

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

For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is being made on behalf of Kurt Budge, Chief Executive Officer.



29 November 2017

Beowulf Mining plc
("Beowulf" or the "Company")

Unaudited Interim Financial Results and Management Update for the Period Ended 30 September 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 nine months ended 30 September 2017 and provides a management update.

The unaudited financial results for 12 months ending 31 December 2017 and the next management update are expected to be released on or before Wednesday 28 February 2018.

Overview of Activities in the Quarter

- Kurt Budge, Chief Executive Officer ("CEO"), attended the Almedalen conference in Sweden where he met with representatives of the Swedish mining industry, politicians, and government agencies. During these meetings, the CEO detailed the chronology of the application process for an Exploitation Concession for Kallak North, and presented the case that the Company's application, and recent supplementary documentation, including a Heritage Impact Assessment ("HIA"), have more than satisfied the requirements of the prescribed permitting process.

The CEO shared the Company's 'Big Picture' vision of Jokkmokk's economic transformation, that could be delivered by a mining operation at Kallak, and explained the Company's development philosophy towards designing, engineering, and building a modern and sustainable mining operation.

- The Company published a study completed by Copenhagen Economics titled 'Kallak - A real asset, and a real opportunity to transform Jokkmokk'. Highlights of the study were as follows:
 - A mining operation at Kallak has the potential to create 250 direct jobs and over 300 indirect jobs in Jokkmokk;
 - These jobs could be sustained over a period of 25 years or more;
 - Kallak has the potential to generate SEK 1 billion in tax revenues, considering the case where 70 per cent of the mine's workforce are based locally, with annual tax revenues of SEK 40 million over a 25 years mine life; and
 - These tax revenues would help to develop and sustain public services and infrastructure in Jokkmokk, which are at risk due to a lack of new investment and job creation in the community, a declining population, and an ageing population.

- Bevan Metcalf, Non-Executive Chairman, notified the Board of his intention to retire from his role with the Company.
- Loss after tax attributable to owners of the parent for the nine months ended 30 September 2017 is £681,898 (2016: loss £489,263).
- Cash and cash equivalents at 30 September 2017 at £1,899,797, are £920,798 above the corresponding period last year and £290,578 above the level at 31 December 2016.

Post Period End

- On 2 October 2017, the Company announced high grade concentrate results for composite samples from its Aitolampi project. Highlights as follows:
 - Superior metallurgical response from all three samples compared with grab samples from outcrops analysed earlier this year.
 - The process flowsheet used was simple, yet proved to be very efficient. The combined grades ranged from 96.8 per cent to 97.5 per cent Total Carbon across the three samples.
 - All three samples responded similarly in terms of concentrate grades of the various size fractions.
- The Company appointed SRK Consulting (UK) Limited ("SRK") to complete a Scoping Study on the Kallak Iron Ore Project.
- On 9 October 2017, the Government of Sweden wrote to the County Administrative Board ("CAB") for the County of Norrbotten and requested additional information, including a statement of the CAB's position on whether the Company's Environmental Impact Assessment ("EIA") meets the requirements of the Environmental Code, and on whether mining is an appropriate land use for Kallak, with reference to Chapters 3 and 4 of the Environmental Code. Within its statement, the CAB is asked to consider matters regarding Lapponia and national interests. The CAB has been given a deadline of 1 December 2017 to provide its statement to the Government.
- On 30 October, the Company announced the appointment of Mr. Göran Färm as Non-Executive Chairman of the Company.
- On 13 November 2017, the Swedish National Heritage Board (Riksantikvarieämbetet, "RAÄ") and the Swedish Environmental Protection Agency (Naturvårdsverket, "NV") provided comments in a letter to the CAB.

RAÄ and NV confirmed to the CAB that the information provided by the Company is possibly sufficient for the CAB to provide its opinion to the Government, on whether mining is an appropriate land use for Kallak with reference to Chapters 3 and 4 of the Environmental Code.

RAÄ and NV gave the Company recognition for the additional information that has been provided, namely a submission to the CAB in December 2016 and the Heritage Impact Assessment submitted to the Mining Inspectorate in April 2017.

RAÄ and NV did not take any position regarding the potential impact on reindeer herding caused by Kallak, and suggested that the CAB may wish to consult with Sametinget on this matter. RAÄ and NV considered that the claim by Sametinget for a national interest for reindeer herding at Kallak, despite being made four years after the Swedish Geological Unit's designation, is relevant and needs to be considered.

- At the date of this announcement, there are 310,240,269 Swedish Depository Receipts issued representing 58.075 per cent of the issued share capital of the Company. The remaining issued share capital of the Company is held in the UK.

Kurt Budge, CEO, commented:

“It’s been a busy quarter, with a new Chairman, the publication of the Copenhagen Economics study, and the start of the Scoping Study for Kallak, being conducted by SRK.

“It is great to spend time focusing on the development of Kallak; what it means to build a modern, sustainable, and innovative mining operation, and brainstorming ideas, like engineering a 100 per cent electric/zero diesel mine. Sweden is the country to build such a mine.

“The Board is in Sweden this week, attending the SveMin Höstmöte, and visiting Jokkmokk and Luleå for meetings with key stakeholders. In these meetings, the Board has highlighted the Company’s ambition to build a modern, sustainable, and innovative mine at Kallak, that benefits all stakeholders in Jokkmokk, and gives Jokkmokk a thriving, diversified and sustainable economy that outlives mining, when Kallak has been restored and rehabilitated, and the land returned to its previous uses.

“We have been reminding key decision makers that Jokkmokk Iron Mines AB first submitted the Kallak application four and a half years ago, and while the process has been ongoing Beowulf Mining has maintained its interest in the project, invested funds, and kept the Company going. During that time the Swedish ownership of the Company has increased to over 58 per cent, and we now have a Swedish Chairman.

“Any day now, we expect the CAB’s statement to the Government, and that will determine next steps for the Government and the Company. Whatever the CAB says, and we clearly hope for a statement of support, it remains the Company’s firm belief that we have satisfied the requirements to be granted an Exploitation Concession, in accordance with the prescribed process, and Swedish law. In September 2017, the Minister for Enterprise and Innovation was quoted in the Swedish media as saying that Swedish law is enough for testing our application, and that the permitting process should be ‘by the book’. If this is true, then given past statements by the CAB and the Mining Inspectorate, we remain optimistic.

“I look forward to updating shareholders on progress in due course.”

Operational

Kallak North Exploitation Concession

Our investment in Kallak, to date, is above SEK 72 million, and we are now investing in a Scoping Study to advance the design and engineering of the project. We continue to invest on the basis that we have satisfied the requirements to be granted an Exploitation Concession, in accordance with the prescribed process, and Swedish law, as validated by statements made by Länsstyrelsen and Bergsstaten, in 2015 and 2017.

We are again waiting for the CAB to provide a statement to the Government further to the Government’s letter dated 9 October 2017. The CAB’s response will determine the next steps in the process for the Government and the Company.

Despite permitting delays, the Scoping Study with SRK is well underway, and should be completed during the first quarter of 2018. In SRK we have a consultant who has undertaken a significant number of technical studies for companies operating in the Nordic Region, and has the relevant expertise to work with us on designing and engineering a modern and sustainable mining project at Kallak North, as well as assessing the broader potential of the Kallak South deposit.

The Scoping Study will provide a roadmap to pre-feasibility, detailing the work that needs to be completed, and support both further investment, such as drilling the Kallak South Exploration Target, and any future discussions with strategic partners/investors.

Swedish Exploration Portfolio

Åtvidaberg

The Company's Exploration team gathered in Stockholm on 27 November 2017, to review the work on Åtvidaberg this year, plans and budgets for 2018. A further update will be provided to shareholders in due course.

Finnish Graphite

Beowulf is currently awaiting the final report for advanced testwork on sample material from the Company's Aitolampi project. A further update will be provided to shareholders in due course.

Financials

- Loss after taxation attributable to the owners of the parent company is £681,898 (2016: loss of £489,263).
- Basic/diluted loss per share for the period of £0.13 which is in line over the loss per share for the corresponding period last year (Sept 2016: £0.10) and the 2016 full year loss per share of £0.13.
- Cash and cash equivalents at 30 September 2017 at £1,899,797, are £920,798 above the corresponding period last year and £290,578 above the level at 31 December 2016.
- The translation reserve losses reduced from £464,882 at 31 December 2016 to £300,712 at 30 September 2017. This is mainly due to further weakening of the pound following on from the Brexit vote last year. Much of the Company's exploration costs are in Swedish Krona which has strengthened against the pound by approximately three per cent since 31 December 2016.

Corporate

- Mr. Goran Farm was appointed Non-Executive Chairman on 30 October 2017, following the retirement of Mr. Bevan Metcalf.
- On 10 October 2017, Mr. Bevan Metcalf exercised options held over 8,500,000 shares. The options consisted of 8,000,000 options exercised at 1.66p and 500,000 options exercised at 4p. The total consideration received for these options was £152,800. Mr. Bevan Metcalf sold 8,500,000 shares on 17 October 2017.
- The total number of ordinary shares in circulation at the date of this announcement is 534,207,254 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.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the 9 months ended 30 September 2017

	Notes	(Unaudited) 9 months to 30 Sept 2017 £	(Unaudited) 9 months to 30 Sept 2016 £	(Audited) Year ended 31 Dec 2016 £
Continuing operations				
Administrative expenses		(532,202)	(463,788)	(598,464)
Share-based payment charge		<u>(153,540)</u>	<u>(30,082)</u>	<u>(40,109)</u>
OPERATING LOSS		<u>(685,742)</u>	<u>(493,870)</u>	<u>(638,573)</u>
Finance costs		-	-	-
Finance income		<u>3,095</u>	<u>4,549</u>	<u>5,344</u>
LOSS BEFORE TAX		<u>(682,647)</u>	<u>(489,321)</u>	<u>(633,229)</u>
Tax		-	-	-
LOSS FOR THE PERIOD		<u>(682,647)</u>	<u>(489,321)</u>	<u>(633,229)</u>
Loss attributable to:				
Owners of the parent		(681,898)	(489,263)	(632,125)
Non-controlling interests		<u>(749)</u>	<u>(58)</u>	<u>(1,104)</u>
		<u>(682,647)</u>	<u>(489,321)</u>	<u>(633,229)</u>
Loss per share attributable to the owners of the parent:				
Basic and diluted (pence)	3	(0.13)	(0.10)	(0.13)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the 9 months ended 30 September 2017

Notes	(Unaudited) 9 months to 30 Sept 2017	(Unaudited) 9 months to 30 Sept 2016	(Audited) Year ended 31 Dec 2016
	£	£	£
LOSS FOR THE PERIOD	(682,647)	(489,321)	(633,229)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Exchange gains/(losses) arising on translation of foreign Operations	164,253	693,457	626,438
Reclassification of revaluation reserve following permanent diminution in value of asset for sale	-	-	55,664
	<u>164,253</u>	<u>693,457</u>	<u>682,102</u>
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD	<u>(518,394)</u>	<u>204,136</u>	<u>48,873</u>
Loss attributable to:			
Owners of the parent	(517,729)	203,183	49,005
Non-controlling interests	<u>(665)</u>	<u>953</u>	<u>(132)</u>
	<u>(518,394)</u>	<u>204,136</u>	<u>48,873</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2017

	Notes	(Unaudited) As at 30 Sept 2017 £	(Unaudited) As at 30 Sept 2016 £	(Audited) As at 31 Dec 2016 £
ASSETS				
Non-current assets				
Intangible assets	5	8,040,735	6,972,553	7,186,576
Plant, property and equipment		32,873	26,646	23,511
Loans and other financial assets		5,571	5,540	5,503
		<u>8,079,179</u>	<u>7,004,739</u>	<u>7,215,590</u>
Current assets				
Trade and other receivables		87,164	44,950	51,766
Cash and cash equivalents		1,899,797	978,999	1,609,219
		<u>1,986,961</u>	<u>1,023,949</u>	<u>1,660,985</u>
TOTAL ASSETS		<u>10,066,140</u>	<u>8,028,688</u>	<u>8,876,575</u>
EQUITY				
Shareholder's equity				
Share capital	4	5,257,072	4,792,969	5,026,302
Share premium		18,073,469	16,167,782	16,879,241
Revaluation reserve		25,664	(30,000)	25,664
Capital contribution reserve		46,451	46,451	46,451
Share-based payment reserve		491,729	224,954	237,803
Translation reserve		(300,712)	(397,900)	(464,882)
Merger reserve		137,700	137,700	137,700
Accumulated losses		(13,749,061)	(12,955,309)	(13,067,163)
		<u>9,982,312</u>	<u>7,986,647</u>	<u>8,821,116</u>
Non-controlling interest		(159,258)	(157,508)	(158,593)
TOTAL EQUITY		<u>9,823,054</u>	<u>7,829,139</u>	<u>8,662,523</u>
LIABILITIES				
Current liabilities				
Trade and other payables		243,086	199,549	214,052
TOTAL LIABILITIES		<u>243,086</u>	<u>199,549</u>	<u>214,052</u>
TOTAL EQUITY AND LIABILITIES		<u>10,066,140</u>	<u>8,028,688</u>	<u>8,876,575</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the 9 months ended 30 September 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 nine months ended 30 September 2017 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 period. 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 514,083,951 (30 September 2016: 469,331,096 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) 30 Sept 2017 £	(Unaudited) 30 Sept 2016 £	(Audited) 31 Dec 2016 £
Allotted, issued and fully paid			
Ordinary shares of 1p each	5,257,072	4,792,969	5,026,302

The number of shares in issue was as follows:

	Number of shares
Balance at 1 January 2016	430,313,824
Issued during the period	48,983,174
Balance at 30 September 2016	<u>479,296,998</u>
Issued during the period	23,333,333
Balance at 31 December 2016	502,630,331
Issued during the period	<u>23,076,923</u>
Balance at 30 September 2017	<u>525,707,254</u>

5. Closing value of intangible assets

Exploration costs	As at 30 Sept 2017 (Unaudited) £	As at 30 Sept 2016 (Unaudited) £	As at 31 Dec 2016 (Audited) £
Cost			
At 1 January	7,186,576	5,588,270	5,588,270
Additions for the period	652,192	686,888	968,460
Foreign exchange movements	201,967	697,395	629,846
	<u>8,040,735</u>	<u>6,972,553</u>	<u>7,186,576</u>

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

Project	Country	Minerals	As at 30 Sept 2017 (Unaudited) £	As at 30 Sept 2016 (Unaudited) £	As at 31 Dec 2016 (Audited) £
Kallak	Sweden	Iron ore	6,818,693	6,405,110	6,438,283
Nautijaur	Sweden	Copper	27,363	25,184	24,912
Åtvidaberg	Sweden	Lead-zinc-copper-silver	205,251	99,893	153,927
Ågåsjegge	Sweden	Iron ore	7,465	7,337	7,257
Sala	Sweden	Lead-zinc-silver	2,628	2,389	2,372
Haapamäki	Finland	Graphite	207,963	117,715	141,944
Kolari1	Finland	Graphite	135,709	87,876	99,554
Piippumäki	Finland	Graphite	148,951	99,915	119,087
Viistola	Finland	Graphite	134,430	95,813	107,369
Pitkäjärvi	Finland	Graphite	352,282	31,321	91,871
			<u>8,040,735</u>	<u>6,972,553</u>	<u>7,186,576</u>

Total Group exploration costs of £8,040,735 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 30 September 2017 as an intangible exploration licence with a carrying value of £6,818,693. 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. Availability of interim report

A copy of these results will be made available for inspection at the Company's registered office during normal business hours on any weekday. The Company's registered office is at 201 Temple Chambers, 3-7 Temple Avenue, London, EC4Y 0DT. A copy can also be downloaded from the Company's website at www.beowulfmining.com. Beowulf Mining plc is registered in England and Wales with registered number 02330496.