would be promptly made. Currently there has been Opposition and public protest in Mali and at this stage no Ministry has been appointed. It is anticipated that a new Government will be appointed shortly following discussions between the President and Opposition parties. In general, the security risk in Mali remains high and the United Nations peacekeeping mission in Mali, established in April 2013 and consisting of over 11,000 military and police, has helped maintain the security situation throughout most of the country but the situation in the north of the country remains fragile. Talks between the government and separatist rebels aimed at bringing about peaceful resolution ended inconclusively in March 2015 and there has been an increase in violence in the region including some isolated incidents in the south of the country during 2015. The most serious incidents have been the terrorist attack on a restaurant in Bamako in March 2015 in which seven people were killed, including six expatriates, and an attack on the Radisson Blu hotel in Bamako on 20 November 2015 in which 19 people were killed. In Côte d'Ivoire, the political situation has been calm since 2011. The election in 2015 returned the Government of President Ouattara with increased popular support. The economic situation in Côte d'Ivoire is improving dramatically with significant Government expenditure on infrastructure and development activity. On 31 October 2020 a Presidential election for Côte d'Ivoire is due to be held. President Ouattara has announced he will not be running for election having completed two terms as President as allowed by the constitution. No announcements as to potential candidates have been made to date. The outcome of the election may impact on the Company and the political situation is being monitored.

Risk	Comment and Mitigating Actions
Financial Risk The Group is an exploration company and does not generate revenue or self-sustaining funding at this stage. The Group requires funds to support ongoing exploration and future development of mineral properties. The Group's access to funding will depend on its ability to obtain financing through the raising of equity capital, joint venture projects, debt financing, farm outs or other means. There is no assurance that the Group will be successful in obtaining the necessary financing in a timely manner on acceptable terms to complete its investment strategy. The equity markets and ability to raise finance have been significantly affected by the Covid-19 pandemic. If the Group is unable to obtain additional financing as needed, some interests may be relinquished, and / or the scope of the operations reduced.	The Board regularly reviews the levels of discretionary spending on capital items and exploration expenditure. This includes regularly updating working capital models, reviewing actual costs against budget and assessing potential impacts on future funding requirements and performance targets. In the past, the Group has been successful in raising additional equity finance to support its ongoing activities. The Company has entered into a Financing Facility for £0.5 million in April 2020 and a Convertible Loan Note agreement in July 2020 for a total commitment of $1.5 million with a first tranche of $750,000 advanced at closing, and a second tranche at a date of mutual agreement. These funds will enable the Company to finance its plans to further develop the Feasibility Study, pay for the mining licence, fund additional exploration activity of the gold assets and cover ongoing administrative overheads.
Covid-19 Pandemic The Company is pre-revenue, in an exploration and evaluation phase, and much of its work is sub-contracted; accordingly the Company has few employees and limited operational activity. During the year, the Group's primary focus was to complete the feasibility study and to submit its licence application for the Bougouni Lithium project to the Malian authorities, which it did in January 2020. Thereafter, there has been relatively limited activity on the ground in Mali and Côte d'Ivoire. Accordingly, the lockdown and travel ban imposed in many countries, including in West Africa, has had limited impact on the Group's planned operations, but all field operations have ceased. Because of the disruption caused to normal working patterns, there is less clarity over the process for, and timing of, the decision on the granting of a mining licence by the Malian authorities. The most significant impact on the Company was the ability to raise funding at an important time in the Group's development caused by the substantial disruption to global equity markets as a result of the economic impact of the pandemic; however, additional finance has since been raised as noted above.	The current travel ban prevents further exploration activity on the ground taking place but this was largely planned for after the wet season in a couple of months' time. The Company continues to monitor the status of the travel ban in Mali & Côte D'Ivoire, and also the ability for employees and sub-contractors to be able to operate safely. If the ban is not lifted or conditions mean activity cannot be conducted safely, this would delay the planned exploration activity, primarily on the gold assets. The Company and local country manager continue to remain in contact with the Malian government authorities over the timing of issuing the mining licence for the Bougouni Lithium project. It is expected that further engineering development studies and additional work in connection with offtake and financing arrangements will be able to continue as planned.

Signed on behalf of the Board

Bernard Aylward
Chief Executive Officer

21 July 2020

REPORT OF THE DIRECTORS

for the year ended 31 March 2020

The Directors present their report, together with the audited consolidated financial statements for Kodal Minerals Plc for the year ended 31 March 2020.

Principal activity

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

Domicile and principal place of business

Kodal Minerals Plc is domiciled in the United Kingdom and has its registered office at Prince Frederick House, 35-39 Maddox Street, London W1S 2PP. Its principal place of business as at 31 March 2020 was West Africa, more specifically Mali and Côte d'Ivoire.

Directors

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

Bernard Aylward	
Luke Bryan	(resigned 2 July 2019)
Charles Joseland	(appointed 17 April 2019)
Mark Pensabene	(appointed 8 May 2019 and resigned 31 October 2019)
Robert Wooldridge	
Qingtao Zeng	

Biographical details of the Directors

Bernard Aylward (Chief Executive Officer)

Bernard is a geologist with over 20 years' experience as a manager and exploration geologist in the mining and exploration industry in a variety of commodities. Bernard's experience includes serving as the Managing Director of Taruga Gold Limited from its initial listing on the ASX, Chief Operating Officer of International Goldfields Ltd, General Manager of Azumah Resources Ltd (Ghana), and Exploration Manager for Croesus Mining NL. Bernard has been involved in the discoveries and management of the Bepkong, Julie, Collette and Kunche deposits in Ghana, as well as the Deep South gold deposit, Gladstone North deposit, St Patrick's, Norseman Reef, and the Safari Bore gold deposit in Western Australia. Bernard has experience operating in Europe (Greece Sappes deposit), Siberia, South America and extensive experience throughout West Africa.

Charles Joseland (Independent Non-executive Director)

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

Robert Wooldridge (Non-executive Chairman)

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

Qingtao Zeng (Non-executive Director)

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

Directors' interests

The beneficial interests in the Company's shares of the current Directors and their families, as at 31 March 2020 are as follows:

Directors	**Shares 31 March 2020**	Shares 31 March 2019
Bernard Aylward	**221,007,656**	94,834,948
Charles Joseland	**6,250,000**	–
Robert Wooldridge	**153,723,858**	76,938,144
Qingtao Zeng	**6,250,000**	–

Events after the reporting period

Events after the reporting period are outlined in note 18 to the financial statements on page 72.

Directors' and Officers' liability insurance

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

Strategic Report

The Directors have chosen, in accordance with s414(c) of the Companies Act, to include in the Strategic Report on pages 3 to 25 information otherwise required to be included in the Directors' Report which they consider to be of strategic importance to the Company.

Statement as to disclosure of information to auditors

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

Directors' responsibilities statement

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

REPORT OF THE DIRECTORS (continued)

for the year ended 31 March 2020

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and have elected under company law to prepare the Company financial statements in accordance with IFRS as adopted by the EU.

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

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

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

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

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

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

S172 Statement

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

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

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

The Board believes that long-term success requires good relations with a range of different stakeholder groups both internal and external. The board has identified Kodal's stakeholders to include employees and consultants working for the Company, the local communities and governments in Mali and Côte d'Ivoire in which it operates, suppliers and contractors, as well as shareholders.

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

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

As noted in the Finance Review the global pandemic has given rise to difficult economic circumstances. The board has carefully considered its response to this, balancing the financial health of the Group for shareholders with the impact on its wider stakeholders, and has sought to be equitable between them in reducing local working hours and pay, negotiating with suppliers on their costs, and cutting management and director fees.

Auditors and Annual General Meeting

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

Approved by the board of directors and signed on behalf of the board on 21 July 2020.

Robert Wooldridge
Director
21 July 2020

CORPORATE GOVERNANCE REPORT

for the year ended 31 March 2020

Chairman's introduction

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

During the year Charles Joseland has joined our board as an independent non-executive director and Chairman of the Audit and Risk Committee and we continue to benefit from his experience and knowledge gained from his many years as a partner with PwC. Overall, our board has reduced in size with the resignations of Luke Bryan and Mark Pensabene. Given the lower level of activity in the company and focus on cash preservation in the current crisis, I consider the overall composition of the board to be appropriate and will keep this under review as activity ramps up and finance is raised to commence plant construction.

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

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

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

Kodal's primary focus is to continue to explore and develop its Bougouni Lithium project (the "Project") located in southern Mali. The medium term objective is to develop the Project through feasibility studies and bring it in to production as rapidly as possible. The Strategic and Operational Review, and Principal Risks, above explain the strategy, key areas of focus and challenge, and management action, including completing full engineering design, obtaining financing for construction and further exploration of the gold assets.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The principal risk areas identified by the board and the mitigating actions are set out above. The Board has considered the need for an internal audit function to provide assurance on the effectiveness of risk management and internal controls; however, given the size of the group and the stage of its development, the board believes its close and regular involvement with the group's activities is currently sufficient.

CORPORATE GOVERNANCE REPORT (continued)

for the year ended 31 March 2020

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

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

The structure and composition of the Board has been kept under review by the Chair during the year. No replacements have been sought for the two directors who resigned. Although this reduces the board to just one formal independent non-executive director (below the QCA Guide of two), there is one executive director and three non-executive directors, who recognise the importance of maintaining an independent mind-set and objectivity in their views. The board size is considered appropriate given the lower level of activity in the company and focus on cash preservation in the current crisis. Although these directors hold some share options and company shares, the holdings are not considered to be of sufficient size to impact their independent judgments (including Charles Joseland whose shares in the company were worth £2,188 at year-end). Biographical details of all the directors are set out on pages 25 to 26.

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

In the year ended 31 March 2020 there were ten full board meetings of which Robert Wooldridge attended ten, Bernard Aylward ten, Charles Joseland ten, Mark Pensabene three of four, Luke Bryan one of three and Qingtao Zeng two of two. In addition to the full board meetings, additional ad hoc meetings were convened as required to issue shares and for other procedural matters.

The Board has an Audit & Risk Committee which during the year to 31 March 2020 comprised Charles Joseland (Chair) and Robert Wooldridge and, up to the date of his resignation, Mark Pensabene. The Board also has a Remuneration & Nomination Committee which during the year to 31 March 2020 comprised Robert Wooldridge (Chair), Charles Joseland and Qingtao Zeng. The Remuneration & Nomination Committee meets as required and at least once each year.

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

Biographical details of the Directors are on pages 26 to 27.

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

The directors keep their skillsets up to date by attending industry and qualification relevant seminars and training sessions. During the year, the Directors sought advice from their corporate advisers (including the Company's nominated adviser, lawyers and accountants) on the contractual arrangements with and redress from SVS, and the various financing agreements entered into during the year.

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

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

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

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

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

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

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

Foremost amongst these are its focus on:

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

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

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

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

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

CORPORATE GOVERNANCE REPORT (continued)

for the year ended 31 March 2020

into the audit process, reviewing financial forecasts, judgments and estimates, accounts disclosure and liaising with the auditors; independence is maintained as the underlying judgments, accounts preparation and forecasts are made by the CEO, Project Manager and/or Financial Controller.

The Company has a significant shareholder, Suay Chin International Pte Ltd ("Suay Chin"), which owns 20.72% of the Company's issued share capital. It is a Singapore registered company which has extensive connections with the Chinese lithium market including lithium carbonate producers and lithium-ion battery manufacturers. Suay Chin has entered into a Relationship Agreement with the Company and its advisers, under which it undertakes to do all such things as it is reasonably able to do to ensure that the Company is capable of carrying on its business independently of Suay Chin. Under this agreement, it also has the right to appoint a Director to the Board of Kodal and Qingtao Zeng has been appointed in this capacity.

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

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

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

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

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

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

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

Report from the Audit & Risk Committee

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

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

The Committee met with the auditors to discuss their audit plan and scope of work, and also the findings from their audit. There was specific focus on the fair presentation of the Company's exploration and development activities, the assumptions underlying the calculation of warrants and share options, the carrying value and any potential impairment of the evaluation and exploration assets and inter-company balances, compliance with laws and regulations including the status of the licences, and the going concern assumption, including the impact of Covid-19.

The Committee also considered the process for identifying and considering risks and their mitigating actions, and their disclosure in the Annual Report on pages 23 to 25. They also considered the need for an internal audit function but decided the size and complexity of the Group did not justify it at present. However, it will keep this decision under annual review.

Report from the Remuneration & Nomination Committee

The Remuneration Committee performs both remuneration and nomination functions and during the year ended 31 March 2020 comprised Robert Wooldridge (Chair), Charles Joseland, and Qingtao Zeng. It meets as and when required but at least annually. The purpose of the remuneration function is to ensure that the directors are fairly rewarded for their individual contributions to the overall performance of the Group, to determine all elements of the remuneration of the executive directors and to demonstrate to the Group's shareholders that the remuneration of the directors is set by a Board committee whose Chairman has no personal interest in the outcome of the committee's decision and will have appropriate regard to the interests of the shareholders.

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

REMUNERATION REPORT

for the year ended 31 March 2020

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.

In light of the slowdown in activity of the company and the limited working capital, the Company has further reviewed the corporate overheads and Board fees and has taken action to reduce these costs with effect from April 2020 onwards. The Board and executive fees have been reduced by approximately 60% of previous levels.

Policy on Directors' remuneration

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

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

The remuneration of the Directors of the Company who served during the year ended 31 March 2020 was as follows:

	Fees and salary year to 31 March 2020 £	Share based payments year to 31 March 2020 £	Total year to 31 March 2020 £	Total year to 31 March 2019 £
Bernard Aylward	111,763	1,776	113,539	136,326
Luke Bryan [(a)]	5,385	1,776	7,161	40,615
Charles Joseland [(c)]	33,430	9,564	42,994	–
Mark Pensabene	11,661	2,294	13,955	–
Robert Wooldridge	45,000	888	45,888	55,308
Qingtao Zeng [(b)]	25,000	1.321	26,321	29,701
	232,239	17,619	249,858	261,950

a In addition to the amounts included above, Novoco Mine Engineering Limited, a company wholly owned by Luke Bryan, provided consultancy services to the Group during the year and received fees of £nil (2019: £12,075).

b In addition to the amounts included above, Geosmart Consulting Pty Ltd, a company wholly owned by Qingtao Zeng, provided consultancy services to the Group during the year and received fees of £13,480 (2019: £44,660).

c In addition to the amounts included above, Carolus Consulting Ltd, a company wholly owned by Charles Joseland, provided consultancy services to the Group during the year and received fees of £1,500 (2019: £5,000).

Notice periods of the Directors

Bernard Aylward's appointment will continue until the earlier of: (i) the termination of the consultancy agreement between the Company and Matlock Geological Services Pty Ltd (a company wholly owned by Mr Aylward); and (ii) termination by either the Company or Mr Aylward on three months' prior written notice. Charles Joseland's, Robert Wooldridge's and Qingtao Zeng's service agreements are subject to three months' notice of termination by either party.

Pensions

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KODAL MINERALS PLC

for the year ended 31 March 2020

Opinion

We have audited the financial statements of Kodal Minerals plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated Statement of Comprehensive Income, Statements of Financial Position (Consolidated and Parent Company), Statement of Changes in Equity (Consolidated and Parent Company), Statements of Cash Flows (Consolidated and Parent Company) and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2020 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Summary of our audit approach

Key audit matters	**Group** ● Valuation of intangible exploration and evaluation assets ● Going concern **Parent Company** ● Impairment of non-current intercompany receivables
Materiality	**Group** ● Overall materiality: £207,000 ● Performance materiality: £155,000 **Parent Company** ● Overall materiality: £192,000 ● Performance materiality: £144,000
Scope	Our audit procedures covered 100% of total assets and 100% of loss before tax.

Key audit matters

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

Valuation of intangible exploration and evaluation assets (Group)

Key audit matter description	As shown on the Statement of Financial position and discussed in note 7, the group's main assets are in exploration and evaluation assets of £8.6m. As at the year end, the group had a lower market capitalisation of £3.1m, which is considered to be indicator of impairment and as such the requirement to perform and impairment review under IFRS 6. This is considered to be a Key Audit Matter due to the significance of the balance to the Group Statement of Financial Position and the level of judgement involved in the impairment review.
How the matter was addressed in the audit	Management completed an impairment assessment, on which our work included: Agreed a sample of additions in the year to supporting documentation and recalculated the exchange rate used, Discussing and challenging the assumptions, inputs and judgements with management and the audit committee, Reviewing copies of correspondence with relevant licensing authorities and the terms of the license agreements, Considering the results of exploration activities, changes in commodity prices and foreign exchange fluctuations, Audit of the disclosures included in the financial statements with reference to IFRS 6. The related disclosures are included in note 7 in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KODAL MINERALS PLC (continued)

for the year ended 31 March 2020

Key observations	Despite the presence of an impairment indicator, no impairment has been processed as the impairment review produced a value in use higher than the current carrying value. The year-end market capitalisation referred to above was significantly impacted by the Covid-19 pandemic which caused price decreases across nearly all shares in March, although even before this it was still lower than the carrying value of intangibles.

Going concern (Group)

Key audit matter description	The Group is currently pre-revenue and loss making. This is due to the stage of operations, currently being in the exploration and evaluation phase. This means the Group is dependent on raising funds at regular intervals to maintain its status as a going concern. As at the year end, the Group's cash balance was £33,000 and therefore funding was required to maintain its going concern status. Following the year end, two funding arrangements have been secured, as detailed in note 18. The second of these, a convertible loan of $1.5m, has $750k undrawn as at the approval of the financial statements to be drawn at a mutually agreed date. This was considered to be a key audit matter because of the ongoing uncertainty over future funding and at the current time the uncertainty over the impact of Covid-19.
How the matter was addressed in the audit	We discussed with management and the process they undertook to assess going concern. We audited the Group's assessment of going concern, including cash flow projections and confirmed receipt of the first tranche of the convertible loan (see note 18) to third party confirmation. We also: Stress tested the forecasts using the assumption that the second tranche is not received, Considered the reasonableness of the other costs included in the forecasts, Considered the forecasts for completeness for costs which had been omitted.
Key observations	The conclusions in relation to going concern are set out in the "Conclusions relating to going concern" paragraph above. The Directors are reasonably certain that the second tranche of the $1.5m convertible loan will be received at a mutually agreed date. If, for whatever reason, the second tranche of $750k is not received, the forecasts show that there is sufficient headroom available for the Group to continue in operation for a period of 12 months from the date of approval of the financial statements.

Impairment of non-current intercompany receivables (Parent company)

Key audit matter description	At 31 March 2020 the Parent Company balance sheet includes amounts owed by subsidiary undertakings of £7,104,085 (2019: £6,511,913), which included an impairment of £876,686 in 2020. There is a risk that these balances may not be recoverable owing to the pre-revenue state of the Group's subsidiary undertakings and the uncertainty over the future cashflows and the balance is required to be assessed for impairment using the expected credit loss model under IFRS 9. Given the uncertainty over the recoverability, the size and the judgement involved in calculating the expected credit loss, this is considered a Key Audit Matter to the parent company.

How the matter was addressed in the audit	Management prepared an IFRS 9 expected credit loss model. Our work on this included: Discussion with management and the audit committee regarding the scenarios applied, Challenged management on the expected recovery under each scenario and the percentage likelihoods applied to each, Re-calculated the expected credit loss, Performed sensitivity analysis to assess the impact of changing the percentages applied to the scenarios. Audit of the disclosures included in the financial statements with reference to IFRS 9. The related disclosures are included in note 9 in the financial statements.
Key observations	An impairment against this balance of £876,686 has been recognised in the parent company.

Our application of materiality

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

	Group	Parent company
Overall materiality	£207,000	£192,000
Basis for determining overall materiality	2.38% of Total Assets	2.51% of Total Assets
Rationale for benchmark applied	The group is in the early stages of E&E development and consequently the majority of expenses are capitalised under IFRS 6. The carrying value of assets is therefore the key metric considered by users of the financial statements.	The value of the company is reflected in its investment and intercompany balances with its subsidiaries and as such total assets is considered to be the appropriate benchmark.
Performance materiality	£155,000	£144,000
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £10,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £10,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KODAL MINERALS PLC (continued)

for the year ended 31 March 2020

An overview of the scope of our audit

The group consists of 3 components, located in the following countries;

- United Kingdom
- Mali
- Ivory Coast

Full scope audits were performed on all three components and therefore 100% coverage of revenue, total assets and loss before tax was achieved.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 27 and 28, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

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

Date: 21 July 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2020

	Note	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Continuing operations			
Revenue		**–**	–
Administrative expenses		**(590,389)**	(613,450)
Share based payments	5	**(39,226)**	(109,241)
OPERATING LOSS		**(629,615)**	(722,691)
Finance income		**111**	10,080
LOSS BEFORE TAX	2	**(629,504)**	(712,611)
Taxation	6	–	–
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(629,504)**	(712,611)
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to profit or loss			
Currency translation gain / (loss)		**148,618**	(113,844)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(480,886)**	(826,455)
Loss per share			
Basic and diluted – loss per share on total earnings (pence)	4	**(0.0072)**	(0.0096)

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

CONSOLIDATED AND PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

as at 31 March 2020

Registered number: 07220790

	Note	**Group 31 March 2020 £**	Group 31 March 2019 £	**Company 31 March 2020 £**	Company 31 March 2019 £
NON-CURRENT ASSETS					
Intangible assets	7	**8,642,568**	6,951,209	**–**	–
Property, plant and equipment	8	**14,549**	19,901	**–**	–
Amounts due from subsidiary undertakings	9	**–**	–	**7,104,085**	6,511,913
Investments in subsidiary undertakings	9	**–**	–	**512,373**	512,373
		8,657,117	6,971,110	**7,616,458**	7,024,286
CURRENT ASSETS					
Other receivables	10	**19,978**	21,011	**19,978**	21,011
Cash and cash equivalents		**33,221**	1,408,393	**28,147**	1,299,397
		53,199	1,429,404	**48,125**	1,320,408
TOTAL ASSETS		**8,710,316**	8,400,514	**7,664,583**	8,344,694
CURRENT LIABILITIES					
Trade and other payables	11	**(658,713)**	(597,251)	**(239,230)**	(194,401)
TOTAL LIABILITIES		**(658,713)**	(597,251)	**(239,230)**	(194,401)
NET ASSETS		**8,051,603**	7,803,263	**7,425,353**	8,150,293
EQUITY					
Attributable to owners of the parent:					
Share capital	12	**2,889,606**	2,566,418	**2,889,606**	2,566,418
Share premium account	12	**12,514,604**	12,147,792	**12,514,604**	12,147,792
Share based payment reserve		**729,823**	690,597	**729,823**	690,597
Translation reserve		**13,175**	(135,443)	**–**	–
Retained deficit		**(8,095,605)**	(7,466,101)	**(8,708,680)**	(7,254,514)
TOTAL EQUITY		**8,051,603**	7,803,263	**7,425,353**	8,150,293

The Company's loss for the year ended 31 March 2020 was £1,454,166 (2019: £632,780).

The financial statements were approved and authorised for issue by the board of directors on 21 July 2020 and signed on its behalf by

Robert Wooldridge
Director

KODAL MINERALS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020

Attributable to the owners of the Parent

	Share capital £	Share premium account £	Share based payment reserve £	Translation reserve £	Retained deficit £	Total equity £
GROUP						
At 31 March 2018	2,038,903	10,467,337	581,356	(21,599)	(6,753,490)	6,312,507
Comprehensive income						
Loss for the year	–	–	–	–	(712,611)	(712,611)
Other comprehensive income						
Currency translation (loss)	–	–	–	(113,844)	–	(113,844)
Total comprehensive income for the year	–	–	–	(113,844)	(712,611)	(826,455)
Transactions with owners						
Share based payment	–	–	109,241	–	–	109,241
Proceeds from shares issued	527,515	1,680,455	–	–	–	2,207,970
At 31 March 2019	**2,566,418**	**12,147,792**	**690,597**	**(135,443)**	**(7,466,101)**	**7,803,263**
Comprehensive income						
Loss for the year	–	–	–	–	(629,504)	(629,504)
Other comprehensive income						
Currency translation gain	–	–	–	148,618	–	148,618
Total comprehensive income for the year	–	–	–	148,618	(629,504)	(480,886)
Transactions with owners						
Share based payment	–	–	39,226	–	–	39,226
Proceeds from shares issued	323,188	366,812	–	–	–	690,000
At 31 March 2020	**2,889,606**	**12,514,604**	**729,823**	**13,175**	**(8,095,605)**	**8,051,603**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020

	Share capital £	Share premium account £	Share based payment reserve £	Retained deficit £	Total equity £
COMPANY					
At 31 March 2018	2,038,903	10,467,337	581,356	(6,621,734)	6,465,862
Comprehensive income					
Loss for the year	–	–	–	(632,780)	(632,780)
Total comprehensive income for the year	–	–	–	(632,780)	(632,780)
Transactions with owners					
Share based payment	–	–	109,241	–	109,241
Proceeds from shares issued	527,515	1,680,455	–	–	2,207,970
At 31 March 2019	**2,566,418**	**12,147,792**	**690,597**	**(7,254,514)**	**8,150,293**
Comprehensive income					
Loss for the year	–	–	–	(1,454,166)	(1,454,166)
Total comprehensive income for the year	–	–	–	(1,454,166)	(1,454,166)
Transactions with owners					
Share based payment	–	–	39,226	–	39,226
Proceeds from shares issued	323,188	366,812	–	–	690,000
At 31 March 2020	**2,889,606**	**12,514,604**	**729,823**	**(8,708,680)**	**7,425,353**

CONSOLIDATED AND PARENT COMPANY STATEMENTS OF CASH FLOWS

for the year ended 31 March 2020

	Note	Group Year ended 31 March 2020 £	Group Year ended 31 March 2019 £	Company Year ended 31 March 2020 £	Company Year ended 31 March 2019 £
Cash flows from operating activities					
Loss before tax		**(629,504)**	(712,611)	**(1,454,166)**	(632,780)
Adjustments for non-cash items:					
Share based payments		**39,226**	109,241	**39,226**	109,241
Operating cash flow before movements in working capital		**(590,278)**	(603,370)	**(1,414,940)**	(523,539)
Movement in working capital					
Decrease / (increase) in receivables		**1,033**	(12,246)	**1,033**	(12,246)
Increase in payables		**61,463**	265,859	**44,828**	114,667
Net movements in working capital		**62,496**	253,613	**45,861**	102,421
Net cash outflow from operating activities		**(527,782)**	(349,757)	**(1,369,079)**	(421,118)
Cash flows from investing activities					
Purchase of intangible assets	7	**(1,554,353)**	(3,371,781)	**–**	–
Purchase of property, plant and equipment	8	**–**	(20,014)	**–**	**–**
Loans to subsidiary undertakings		**–**	–	**(592,171)**	(3,561,780)
Net cash outflow from investing activities		**(1,554,353)**	(3,391,795)	**(592,171)**	(3,561,780)
Cash flow from financing activities					
Net proceeds from share issues	12	**690,000**	2,207,970	**690,000**	2,207,970
Net cash inflow from financing activities		**690,000**	2,207,970	**690,000**	2,207,970
(Decrease) in cash and cash equivalents		**(1,392,135)**	(1,533,582)	**(1,271,250)**	(1,774,928)
Cash and cash equivalents at beginning of the year		**1,408,393**	3,123,549	**1,299,397**	3,074,325
Exchange gain / (loss) on cash		**16,963**	(181,574)	**–**	–
Cash and cash equivalents at end of the year		**33,221**	1,408,393	**28,147**	1,299,397

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

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 March 2020

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

Basis of preparation

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

Going concern

The Group has not earned revenue during the year to 31 March 2020 as it is still in the exploration and evaluation phase 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 and other equity linked facilities.

As at 31 March 2020, the Group held cash balances of £33,000 (2019: £1,408,000). The outbreak of the Covid-19 pandemic at the beginning of 2020 cause significant disruption to global equity markets and impacted on our ability to readily raise funding for our ongoing development and exploration programmes at a crucial juncture. As noted on page 20, in April 2020, during these uncertain market conditions, the Company entered into a Financing Facility which will provide further funds on a monthly basis over approximately the next 12 months; however, the size of each month's receipts is dependent on the Company's share price during that month and hence the exact quantum of receipts cannot be known with any certainty. The Company also entered into a Convertible Loan Note Agreement for $1.5 million in July 2020, drawing down $750,000 on closing, with a second tranche of $750,000 to be drawn at a mutually agreed date. As a result the Group's cash balances at 20 July 2020 were £598,433.

The Directors have prepared cash flow forecasts for the period ending 30 September 2021. The forecasts include payment for the mining licence, further development of the Feasibility Study, additional exploration activity for both gold and lithium as well as covering ongoing overheads; the drawdown of the second tranche of $750,000 is also included based on the directors' reasonable expectation of receipt. Further funding will be required in due course, but the forecasts show that the Group has sufficient cash resources available to allow it to continue as a going concern and meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements without the need for a further fund raising. Accordingly, the financial statements have been prepared on a going concern basis.

Basis of consolidation

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

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

Foreign currency translation

Items included in the Group's consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are presented in pounds sterling ("£"), which is the functional and presentational currency of the Parent Company and the presentational currency of the Group.

PRINCIPAL ACCOUNTING POLICIES (continued)

for the year ended 31 March 2020

End of year balances in the Group's Norwegian subsidiary undertakings were converted using an end of year rate of NOK 1 : £0.0772 (2019: NOK 1 : £0.0892) and its West African subsidiary undertakings were converted using an end of year rate of XOF 1 : £0.00135 (2019: XOF 1 : £0.00131).

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

Property, plant and equipment

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

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

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

Investments in subsidiaries

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

Exploration and evaluation expenditure

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

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

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

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

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

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

Exploration and evaluation assets – impairment

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

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

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

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

Intangible assets and impairment

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

Software	3 years

Deferred taxation

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

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

Financial instruments

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

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

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

Cash and cash equivalents

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

PRINCIPAL ACCOUNTING POLICIES (continued)

for the year ended 31 March 2020

Other receivables

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

Trade and other payables

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

Provisions

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

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

Share capital

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

Equity settled transactions (Share based payments)

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

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

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

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

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

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

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

Segmental reporting

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

Critical accounting judgements and estimates

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

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

Exploration and evaluation expenditure

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

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

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

The directors have assessed the Group's Bougouni Lithium project in Mali, taking into account the Preliminary Feasibility Study published during the year. This project continues to be evaluated and has not yet entered into development; there is no indication of impairment. Accordingly, no impairment review has been conducted on these assets.

The Group's exploration activities and future development opportunities are dependent upon maintaining the necessary licences and permits to operate, which typically require periodic renewal or extension. In Mali and Côte d'Ivoire, the process of renewal or

PRINCIPAL ACCOUNTING POLICIES (continued)

for the year ended 31 March 2020

extension of a licence can only be initiated on expiry of the previous term and takes time to be processed by the relevant government authority. Until formal notification is received there is a risk that renewal or extension will not be granted.

As detailed in the Operational Review, at the date of these financial statements, the Group's key exploration licences are current. As detailed in note 7, the total carrying value of the exploration and evaluation assets at 31 March 2020 was £8.6 million (2019: £7.0 million). The Group complies with the prevailing laws and regulations relating to these licences and ensures that the regulatory reporting and government compliance requirements for each licence are met.

Valuation of warrants and share options

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

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

Recoverability of Intercompany Balances to Subsidiary Undertakings

The Company has outstanding intercompany balances from its directly held subsidiaries resulting from the primary method of financing the activity of those subsidiaries. The balances are shown in the Company balance sheet. However, there is a risk that the subsidiaries will not commence sufficient revenue generating activities and that the carrying amount of the intercompany balances will, therefore, exceed the recoverable amount. Under the requirements of IFRS 9 management has run various scenarios on the expected credit loss of the Company's intercompany balances, including entering production, project/asset sales, and insolvency. Given the current global financial disruption and expected future economic impact caused by the pandemic, management believes the risk of potential credit loss has increased and so has recognised a provision of £877,000 against those balances.

Adoption of New and Revised Standards

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

The introduction of IFRS 16 *Leases* has had no impact on the Group's financial statements.

New standards and interpretations not applied

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

Standard	Details of amendment / New Standards and Interpretations	Annual periods beginning on or after
IFRS3 Business Combinations	Amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not.	1 January 2020
IAS 1 Presentation of Financial Statements	Amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition.	1 January 2020

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

1. SEGMENTAL REPORTING

The operations and assets of the Group in the year ended 31 March 2020 are focused in the United Kingdom and West Africa and comprise one class of business: the exploration and evaluation of mineral resources. Management have determined that the Group had three operating segments being the West African Gold Projects, the West African Lithium Projects and the UK administration operations. The Parent Company acts as a holding company. At 31 March 2020, the Group had not commenced commercial production from its exploration sites and therefore had no revenue for the year.

Year ended 31 March 2020	**UK** **£**	**West Africa Gold** **£**	**West Africa Lithium** **£**	**Total** **£**
Administrative expenses	(589,806)	(500)	(83)	(590,389)
Share based payments	(39,226)	–	–	(39,226)
Finance income	111	–	–	111
Loss for the year	**(628,921)**	**(500)**	**(83)**	**(629,504)**
At 31 March 2020				
Other receivables	19,978	–	–	19,978
Cash and cash equivalents	29,516	3,536	169	33,221
Trade and other payables	(239,230)	(1,488)	(417,995)	(658,713)
Intangible assets - exploration and evaluation expenditure	–	1,178,567	7,464,001	8,642,568
Property, plant and equipment	–	–	14,549	14,549
Net (liabilities) / assets at 31 March 2020	**(189,736)**	**1,180,615**	**7,060,724**	**8,051,603**

Year ended 31 March 2019	UK £	West Africa Gold £	West Africa Lithium £	Total £
Administrative expenses	(574,431)	(478)	(38,541)	(613,450)
Share based payments	(109,241)	–	–	(109,241)
Finance income	10,080	–	–	10,080
Loss for the year	**(673,592)**	**(478)**	**(38,541)**	**(712,611)**
At 31 March 2019				
Other receivables	21,011	–	–	21,011
Cash and cash equivalents	1,301,308	34,412	72,673	1,408,393
Trade and other payables	(194,401)	–	(402,850)	(597,251)
Intangible assets - exploration and evaluation expenditure	–	1,070,348	5,880,861	6,951,209
Property, plant and equipment	–	–	19,901	19,901
Net assets at 31 March 2019	**1,127,918**	**1,104,760**	**5,570,585**	**7,803,263**

The Group has ceased all activities in Norway and the Norwegian subsidiaries were liquidated during the year.

2. LOSS BEFORE TAX

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

	Group Year ended 31 March 2020 £	Group Year ended 31 March 2019 £
Fees payable to the Company's auditor	**30,000**	30,500
Share based payments (note 5)	**39,226**	109,241
Directors' salaries and fees	**164,939**	136,061
Employer's National Insurance	**1,956**	3,645

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

	Group Year ended 31 March 2020 £	Group Year ended 31 March 2019 £
Audit services		
– statutory audit of parent and consolidated accounts	**30,000**	30,500

3. EMPLOYEES' AND DIRECTORS' REMUNERATION

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

	Group 31 March 2020 Number	Group 31 March 2019 Number	**Company 31 March 2020 Number**	Company 31 March 2019 Number
Average number of employees (including directors):	**9**	7	**4**	3

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

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Directors' remuneration	**164,939**	136,061
Directors' social security costs	**1,956**	3,645
Total	**166,895**	139,706

In addition to the amounts included above, £67,300 (2019: £69,650) of the directors' remuneration cost has been treated as Exploration and Evaluation expenditure.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

3. EMPLOYEES' AND DIRECTORS' REMUNERATION (continued)

	Directors' salary and fees year ended 31 March 2020 £	Share based payments year ended 31 March 2020 (see note 5) £	Total year ended 31 March 2020 £
Bernard Aylward	**111,763**	**1,776**	**113,539**
Luke Bryan [a]	**5,385**	**1,776**	**7,161**
Charles Joseland [c]	**33,430**	**9,564**	**42,994**
Mark Pensabene	**11,661**	**2,294**	**13,955**
Robert Wooldridge	**45,000**	**888**	**45,888**
Qingtao Zeng [b]	**25,000**	**1,321**	**26,321**
	232,239	**17,619**	**249,858**

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

a In addition to the amounts included above, Novoco Mine Engineering Limited, a company wholly owned by Luke Bryan, provided consultancy services to the Group during the year and received fees of £nil (2019: £12,075).

b In addition to the amounts included above, Geosmart Consulting Pty Ltd, a company wholly owned by Qingtao Zeng, provided consultancy services to the Group during the year and received fees of £13,480 (2019: £44,660).

c In addition to the amounts included above, Carolus Consulting Ltd, a company wholly owned by Charles Joseland, provided consultancy services to the Group during the year and received fees of £1,500 (2019: £5,000).

4. LOSS PER SHARE

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

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

	Loss £	Weighted average number of shares	Basic loss per share (pence)
Year ended 31 March 2020	**(629,504)**	**8,786,936,058**	**0.0072**
Year ended 31 March 2019	(712,611)	7,444,317,009	0.0096

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

5. SHARE BASED PAYMENTS

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

Share options outstanding	Year ended 31 March 2020 Number	Year ended 31 March 2019 Number
Opening balance	**195,000,000**	195,000,000
Issued in the year	**20,000,000**	–
Lapsed in the year	**(10,000,000)**	
Closing balance	**205,000,000**	195,000,000

Warrants outstanding	Year ended 31 March 2020 Number	Year ended 31 March 2019 Number
Opening balance	**205,000,000**	25,000,000
Issued in the year	**–**	180,000,000
Closing balance	**205,000,000**	205,000,000

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

5. SHARE BASED PAYMENTS (continued)

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

Exercisable between	Bernard Aylward	Robert Wooldridge	Qingtao Zeng	Charles Joseland
8 May 2017 – 8 May 2022	25,000,000	12,500,000	–	–
8 May 2018 – 8 May 2023	12,500,000	6,250,000	–	–
8 May 2019 – 8 May 2024	12,500,000	6,250,000	–	–
20 Nov 2017 – 20 Nov 2022	–	–	5,000,000	–
20 Nov 2018 – 20 Nov 2023	–	–	2,500,000	–
20 Nov 2019 – 20 Nov 2024	–	–	2,500,000	–
18 April 2019 – 18 April 2024	–	–	–	3,333,334
18 April 2020 – 18 April 2025	–	–	–	3,333,333
18 April 2021 – 18 April 2026	–	–	–	3,333,333
Closing balance	**50,000,000**	**25,000,000**	**10,000,000**	**10,000,000**

The total value of options and warrants granted in the year was £39,226 (2019: £109,241). Included within operating losses is a charge for issuing share options and making share-based payments of £39,226 (2019: £109,241).

Details of share options and warrants outstanding at 31 March 2020:

Date of grant	Number of options	Option price	Exercisable between
20 December 2013	13,333,333	0.7 pence	30 Dec 2014 – 30 Dec 2024
20 December 2013	13,333,333	0.7 pence	30 Dec 2015 – 30 Dec 2025
20 December 2013	13,333,333	0.7 pence	30 Dec 2016 – 30 Dec 2026
8 May 2017	72,500,000	0.38 pence	8 May 2017 – 8 May 2022
8 May 2017	36,250,000	0.38 pence	8 May 2018 – 8 May 2023
8 May 2017	36,250,000	0.38 pence	8 May 2019 – 8 May 2024
22 May 2017	12,500,000	0.38 pence	22 May 2017 – 22 May 2022
22 May 2017	6,250,000	0.38 pence	22 May 2018 – 22 May 2023
22 May 2017	6,250,000	0.38 pence	22 May 2019 – 22 May 2024
20 November 2017	5,000,000	0.38 pence	20 Nov 2017 – 20 Nov 2022
20 November 2017	2,500,000	0.38 pence	20 Nov 2018 – 20 Nov 2023
20 November 2017	2,500,000	0.38 pence	20 Nov 2019 – 20 Nov 2024
23 November 2018	39,999,999	0.14-0.38 pence	1 March 2019 – 1 March 2024
23 November 2018	50,000,001	0.14-0.38 pence	To be determined at a future date
23 November 2018	90,000,000	0.14-0.38 pence	To be determined at a future date
18 April 2019	3,333,334	0.14-0.25 pence	18 April 2020 – 18 April 2025
18 April 2019	3,333,333	0.14-0.25 pence	18 April 2021 – 18 April 2026
18 April 2019	3,333,333	0.14-0.25 pence	18 April 2022 – 18 April 2027
8 May 2019	3,333,334	0.14-0.25 pence	8 May 2020 – 8 May 2025
8 May 2019	3,333,333	0.14-0.25 pence	8 May 2021 – 8 May 2026
8 May 2019	3,333,333	0.14-0.25 pence	8 May 2022 – 8 May 2027

5. SHARE BASED PAYMENTS (continued)

Additional disclosure information:

Weighted average exercise price of share options and warrants:

• outstanding at the beginning of the period	0.44 pence
• granted during the period	0.20 pence
• outstanding at the end of the period	0.35 pence
• exercisable at the end of the period	0.41 pence

Weighted average remaining contractual life of share options outstanding at the end of the period	4.8 years

Share options issued in the year to 31 March 2020

The Company entered into option agreements dated 18 April 2019 with Charles Joseland and dated 8 May 2019 with Mark Pensabene under which up to 10 million share options may be issued to each of Mr Joseland and Mr Pensabene in three tranches as follows:

Exercise price per share	Tranche 1	Tranche 2	Tranche 3	Total
0.14p	1,666,667	1,666,667	1,666,666	5,000,000
0.25p	1,666,667	1,666,666	1,666,667	5,000,000
Total	3,333,334	3,333,333	3,333,333	10,000,000

All the options have a life of 5 years from vesting. 34 per cent. of the options vest in one year, with a further 33 per cent. vesting in two years and the remaining 33 per cent. vesting in three years' time. The options issued to Mr Pensabene lapsed on 31 October 2019 when Mr Pensabene resigned before the options had vested.

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

	18 April 2019	8 May 2019
Strike price	0.14p – 0.25p	0.14p – 0.25p
Share price	0.08p – 0.11p	0.07p – 0.09p
Volatility	69%	69%
Expiry date	18 April 2020 – 18 April 2027	8 May 2020 – 8 May 2027
Risk free rate	0.11% - 0.19%	0.12% - 0.20%
Dividend yield	0.0%	0.0%

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

5. SHARE BASED PAYMENTS (continued)

Warrants issued in the year to 31 March 2019

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

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

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

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

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

6. TAXATION

	Group Year ended 31 March 2020 £	Group Year ended 31 March 2019 £
Taxation charge for the year	–	–
Factors affecting the tax charge for the year		
Loss from continuing operations before income tax	**(629,504)**	(712,611)
Tax at 19% (2019: 19%)	**(119,606)**	(135,396)
Expenses not deductible	**606**	1,204
Losses carried forward not deductible	**111,547**	113,436
Deferred tax differences	**7,453**	20,756
Income tax expense	**–**	–

The Group has tax losses and other potential deferred tax assets totalling £2,258,000 (2019: £1,837,000) which will be able to be offset against future income. No deferred tax asset has been recognised in respect of these losses as the timing of their utilisation is uncertain at this stage.

7. INTANGIBLE ASSETS

GROUP	Exploration and evaluation £
COST	
At 1 April 2018	**3,508,499**
Additions in the year	3,462,593
Effects of foreign exchange	(19,883)
At 1 April 2019	**6,951,209**
Additions in the year	1,601,526
Effects of foreign exchange	89,833
At 31 March 2020	**8,642,568**
AMORTISATION	
At 1 April 2018 and 1 April 2019 and 31 March 2020	**–**
NET BOOK VALUES	
At 31 March 2020	**8,642,568**
At 31 March 2019	6,951,209
At 31 March 2018	3,508,499

The Company did note have any Intangible Assets as at 31 March 2018, 2019 and 2020.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

8. PROPERTY, PLANT AND EQUIPMENT

GROUP	Plant and machinery £
COST	
1 April 2018	**3,702**
Additions in the year	20,014
Effects of foreign exchange	2,731
At 1 April 2019	**26,447**
Additions in the year	–
Effects of foreign exchange	577
At 31 March 2020	**27,024**
DEPRECIATION	
At 1 April 2018	617
Depreciation charge	5,929
At 1 April 2019	6,546
Depreciation charge	5,929
At 31 March 2020	**12,475**
NET BOOK VALUES	
At 31 March 2020	**14,549**
At 31 March 2019	19,901
At 31 March 2018	3,085

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

The Company did not have any Property, Plant and Equipment as at 31 March 2018, 2019 and 2020.

9. SUBSIDIARY UNDERTAKINGS

a. Amounts due from subsidiary undertakings

	Company 31 March 2020 £	Company 31 March 2019 £
Amounts due from subsidiary undertakings	**7,104,085**	6,511,913
	7,104,085	6,511,913

Under the requirements of IFRS 9 management has run various scenarios on the expected credit loss of the Company's intercompany balances. Given the current global financial disruption and expected future economic impact caused by the pandemic, management believes the risk of potential credit loss has increased and so has recognised a provision of £877,000 against those balances at 31 March 2020. The scenarios which have been used in the expected credit loss model are disclosed on the accounting policies on page 54.

9. SUBSIDIARY UNDERTAKINGS (continued)

b. Investments in subsidiary undertakings

The consolidated financial statements include the following subsidiary companies:

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

On 18 September 2019, the Company received notification that Kodal Minerals AS and Kodal Phosphate AS had been liquidated.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

9. SUBSIDIARY UNDERTAKINGS (continued)

Kodal Minerals plc has issued a guarantee under section 479C to its subsidiary, Kodal Norway (UK) Ltd ("Kodal Norway", company number 08491224) in respect of its activities for the year ended 31 March 2020 to allow Kodal Norway to take advantage of the exemption under s479A of the Companies Act 2006 from the requirements of the Act relating to audit of its individual accounts for the year ended 31 March 2020.

Carrying value of investment in subsidiaries	**Year ended 31 March 2020 £**	Year ended 31 March 2019 £
Opening balance	**512,373**	512,373
Impairment in the year	**–**	–
Closing balance	**512,373**	512,373

10. OTHER RECEIVABLES

	Group 31 March 2020 £	Group 31 March 2019 £	**Company 31 March 2020 £**	Company 31 March 2019 £
Other receivables	**19,978**	21,011	**19,978**	21,011
	19,978	21,011	**19,978**	21,011

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 and there are no expected credit losses.

11. TRADE AND OTHER PAYABLES

	Group 31 March 2020 £	Group 31 March 2019 £	**Company 31 March 2020 £**	Company 31 March 2019 £
Trade payables	**456,847**	192,940	**147,438**	118,101
Other payables	**201,866**	404,311	**91,792**	76,300
	658,713	597,251	**239,230**	194,401

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

12. SHARE CAPITAL

GROUP AND COMPANY

Allotted, issued and fully paid:

	Nominal Value	Number of Ordinary Shares	Share Capital £	Share Premium £
At 31 March 2018		**6,524,482,828**	**2,038,903**	**10,467,337**
June 2018	£0.0003125	230,769,226	72,112	212,857
June 2018	£0.0003125	923,076,923	288,462	911,538
February 2019	£0.0003125	34,210,526	10,691	54,309
March 2019	£0.0003125	500,000,000	156,250	501,750
At 31 March 2019		**8,212,539,503**	**2,566,418**	**12,147,792**
July 2019 (Note 1)	£0.0003125	718,750,000	224,609	228,516
July 2019 – Treasury shares held	£0.0003125	(250,000,000)	(78,125)	–
August 2019 (Note 2)	£0.0003125	65,451,616	20,454	44,546
October 2019 (Note 3)	£0.0003125	250,000,000	78,125	93,750
October 2019 – Treasury shares sold	£0.0003125	250,000,000	78,125	–
At 31 March 2020		**9,246,741,119**	**2,889,606**	**12,514,604**

Note 1: On 29 July 2019, a total of 718,750,000 shares were issued in a placing at an issue price of 0.08 pence per share. Of these placing shares, 250,000,000 shares were allotted to SVS Securities plc which entered administration on 5 August 2019 and did not complete its placing participation. These shares were held as treasury shares and were then placed on 28 October 2019.

Note 2: On 2 August 2019, a total of 65,451,616 shares were issued to Bambara Resources SARL at an issue price of 0.099 pence per share.

Note 3: On 28 October 2019, a total of 250,000,000 shares were issued in a placing and subscription at a price of 0.05 pence per share. In addition, the company placed the 250,000,000 shares allotted to SVS Securities plc in July 2019 at the same price.

13. RESERVES

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

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 2020 earned interest of £111 (2019: £10,080). Due to the Group's relatively low level of interest-bearing assets and the very low interest rates available in the market the Group is not exposed to any significant interest rate risk.

Credit risk

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

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

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

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial instruments by category – Group

31 March 2020	Loans and receivables £	Other financial liabilities at amortised cost £	Total £
Assets			
Other receivables	**19,978**	**–**	**19,978**
Cash and cash equivalents	**33,221**	**–**	**33,221**
Total	**53,199**	**–**	**53,199**
Liabilities			
Trade and other payables	**–**	**(658,713)**	**(658,713)**
Total	**–**	**(658,713)**	**(658,713)**
31 March 2019			
Assets			
Other receivables	21,011	–	21,011
Cash and cash equivalents	1,408,393	–	1,408,393
Total	1,429,404	–	1,429,404
Liabilities			
Trade and other payables	–	(597,251)	(597,251)
Total	–	(597,251)	(597,251)

Foreign exchange risk

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

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

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

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

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial instruments by currency – Group

31 March 2020	GBP	USD	NOK	AUD	XOF	Total
Assets						
Other receivables	**19,978**	**–**	**–**	**–**	**–**	**19,978**
Cash and cash equivalents	**28,147**	**–**	**1,370**	**–**	**3,704**	**33,221**
Total	**48,125**	**–**	**1,370**	**–**	**3,704**	**53,199**
Liabilities						
Trade and other payables	**(179,506)**	**(314,468)**	**–**	**(54,665)**	**(110,074)**	**(658,713)**
31 March 2019						
Assets						
Other receivables	21,011	–	–	–	–	21,011
Cash and cash equivalents	1,299,397	–	1,911	–	107,085	1,408,393
Total	1,320,408	–	1,911	–	107,085	1,429,404
Liabilities						
Trade and other payables	(133,842)	(381,713)	–	(51,099)	(30,597)	(597,251)

Liquidity risk

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

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

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

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

Capital management

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

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

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Fair value

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

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

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

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

15. RELATED PARTY TRANSACTIONS

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

Robert Wooldridge, a Director, is a member of SP Angel Corporate Finance LLP ("SP Angel") which acts as financial adviser and broker to the Company. During the year ended 31 March 2020, the Company paid fees to SP Angel of £58,323 (2019: £82,550).

Matlock Geological Services Pty Ltd ("Matlock") a company wholly owned by Bernard Aylward, a Director, provided consultancy services to the Group during the year ended 31 March 2020 and received fees of £76,764 (2019 £80,711). These fees are included within the remuneration figure shown for Bernard Aylward in note 3.

Geosmart Consulting Pty Ltd ("Geosmart"), a company wholly owned by Qingtao Zeng, a Director, provided consultancy services to the Group during the year ended 31 March 2020 and received fees of £13,480 (2019: £44,660).

Carolus Consulting Ltd ("Carolus"), a company wholly owned by Charles Joseland, a Director, provided consultancy services to the Group during the year ended 31 March 2020 and received fees of £1,500 (2019: £5,000).

16. CONTROL

No one party is identified as controlling the Group.

17. CAPITAL COMMITMENTS

The Group had capital commitments to exploration and evaluation expenditure of £130,000 (2019: £nil), of which £65,000 is payable in cash and £65,000 in shares.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

18. EVENTS AFTER THE REPORTING PERIOD

On 7 April 2020, the Company entered into Financing Facility with Riverfort Global Opportunities PCC and YA II PN Ltd (the 'Investors'), who subscribed for 1,428,571,429 ordinary shares at a price of 0.035 pence per share, raising £0.5 million before expenses. These subscription proceeds were used immediately to satisfy the Company's obligation to pay £0.5 million to the Investors to enter into an Equity Sharing Agreement, under which the Investors will make monthly cash payments to the Company for a period of 12 months (which period can be shortened or extended up to 24 months at the Investors' discretion), the value of such cash payments to vary in direct relation to the Company's share price from time to time.

On 7 April 2020 the Company announced the issue of a total of 378,323,379 shares to a number of Directors and senior management as payment for salaries or fees owed for the previous six months.

On 14 July 2020, the Company entered into a Convertible Loan Note Agreement with the Investors for a total commitment of $1.5 million before expenses with a first tranche of $750,000 advanced at closing, and a second tranche at a date of mutual agreement. Advances under the Loan Agreement have a 15-month term and carry interest at a rate of 9.85% per annum payable monthly. Investors have the option to convert outstanding principal and interest into new ordinary shares in the Company: conversion in shares is deferred for the first 90 days, and thereafter is at the lower of 130% of the share price at closing and 93% of the average of 3 daily VWAP in the 10 days prior to conversion. The Company can repay the loan at any time in cash.

NOTICE OF ANNUAL GENERAL MEETING

Kodal Minerals plc

(Registered in England and Wales No. 07220790)

Notice is hereby given that the Annual General Meeting of Kodal Minerals plc (the "**Company**") will be held at Prince Frederick House, 35-39 Maddox Street, London W1S 2PP on Thursday 27th August 2020 at 12.00 p.m. for the purposes of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 to 5 (inclusive) will be proposed as ordinary resolutions and Resolution 6 will be proposed as a special resolution:

Ordinary Business

1. To receive and adopt the audited financial statements of the Company for the financial period ended 31 March 2020 and the reports of the directors of the Company (the "**Directors**") and the auditors thereon.

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

3. To re-appoint Qingtao Zeng as a Director, who retires in accordance with article 30.2 of the Articles and offers himself for re-appointment.

4. To re-appoint RSM UK Audit LLP as the auditors of the Company until the next Annual General Meeting and to authorise the Directors to fix their remuneration.

Special Business

5. That the Directors, and any committee to which the Directors delegate relevant powers, be and they are hereby, generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "**Act**") to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company ("**Rights**") up to a maximum aggregate nominal amount of £1,736,035 and this authority will (unless renewed, revoked or varied by the Company in general meeting) expire at the conclusion of the Annual General Meeting of the Company to be held in 2021 but the Company may, before this authority expires, make an offer or agreement which would or might require shares to be allotted or Rights to be granted after the authority expires and the Directors may allot shares or grant Rights pursuant to such offer or agreement as if the authority conferred hereby had not expired, such authority to be in substitution for any existing authorities conferred on the Directors pursuant to section 551 of the Act.

6. That, conditional on the passing of Resolution 5, the Directors, and any committee to which the Directors delegate relevant powers, be and they are hereby generally empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by Resolution 5 above as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be in substitution for any previous powers conferred on the Directors pursuant to section 570 of the Act and shall be limited to:

   (a) the allotment of equity securities in connection with an issue in favour of the holders of ordinary shares of the Company in proportion (as nearly as may be) to their respective holdings of ordinary shares, subject only to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements, legal or practical problems arising in any overseas territory or the requirements of any regulatory body or stock exchange in any territory; and

   (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £1,041,621,

NOTICE OF ANNUAL GENERAL MEETING (continued)

and the power hereby granted shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2021 save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry but otherwise in accordance with the foregoing provisions of this power in which case the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

BY ORDER OF THE BOARD

Weaver Financial Limited
Company Secretary

Registered Office:

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

30 July 2020

Notes:

Entitlement to attend, speak and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company has specified that only those members entered on the register of members at 12:00pm on 25 August 2020 (or in the event that this meeting is adjourned, on the register of members 48 hours excluding non-business days before the time of any adjourned meeting) shall be entitled to attend, speak and vote at the meeting in respect of the number of ordinary shares in the capital of the Company held in their name at that time. Changes to the register after 12:00pm on 25 August 2020 shall be disregarded in determining the rights of any person to attend, speak and vote at the meeting.

Appointment of proxies

2. Members are entitled to appoint a proxy or proxies to exercise all or any of their rights to attend, speak and vote at the meeting. A proxy need not be a shareholder of the Company. **Shareholders are urged to appoint the chairman of the General Meeting as his or her proxy as, given the Covid-19 pandemic situation and current Government advice (particularly as to social gatherings), attendance in person is not permitted and shareholders and their proxies will be refused entry if circumstances require.** Please see the instructions on the enclosed Form of Proxy.

3. The completion and return of a Form of Proxy whether in hard copy form or in CREST will not preclude a member from attending in person at the meeting and voting should he or she wish to do so. **However, in light of the Covid-19 pandemic situation and current Government advice, attendance in person is not permitted and shareholders and their proxies will be refused entry if circumstances require.**

Appointment of proxies using hardcopy proxy form

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

5. To be valid, the Form of Proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be lodged at the offices of the Company's registrars, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR by hand, or sent by post or by email to voting@shareregistrars.uk.com, so as to be received not less than 48 hours excluding non-business days before the time fixed for the holding of the meeting or any adjournment thereof (as the case may be).

Appointment of proxies using CREST

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

7. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: 7RA36) by 12.00pm on 25 August 2020. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

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

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

Corporate representatives

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

NOTICE OF ANNUAL GENERAL MEETING (continued)

Resolutions

11. Resolution 1 - This resolution seeks approval from shareholders of the directors' and auditors' reports and the financial statements for the year ended 31 March 2020.

12. Resolution 2 - This resolution seeks approval from shareholders to re-appoint Robert Wooldridge as a director of the Company who retires and offers himself for re-appointment pursuant to Article 30.2 of the Company's Articles of Association.

13. Resolution 3 - This resolution seeks approval from shareholders to re-appoint Qingtao Zeng as a director of the Company who retires and offers himself for re-appointment pursuant to Article 30.2 of the Company's Articles of Association.

14. Resolution 4 - This resolution seeks approval from shareholders to reappoint RSM UK Audit LLP as the auditors of the Company and to authorise the directors to fix their remuneration as they see fit.

15. Resolution 5 - This resolution, to be proposed as an ordinary resolution, relates to the grant to the Directors of the authority to allot ordinary shares and grant rights to subscribe for or convert securities into ordinary shares with such authority expiring at the conclusion of the Annual General Meeting of the Company to be held in 2021, unless the authority is renewed or revoked prior to such time. This authority is limited to the issue of a maximum of 5,555,311,569 ordinary shares (representing approximately 75 per cent. of the Company's entire issued share capital as at the date of this notice).

16. Resolution 6 - The Companies Act 2006 (the "**Act**") requires that, if the Directors decide to allot ordinary shares in the Company for cash, the shares proposed to be issued be first offered to existing shareholders in proportion to their existing holdings. These are known as shareholders' pre-emption rights. However, to act in the best interests of the Company the Directors may require flexibility to allot shares for cash without regard to the provisions of Section 561(1) of the Act. Therefore, this resolution, to be proposed as a special resolution, seeks authority to enable the Directors to allot equity securities for cash free of such pre-emption rights, with such authority expiring at the conclusion of the Annual General Meeting of the Company to be held in 2021. This authority is limited to the allotment of a maximum of 3,333,186,941 ordinary shares for cash, free of pre-emption rights (representing approximately 50 per cent. of the Company's entire issued share capital as at the date of this notice).

Issued shares and total voting rights

17. As at 6.00 p.m. on 30 July 2020, the Company's issued share capital comprised 11,110,623,138 ordinary shares of £0.0003125 each fully paid. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 30 July 2020 is 11,110,623,138. The Company does not hold any shares in treasury.

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