



30 August 2016

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

**Unaudited Interim Statement and Management Update for the Period
Ended 30 June 2016**

Beowulf (AIM: BEM; Aktietorget: BEO), the mineral exploration and development company, focused on the Kallak magnetite iron ore project and the Ätvidaberg polymetallic exploration licence in Sweden, and its graphite portfolio in Finland, announces its unaudited condensed consolidated financial results for the six months ended 30 June 2016 and provides a management update.

The unaudited financial results for nine months ending 30 September 2016 and the next management update will be released on or before Wednesday 30 November 2016.

Overview of Activities in the Quarter

- Mr Christopher Davies was appointed to the Board as Non-Executive Director in April 2016. Chris is an exploration/economic geologist with more than 30 years' experience in the mining industry, and has significant knowledge of graphite and base metals, a particular skill set which is complementary to Beowulf's existing team.
- On 18 April 2016, the Company's 100 per cent owned subsidiary, Jokkmokk Iron Mines AB ("JIMAB"), responded to a letter from The Government of Sweden, requesting our opinion on the judgement of the Supreme Administrative Court of Sweden ("SAC"), dated 22 February 2016, regarding Tasman Metal's Norra Kärr project (Case 2047-14), and how it relates to the Company's application for an Exploitation Concession at Kallak North.

In response, JIMAB stated that the Environmental Impact Assessment ("EIA") for its application has been completed in accordance with the recent SAC judgement and suggested to the Government that the Kallak North application should be returned to the Mining Inspectorate, such that a review of the EIA in the context of the SAC judgement can be made.

- The Mining Inspectorate of Sweden awarded the Company an Exploration Licence for Ätvidaberg nr 1, covering 225 square kilometres ("km²") and located in the Bergslagen area, southern Sweden. The licence is valid for three years from the 30 May 2016.
- Loss after tax attributable to owners of the parent for the six months ended 30 June 2016 is £333,052 and in line with the corresponding period last year (2015: loss £330,276).
- Cash and cash equivalents at 30 June 2016 at £1,231,594, are £1,058,639 above the corresponding period last year and £878,680 above the level at 31 December 2015.

Post Period End

- On 1 July 2016, the Company announced that The Government of Sweden had asked the Mining Inspectorate of Sweden to review the Company's application for an Exploitation Concession for Kallak North in the context of the SAC judgement in the case of the Norra Kärr project.
- Kurt Budge, Chief Executive Officer ("CEO") of Beowulf, attended Almedalen, an annual event in Sweden and was able to meet with representatives of the Swedish mining industry, unions, politicians, local government representatives from mining areas in Sweden and regulators. During these meetings, the CEO was able to present Beowulf, the Kallak project and our Ätvidaberg exploration licence to key influencers and stakeholders.

Almedalen provided the Company with an opportunity to further demonstrate its commitment to Sweden.

- On 2 August 2016, the Company provided an exploration update for its Haapamäki and Piippumäki graphite projects in Finland, and the discovery of an additional prospective area in the eastern part of Haapamäki, named Pitkäjärvi.
- Beowulf has completed an initial assessment of the Company's Ätvidaberg Volcanogenic Massive Sulphide ("VMS") lead-zinc-copper-silver exploration licence, located in the Bergslagen area in southern Sweden.
- On 4 August, the Company provided an update on the Kallak North Exploitation Concession.

In all discussions, the Company has stated that it believed it is in the best interests of its stakeholders in Sweden, and its Swedish and non-Swedish shareholders, that the Company's application be further reviewed by the Mining Inspectorate, so that any future award of the Exploitation Concession is consistent with the SAC judgement in the case of the Norra Kärr project.

We are firm in our belief that we have met all legal requirements for being awarded the Concession.

- The Company was awarded the Sala nr 10 exploration licence which is located in Västmanland County, southern Sweden and covers an area of 1,049 hectares ("ha"). The licence is prospective for lead-zinc-silver mineralisation and is situated 200 metres ("m") west of the former Sala silver mine.

Kurt Budge, CEO, commented:

"I am looking forward to the coming months as we increase our efforts to get the Exploitation Concession for Kallak North awarded, working with the Mining Inspectorate of Sweden and our stakeholders."

"In the last month we have provided updates on our exploration activities in Finland and Sweden as we have been busy carrying out work at our graphite assets and at the Ätvidaberg licence. In addition, we have been successful in the award of another exploration licence, Sala nr 10 in Sweden."

"We have shareholders who remain focused on Kallak as the value driver of Beowulf, but our moves into graphite, Åtvidaberg and Sala will show their worth in time.

"It's nearly two years since my appointment as CEO, and while we are still waiting for a decision on the Exploitation Concession for Kallak North, Beowulf has diversified and made significant progress towards building a solid platform for a modern and sustainable mining business in the Nordic region.

"We have never believed in 'sitting on our hands', and we are excited that we have momentum in the Kallak process, an opportunity to re-engage with the community in Jokkmokk and our stakeholders in Sweden, and we are actively working on our graphite portfolio and Åtvidaberg licence.

"I look forward to updating shareholders on our progress in due course."

Please use the following link to hear an interview made 4 August 2016 with Kurt Budge CEO, where he talks about the exploration updates for graphite and Åtvidaberg, and the process for the Kallak North Concession:

<https://www.brrmedia.co.uk/broadcasts-embed/57a201033f268dbe45bea34b/event/?popup=true>

Operational

Kallak North Exploitation Concession

We believe that the further review to be conducted by the Mining Inspectorate is in the best interests of our stakeholders in Sweden, and our Swedish and non-Swedish shareholders, so that any future award of the Exploitation Concession is consistent with the SAC judgement in the case of the Norra Kärr project.

In 2015 we gained the support of the County Administrative Board ("CAB") for our application and the recommendation of the Mining Inspectorate that the Concession be awarded. The Norra Kärr judgement meant that a further review of our application was inevitable, but we maintain that, for this stage of permitting, our EIA has provided the required level of technical detail, including comprehensive studies covering all activities associated with a future mining operation and their impact.

Swedish Exploration Portfolio

Kallak Area

In light of the continued review taking place on the Kallak North Exploitation Concession application, the Company has delayed its field programmes on and around Kallak, which were planned for this year.

In anticipation of the Concession being awarded, we will be submitting a work plan for drilling the exploration target on Kallak South, as we seek to expand the defined iron ore resource. We are also looking forward to further investigating the anomalies identified in the desktop review of the Kallak area, the extension of iron ore from Kallak to Parkijaur, and the prospect of copper mineralisation at Nautijaur.

In April and May 2016, the Company received positive decisions from the Mining Inspectorate

for three year time extensions of its Exploration Licences for Parkijaure nr 2 and nr 5.

Swedish Exploration Licences and Activities

After rationalising the exploration portfolio in 2015, Beowulf made two applications for new ground in southern Sweden and was awarded the Åtvidaberg nr 1, and Sala nr 10 exploration licences.

Åtvidaberg - Overview

Beowulf's geologists have completed an initial assessment of the Company's Åtvidaberg VMS lead-zinc-copper-silver exploration licence, located in the Bergslagen area in southern Sweden.

Bergslagen is one of Europe's oldest mining areas and contains one of the world's main VMS districts, with ore deposits characterised by high contents of zinc, lead, copper and sometimes silver and gold. It yielded a substantial portion of Sweden's mineral wealth in the 1800-1900s, with a number of large mines and hundreds of smaller mines producing copper, zinc, lead, gold, silver and iron ore.

Several reconnaissance field excursions have been made to the licence area, to establish 'first impressions' and assess the geological environment, the structural setting, style and type of mineralisation present.

Two main areas have been visited, Bersbo and Mormor, where old mine workings, waste dumps and exploration pits were examined. Our initial assessment of the Åtvidaberg licence is very positive, and our main findings are summarised below.

Åtvidaberg - Bersbo Area

- Bersbo contains 15 small historic mines that occur at the contact of felsic and mafic volcanic rocks associated with a geophysical airborne magnetic high anomaly.
- The former Grönhög underground mine, situated in Bersbo, extracted copper and zinc to a depth of 250m.
- Mine waste dumps examined at Grönhög were found to be very rich in sphalerite, the principal ore of zinc. This suggests that past mining may have focused on copper, and that zinc ore may still be present, with the potential of undiscovered ore zones below the 250m level where mining ceased.
- Examination of the ore showed it to be highly magnetic, confirming the association of the former copper-zinc mines in Bersbo with the aero-magnetic high.

Åtvidaberg - Mormor Area

- Mormor contains at least 14 historic mines over a mineralised zone 5km in length and 1.5km in width. Two of the largest mines in operation were Malmviksgruvan and Mormorsgruvan.
- Examination of several large waste dumps at the Malmviksgruvan mine confirmed the presence of chalcopyrite, the principal ore of copper, in thin veins contained in a pink host rock with high concentrations of potassium, possibly as a result of hydrothermal alteration commonly associated with this type of mineralisation.

- Mining at Malmviksgruvan ceased at approximately 150m depth, due to water ingress, and therefore it seems probable that ore will continue below this depth.
- Examination of mine waste dumps at the Mormorsgruvan mine showed traces of chalcopyrite in thin veins in a quartzo-feldspathic-granitoid rock. Historic sections for the mine show the orebody to extend over 300m in length and to a depth of 407m.

Based on the preliminary findings of our fieldwork at Ätvidaberg, Beowulf is planning and budgeting the next stages of our exploration programme, which has already commenced and includes:

- Ground magnetic surveys to define areas of high magnetic relief, which might potentially indicate mineralisation, particularly in poorly exposed areas covered by glacial till, concealing 'blind' deposits;
- Rock chip sampling; and
- Geological and structural mapping.

Sala nr 10 - Overview

The Sala nr 10 licence area covers 1,049ha and is located in Västmanland County, southern Sweden.

The licence is prospective for lead-zinc-silver mineralisation and is situated 200m west of the former Sala silver mine. Sulphide mineralisation in the area is carbonate hosted, occurring dominantly as silver-bearing lead sulphide (galena), and zinc sulphide (sphalerite), and to a lesser extent as complex antimonides, sulphosalts and native silver.

The Sala mine was once Europe's largest silver producer, in continuous production between the late 15th century and 1908, and known for having some of the richest silver ores in the world. Mining records show that Sala was mined to a depth of approximately 300m, with mineralisation remaining open at depth.

Mining continued in 1950-51 and between 1945-62 at the adjacent Bronas mine.

An exploration programme is being developed for the 2017 season.

Sala - Historic Exploration

Previous drilling in the licence area by Boliden, between 1984 and 1985, and Tumi Resources Ltd ("Tumi"), between 2008 and 2009, discovered a new zinc-lead-silver mineralised zone, Sala West, situated 200m directly west and parallel to the Sala silver mine.

A total of 20 holes and 6785.9m of drilling have been completed at Sala West.

Tumi, 2012 estimated an exploration target of 4 - 5 million tonnes, 2.2 – 5 per cent zinc 35 - 95 ppm silver. The exploration target lies within a 60m wide zone striking roughly north north-west - south south-east. The mineralisation has been intersected by drilling 640m along strike and to a depth of 400m. The exploration target remains open along strike and at depth.

It should be noted that the exploration target has not been the subject of technical evaluation at this stage, and insufficient verification study has been undertaken to date by either Beowulf

or the Competent Person to assign confidence to this estimate and this information is disclosed as reflecting project potential only.

Historic drill results include:

- Drillhole SAA08-003; 37.2m estimated true width, at 6.1 per cent zinc, 50 ppm silver, 0.3 per cent lead from 393.5m
- SAA08-003; 15.9m estimated true width, at 4.2 per cent zinc, 157 ppm silver, 0.6 per cent lead from 439.7m

Finnish Graphite

Haapamäki

Beowulf has completed an initial geological appraisal of its Haapamäki graphite project located in eastern Finland, approximately 40km southwest of the well-established mining town of Outokumpu.

The findings to date are very positive, and the project is considered a priority target for continuing exploration activities.

Highlights include:

- A newly discovered prospective area at Haapamäki East (Pitkäjärvi) in the eastern part of the project, where graphitic schists on a fold limb are coincidental with an extensive electromagnetic ("EM") anomaly defined by an earlier airborne survey undertaken by Geological Survey of Finland ("GTK");
- 5km in length and up to 0.4km in width, the EM conductive zone is associated with outcrops of graphite schist, together with numerous graphitic boulders in glacially transported till, with potentially high grades of graphite, suggesting the strike extensive zone of conductance is the result of graphite mineralisation;
- The presence of black schistose units, sometimes extending up to 3km in length, corresponding to the EM conductors, but usually poorly exposed and confined to topographic lows (valleys), with variable graphite content at a few exposed locations;
- Visual observation of coarse flake graphite mineralisation (up to 1-2 millimetre ("mm") flakes) associated with pegmatitic selvages at several locations, and shear zone hosted massive coarse graphite situated near to EM conductors, observed from historic quarries where graphite was previously extracted; and
- Strongly foliated graphite bearing mica gneiss, with graphite flake sizes up to 2mm (visual estimate), and variable graphite content in mica layers.

The area has several historic graphite workings which correspond to ground and airborne EM anomalies defined from previous geophysical surveys. The Company completed additional geophysical surveying in March 2016, utilising Slingram horizontal loop electromagnetic ("HLEM") geophysical methods, in order to provide a rapid and initial assessment of the project for potential sub-surface graphite mineralisation. The results of the survey (interpreted by GeoVista AB Consultants in Sweden "GeoVista") were very encouraging, whereby 46 conductive bodies were defined on 28 profiles, the strongest

occurring with widths of up to 68m.

Beowulf's geologists subsequently carried out reconnaissance geological mapping and sampling at Haapamäki, to investigate the conductive zones in the field. Although many of the EM anomalies are obscured by glacial till, it was still possible to determine at several locations (including road cuttings and old quarries) that areas of graphite mineralisation occur at, or in close proximity to, the EM conductive zones. This suggests that "blind" anomalies buried underneath glacial till (which generally have a weaker conductance) could also be related to graphite mineralisation.

Over the next few months, the Company plans a programme of trenching, detailed geological mapping, rock-chip channel sampling and metallurgical testwork to further investigate the prospect, which will be followed by drilling to provide additional samples for metallurgical testwork and preliminary grade assessment.

Piippumäki

Piippumäki is located in south-eastern Finland, approximately 45km south-west of the town of Mikkeli. Slingram EM surveys conducted during 2013 and 2015 defined two conductive zones of possible graphite schist along a strike extent of up to 2km in length. Outcrop grab samples associated with the anomaly, indicated grades of 5-10 per cent carbon graphite ("Cg"). Fieldwork also visually identified occurrences of coarse flake graphite, hosted in quartz, feldspar and mica schists.

Beowulf completed additional HLEM geophysical surveys in March 2016. Results of this work (interpreted by GeoVista) are also encouraging and include:

- 22 conductors defined on 13 profiles, including one EM conductor defined over a strike length of up to 1.6km;
- The anomalies show strong conductance indicating widths of up to 60m in the western part of the survey area; and
- The anomalies showing the strongest conductance and maximum width in the western part of the survey area, are possibly associated with a fold hinge.

Thirty samples collected from graphite bearing outcrops and boulders at Piippumäki, Haapamäki and Haapamäki East, have been despatched to Activation Laboratories Ltd ("Actlabs") in Ontario, Canada for Cg, total carbon, total sulphur and multi-element analyses.

Financials

- Loss after taxation attributable to the owners of the parent company is £333,052 and in line with the same period last year (June 2015: loss of £330,276). The loss in Q2 2016 of approximately £166,000 was also in line with the loss in Q1 2016.
- Basic/diluted loss per share for the period of £0.07 showed an improvement over the loss per share for the corresponding period last year (June 2015: £0.09) and was significantly better than the 2015 full year loss per share of £0.38.
- Cash and cash equivalents at 30 June 2016 of £1,231,594, are £1,058,639 above the corresponding period last year and £878,680 above the level at 31 December 2015.

- Intangible assets of £6,769,673 includes £277,982 for the acquisition of Fennoscandian as detailed in note 5 to the financial statements. In addition, there was favourable exchange rate differences of £621,195 arising on the translation of opening balances.
- Share capital and share premium increased over the position at 31 December 2015 mainly due to the fundraising in February and March 2016 which raised net £1,432,500, and the initial shares issued as part of the consideration for the Fennoscandian acquisition (£25,500).
- The merger reserve of £137,700 is in relation to the Fennoscandian acquisition which was announced on 11 January 2016.
- The translation reserve losses reduced from £1,090,348 at 31 December 2015 to £463,717 at 30 June 2016. This is mainly due to the weakening of the pound which we saw in Q1 2016 and which continued following the Brexit vote. The majority of the Company's exploration costs are in Swedish Krona which has strengthened against the pound by approximately 10 per cent since 31 December 2015.

Corporate

- The total number of ordinary shares in circulation at the date of this announcement is 479,296,998 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 6 months ended 30 June 2016

	Notes	(Unaudited) 6 months to 30 June 2016 £	(Unaudited) 6 months to 30 June 2015 £	(Audited) Year ended 31 Dec 2015 £
Continuing operations				
Administrative expenses		(336,325)	(331,370)	(647,268)
Impairment of exploration costs		-	-	(1,123,892)
OPERATING LOSS		<u>(336,325)</u>	<u>(331,370)</u>	<u>(1,771,160)</u>
Finance costs		(180)	-	(139)
Finance income		3,238	638	1,982
LOSS BEFORE TAX		<u>(333,267)</u>	<u>(330,732)</u>	<u>(1,769,317)</u>
Tax		-	-	-
LOSS FOR THE PERIOD		<u>(333,267)</u>	<u>(330,732)</u>	<u>(1,769,317)</u>
Loss attributable to:				
Owners of the parent		(333,052)	(330,276)	(1,477,109)
Non-controlling interests		(215)	(456)	(292,208)
		<u>(333,267)</u>	<u>(330,732)</u>	<u>(1,769,317)</u>
Loss per share attributable to the owners of the parent:				
Basic and diluted (pence)	3	(0.07)	(0.09)	(0.38)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the 6 months ended 30 June 2016

	(Unaudited) 6 months to 30 June 2016 £	(Unaudited) 6 months to 30 June 2015 £	(Audited) Year ended 31 Dec 2015 £
LOSS FOR THE PERIOD	(333,267)	(330,732)	(1,769,317)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Exchange gains/(losses) arising on translation of foreign operations	626,631	(410,918)	(157,900)
Revaluation of investments	<u>-</u>	<u>(20,550)</u>	<u>(20,550)</u>
	626,631	(431,468)	(178,450)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>293,364</u>	<u>(762,200)</u>	<u>(1,947,767)</u>
Total comprehensive income attributable to:			
Owners of the parent	292,942	(756,175)	(1,660,172)
Non-controlling interests	<u>422</u>	<u>(6,025)</u>	<u>(287,595)</u>
	<u>293,364</u>	<u>(762,200)</u>	<u>(1,947,767)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2016

	Notes	(Unaudited) As at 30 June 2016 £	(Unaudited) As at 30 June 2015 £	(Audited) As at 31 Dec 2015 £
ASSETS				
Non-current assets				
Intangible assets	6	6,769,673	6,253,448	5,588,270
Plant, property and equipment		29,463	34,913	31,551
Loans and other financial assets		5,241	49,822	51,938
		<u>6,804,377</u>	<u>6,338,183</u>	<u>5,671,759</u>
Current assets				
Trade and other receivables		55,305	50,603	82,330
Cash and cash equivalents		1,231,594	172,955	352,914
		<u>1,286,899</u>	<u>223,558</u>	<u>435,244</u>
TOTAL ASSETS		<u>8,091,276</u>	<u>6,561,741</u>	<u>6,107,003</u>
EQUITY				
Shareholder's equity				
Share capital	4	4,792,969	3,764,619	4,303,138
Share premium		16,167,782	15,070,648	15,187,112
Revaluation reserve		(30,000)	(30,000)	(30,000)
Capital contribution reserve		46,451	46,451	46,451
Share-based payment reserve		181,098	72,675	97,796
Translation reserve		(463,717)	(1,333,184)	(1,090,348)
Merger reserve		137,700	-	-
Accumulated losses		(12,799,526)	(11,356,110)	(12,466,046)
		<u>8,032,757</u>	<u>6,235,099</u>	<u>6,048,103</u>
Non-controlling interest		(158,884)	123,109	(158,461)
TOTAL EQUITY		<u>7,873,873</u>	<u>6,358,208</u>	<u>5,889,642</u>
LIABILITIES				
Current liabilities				
Trade and other payables		217,403	203,533	217,361
TOTAL LIABILITIES		<u>217,403</u>	<u>203,533</u>	<u>217,361</u>
TOTAL EQUITY AND LIABILITIES		<u>8,091,276</u>	<u>6,561,741</u>	<u>6,107,003</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 6 months ended 30 June 2016

	Share capital	Share premium	Revaluation reserve	Capital contribution reserve	Share- based payment reserve	Translation reserve	Merger reserve	Accumulated losses	Total	Non controlling interest	Total equity
	£	£	£	£	£	£	£	£	£	£	£
Balance at 1 January 2015	3,452,598	15,009,812	(9,450)	46,451	69,318	(927,835)	-	(11,025,834)	6,615,060	129,134	6,744,194
Issue of share capital	312,021	83,776	-	-	-	-	-	-	395,797	-	395,797
Costs associated with the issue of new shares	-	(22,940)	-	-	-	-	-	-	(22,940)	-	(22,940)
Equity-settled share-based payment transactions	-	-	-	-	3,357	-	-	-	3,357	-	3,357
Total comprehensive income	-	-	(20,550)	-	-	(405,349)	-	(330,276)	(756,175)	(6,025)	(762,200)
Balance at 30 June 2015	3,764,619	15,070,648	(30,000)	46,451	72,675	(1,333,184)	-	(11,356,110)	6,235,099	123,109	6,358,208
Issue of share capital	538,519	148,981	-	-	-	-	-	-	687,500	-	687,500
Costs associated with the issue of new shares	-	(32,517)	-	-	-	-	-	-	(32,517)	-	(32,517)
Equity-settled share-based payment transactions	-	-	-	-	62,018	-	-	-	62,018	-	62,018
Release of charge for Lapsed options	-	-	-	-	(36,897)	-	-	36,897	-	-	-
Total comprehensive income	-	-	-	-	-	242,836	-	(1,146,833)	(903,997)	(281,570)	(1,185,567)
Balance at 31 December 2015	4,303,138	15,187,112	(30,000)	46,451	97,796	(1,090,348)	-	(12,466,046)	6,048,103	(158,461)	5,889,642
Issue of share capital	489,831	1,048,170	-	-	-	-	-	-	1,538,001	-	1,538,001
Costs associated with the issue of new shares	-	(67,500)	-	-	-	-	-	-	(67,500)	-	(67,500)
Equity-settled share-based payment transactions	-	-	-	-	83,302	-	-	-	83,302	-	83,302
Acquisition of subsidiary	-	-	-	-	-	-	137,700	-	137,700	-	137,700
Total comprehensive income	-	-	-	-	-	626,631	-	(333,480)	293,151	(423)	292,728
Balance at 30 June 2016	4,792,969	16,167,782	(30,000)	46,451	181,098	(463,717)	137,700	(12,799,526)	8,032,757	(158,884)	7,873,873

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the 6 months ended 30 June 2016

	(Unaudited) 6 months to 30 June 2016 £	(Unaudited) 6 months to 30 June 2015 £	(Audited) Year ended 31 Dec 2015 £
Cash flows from operating activities			
Loss before income tax	(333,267)	(330,732)	(1,769,317)
Depreciation charges	6,143	4,825	9,553
Equity-settled share-based transactions	20,055	3,357	65,375
Impairment of exploration costs	-	-	1,123,892
Expenses financed by issue of shares	12,500	-	58,298
Finance costs	-	-	139
Finance income	<u>(3,238)</u>	<u>(638)</u>	<u>(1,982)</u>
	(297,807)	(323,188)	(514,042)
Decrease/(Increase) in trade and other receivables	27,079	(8,638)	(39,803)
Decrease in trade and other payables	<u>(346)</u>	<u>(90,760)</u>	<u>(77,040)</u>
Net cash used in operating activities	<u>(271,074)</u>	<u>(422,586)</u>	<u>(630,885)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets	(288,111)	(113,366)	(323,545)
Purchase of property, plant and equipment	(862)	-	-
Disposal of fixed asset investments	49,216	37	119
Purchase of subsidiary undertaking	(46,151)	-	-
Acquisition of subsidiary cash	1,055	-	-
Interest received	<u>3,238</u>	<u>638</u>	<u>1,838</u>
Net cash used in investing activities	<u>(281,615)</u>	<u>(112,691)</u>	<u>(321,588)</u>
Cash flows from financing activities			
Proceeds from issue of shares	1,500,000	395,797	1,024,999
Payment of share issue costs	(67,500)	(22,940)	(55,457)
Settlement of derivative financial asset	<u>-</u>	<u>150,000</u>	<u>150,000</u>
Net cash from financing activities	<u>1,432,500</u>	<u>522,857</u>	<u>1,119,542</u>
Increase/(decrease) in cash and cash equivalents	879,811	(12,420)	167,069
Cash and cash equivalents at beginning of period	352,914	186,889	186,889
Effect of foreign exchange rate changes	<u>(1,131)</u>	<u>(1,514)</u>	<u>(1,044)</u>
Cash and cash equivalents at end of period	<u>1,231,594</u>	<u>172,955</u>	<u>352,914</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the 6 months ended 30 June 2016

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 2015.

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 six months ended 30 June 2016 is unaudited, and has not been reviewed by the auditors. The financial information for the year ended 31 December 2015 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 2015 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 464,293,388 (30 June 2015: 362,187,280 and 31 December 2015: 392,759,894) outstanding during the period. There is no difference between the basic and diluted loss per share.

4. Called up share capital

	(Unaudited) 30 June 2016 £	(Unaudited) 30 June 2015 £	(Audited) 31 Dec 2015 £
Allotted, issued and fully paid			
Ordinary shares of 1p each	<u>4,792,969</u>	<u>3,764,619</u>	<u>4,303,138</u>

The number of shares in issue was as follows:

	Number of shares
Balance at 1 January 2015	345,259,849
Issued during the period	<u>31,202,123</u>
Balance at 30 June 2015	376,461,972
Issued during the period	<u>53,851,852</u>
Balance at 31 December 2015	430,313,824
Issued during the period	<u>48,983,174</u>
Balance at 30 June 2016	<u>479,296,998</u>

5. Acquisition of Oy Fennoscandian Resources AB ("Fennoscandian")

On 11 January 2016, the Company announced it had acquired 100% of the share capital of Fennoscandian, a privately owned company based in Finland with a portfolio of four early-stage graphite exploration projects. The transaction consisted of an initial payment of 2.1 million shares with a deferred payment of 450,000 shares. Beowulf has paid for the 100% of the share capital of Fennoscandian by issuing 2.55 million ordinary shares in the Company. On 11 January 2016, one Beowulf share was worth 6.4p, valuing the initial part of the transaction at £163,200.

In addition, two further tranches of ordinary shares will be issued on achievement of certain performance milestones. The first tranche of ordinary shares will be issued on the production of a maiden resource statement on one of the graphite projects in the portfolio, or on the anniversary 24 months following completion of the acquisition, subject to Mr. Blomqvist having worked for the Company as a full-time employee during that period. The second tranche of shares will be issued on completion of a bankable feasibility study on one of the graphite projects in the portfolio. The total number of ordinary shares that may be issued, if all performance milestones are achieved, is 6.75 million ordinary shares. Beowulf will issue up to a further 4.2 million additional consideration shares in the form of a share-based payment transaction to the former owner, Rasmus Blomqvist. The share-based payments fall within the scope of IFRS 2 and are fair valued at the grant date based on the estimated number of shares that will vest. The fair value has been prepared using a Black-Scholes pricing model including a share price of 6.4p, option life of two years, volatility of 49.79% and a risk free rate of 0.698%. The share-based charge is £268,800 bringing the total consideration including transaction costs of £45,094 to £477,094, if all additional shares are issued.

The consideration recognised in the financial statements as at 30 June 2016 is £277,982 and has been recorded in intangible assets evenly across the four acquired graphite projects. The share based payment charge is spread over the two-year option life, therefore, in the six months ended 30 June 2016 only £63,247 (of the £268,800) has been recognised under intangibles.

At a group level, the Company have given consideration to whether or not the acquisition meets the definition of a business combination and therefore falls within the scope of IFRS 3. The conclusion is that due to the early stage of the projects acquired and because Fennoscandian does not have the inputs, processes and outputs required to meet the conditions of a business combination the acquisition shall be treated as an acquisition of assets at a group level and is therefore outside the scope of IFRS 3.

6. Closing value of intangible assets

			As at 30 June 2016	As at 31 December 2015
Project names	Country	Minerals	£	£
Ågåsjege	Sweden	Iron ore	7,633	-
Åtvidaberg	Sweden	Lead-zinc-copper-silver	78,529	-
Kallak	Sweden	Iron ore	6,294,271	5,565,328
Nautijaure	Sweden	Copper	24,859	22,942
Sala	Sweden	Lead-zinc-silver	1,913	-
Haapamäki	Finland	Graphite	112,939	-
Kolari	Finland	Graphite	75,377	-
Piippumäki	Finland	Graphite	87,625	-
Viistola	Finland	Graphite	86,527	-
Total			<u>6,769,673</u>	<u>5,588,270</u>

7. 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 207 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.