



**27 November 2015**

**Beowulf Mining plc**  
(“Beowulf” or the “Company”)

**Unaudited Interim Statement and Management Update for the Period Ended  
30 September 2015**

Beowulf (AIM: BEM; Aktietorget: BEO), the mineral exploration and development company focused on the Kallak iron ore project in northern Sweden and its Swedish exploration portfolio, announces its unaudited interim statement for the nine months ended 30 September 2015 and provides a management update.

The Unaudited Financial Results for year ending 31 December 2015 and the next Management Update will be released on or before Monday 29 February 2016.

**In Memory of Bob Young**

It is with great sadness that we report the passing of Dr. Robert (“Bob”) Douglas Young on 13 November 2015. Bob was Executive Chairman of Beowulf when the Company was admitted to AIM on 9 May 2005, and one of its founders. The Board wishes to send our condolences to his family and friends at this sad time.

**Highlights**

- The Company was invited by The Department of Enterprise and Innovation of the Government of Sweden to give its views on the findings made by the County Administrative Board (“CAB”) for the County of Norrbotten on Kallak North, as published in its announcement dated 7 July 2015. The Company made its submission which met the Government’s deadline of 14 September 2015.
- The Company renewed its commitment as a member of the Swedish Association of Mines, Mineral and Metal Producers (“SveMin”) to the Association’s Ethical Rules in September 2015.
- The Chief Executive Officer (“CEO”) presented in Stockholm on 17 September 2015 at a Financial Hearings Investor Briefing.
- Loss before and after taxation attributable to the owners of the parent company of £1,111,000 for the nine month period to 30 September 2015 (2014: loss of £2,102,000).

**Post Period**

- The Mining Inspectorate of Sweden wrote to the Government of Sweden on 9 October 2015 and recommended that the Exploitation Concession for Kallak North be granted.
- On 18 November 2015, the Company wrote to the Government of Sweden and asked for an update on the process being followed and the timing of a final decision on the

Company's application for the Exploitation Concession.

- The Company has had its first meeting with, and presented to, Members of Parliament for the County of Norrbotten on 25 November 2015.
- The CEO presented at a Handelsbanken Capital Markets Day on 25 November 2015 and at the SveMin Autumn meeting on 26 November 2015.
- The Company continues to communicate and engage with key stakeholders in and around Jokkmokk. The Chairman and CEO both visited Jokkmokk between 20-23 November 2015, presented to the Board of Jokkmokks Allmänning, the landowners' association, and met with members of Jokkmokks Kommun. The CEO has also been in contact with the chairmen of the Saami villages adjacent to Kallak and it is hoped that face-to-face meetings can be arranged early in 2016.
- The CEO will be presenting in London on 7 December 2015 at a Proactive Investors Mining Capital event.

**Kurt Budge, CEO, commented:**

*"This has been a productive period for Beowulf and, as I have written many times over the last year, the Company has satisfied the requirements of the Swedish regulations for permitting an Exploitation Concession.*

*"In July this year the County Administrative Board for the County of Norrbotten made a statement of support for Kallak North, highlighting the local, regional and national economic benefits that a mine at Kallak could generate, and in October the Mining Inspectorate of Sweden recommended that the Exploitation Concession be awarded. These statements were well received by the Company and Beowulf's shareholders, who have to date invested over SEK 67 million in the discovery, definition and development of Kallak.*

*"As Beowulf has not received any further news since the Mining Inspectorate's recommendation the Company wrote to the Government on the 18 November 2015 and asked for an update on the process being followed by the Government and the timing of a final decision. We remain confident that all is in place for a positive decision to be made.*

*"Despite the current downturn in the mining sector, Beowulf's share price performance over recent months has improved and Swedish investors now hold 30 per cent of Beowulf's shares, up from 14 percent a year ago. As Beowulf continues to build momentum and support, the Company has the opportunity to advance Kallak in this downturn and achieve the prospect of production in 4-5 years' time, whilst being able to pursue other attractive opportunities in Scandinavia.*

*"I look forward to updating the market on further progress in due course."*

**Operational**

***Exploitation Concession***

Another important step forward was taken with the Company's application for an Exploitation Concession for Kallak North when, in a letter dated 9 October 2015, the Mining Inspectorate of Sweden recommended to the Government of Sweden that the Exploitation Concession for Kallak North be granted.

The recommendation was delivered in response to the Department of Enterprise and Innovation's invitation for the Mining Inspectorate to give its views on the findings made by the CAB for the County of Norrbotten on Kallak North, as published in the CAB's announcement dated 7 July 2015.

### ***Exploration Portfolio***

The Company has completed a desktop review of its exploration portfolio and decided to relinquish the Munka license. In addition, the Company has no plans for expenditure during the next 12 months on the Ballek copper-gold joint venture project where the Company has a 65.25% equity interest. The Company is still considering options for the Grundträsk gold project.

### **Financials**

- Loss before and after taxation attributable to the owners of the parent company of £1,111,000 which is £991,000 lower than last year (2014: loss of £2,102,000). The lower loss in the period was down to reduced corporate overheads especially directors' remuneration and professional fees, nil losses on derivative financial assets following the accelerated settlement of equity swap arrangements in January 2015. However this was partly offset by higher impairment charges of £852,000 (nil in 2014). The impairment charge included Munka (£9k) and Ballek (£843k).
- Basic/diluted loss per share for the period of £0.29 was significantly down on last year (2014: loss of £0.72).
- £546,000 in cash held at the period end.

### **Corporate**

- In July 2015 the Company raised £650,000 before expenses through a placing and subscription bringing the total amount raised in the nine months to £1,000,000. This represented working capital to finance project expenditure on Kallak and corporate overheads in the UK and Sweden.
- The Company issued 617,284 new ordinary shares in July 2015 to Beaufort Securities Limited ("Beaufort") in lieu of their broker fees for 6 months.
- The Company issued 617,284 Performance Warrants (the "Warrants") to Beaufort on 14 October 2015. The Warrants were issued pursuant to Beaufort's engagement as Joint Broker, 17 June 2015, after Beowulf's mid-market share price exceeded 3.04p over a 14-day Volume Weighted Average Price ("VWAP") within 6 months of Beaufort's appointment; a level set approximately 50 per cent over the Warrant exercise price of 2.025p. Beaufort gave Notice of Exercise on 617,284 Warrants for which the Company received proceeds of £12,500 and 617,284 new ordinary shares were issued.

Beaufort will receive an additional 617,284 Warrants if and when Beowulf's mid-market share price exceeds 4.05p over a 14-day VWAP within 12 months of Beaufort's appointment; a level set approximately 100 per cent over the Warrant exercise price of 2.025p. The Warrants can be exercised within 3-years of their issuance.

- The total number of ordinary shares in circulation at the date of this announcement is 429,696,540 ordinary shares of £0.01 each, with each share carrying the right to one vote. The Company does not hold any ordinary shares in treasury.

## **Enquiries:**

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## **Cautionary Statement**

Statements and assumptions made in this document with respect to the Company's current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of Beowulf. Forward-looking statements include, but are not limited to, those using words such as "may", "might", "seeks", "expects", "anticipates", "estimates", "believes", "projects", "plans", "strategy", "forecast" and similar expressions. These statements reflect management's expectations and assumptions in light of currently available information. They are subject to a number of risks and uncertainties, including, but not limited to, (i) changes in the economic, regulatory and political environments in the countries where Beowulf operates; (ii) changes relating to the geological information available in respect of the various projects undertaken; (iii) Beowulf's continued ability to secure enough financing to carry on its operations as a going concern; (iv) the success of its potential joint ventures and alliances, if any; (v) metal prices, particularly as regards iron ore. In the light of the many risks and uncertainties surrounding any mineral project at an early stage of its development, the actual results could differ materially from those presented and forecast in this document. Beowulf assumes no unconditional obligation to immediately update any such statements and/or forecasts.

## **About Us**

The Kallak North iron ore project is located about 40km west of the Jokkmokk municipality centre in the County of Norrbotten in Northern Sweden.

Local infrastructure is excellent with all-weather gravel roads passing through the project area and all parts are easily reached by well used forestry tracks. A major hydroelectric power station with associated electric power-lines is located only a few kilometres to the south east. The nearest railway (the 'Inland Railway Line') passes approximately 40km to the east. This railway line is connected at Gällivare with the 'Ore Railway Line', which is used by LKAB for delivery of their iron ore material to the Atlantic harbour at Narvik (Norway) or to the Botnian Sea harbour at Luleå (Sweden).

The total Kallak project area is approximately 80km<sup>2</sup>, and includes the Parkijaure licence granted in 2010 and the Ågåsjiægge nr2 licence granted in 2014.

The Kallak North and Kallak South orebodies are centrally located and cover an area approximately 3,700m in length and 350m in width, as defined by drilling. The mineral resource estimate for Kallak North and South is based on drilling conducted between 2010-2014, a total 27,895m drilled, including 131 drillholes.

The latest resource statement for the Kallak project was finalised on 28 November 2014, following the guidelines of the JORC Code 2012 edition, summary as follows:

	Category	Tonnage Mt	Fe %	P %	S %
Kallak North	Indicated	105.9	27.9	0.035	0.001
	Inferred	17.0	28.1	0.037	0.001
Kallak South	Indicated	12.5	24.3	0.041	0.003
	Inferred	16.8	24.3	0.044	0.005
Global	Indicated	118.5	27.5	0.036	0.001
	Inferred	33.8	26.2	0.040	0.003

**BEOWULF MINING PLC**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

	(Unaudited) 9 months ended 30 Sept 2015  £000's	(Unaudited) 9 months ended 30 Sept 2014 as restated £000's
<b>Continuing operations</b>		
Administrative expenses	(554)	(832)
Impairment of exploration costs	(852)	-
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<b>Operating loss</b>	(1,406)	(832)
Finance costs	-	(10)
Fair value loss on derivative financial assets	-	(1,263)
Share of post-tax losses of equity accounted joint venture	-	(3)
Finance income	1	6
	<hr/>	<hr/>
<b>Loss before and after taxation</b>	<u>(1,405)</u>	<u>(2,102)</u>
Loss attributable to:		
Owners of the parent	(1,111)	(2,102)
Non-controlling interests	(294)	-
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	<u>(1,405)</u>	<u>(2,102)</u>
Loss per share attributable to the ordinary equity holder of the parent:		
Basic and diluted (pence)	(0.29)	(0.72)

**BEOWULF MINING PLC**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2015**

	(Unaudited) As at 30 Sept 2015 £000's	(Unaudited) As at 30 Sept 2014 as restated £000's
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	5,632	5,755
Property, plant and equipment	33	48
Investment in equity accounted joint ventures	-	-
Investments	-	224
Derivative financial assets	-	381
Loans and other financial assets	51	543
	<u>5,716</u>	<u>6,951</u>
<b>Current assets</b>		
Trade and other receivables	70	325
Derivative financial assets	-	553
Cash and cash equivalents	546	599
	<u>616</u>	<u>1,477</u>
<b>TOTAL ASSETS</b>	<u><u>6,332</u></u>	<u><u>8,428</u></u>
<b>EQUITY</b>		
<b>Shareholders' equity</b>		
Share capital	4,291	3,453
Share premium	15,175	15,014
Revaluation reserve	(30)	(97)
Capital contribution reserve	47	47
Share option reserve	104	68
Translation reserve	(1,162)	(687)
Retained earnings	(12,137)	(9,972)
	<u>6,288</u>	<u>7,826</u>
Non-controlling interests	(167)	-
<b>TOTAL EQUITY</b>	<u>6,121</u>	<u>7,826</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	211	602
<b>TOTAL LIABILITIES</b>	<u>211</u>	<u>602</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>6,332</u></u>	<u><u>8,428</u></u>

## NOTES

### 1. PRIOR YEAR ADJUSTMENT – CHANGE IN ACCOUNTING POLICY

During the year ended 31 December 2014, the Group adopted IFRS 11 'Joint Arrangements' which was effective for periods beginning on 1 January 2014. The Directors have considered the factors specified within IFRS 11 and classified the interest in the jointly controlled entity, Wayland Copper Limited as a joint venture. Under the requirements of IFRS 11, joint ventures are accounted for using the equity accounting method. Joint ventures are initially recognised at cost and subsequently adjusted for the Group's share of the profit and losses and other comprehensive income in the joint venture.

The accounting policy adopted prior to the implementation of IFRS 11 followed the requirements of IAS 31 'Financial reporting of Interests in Joint Ventures' under which the Group had accounted for the interest in the jointly controlled entity using the proportional consolidation method.

Re-classification of impairment of investment

In 2012 a full provision was made in the Revaluation Reserve in respect of a £95,000 investment in Agricola Resources Plc following its de-listing from the PLUS market. A prior year adjustment was made in the financial statements for the year ended 31 December 2014 to transfer this impairment in value of the investment from Revaluation Reserve to Accumulated Losses to reflect the permanent diminution of value following the de-listing.

The Group has retrospectively restated the 2014 figures to reflect this change in accounting policy.

### 2. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares of 380,296,673 (2014: 291,106,117). There is no difference between the basic and diluted loss per share.

\*\* Ends \*\*