



Unaudited Preliminary Results for the Year Ended 31 December 2012

Beowulf (AIM: BEM, Aktietorget: BEO), the AIM and Aktietorget traded mineral exploration company which owns several exploration projects in Sweden, announces its unaudited preliminary results for the year ended 31 December 2012.

Highlights:

Kallak iron ore project:

- 2012 drill programme completed on Kallak North comprising 23 holes for a total of 5,549m of drilling. Assay results in respect of the more than 4,000m of cores selected for analysis show further significant iron mineralisation encountered extending over significant lengths and substantial vertical depth from the ground surface.
- Metallurgical studies, including Davis Tube Recovery tests, conducted on large samples from across the Kallak North deposit confirmed that concentrates of a marketable pellet feed composition can be produced using a relatively straightforward wet, low intensity magnetic separation technique.
- Preparation of an updated JORC compliant resource estimate for the Kallak North deposit by the independent consultants GeoVista AB and Micon International Co Limited is ongoing and currently anticipated to be received in late Q1 2013.
- Fully funded, approximate 19,000m extensive Kallak South drill programme is in progress with approximately 512m drilled on the first two holes as at 23 February 2013. The current campaign is principally targeting a maiden JORC compliant resource estimate for the Kallak South deposit as well as seeking to confirm whether the Kallak South and Kallak North deposits are geologically connected.
- Test mining sampling programme expected to commence on a defined area of the Kallak North deposit in summer 2013 following approval in October 2012 of the requisite application by the County Administrative Board of Norrbotten.
- Mineralisation present in a significant proportion of the Kallak North and Kallak South deposits designated as an Area of National Interest by the Swedish authorities.

Corporate:

- Nil revenue (2011: Nil), loss before and after taxation of £1,047,486 (2011: £832,235), basic loss per share of 0.50p (2011: 0.50p) and nil dividend (2011: Nil).
- Approximately £3.7 million in cash held at the year end.

Clive Sinclair-Poulton, Executive Chairman of Beowulf, commented:



"During 2012, we continued to focus on the advancement of our flagship iron ore deposits at Kallak and successfully completed a 5,549m drill campaign on Kallak North, the promising results from which are currently being independently assessed as we seek to improve on the existing JORC compliant resource estimate for this deposit.

More recently, we were pleased to embark on the second phase of our extensive infill drilling campaign of up to 19,000m which is principally targeting a maiden JORC resource estimate for Kallak South.

We were also delighted to receive approval from the requisite Swedish authorities for our test mining application in respect of Kallak North and remain on course to commence such activities this summer, which marks an important step in the formulation and refinement of our plans for the potential future development of this exciting project."

London, 2013-02-28

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Chairman's Statement

I am pleased to present the Company's unaudited preliminary results for the year ended 31 December 2012. Beowulf currently has ten exploration projects in northern Sweden primarily prospecting for iron, copper, gold and uranium. The unaudited results show that the group incurred a loss before and after taxation for the year of £1,047,486 (2011: loss of £832,235) reflecting our significant drilling programmes, ongoing exploration activities, higher cost base and certain investment impairment costs. Accordingly, no dividend is proposed for the year ended 31 December 2012.

Kallak iron ore project

It is not often that a stopped train can show both promise and commitment. In October 2012, however, when a train on the newly reopened Inlandsbanan ('Inland') railway stopped in north Sweden it showed both.

It demonstrated the Swedish government's commitment to supporting the country's mining industry by upgrading the logistics needed to transport ore. After a period of approximately 30 years, the railway line had been reactivated, a clear sign of the government's willingness to invest up to approximately SEK3.5 billion (approximately £357 million at the prevailing exchange rate) in mining-related infrastructure in northern Sweden to facilitate, *inter alia*, the mining sector.

It also showed promise as the train in question stopped at the place where a potential link from our Kallak project could ultimately join the Inlandsbanan line. The fact that the inaugural journey had specifically stopped at this potential future junction point showed that the Swedish authorities are aware of, and appreciate, the potential significance of Kallak.

This is to the credit of all those at Jokkmokk Iron Mines AB ("JIMAB"), our wholly owned and principal Swedish operating subsidiary, who have worked tirelessly during the year not just on drilling operations in the field and associated analysis of the results, but also in other areas such as permitting, logistics, environmental assessments, community relations and the design of potential future open-pit mining and processing facilities.

The Kallak project is a Swedish asset and so it is only proper that a Swedish company, JIMAB, should develop it. JIMAB derives its name from Jokkmokk, the nearest town to Kallak, where it has a regional office reflecting the group's pride in working in the local area and desire to bring employment to the community and prosperity to the region.

JIMAB completed its drilling campaign at Kallak North in 2012, comprising 23 holes for a total of more than 5,500 metres of drilling.

The assay results were most encouraging with strong iron mineralisation encountered at substantial depths (five of the reported holes reaching lengths in excess of 370 metres) and one inclined hole having mineralisation for an interval from 86.25 metres to 399.40 metres, reaching a total length of 454.65 metres, corresponding to approximately 400 metres vertical



depth from ground surface. The average grades were also promising with one hole having a metre section containing 61.2% iron (Fe).

More than 4,000 metres of drill core was selected for analysis but it is evident that further work will need to be performed at Kallak North in order to define the full extent of the ore body. Preparation of an updated JORC compliant resource estimate for the Kallak North deposit by the independent consultants GeoVista AB and Micon International Co Limited is ongoing and currently anticipated to be received in late Q1 2013.

In November 2012, JIMAB's work plan for Kallak South was approved by the Swedish Mining Inspectorate and initial work commenced briefly in December 2012. JIMAB is seeking to establish whether the ore bodies of Kallak North and South are geologically connected or clearly separated. To date, it appears that the further south Kallak North is drilled the greater the presence of hematite rich sections.

The ongoing 2013 Kallak South work programme is fully funded and field operations recommenced in February 2013. The temporary delay was due to the traditional year-end break and the Saami community's request to suspend drilling. In accordance with the terms of the Mining Inspector's work plan decision, the Saami community was entitled to suspend drilling for up to eight weeks in the period from November 2012 to the end of April 2013 and exercised this right in December 2012 such that it was extinguished by the time drilling restarted in early February 2013. The Saami community has appealed against the work plan decision but this is currently being vigorously contested by JIMAB. The Mining Inspectorate has also written to the appropriate regional Court for Land and Environmental issues requesting that the terms of its decision be upheld. We await the Court's decision in due course and in the meantime our work plan remains valid until advised otherwise.

It is regrettable that such work plan issues are brought to a Court by the Saami community rather than openly discussed with us, but such proceedings are relatively common in Sweden and, indeed, wherever mining developments are proposed. JIMAB and Beowulf continue to seek to openly discuss all aspects of their plans for the Kallak project with the local community in Jokkmokk, in Norrbotten County, and with the requisite Swedish authorities.

The Swedish Prime Minister has publicly stated that mining is for Sweden what oil is for Norway, again serving to demonstrate the government's commitment to the industry. We sincerely hope that by discussing our plans in detail with all interested parties, we will be able to convince the local communities of the considerable benefits from mining at Kallak for both the local and national economies.

The potential benefits and importance of the Kallak project have recently been acknowledged by the Geological Survey of Sweden (SGU) via its designation of a significant proportion of the main project area (parts of the Kallak nr1 and Parkijaure nr2 and nr3 licences) as a Swedish Area of National Interest for minerals. This privileged status reflects, *inter alia*, the



perceived potential of the project in Sweden and will be of great benefit to our plans to move towards future production.

Whilst drilling continues in earnest at Kallak South, with 512 metres completed as at 23 February 2013, work is also planned on a demarcated area of the Kallak North deposit this summer as the County Administrative Board of Norrbotten granted its permission in October 2012 for up to 2,000 cubic metres of test mining to take place. Indications from previous, smaller scale, metallurgical test sampling programmes, including Davis Tube Recovery tests, on material from Kallak North have shown that, following grinding, concentrate with grades of between 68.9% and 70.3% iron can be produced, ideal for marketable pellet feed, using a relatively straightforward wet, low intensity magnetic separation technique.

JIMAB therefore continues to generate and collate valuable data to aid its planning for potential future production at Kallak. Kallak North already shows considerable commercial potential while information from our ongoing Kallak South programme will help determine the mine design and logistical requirements.

We have also been looking at other opportunities in the Kallak area and during the year registered applications for further exploration licences, Kallak nr3 and Parkijaure nr5, as direct extensions to certain of the existing Kallak project licences, of which Kallak nr3 has been granted and Parkijaure nr5 remains pending.

Ballek joint venture copper-gold project / Other projects

Beowulf remains the operator of the Ballek copper-gold project, alongside its joint venture partner, Energy Ventures Limited. Subject to the requisite funding being available and the necessary work plan approvals being obtained, it remains our intention to conduct an approximate 3,000m drill programme in due course to test deep lying iron oxide copper gold ("IOCG") targets of Olympic Dam type, as previously defined by deep sensing geophysical surveys carried out by GeoVista AB.

As the Company has continued to concentrate its resources on its wholly owned iron ore assets, its remaining portfolio awaits future development. Other attractive portfolio assets include the Grundträsk gold project, the Geddaur uranium, gold and silver permits, the Manakjaure uranium permit and the Munka licence area in northern Sweden, which covers approximately 800 hectares and hosts Sweden's largest, drill confirmed deposit of molybdenum.

The Board continues to look for additional assets to complement the existing portfolio and assess other attractive development opportunities including potential joint venture partners.

Corporate

On 31 October 2012, Agricola Resources plc ("Agricola") announced that its shares were being withdrawn from PLUS, with effect from 1 November 2012, and that its directors were in the process of seeking funding to support a potential acquisition of certain early stage natural



resource assets in New Zealand. Accordingly, whilst the Board remains confident that Agricola will ultimately be able to successfully conclude such an acquisition and associated fundraising, it has decided in light of the delisting and current difficult market environment that it is appropriate to recognise an impairment expense of approximately £216,000 in this reporting period in respect of the Company's investment in Agricola's ordinary shares (full impairment) and convertible loan notes (fifty per cent. impairment).

We remain well funded for the group's 2013 exploration activities with approximately £3.7 million in cash held at the year end.

Outlook

Looking at mines that could go into production in locations such as Canada or West Africa, it is apparent that Sweden's stability and well established infrastructure is a major advantage. It is also highly advantageous that the likely markets, the steel mills of the EU, are in close proximity and have a requirement for iron. The EU currently has to import approximately 80% of the iron ore it needs for steel production.

Iron ore prices experienced a fraught 2012 falling from approximately US\$147 per tonne in April 2012 to a level of approximately US\$99 per tonne in September 2012, before recovering to approximately US\$150 per tonne by January 2013. Much of this volatility was based upon a misunderstanding of the Chinese economy and the underlying dynamics of the iron ore market where China still needs iron and India is rapidly moving away from being an exporter to an importer. While the EU area still appears to be relatively weak there are encouraging signs in the US that its economy and market demand is improving.

We see a strong requirement for quality iron ore for the foreseeable future and are endeavouring to prove up at both Kallak North and South exactly what is there and how it can potentially be developed, mined, transported and sold to end users.

The group's steady progress during 2012, against a general backdrop of global economic fragility and uncertainty, is a reflection of the continued hard work of my colleagues, our consultants, contractors and advisers and our loyal supporters to whom we express our appreciation once again.

We look forward to rising to the challenges from the remainder of 2013.

Clive Sinclair-Poulton
Executive Chairman

28 February 2013



CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2012

	2012	2011
	(Unaudited)	(Audited)
	£	£
Continuing operations		
Revenue	-	-
Administrative expenses	(1,123,722)	(845,452)
Operating loss	(1,123,722)	(845,452)
Finance costs	(574)	-
Finance income	76,810	13,217
Loss before tax	(1,047,486)	(832,235)
Tax	-	-
Loss for the year	(1,047,486)	(832,235)
Loss per share expressed in pence per share:		
- Basic	(0.50)	(0.50)
- Diluted	(0.49)	(0.49)



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	2012	2011
	(Unaudited)	(Audited)
	£	£
Loss for the year	(1,047,486)	(832,235)
Other comprehensive income		
Revaluation of listed investments	(84,509)	(51,406)
Exchange translation difference	(16,592)	(193)
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Other comprehensive income for the year, net of income tax	(101,101)	(51,599)
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Total comprehensive income for the year	(1,148,587)	(883,834)
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

	2012	2011
	(Unaudited)	(Audited)
	£	£
Assets		
Non-current assets		
Intangible assets	3,596,880	2,304,347
Property, plant and equipment	769	607
Investments	25,349	109,858
Loans and other financial instruments	135,000	270,000
Financial fixed assets	76,763	-
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	3,834,761	2,684,812
Current assets		
Trade and other receivables	201,756	197,470
Cash and cash equivalents	3,680,945	6,050,960
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	3,882,701	6,248,430
	<hr/>	<hr/>
Total assets	<hr/> 7,717,462 <hr/>	<hr/> 8,933,242 <hr/>
Equity		
Shareholders' equity		
Called up share capital	2,104,273	2,104,273



Share premium account	10,858,905	10,858,905
Revaluation reserve	(99,651)	(15,142)
Capital contribution reserve	46,451	46,451
Share scheme reserve	68,317	68,317
Translation reserve	(16,785)	(193)
Retained earnings	(5,476,849)	(4,429,363)
Total equity	7,484,661	8,633,248
Liabilities		
Current liabilities		
Trade and other payables	232,801	299,994
Total liabilities	232,801	299,994
Total equity and liabilities	7,717,462	8,933,242



CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2012

	2012	2011
	(Unaudited)	(Audited)
	£	£
Cash flows from operating activities		
Cash generated from operations	(981,505)	(626,442)
Interest paid	(574)	-
Consolidation exchange rate fluctuation	(16,593)	(193)
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Net cash from operating activities	(998,672)	(626,635)
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Cash flows from investing activities		
Purchase of intangible fixed assets	(1,292,533)	(932,350)
Purchase of tangible fixed assets	(419)	-
Purchase of fixed asset investments	(76,763)	-
Loans to related parties	(27,871)	(70,386)
Funding of Joint venture	(31,117)	(16,213)
Related party loans repaid	-	250,000
Convertible loan note issued	-	(250,000)
Interest received	57,360	3,142
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Net cash from investing activities	(1,371,343)	(1,015,807)
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Cash flows from financing activities		



Share issue	-	7,964,333
Cost of share issue	-	(503,250)
Net cash from financing activities	-	7,460,813
(Decrease)/Increase in cash and cash equivalents	(2,370,015)	5,818,371
Cash and cash equivalents at beginning of year	6,050,960	232,589
Cash and cash equivalents at end of year	3,680,945	6,050,960

NOTES TO THE FINANCIAL INFORMATION

For the year ended 31 December 2012

- Basis of preparation and accounting policies**

The financial information contained in this preliminary results announcement does not constitute the Company's statutory financial statements for the years ended 31 December 2012 or 31 December 2011. The financial information for the year ended 31 December 2011 is derived from the statutory financial statements for that year which have been approved by the board of directors and delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified.

The financial information for the year ended 31 December 2012 is unaudited and has been prepared using the historical cost convention, on a going concern basis and in accordance with International Financial Reporting Standards ("IFRS") including IFRS 6 'Exploration for



and Evaluation of Mineral Resources', as adopted by the European Union. Statutory audited financial statements for that year will be finalised on the basis of the financial information presented by the directors in this preliminary results announcement and will be delivered to the Registrar of Companies and filed at Companies House following the Company's forthcoming annual general meeting.

The principal accounting policies used in preparing the preliminary results announcement are those that the Company will apply in its financial statements for the year ended 31 December 2012 and are unchanged from those disclosed in the Company's Annual Report and Financial Statements for the year ended 31 December 2011.

- **Loss per share**

The basic and diluted loss per share have been calculated using the loss for the 12 months ended 31 December 2012 of £1,047,486 (2011: £832,235). The basic loss per share was calculated using a weighted average number of shares in issue of 210,427,365 (2011: 166,800,076).

The diluted loss per share has been calculated using an additional weighted average number of shares in issue and to be issued of 214,693,336 (2011: 170,381,671).

- **Called up share capital**

	2012	2011
	(Unaudited)	(Audited)
	£	£
<i>Allotted, called up and fully paid</i>		
210,427,365 (2011: 210,427,365) ordinary shares of 1p each	2,104,273	2,104,273
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The number of shares in issue is reconciled as follows:



	2012	2011
	No.	No.
At 1 January 2012	210,427,365	159,796,689
Issued during the year	-	47,061,111
Share options and warrants exercised	-	3,569,565
At 31 December 2012	<u>210,427,365</u>	<u>210,427,365</u>

- Statement of movement on reserves**

	Retained earnings	Share premium	Share scheme reserve	Revaluation reserve
	£	£	£	£
At 1 January 2012	(4,429,363)	10,858,905	68,317	(15,142)
Deficit for the year	(1,047,486)	-	-	-
Cash share issue	-	-	-	-
Revaluation in year	-	-	-	(84,509)
Cost of share issue	-	-	-	-
Equity-settled share-based payment transactions	-	-	-	-
Share options exercised	-	-	-	-
Exchange translation difference	-	-	-	-



	-	-	-	-
At 31 December 2012	(5,476,849)	10,858,905	68,317	(99,651)

	Capital contribution reserve £	Translation reserve £	Totals £
At 1 January 2012	46,451	(193)	6,528,975
Deficit for the year	-	-	(1,047,486)
Cash share issue	-	-	-
Revaluation in year	-	-	(84,509)
Cost of share issue	-	-	-
Equity-settled share-based payment transactions	-	-	-
Share options exercised	-	-	-
Exchange translation difference	-	(16,592)	(16,592)
At 31 December 2012	46,451	(16,785)	5,380,388

- **Reconciliation of movements in shareholders' funds**

2012	2011
(Unaudited)	(Audited)



	£	£
Loss for the financial year	(1,047,486)	(832,235)
Proceeds of share issue	-	7,964,333
Equity-settled share-based payment transactions	-	53,924
Revaluation of listed investments	(84,509)	(51,406)
Cost of share issue	-	(503,520)
Exchange translation difference	(16,592)	(193)
Net addition to shareholders' funds	(1,148,587)	6,630,903
Opening shareholders' funds	8,633,248	2,002,345
Closing shareholders' funds	7,484,661	8,633,248

- **Reconciliation of loss before tax to cash outflow from operations**

	2012 (Unaudited) £	2011 (Audited) £
Loss before tax	(1,047,486)	(832,235)
Depreciation charges	257	203
Profit on disposal of fixed assets	-	-
Equity-settled share-based payment transactions	-	53,924



Impairment of exploration costs	-	5,171
Impairment of related party loan	135,000	-
Finance costs	574	-
Finance income	(76,810)	(13,217)
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	(988,465)	(786,154)
Decrease in trade and other receivables	38,820	28,151
(Decrease)/increase in trade and other payables	(31,860)	131,561
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Cash outflow from operations	(981,505)	(626,442)
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7. Availability of Annual Report and Financial Statements

Copies of the Company's full Annual Report and Financial Statements are expected to be posted to shareholders in due course and, once posted, will also be made available to download from the Company's website at www.beowulfmining.com

The Annual Report and Financial Statements will also be made available for inspection at the Company's registered office during normal business hours on any weekday. Beowulf Mining Plc is registered in England and Wales with registered number 02330496. The registered office is at Richmond House, Broad Street, Ely, Cambridgeshire CB7 4AH.