



The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

26 May 2017

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

Unaudited Interim Statement and Management Update for the Period Ended 31 March 2017

Beowulf (AIM: BEM; Aktietorget: BEO), the mineral exploration and development company, focused on the Kallak magnetite iron ore project and the Åtvidaberg polymetallic exploration licence in Sweden, and its graphite portfolio in Finland, announces its unaudited consolidated financial results for the three months ended 31 March 2017 and provides a management update.

The unaudited interim financial results for six months ending 30 June 2017 and the next management update will be released on or before 31 August 2017.

Overview of Activities in the Quarter

- The Company announced, on 25 January 2017, testwork results for composite samples taken from its Haapamäki, Pitkäjärvi and Aitolampi graphite prospects located in eastern Finland.
- On 1 February 2017, the County Administrative Board ("CAB") for the County of Norrbotten made an announcement, in which the CAB referred the Company's application for an Exploitation Concession for Kallak North ("Kallak") back to the Mining Inspectorate, with respect to matters regarding the effects of a mining operation at Kallak on Laponia.
- Beowulf received a letter from the Mining Inspectorate, on 2 February 2017, asking the Company if it had any comments on the CAB's announcement and, on 15 February 2017, the Company wrote to the Mining Inspectorate and provided comments on the announcement.
- The Company met with the Mining Inspectorate on 20 February 2017, and discussed the next steps in the application review process for Kallak. Following this meeting, Beowulf confirmed that it had been invited to supplement its existing Environmental Impact Assessment ("EIA") for Kallak even further, should it wish to do so, before the Mining Inspectorate sent all information to the Swedish National Heritage Board (Riksantikvarieämbetet, "RAÄ") and the Swedish Environmental Protection Agency (Naturvårdsverket, "NV") for their review and opinions on the sufficiency of information provided, with respect to the interaction between Kallak and Laponia. The Company declined to make any further supplements and remains of the opinion that the EIA has met

the requirements of the Swedish Minerals Act and Environmental Code.

- On 22 February 2017, Beowulf started drilling at its Aitolampi graphite prospect in Finland.
- Beowulf wrote to the Mining Inspectorate on 24 February 2017, and stated that it did not agree with the Mining Inspectorate on consulting with the RAÄ and NV, as both these agencies had already reviewed the Company's application and provided comments.
- On 13 March 2017, the Company provided an update on its Aitolampi drilling, with four diamond drill holes completed as part of an eight-hole programme. The Company provided a further update on drilling at Aitolampi, on 27 March 2017, following the completion of drilling of approximately 1,197 metres ("m"). The first four drill holes, AITDD17001-004, extended 350m along strike for the main conductive zone, and drill holes AITDD17005-008 tested the extent of mineralisation down-dip of the main conductive zone.
- On 27 March 2017, the Company was notified that the Mining Inspectorate had received comments and opinions from Swedish agencies, RAÄ and NV. Following this, the Mining Inspectorate wrote to the Company, and gave it the opportunity to submit its own comments and supplementary information further to the RAÄ and NV's comments.
- On 29 March 2017, the Company met with the Mining Inspectorate in Luleå to discuss the next steps in the application process. During the meeting, the Company outlined its interpretation of the RAÄ and NV's comments, specifically that: the focus of the agencies' response is the effect of Kallak on Lapponia; it is acknowledged that Kallak does not directly affect Lapponia; and it is suggested that the Company should provide more details, to describe the possible indirect effects of a mining operation at Kallak on Lapponia, the interaction of mining and reindeer herding, and matters related to transport. The agencies failed to be specific, as requested by the Mining Inspectorate, as to where the Company's EIA is insufficient in the detail it provides.
- Loss before and after taxation attributable to the owners of the parent of £207,747 (2016: loss of £166,559).
- Cash and cash equivalents at 31 March 2017 of £1,249,594, are £243,430 below the corresponding period last year and £359,625 below the level at 31 December 2016.

Post Period End

- On 28 April 2017, the Company submitted a Heritage Impact Assessment ("HIA") to the Mining Inspectorate in response to the comments made by Swedish agencies, RAÄ and NV. The Company presented an analysis of the indirect effects of a mining operation at Kallak on Lapponia with respect to reindeer herding, and the effects of transport on Lapponia. The analysis followed United Nations Educational, Scientific and Cultural Organisation ("UNESCO") guidelines for conducting a HIA. Typically, a HIA is not required with an application for an Exploitation Concession, but the Company voluntarily produced one, with the support of its expert Swedish technical team and Swedish Advisory Board.
- The Company was notified, on 8 May 2017, that the Mining Inspectorate had written to the CAB, asking the CAB to give an opinion on the Company's application by 1 June 2017. Subsequently, the CAB requested, and was granted, an extension to 16 June 2017.

- The Company announced on 17 May 2017 a subscription for new ordinary shares to raise £1.5 million before expenses, an issue of 23,076,923 new ordinary shares at a price of 6.5 pence per new ordinary share.

The Company stated that proceeds would be used for general working capital purposes and to support activities across its three main business areas, which are Kallak, graphite exploration, and the Ätvidaberg exploration licence. More specifically: a Scoping Study on Kallak, to be conducted after the award of the Exploitation Concession; exploration and development activities across the graphite portfolio, Haapamäki, Pitkäjärvi and Aitolampi, Kolari, and Viistola, including geophysics, sampling, assays, and metallurgical testwork; and the 2017 exploration programme at Ätvidaberg, comprising re-interpretation of historical data, ground geophysics, and geological mapping.

- On 24 May 2017, the Company announced further results from its recently completed eight-hole diamond drill programme at Aitolampi.

Drilling confirms that EM anomalies identified at Aitolampi are associated with wide zones of graphite mineralisation, with a mineralised strike length of at least 350m along the main conductive zone drill-tested, dipping between 40 and 50 degrees to the southwest. The main EM zone extends for 700m.

Kurt Budge, CEO, commented:

“When reviewing the chronology of our Kallak North application, who said what and when, it is impossible to comprehend that we are still waiting for an Exploitation Concession. We have been waiting to restart investing in Kallak, to initiate a Scoping Study, drill the Kallak South exploration target, which we believe will significantly boost the Kallak resource, and form the local partnerships that will deliver a modern and sustainable mining operation.”

“I have been in Jokkmokk many times this year. The town is looking for investors who want to build businesses. We have invested over SEK72 million in Kallak to date, but despite authorities stating our application meets the requirements, and that our project could deliver significant economic benefits, we continue to face delays in being awarded an Exploitation Concession. However, we are not giving up, our determination is unwavering. There is plenty of support from stakeholders that want to see economic growth and a bright future for Jokkmokk, with mining as part of that future, and that gives us real encouragement.”

“On 12 May, we completed an expedient fundraise of £1.5 million at a price of 6.5 pence per ordinary share, over 54 per cent higher than the price of our December 2016 fundraise, and 100 per cent higher than the price of our February 2016 fundraise.”

“When Bevan Metcalf and I joined the Company in September 2014, we inherited a financially distressed business, and we have no interest in letting the Company return to that state. We are active on our graphite exploration, and have exciting plans for Ätvidaberg and Kallak. Those programmes, plus corporate overheads, and the Kallak process need funding.”

“I look forward to updating shareholders on progress across our three main business areas in due course.”

An interview with Kurt Budge, CEO, discussing the management update can be viewed at the following link:

Operational

Kallak North Exploitation Concession

In 2017, movement with the Kallak application started on 1 February, when the CAB made a surprise announcement, in which it referred the Company's application for an Exploitation Concession for Kallak back to the Mining Inspectorate, with respect to matters regarding the effects of a mining operation at Kallak on Laponia.

The CAB announcement followed the Mining Inspectorate's request to the CAB on 24 October 2016 to answer several questions:

- Does the Kallak EIA contain the information required under Chapter 6 of the Environmental Code?
- Does the information contained within the EIA, for both mining and ancillary activities applied for by the Company, meet the requirements of Chapters 3 and 4 of the Environmental Code?
- Does the CAB wish to put conditions, that could be attached to an Exploitation Concession if one is granted by the Mining Inspectorate, on the Company?

On 15 February 2017, the Company announced that it had written to the Mining Inspectorate and provided comments on the CAB's statement made on 1 February 2017. The Company's letter stated that:

- The Company's application for an Exploitation Concession for Kallak includes a technical description, covering the Concession Area, the actual deposit to be mined, and the operational facilities necessary to support mining. It also includes a comprehensive EIA, where all activities and their potential effects have been described.
- The EIA and other relevant documents have already been reviewed by the CAB, and other stakeholders, during the period from April 2013 to October 2014, and the Company has responded to all comments made.
- On 1 October 2014, the CAB confirmed that the Company's EIA was sufficient with respect to Chapters 3, 4 and 6 of the Environmental Code and, on 7 July 2015, the CAB wrote to the Government of Sweden indicating that the Company's EIA application could be permissible with respect to Chapters 3 and 4 of the Environmental Code.
- The CAB's statement on 1 February 2017 must be interpreted as if the CAB has no objections to the granting of an Exploitation Concession, given that the assessment of the application, under the prescribed process, should only include the Concession Area, the actual deposit to be mined.
- The Company did not understand the legal basis for any process involving UNESCO, when considering the Company's application. The interaction between Kallak and Laponia, which is 33.8 kilometres away at its closest point, is something that should be assessed under environmental permitting.

- Within the Concession Area, there are no conflicts where national interests are considered, a fact stated by the CAB in July 2015, and for the areas taken by operational facilities necessary to support mining, there are also no conflicts where national interests are considered. Since February 2013, Kallak has been designated an Area of National Interest ("ANI") for its minerals and metals, affording it protection against competing land use, and measures that may hinder future potential mineral extraction.

The Company also stated that it is for the CAB to answer the Mining Inspectorate's questions and to give an opinion on the Company's application. The CAB has stated on more than one occasion that the Company's EIA is sufficient for an assessment, and in July 2015, the CAB detailed a robust economic case for Kallak.

Further to the CAB statement on 1 February 2017, the Mining Inspectorate decided to consult with the RAÄ and the NV for their review and opinions on the sufficiency of information provided, with respect to the interaction between Kallak and Laponia.

On 27 March 2017, RAÄ and NV provided comments to the Mining Inspectorate. The Company met with the Mining Inspectorate on 29 March and outlined its interpretation of the RAÄ and NV's comments, specifically that:

- The focus of the agencies' response is the effect of Kallak on Laponia.
- It is acknowledged that Kallak does not directly affect Laponia.
- It is suggested that the Company should provide more details, to describe the possible indirect effects of a mining operation at Kallak on Laponia, the interaction of mining and reindeer herding, and matters related to transport.

The agencies failed to be specific, as requested by the Mining Inspectorate, as to where the Company's EIA is insufficient in the detail it provides.

On 28 April 2017, the Company submitted a HIA to the Mining Inspectorate in response to the comments made by RAÄ and NV. The Company presented an analysis of the indirect effects of a mining operation at Kallak on Laponia with respect to reindeer herding, and the effects of transport on Laponia. The analysis followed UNESCO guidelines for conducting a HIA. Typically, a HIA is not required with an application for an Exploitation Concession, but the Company voluntarily produced one, with the support of its expert Swedish technical team and Swedish Advisory Board.

The Company maintains that its studies into reindeer herding support the case that mining and reindeer herding can cooperate and prosper side by side and, to the Company's knowledge, there is no evidence to suggest that they cannot. Kallak's area of 13.6km² compares to Jåhkågaska reindeer herding community's 2,640km² of grazing land or 0.5 per cent, as a percentage.

With regards to transport, the Company stated that solutions will be optimised, and sensibly controlled by the environmental permitting process, such that there should be no material effect on Laponia, and planning will involve other parties, including Trafikverket and Inlandsbanan.

The Company has listened, and responded, to concerns raised throughout the application process. This has been demonstrated by the submission to the CAB in April 2013 of extensive supplementary EIA studies, and, in November 2014, the Company eliminating the Jelka-

Rimakåbbå transport route from its plans, responding to the CAB's concerns about the interaction of mining and reindeer herding.

The CAB now has a deadline of 16 June 2016 to respond to the Mining Inspectorate and provide an opinion on the Company's application.

Swedish Exploration Portfolio

Åtvidaberg

At the end of April 2017, the Company held a three-day field workshop at Åtvidaberg, which brought together the Company's exploration team, and a handful of external experts with major mining company exploration experience, relevant to Bergslagen, volcanogenic massive sulphide mineralisation and modern exploration technologies.

The output of the workshop was an exciting exploration programme for this year, with work planned on brownfield and greenfield targets at Bersbo (prospective for zinc and copper), Mormor (prospective for copper), and Könserum (prospective for molybdenum, tungsten, bismuth and rhenium). The programme will include further interpretation of historical data, geophysics, and geological mapping, to fill the knowledge gaps and answer key questions, with a view to perfecting the exploration model and defining drill targets.

Finnish Graphite

On 25 January 2017, the Company announced testwork results for composite samples taken from its Haapamäki, Pitkäjärvi and Aitolampi graphite prospects located in eastern Finland.

- Testwork on composite samples for Pitkäjärvi and Aitolampi produced concentrate grades of 94.5 per cent Total Carbon ("Ct") and 94.7 per cent Ct, respectively.
- A secondary cleaning circuit produced grades of at least 95.7 per cent Ct in all size fractions between 65 mesh and 200 mesh (210-75 micron), with the highest grade of 97.4 per cent Ct obtained from the -80/+100 mesh (180-150 micron) size fraction for Pitkäjärvi (test MET-03-3). Most of the carbon in the samples was associated with graphite, with only small amounts of organic carbon and carbonate carbon.
- Flake size analysis for Pitkäjärvi concentrate showed 83 per cent fine (<150 micron), 5.6 per cent medium (150-180 micron) and 11.4 per cent large/jumbo (+180 micron) flakes.
- Flake size analysis for Aitolampi concentrate showed 78.3 per cent fine, 8.8 per cent medium and 12.9 per cent large/jumbo flakes.
- Inductively Coupled Plasma Optical Emission Spectrometry ("ICP-OES") scans and whole-rock analysis showed no elevated concentrations of typical deleterious elements.
- All testwork was performed by SGS Mineral Services in Canada.

During February and March 2017, Beowulf has focused on drilling at Aitolampi, providing several updates on drilling results and interpretation, and most recently assays. On 27 March, the Company announced the completion of drilling at Aitolampi, with all eight holes drilled, approximately 1,197m in total.

- The first four drill holes, AITDD17001-004, extended 350m along strike for the main conductive zone, and drill holes AITDD17005-008 tested the extent of mineralisation down-

dip of the main conductive zone.

- The Company reported that substantial graphite mineralisation had been intersected in all holes, including up to 113.5m down-hole width for the longest drill hole AITDD17006, which corresponds with identified EM conductors. It should be noted that the mineralisation intercept is the down-hole width and may not be the true width.
- Drill holes AITDD17005-006 tested two parallel conductors to the main conductive zone and intersected graphite mineralisation for both conductors.

On 8 May 2017, the Company's exploration team was back in the field, and began a two-month field programme at Haapamäki, Pitkäjärvi and Aitolampi, which includes further Slingram electromagnetic ("EM") surveys and geological mapping, with the objective of defining new drill targets.

On 24 May 2017, the Company announced further results from its recently completed eight-hole diamond drill programme.

- Drilling confirms that EM anomalies identified at Aitolampi are associated with wide zones of graphite mineralisation, with a mineralised strike length of at least 350m along the main conductive zone drill-tested, dipping between 40 and 50 degrees to the southwest. The main EM zone extends for 700m.
- Drill hole AITDD17006 intercepted 202.98m at 3.09 per cent Total Graphite Carbon ("TGC") from 19.2m depth (this includes some barren zones with no assays and calculated as zero per cent TGC), and higher-grade zones of 18.95m at 6.33 per cent TGC, and 14m at 6.26 per cent TGC.
- Drill hole AITDD17001 intercepted 141.86m at 3.72 per cent TGC from 19.67m depth, including a higher-grade zone of 39.48m at 5.02 per cent TGC.
- Drill hole AITDD17008 intercepted 60.29m at 4.01 per cent TGC from 8.71m depth, including 12m at 5.79 per cent TGC.
- Drill hole AITDD17005 intercepted 41.1m at 4.39 per cent TGC from start of hole, including 28.4m at 5.1 per cent TGC and 4m at 7.71 per cent TGC.

It should be noted that the mineralisation intercepts are the down-hole widths and are not the true width of mineralisation. All samples were prepared and analysed by ALS Finland Oy's laboratory in Outokumpu.

Composite samples for metallurgical testwork have been dispatched to SGS Mineral Services in Canada, including an average grade composite for the main conductive zone, a higher-grade composite for the main conductive zone/near-surface mineralisation, and a higher-grade composite for the parallel conductive zones. Results are expected in the summer.

Financials

- Condensed loss before and after taxation attributable to the owners of the parent of £207,747 which is £41,188 higher than last year (2016: loss of £166,559). The higher loss is predominantly due to higher share based payment expense following the grant of options on 26 January 2017. Director fees were also up over last year as Chris Davies joined in

April 2016 so there was no charge for him in the first quarter of 2016.

- Basic and diluted loss per share for the period of 0.041 pence was 11 per cent higher than last year (2016: loss of 0.037p).
- Cash and cash equivalents held at the period end amounted to £1,249,594. Post the end of the period under review, the Company announced that 23,076,923 new ordinary shares were issued to raise approximately £1.5 million (before expenses) at a price of 6.5 pence per new ordinary share.

Corporate

- On 27 January 2017, the Company announced that options have been granted over a total of 4,500,000 ordinary shares of one pence each, representing approximately 0.9 per cent of the issued share capital of the Company at the date of grant. 2,500,000 options were granted to Chris Davies, Non-executive Director, and 2,000,000 options were granted to Rasmus Blomqvist, Exploration Manager. This award of options recognised the excellent contribution made by Rasmus and Chris to the success of the Company during 2016.

The exercise price of the options is 12 pence per share, which is equal to the closing mid-market price of the shares on 25 January 2017, the date immediately preceding the date of grant. The options vest over a two-year period with 50 per cent vesting on the first anniversary of grant and 50 per cent on the second anniversary of grant. The options are valid for five years from the date of grant.

Kurt Budge, CEO, and Bevan Metcalf, Chairman, have decided to take their annual award subject to the grant of the Exploitation Concession for Kallak with the number of options and terms of the award to be decided at that time.

- The total number of ordinary shares in circulation at the date of this announcement is 525,707,254 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.

Competent Person Review

The information in this announcement has been reviewed by Mr. Rasmus Blomqvist, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Rasmus Blomqvist has sufficient experience, that is relevant to the style of mineralisation and type of deposit taken into consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Mr. Rasmus Blomqvist is a full-time employee of Oy Fennoscandian Resources AB, a 100 per cent owned subsidiary of Beowulf.

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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.

BOWULF MINING PLC
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS TO MARCH 2017

	(Unaudited) 3 months ended 31 March 2017 £	(Unaudited) 3 months ended 31 March 2016 £	(Audited) Year ended 31 December 2016 £
Continuing operations			
Administrative expenses	<u>(208,521)</u>	<u>(167,535)</u>	<u>(638,573)</u>
Operating loss	(208,521)	(167,535)	(638,573)
Finance income	<u>599</u>	<u>976</u>	<u>5,344</u>
Loss before and after taxation	<u>(207,922)</u>	<u>(166,559)</u>	<u>(633,229)</u>
Loss attributable to:			
Owners of the parent	(207,747)	(166,559)	(632,125)
Non-controlling interests	(175)	-	(1,104)
	<u>(207,922)</u>	<u>(166,559)</u>	<u>(633,229)</u>
Loss per share attributable to the ordinary equity holder of the parent:			
Basic and diluted (pence)	(0.041)	(0.037)	(0.130)

BEOWULF MINING PLC
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	(Unaudited) As at 31 March 2017 £	(Unaudited) As at 31 March 2016 £	(Audited) As at 31 December 2016 £
ASSETS			
Non-current assets			
Intangible assets	7,455,603	6,292,325	7,186,576
Property, plant and equipment	40,542	16,155	23,511
Loans and other financial assets	5,496	51,953	5,503
	<u>7,501,641</u>	<u>6,360,433</u>	<u>7,215,590</u>
Current assets			
Trade and other receivables	71,975	84,927	51,766
Cash and cash equivalents	1,249,594	1,493,024	1,609,219
	<u>1,321,569</u>	<u>1,577,951</u>	<u>1,660,985</u>
TOTAL ASSETS	<u><u>8,823,210</u></u>	<u><u>7,938,384</u></u>	<u><u>8,876,575</u></u>
EQUITY			
Shareholders' equity			
Share capital	5,026,302	4,792,969	5,026,302
Share premium	16,879,241	16,167,782	16,879,241
Revaluation reserve	25,664	(30,000)	25,664
Merger Reserve	137,700	137,700	137,700
Capital contribution reserve	46,451	46,451	46,451
Share based payment reserve	315,911	137,608	237,803
Translation reserve	(529,970)	(724,109)	(464,882)
Accumulated losses	(13,274,909)	(12,632,687)	(13,067,163)
	<u>8,626,390</u>	<u>7,895,714</u>	<u>8,821,116</u>
Non-controlling interests	<u>(158,777)</u>	<u>(157,918)</u>	<u>(158,593)</u>
TOTAL EQUITY	<u><u>8,467,613</u></u>	<u><u>7,737,796</u></u>	<u><u>8,662,523</u></u>
LIABILITIES			
Current liabilities			
Trade and other payables	<u>355,597</u>	<u>200,588</u>	<u>214,052</u>
TOTAL LIABILITIES	<u><u>355,597</u></u>	<u><u>200,588</u></u>	<u><u>214,052</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>8,823,210</u></u>	<u><u>7,938,384</u></u>	<u><u>8,876,575</u></u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the 3 months ended 31 March 2017

1. Nature of Operations

Beowulf Mining plc (the “Company”) is domiciled in England. The Company's registered office is 201 Temple Chambers, 3-7 Temple Avenue, London, EC4Y 0DT. This consolidated financial information comprises the Company and its subsidiaries (collectively the ‘Group’ and individually ‘Group companies’). The Group is engaged in the acquisition, exploration and evaluation of natural resources assets and has not yet generated revenues.

2. Basis of preparation

The condensed consolidated financial information has been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and implemented in the UK. The accounting policies, methods of computation and presentation used in the preparation of the interim financial information are the same as those used in the Group's audited financial statements for the year ended 31 December 2016.

The financial information in this statement does not constitute full statutory accounts within the meaning of Section 434 of the UK Companies Act 2006. The financial information for the three months ended 31 March 2017 and 31 March 2016 is unaudited, and has not been reviewed by the auditors. The financial information for the year ended 31 December 2016 has been derived from the Group's audited financial statements for the year. The auditor's report on the statutory financial statements for the year ended 31 December 2016 was unqualified and did not contain any statement under sections 498 (2) or (3) of the Companies Act 2006.

The financial statements are presented in GB Pounds Sterling. They are prepared on the historical cost basis or the fair value basis where the fair valuing of relevant assets and liabilities has been applied.

3. Loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary owners of the parent by the weighted average number of ordinary shares of 502,630,331 (31 March 2016: 449,289,778 and 31 December 2016: 472,525,290) outstanding during the period. There is no difference between the basic and diluted loss per share.

4. Called up share capital

	(Unaudited)	(Unaudited)	(Audited)
	31 March	31 March	31
	2017	2016	December
	£	£	2016
			£
Allotted, issued and fully paid Ordinary shares of 1p each	5,026,302	4,792,969	5,026,302
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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL
INFORMATION
For the 3 months ended 31 March 2017

The number of shares in issue was as follows:

	Number of shares
Balance at 1 January 2016	430,313,824
Issued during the period	<u>48,983,174</u>
Balance at 31 March 2016	479,296,998
Issued during the period	<u>23,333,333</u>
Balance at 31 December 2016 and 31 March 2017	<u>502,630,331</u>

5. Intangible Assets: Group

Exploration costs	As at 31 March 2017 (Unaudited) £	As at 31 December 2016 (Audited) £
Cost		
At 1 January	7,186,576	5,588,270
Additions for the year	287,525	968,460
Impairments recognised	-	-
Foreign exchange movements	(18,499)	629,846
	<u>7,455,602</u>	<u>7,186,576</u>

The net book value of exploration costs is comprised of expenditure on the following projects:

	As at 31 March 2017 (Unaudited) £	As at 31 December 2016 (Audited) £
Kallak	6,451,590	6,438,283
Nautijaur	24,848	24,912
Åtvidaberg	158,370	153,927
Ågåsjegge	7,239	7,257
Sala	2,366	2,372
Haapamäki	151,433	141,944
Kolari1	108,264	99,554
Piippumäki	130,759	119,087
Viistola	115,679	107,369
Pitkäjärvi	305,054	91,871
	<u>7,455,602</u>	<u>7,186,576</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the 3 months ended 31 March 2017

Total Group exploration costs of £7,455,602 are currently carried at cost in the financial statements. During the period, no impairment provision was recognised (2016: £Nil).

Accounting estimates and judgements are continually evaluated and are based on a number of factors, including expectations of future events that are believed to be reasonable under the circumstances.

The most significant risk currently facing the Group is that it does not receive an Exploitation Concession for Kallak. The Company originally applied for the Exploitation Concession in April 2013 and throughout 2016, and since the year end, management have actively sought to progress the application, engaging with the various government bodies and other stakeholders. These activities are summarised above.

Kallak is included in condensed financial statements as at 31 March 2017 as an intangible exploration licence with a carrying value of £6,451,590. Management are required to consider whether there are events or changes in circumstances that indicate that the carrying value of this asset may not be recoverable. Management have considered the status of the application for the Exploitation Concession and in their judgement, they believe it is appropriate to be optimistic about the chances of being awarded the Exploitation Concession and thus have not impaired the project.

6. Events after the Reporting Date

On 17 May 2017, 23,076,923 new ordinary shares were issued to raise approximately £1.5 million (before expenses) at a price of 6.5 pence per new ordinary share.

7. Availability of Annual Report and Financial Statements

Copies of the Company's Annual Report and Financial Statements are expected to be posted to those shareholders who have requested a copy on or around 5 June, 2017 and are also 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.

** Ends **