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.

14 May 2018

Beowulf Mining plc

("**Beowulf**" or the "**Company**")

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

Beowulf (AIM: BEM; Aktietorget: BEO), the mineral exploration and development company focused on the Kallak magnetite iron ore project in northern Sweden and its graphite projects in Finland, announces its audited financial results for the year ended 31 December 2017. The chairman's statement, review of operations and activities, and financial information has been extracted from the Company's Annual Report for the year ended 31 December 2017.

The financial information included in this announcement does not constitute the Group's statutory financial statements as defined in section 434 of the Companies Act 2006, but is derived from those accounts. The financial information for the year ended 31 December 2017 has been extracted from the audited accounts of Beowulf Mining plc which will be delivered to the Registrar of Companies in due course. The auditors reported on those accounts and their report was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The financial information for the year ended 31 December 2016 has been extracted from the audited accounts of Beowulf Mining plc which have been delivered to the Registrar of Companies. The auditors reported on those accounts and their report was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The Annual General Meeting of the Company will be held at the offices of AktieTorget, Master Samuelsgatan 42, 3 tr 111 57 Stockholm on 29 June 2018 at 10.30 a.m. (CET).

The 2017 Annual Report will be posted to those shareholders who have requested a copy and will be available on the Company's website in due course (www.beowulfmining.com). A further news release will be made when the Notice of Annual General Meeting, Form of Proxy and Annual Report are posted to shareholders.

Enquiries:

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Cautionary Statement

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

CHAIRMAN'S STATEMENT

Dear Shareholders

Introduction

During the year, we made substantial progress on our exploration projects. At the Aitolampi graphite project in Finland, we completed a phase one drilling programme and undertook several rounds of metallurgical test-work in Canada and Germany. At the Åtvidaberg exploration licence in southern Sweden, we held a 'technical expert' workshop, conducted fieldwork, and 3D modelled the historic mine workings, all of which enhanced our understanding of its potential. Our work programmes position us well in 2018 for defining a maiden resource and commencing a Scoping Study at Aitolampi, and potentially defining drill targets at Åtvidaberg.

In 2017, the Company further strengthened its case for the award of an Exploitation Concession at Kallak North by completing a Heritage Impact Assessment ("HIA"). We also injected new momentum into Kallak, first with the Copenhagen Economics' 'Big Picture' study, demonstrating the local and regional economic impact that Kallak could have on Jokkmokk and the County of Norrbotten, and presenting the Company's approach to delivering success through partnership with the community and key infrastructure players, and secondly, with the commencement of a Scoping Study with SRK Consulting (UK) Ltd ("SRK"). SRK has undertaken a significant number of technical studies for companies operating in the Nordic Region and it has the relevant expertise to work with the Company 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.

Kallak

The Company is steadfast in its belief that the Kallak application fully satisfies the requirements of the Swedish Mining Act and Environmental Code, but in 2017 there were more twists and turns in the Exploitation Concession process.

In March 2017, the Swedish National Heritage Board (Riksantivarieämbetet, "RAÄ") and the Swedish Environmental Protection Agency (Naturvårdsverket, "NV") completed a review on the sufficiency of information provided in the Company's application, with respect to the interaction between Kallak and Laponia. They concluded that Kallak would not directly impact Laponia but 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.

Even though the RAÄ and NV failed to be specific, as requested by the Mining Inspectorate, as to where the Company's Environmental Impact Assessment ("EIA") might be insufficient in the detail it provides, we produced a HIA which was submitted to the Mining Inspectorate in April 2017.

When the County Administrative Board ("CAB") consulted with these two agencies later in the year, they 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.

The RAÄ and NV gave the Company recognition for the additional information provided, namely a submission to the CAB in December 2016 and the HIA. However, they 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. The 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 ("SGU") designation, is relevant and needs to be considered.

Material developments during the year included, in June 2017, the Mining Inspectorate returning the Company's application to the Government, and importantly confirming that the Kallak North EIA is consistent, in the detail provided, in meeting the requirements of the Supreme Administrative Court's ("SAC") Norra Kärr judgement, and later in November 2017, the latest statement from the CAB.

In September 2017, the Company published the Copenhagen Economics' Study titled 'Kallak - A real asset, and a real opportunity to transform Jokkmokk'. The Study built on work carried out by the Company and others, including the 2015 independent socio-economic study initiated by Jokkmokks Kommun, completed by consultants Ramböll, which in its findings concluded that a mining development at Kallak would create direct and indirect jobs, increase tax revenues and slow down population decline, and the 2010 study by the Economics Unit of Luleå University of Technology, 'Mining Investment and Regional Development: A Scenario-based Assessment for Northern Sweden'.

The Study showed that a mining operation at Kallak has the potential to create 250 direct jobs and over 300 indirect jobs in Jokkmokk; jobs that could be sustained over a period of 25 years or more. In addition, 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 year mine life; tax revenues which 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.

Despite the Study, and the commencement of a Scoping Study with SRK, on 30 November 2017, the CAB responded to questions from the Government and recommended that an Exploitation Concession for Kallak North not be granted. The CAB's statement contradicted its July 2015 position, when it supported the economic case for Kallak, and in the Company's opinion, the CAB has failed to use the socio-economic assessment criteria set out in the Environmental Code, which put emphasis on safeguarding investment and job creation, and giving consideration for the municipalities' financial health.

Instead, the CAB presented a scenario of State investment in infrastructure being necessary to support the mine, which has never been proposed or suggested by the Company. It is the Company's opinion that the analysis by the CAB is flawed, and its conclusions are biased and cannot be supported.

The Board remains firmly committed to the responsible development of a modern, sustainable, and innovative mining operation at Kallak in partnership with the local community. This remains our ambition, and we now wait for the Government to decide on our application.

Graphite Portfolio

We made real progress on our graphite portfolio during the year. Starting with metallurgical testwork results for composite samples taken from the Haapamäki, Pitkäjärvi and Aitolampi graphite prospects. We then completed 1,197m of drilling at Aitolampi. The eight-hole diamond drill programme confirmed that the Electro-magnetic ("EM") anomalies identified 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.

In October 2017, we announced high grade concentrate results, from metallurgical testwork carried out by SGS in Canada, on composite samples from the Aitolampi project. For three samples, the combined grades ranged from 96.8 per cent to 97.5 per cent Total Carbon. We achieved a superior metallurgical response from all three samples compared with grab samples from outcrops analysed earlier in the year. The process flowsheet used was simple and proved to be very efficient. The produced concentrates were despatched for further testwork to ProGraphite in Germany to determine their marketability and potential applications. Results from this work were very promising showing that both acid and alkaline purification methods can produce a very clean concentrate of greater than 99.41 per cent Total Carbon. Aitolampi concentrates' chemical and physical properties indicate potential to serve lithium ion battery manufacturers and could also suit many other applications.

The focus remains to put one of our graphite projects into production within three years, and, at this time, Aitolampi is the front runner.

Åtvidaberg

In late April 2017, the Company held a three-day field workshop at Åtvidaberg, which brought together the Company's exploration team and external experts with major mining company exploration experience, relevant to Bergslagen, volcanogenic massive sulphide mineralisation and modern exploration technologies. The workshop provided the opportunity to brainstorm ideas and develop a plan for the year, which featured both fieldwork and desktop studies focused on understanding historical mining around Bersbo.

Åtvidaberg represents early stage exploration, but offers real potential for Beowulf, as signified by past discoveries and historic mines.

Shareholder Base
Beowulf is approximately 99 per cent owned by retail shareholders in Sweden and the UK. The number of Swedish shareholders on the share register continued to grow during the year and, at 30 April 2018, approximately 58.4 per cent of the Company was owned by Swedish shareholders. I would like to take the opportunity to thank our existing and new shareholders for their continued support.

Raising Finance
Maintaining sufficient funding to continue to invest in projects is the biggest challenge for any mining exploration and development company, and without investment funds we cannot create shareholder value.

During the year we undertook a single fundraising. On 17 May 2017, we announced a subscription for new ordinary shares raising £1.5 million before expenses, completed at a price of 6.5 pence per share.

Financial Performance
Loss before and after taxation attributable to the owners of the parent at £1.04 million is higher than the loss recorded in 2016 of £0.63 million, this increase is largely attributable to impairment costs incurred of £0.18 million and a share-based payment expense of £0.2 million. The impairment costs assessed relate to projects Nautijaur (£27,621) and Piippumäki (£155,510). The share-based payment expense relates predominantly to new share options awarded in the year.

Basic loss per share of 0.20 pence increased by 54 per cent on last year (2016: loss per share of 0.13 pence).

Approximately £1.59 million in cash was held at the year end. During the year £0.94 million (2016: £0.62 million) was spent on exploration and capitalised.

Corporate
It was announced in September 2017 that Mr Bevan Metcalf, former Non-Executive Chairman, would retire on the appointment of a successor, and my appointment was announced on 30 October 2017. As I commented at the time, I am very pleased to have taken over stewardship of Beowulf from Bevan, and I would like to reiterate my thanks to him for his contribution to the Company.

Staff
On behalf of the Board, I would like to express my sincere thanks to our staff for their hard work and support during the past 12 months.

Outlook
The Company is looking forward to a busy 2018, with exploration programmes and drilling planned at our Aitolampi graphite project and on our Åtvidaberg licence and broader activity planned across the rest of our graphite portfolio. We are also maintaining a keen eye for any merger and acquisition opportunities.

The Swedish elections may delay a final decision on the Kallak project, but in 2017 the Company injected momentum back into the project with the Copenhagen Economics' 'Big Picture' study, and the commencement of a Scoping Study with SRK. Kallak is an important project, and it is right that the Government takes its time to be thorough in its review, and to complete a rigorous and objective assessment of the facts.

Though shareholders may be frustrated with no definitive timeline for a decision, Kallak is an important project for Jokkmokk and the County of Norrbotten and should be treated with the care and attention it deserves, and an observance of due process.

The Government can look at the 'Big Picture', the interdependencies of capital projects in the region, mining, rail, port, and power, and the potential for Kallak to play its part in a sustainable economic future for Jokkmokk and the County of Norrbotten.

In Jokkmokk, no other Company has invested SEK77 million and created an opportunity like Kallak, that has the potential to transform the town, and deliver a thriving, diversified and sustainable economy for the people living there.

We hope that the Government now looks objectively at the facts, the Company's investment, its commitment to developing a modern and sustainable mining operation, and the approach we have taken with all our stakeholders in Jokkmokk, including the Saami villages, to develop the Kallak project in partnership with them. We are willing to take all necessary precautions to minimise the impact on reindeer herding and have also several times stated that any eventual remaining impact shall be fully compensated.

Göran Färm
Non-Executive Chairman

11 May 2017

SWEDEN

Permits
Beowulf, via its subsidiaries, currently holds 10 exploration permits together with one registered application for an Exploitation Concession, as set out in the table below:

Permit Name/Minerals	Permit ID	Area (km^2)	Valid from	Valid until
Parkijaure nr3 (Fe)[1,4]	2011:135	4.17	11/08/2011	11/08/2017
Parkijaure nr2 (Fe)[1]	2008:20	2.85	18/01/2008	18/01/2018
Kallak nr1 (Fe)[1,3]	2006:197	5.00	28/06/2006	28/06/2021
Kallak nr2 (Fe)[1,4]	2011:97	22.19	22/06/2011	22/06/2017
Kallak nr3 (Fe)[1]	2012:100	5.56	09/08/2012	09/08/2018
Parkijaure nr4 (Fe)[1]	2012:59	7.60	04/05/2012	04/05/2018
Parkijaure nr5 (Fe)[1]	2013:36	6.22	04/03/2013	04/03/2019
Ågåsjiegge nr2 (Fe)[1]	2014:10	11.14	24/02/2014	24/02/2020
Åtvidaberg nr1 (Pb,Zn,Cu, Ag)[2]	2016:51	225.12	30/05/2016	30/05/2019
Sala nr10 (Pb,Ag,Zn)[2]	2016:64	10.49	29/06/2016	29/06/2019

Notes:

(1) held by the Company's wholly owned subsidiary, Jokkmokk Iron Mines AB ("JIMAB").

(2) held by the Company's wholly owned subsidiary, Beowulf Mining Sweden AB.

(3) an application for the Exploitation Concession was lodged on 25 April 2013 (Mines Inspector Official Diary nr 559/2013) and an updated, revised and expanded application was submitted in April 2014. On 21 September 2016, the Company submitted a letter to the Mining Inspectorate of Sweden, revising its application boundary to encompass both the Concession Area, delineated by the Kallak North orebody, and the activities necessary to support a modern and sustainable mining operation.

(4) JIMAB has appealed the Mining Inspectorate's decision not to extend these licences and is waiting for the appeal Court's ruling. On 11 April 2018, a hearing was held in Luleå.

Introduction
The Kallak magnetite iron ore deposit is located approximately 40km west of Jokkmokk in the County of Norrbotten, 80km southwest of the major iron ore mining centre of Malmberget, and approximately 120km to the southwest of LKAB's Kiruna iron ore mine.

The Company is currently going through the process of obtaining an Exploitation Concession for Kallak North. Testwork on Kallak ore has proved that a 'super' high grade magnetite concentrate can be produced, yielding over 71 per cent iron content, with low levels of deleterious elements, including phosphorous and sulphur, lending itself to pelletisation and consumption in DRI facilities in Europe and the Middle East, and attracting a potential price premium.

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

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

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

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

Notes:

1. The effective date of the Mineral Resource Estimate is 28 November 2014.
2. Resources have been classified as Indicated or Inferred, following the guidelines of the JORC Code, 2012 edition.
3. Cut-off grade of 15 per cent Fe has been used.
4. Mineral Resources which are not Mineral Reserves have no demonstrated economic viability.
5. An exploration target of 90-100Mt at 22-30 per cent Fe represents potential ore below the pit shells modelled for this resource statement, and in the gap between drilling defined Kallak South mineralised zones.
6. The resource statement has been prepared and categorised for reporting purposes by Mr. Thomas Lindholm, of GeoVista AB, Fellow of the MAusIMM, following the guidelines of the JORC Code, 2012 edition.

The mineralised area at Kallak North is approximately 1,100m long, from south to north, and, at its widest part in the centre, is approximately 350m wide.

The deepest drillhole intercept is located some 350m below the surface in the central part of the mineralisation. In the southern and northern parts, the intercepts are shallower at 150-200m. However, in the northern part, there are no barren holes below them, so the mineralisation could continue at depth.

The investigations at Kallak South have been divided into two parts, the northern and southern ends respectively. In the northern part the mineralisation extends approximately 750m from north to south and has an accumulated width of 350m. The deepest drillhole intercept is located some 350m below the surface in the southern-most part of the mineralisation. In the southern part, the mineralisation extends approximately 500m from north to south and has a maximum width of just over 300m. The deepest drillhole intercept is located some 200m to 250m below the surface in the central part of the mineralisation.

Approximately 800m in between the southern and northern parts of Kallak South has not been investigated by systematic drilling. An exploration target of 90 million tonnes ("Mt") to 100Mt at 22-30 per cent iron has been assigned to the area between the southern and northern parts.

Further to the south, within the Parkijaure exploration permits controlled by JIMAB, there are further known magnetite occurrences, but the current level of investigation does not permit the estimation of mineral resources.

Application for an Exploitation Concession

2017 Update
The Company is steadfast in its belief that the Kallak application fully satisfies the requirements of the Swedish Minerals Act, the Environmental Code, and Swedish law, but there were still more twists and turns in the Exploitation Concession process in 2017.

In March 2017, the RAÄ and the NV completed a review on the sufficiency of information provided in the Company's application, with respect to the interaction between Kallak and Laponia. They concluded that Kallak would not directly impact Laponia, but 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.

Even though the RAÄ and NV failed to be specific, as requested by the Mining Inspectorate, as to where the Company's EIA might be insufficient in the detail it provides, the Company produced a HIA, which was submitted to the Mining Inspectorate in April 2017. A HIA is not typically required in the prescribed process for an Exploitation Concession.

When the CAB consulted with these two agencies later in the year, they 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.

The RAÄ and NV gave the Company recognition for the additional information provided, namely a submission to the CAB in December 2016 and the HIA. However, they 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. The 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.

Other material developments during the year included, in June 2017, the Mining Inspectorate returning the Company's application to the Government, and importantly confirming that the Kallak North EIA is consistent, in the detail provided, in meeting the requirements of the SAC Norra Kärr judgement, and later in November 2017, a further statement from the CAB.

In September 2017, the Company published the Copenhagen Economics' Study titled 'Kallak - A real asset, and a real opportunity to transform Jokkmokk'. The Study built on work carried out by the Company and others, including the 2015 independent socio-economic study initiated by Jokkmokks Kommun, completed by consultants Ramböll, which in its findings concluded that a mining development at Kallak would create direct and indirect jobs, increase tax revenues and slow down population decline, and the 2010 study by the Economics Unit of Luleå University of Technology, 'Mining Investment and Regional Development: A Scenario-based Assessment for Northern Sweden'.

The Study showed that a mining operation at Kallak has the potential to create 250 direct jobs and over 300 indirect jobs in Jokkmokk; jobs that could be sustained over a period of 25 years or more. In addition, 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 year mine life; tax revenues which 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.

Despite the Study, and the commencement of a Scoping Study with SRK, on 30 November 2017, the CAB responded to questions from the Government and recommended that an Exploitation Concession for Kallak North not be granted. The CAB's statement contradicted its July 2015 position, when it supported the economic case for Kallak, and in the Company's opinion, the CAB has failed to use the socio-economic assessment criteria set out in the Environmental Code, which put emphasis on safeguarding investment and job creation, and giving consideration for a municipalities' financial health.

Instead, the CAB presented a scenario of State investment in infrastructure being necessary to support the mine, which has never been proposed or suggested by the Company. It is the Company's opinion that the analysis by the CAB is flawed, and its conclusions are biased and cannot be supported.

The Board remains firmly committed to the responsible development of a modern, sustainable, and innovative mining operation at Kallak in partnership with the local community. This remains the Company's ambition, and we now wait for the Government to decide on our application.

Post year end

The Company's application for an Exploitation Concession remains with the Government. On 1 February 2018, the Company announced that it had provided comments to the Government on the CAB's statement dated 30 November 2017. The Company summarised the main points used by the CAB to support the CAB's latest position that an Exploitation Concession for Kallak North should not be awarded.

The CAB has argued that the estimated 14-year production life of Kallak, as included in the original application, is of such short duration, that it does not justify Government investment in infrastructure, it does not support a socio-economic case, and it is not a reasonable use of natural resources. In addition, given the 14-year production life, the CAB views reindeer herding as the best use of land. Finally, that risks to the World Heritage Status of Laponia remain unclear.

In its response, the Company summarised chronologically the CAB's handling of the Company's application, and the involvement of other authorities. Also, the Company detailed its interpretation of the Swedish Minerals Act, the Environmental Code, and the roles of each authority, in assessing the Company's application for an Exploitation Concession.

Mine Production Life

The Company has argued that a mine at Kallak is likely to be in production for much longer than 14 years, based on existing knowledge of the orebodies at Kallak North and Kallak South; a fact acknowledged by the CAB in its July 2015 statement, when it supported both the economic case for Kallak, and the Company's application.
In addition, the Company argues that mining projects, in general, add to their resource inventories, and apply for permits over time, extending their production lives. There are examples of mines in Sweden, which have been in production for decades, and in some cases centuries.

Infrastructure Investment
The CAB asserts that the Swedish Government may have to invest in infrastructure to facilitate a mine at Kallak, and by using a 14-year mine life the CAB states that there is no case to support this. The Company has never suggested that the Government needs to invest in infrastructure associated with Kallak.

It is fact, that potential infrastructure partners in the region have their own expansion and investment plans, including Inlandsbanan and the Port of Luleå. Additionally, LKAB, with Trafikverket, is working on increasing the capacity of the Ore Railway Line.

The Company also notes that the prescribed process for handling the Kallak application, referring to the Swedish Mineral Act and Environmental Code, and the SAC's judgement in the Norra Kärr case, does not require full assessment of matters regarding transport at this stage of permitting.

Reindeer Herding
The Company has reminded the Government that for four years since February 2013, when Kallak was designated by the SGU as an Area of National Interest ("ANI"), there were no competing national interests.

Before February 2017, when Sametinget placed national interest for reindeer herding directly on top of Kallak, there were no conflicting national interests for the Concession Area, or for those areas taken by operational facilities necessary to support mining. A fact recognised by the CAB in its July 2015 statement, when it supported both the economic case for Kallak, and the Company's application.

In the CAB's latest statement, it has given no consideration to the years since the Company submitted its original application, in April 2013, the Company's engagement with the CAB, and continued investment in Kallak, when there were no conflicting national interests. The CAB now argues in favour of national interest for reindeer herding.

The CAB has not acknowledged that mining and reindeer herding can prosper side by side, despite providing no evidence to the contrary. Previously, the Company has stated that there are no examples in Sweden of any reindeer herding community being closed by any form of industrial activity, not just mining. Yet, there are many examples of companies reaching agreements with reindeer herding communities, as projects progress towards eventual operation, which benefit all parties concerned.

In the Kallak application, the Company has included preventative, precautionary, and compensatory frameworks, to be developed into management plans in consultation with the reindeer herding communities, at the appropriate time, and when details are available to have meaningful discussions and make definitive agreements.

The Company has restated key numbers, that Kallak's area of 13.6 square kilometres ("km^2") compares to Jåhkågaska tjellde's 2,640km^2 of grazing land or 0.5 per cent, and that reindeer herding in Sweden covers 220,000 km^2, representing almost half of the country.

Laponia
Kallak is situated, at the closest point, approximately 34km away from Laponia. Laponia's boundary has been established to protect what lies within the boundary, and not to restrict development, such as Kallak, which is located far beyond any conceivable 'buffer zone'. It is the Company's view that suggesting Kallak could have such an impact on Laponia as to threaten Laponia's World Heritage Status is not a reasonable argument. The Company's ambition, to develop a modern and sustainable mining operation, in partnership with the community, protecting all interests, will further ensure that Laponia is unaffected.

The Kallak application and the Company's Heritage Impact Assessment have comprehensively assessed the direct and indirect effects of Kallak on Laponia. The Company maintains that mining and reindeer herding can prosper side by side, and there should be no material impact on reindeer herding in Laponia, and when it comes to transport, environmental permitting will safeguard the interests of Laponia.

On 6 March 2018, the Company published a letter written by Kurt Budge, CEO, to the Government. Extract as follows:

"*Subject: Bearbetningskoncession Kallak Nr 1 N2017-04553*

Thank you for giving Jokkmokk Iron Mines AB, a 100 per cent owned subsidiary of Beowulf, the opportunity to make final comments to the Government in respect of our application for an Exploitation Concession for the Kallak North Iron Ore Project.

I joined Beowulf in September 2014, having worked in the mining sector for over 20 years, in business development with the multi-national company Rio Tinto, in operations in the UK coal industry, and in banking and private equity. My values are centred around working in partnership with stakeholders and delivering sustainable development. This is what I have done in my career, when managing operations, permitting, and developing new mines.

Since I joined Beowulf, the Company has done everything it can to build and strengthen relationships with the community in Jokkmokk, and with regulators and decision makers in Norrbotten and Stockholm. During this time, the mayors of Jokkmokk and Luleå, and entrepreneurs and landowners in Jokkmokk, have voiced their support for the Kallak project. They want companies to come to Jokkmokk and Norrbotten, to invest, to create opportunities for job creation and economic growth; Beowulf has done just that, and I have made it clear that the Company's approach is to develop Kallak in partnership with local and regional stakeholders, in a responsible and sustainable way, and in harmony with the environment.

The delays and constant waiting for an authority to give an opinion or take a decision on our application have significantly impeded discussions with the Saami. We share the Minister's view that mining and reindeer herding can coexist, and the Kallak project is no exception, as the evidence shows for existing mines in Sweden. We see many examples in Sweden where agreements have been reached between companies and the Saami, and positive working relationships have been developed; this is the Beowulf's intention. Despite perceived threats to reindeer herding, studies show that reindeer herding in Sweden is on the increase, and we have found no examples of a cooperative being forced to close because of a new industrial development, not just mining.

Before October 2014, there was good exchange between Länsstyrelsen in Norrbotten and the Company, with questions being asked and answers given on our application. By the autumn of 2014, the Company had drilled almost 28,000m at Kallak, and on 28 November 2014 updated its mineral resource statement, including the deposits of Kallak North and Kallak South, indicating the potential for a global tonnage of iron ore mineralisation of circa 250Mt. To date, Beowulf has invested SEK 77 million in Kallak.

It is widely acknowledged that Länsstyrelsen has consistently failed to follow the prescribed process for assessing an Exploitation Concession application. Now it writes about the need for State investment in infrastructure to support Kallak; this has never been proposed or suggested by the Company.

In Norrbotten, Inlandsbanan, the Port of Luleå, and LKAB and Trafikverket are all looking at expanding infrastructure capacity. As we tried to demonstrate with the Copenhagen Economics' project study, titled 'Kallak - A real asset, and a real opportunity to transform Jokkmokk', there is a 'Bigger Picture' positive impact that Kallak can deliver, both in Jokkmokk and Norrbotten, as major projects in the region are interlinked and interdependent.

Mining the Kallak North deposit has the potential to provide around 250 direct jobs and SEK600 million in additional tax revenues to the Municipality of Jokkmokk over 14 years. If the mine life is extended with the Kallak South deposit, then SEK1 billion in additional tax revenues could be generated over 25 years.

A well-engineered plan is essential, so that the local community reaps the benefits of Kallak's potential, and Beowulf believes that the full potential benefits will only materialise through partnership and collaboration with local and regional stakeholders.

Länsstyrelsen's latest statement contradicts its July 2015 position, when it supported the economic case for Kallak, then verbally confirmed its support to Bergsstaten for the Company's application, and Bergsstaten, in October 2015, recommended to the Government that the Concession be awarded. It is based on statements such as this, that Beowulf has continued to invest in Kallak.

Also, in July 2015, Länsstyrelsen acknowledged that there were no conflicting national interests for the Concession Area. This was also the case for those areas taken up by operational facilities necessary to support mining. In February 2013, the SGU designated Kallak an Area of National Interest for its mining potential. Four years later, in February 2017, Sametinget placed national interest for reindeer herding directly on top of the Kallak Concession Area.

Now, Länsstyrelsen gives no consideration for the period when there were no conflicts, and it watched the Company continue to invest in Kallak. It now chooses to build a case around reindeer herding being the most important national interest, but this is based on false arguments. I would suggest that to most observers, the fact that Sametinget asserted national interest for reindeer herding directly on top of the Kallak Concession Area four years after the SGU designation, and late in the application process, would appear nothing but an attempt to obstruct and frustrate our application.

With respect to Laponia, Kallak is 34km away at its closest point. Existing mines operate in closer proximity and have not threatened Laponia's World Heritage Status. Naturvårdsverket and Riksantivarieämbetet have confirmed that Kallak will have no direct impact on Laponia.

Laponia's boundary has been established to protect what lies within the boundary, and not to restrict development, such as Kallak, which is located far beyond any conceivable 'buffer zone'. It is the Company's view that suggesting Kallak could have such an impact on Laponia as to threaten Laponia's World Heritage Status is not a reasonable argument. The Company's ambition, to develop a modern and sustainable mining operation, in partnership with local stakeholders, protecting all interests, will further ensure that Laponia is unaffected.

The Kallak application and the Company's Heritage Impact Assessment have comprehensively assessed the direct and indirect effects of Kallak on Laponia. The Company maintains that mining and reindeer herding can prosper side by side, and there should be no material impact on reindeer herding in Laponia, and when it comes to transport, environmental permitting will safeguard the interests of Laponia.

I have never during my previous career, in any country, been involved in a permitting process where the authorities have shown such a lack of willingness to engage with a company on a major application. The permitting process we have experienced has been inefficient, slow, and unpredictable. Our application has been passed back and forth, from one authority to another, with no questions put to the Company, nor feedback given on additional documentation we have provided, nothing. No authorities have made any attempt to reconcile the differences between the Saami villages and the Company, or to facilitate the discussion that could lead to an understanding between the parties. Instead decision makers choose to sit in isolation, and determine the fate of our application, evidently misrepresenting the facts, and biased in their analysis.
Länsstyrelsen's actions have so far hindered Beowulf, the Kallak project, and, as commented by industry participants in Sweden and mining analysts in London, are damaging Sweden's reputation as a place to invest and do business.

On 22 February 2018, the Fraser Institute in Canada, published it latest rankings on Investment Attractiveness of mining jurisdictions globally, and Sweden has fallen eight places to 16th. Beowulf did not take part in the survey, but comments from another exploration company included, "Sweden is a stable system; however, there is still room for improvement. Investors have concerns over permit delays, lengthy legal disputes, and inconsistent environmental regulations".

In January 2017, I spoke in Stockholm on the comparative advantage of doing business in Sweden. What should be a real advantage to Sweden, is being damaged by uncertain application processes, a distinct lack of respect shown by Swedish authorities for mining companies and their permit applications, scant regard for the significant investments being made and the potential job opportunities being created.

I heard the Minister speak at SveMin's Höstmöte in Stockholm, at the end of November 2017, about the importance of the mining industry in Sweden, and the problems being experience with permitting new mines. More recently, I see that the Swedish Government has given SEK10 million to the SGU to explore for 'Battery Minerals' in Bergslagen. It may interest the Minister to know, that Beowulf has a portfolio of graphite projects in Finland, which we are actively exploring.

In September 2017, the Minister 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".

We hope that the Government now looks objectively at the facts, the Company's investment, its commitment to developing a modern and sustainable mining operation, and the approach we have taken with all our stakeholders in Jokkmokk, including the Saami villages, to develop the Kallak project in partnership with them. We are willing to take all necessary precautions to minimise the impact on reindeer herding and have also several times stated that any eventual remaining impact shall be fully compensated.

In October 2015, Bergsstaten recommended to the Government that an Exploitation Concession be awarded for Kallak Nr 1. Over the last three years, the prescribed process in Sweden for an Exploitation Concession has not changed, we have addressed specific concerns raised by Norrbotten Länsstyrelsen regarding transport, provided supplementary information to demonstrate that mining and reindeer herding can prosper together, and a Heritage Impact Assessment to dispel any concerns about the interaction of Kallak and Laponia.

In Jokkmokk, no other Company has invested SEK77 million and created an opportunity like Kallak, that has the potential to transform the town, and deliver a thriving, diversified and sustainable economy for the people living there."

Åtvidaberg nr 1 Exploration Licence

The exploration licence for Åtvidaberg nr 1 is in southern Sweden, to the southern end of Bergslagen, one of Europe's oldest mining areas. Bergslagen contains one of the world's main volcanogenic massive sulphide ("VMS") districts with deposits characterised by high contents of zinc, lead, copper, and sometimes silver and gold, the majority of which are small deposits. Bergslagen yielded a substantial portion of Sweden's mineral wealth during the 1800s to 1900s, with several large mines and hundreds of smaller mines producing copper, zinc, lead, gold, and silver. Current operating mines in the area include Boliden's Garpenberg and Lundin Mining's Zinkgruvan mines.

Bergslagen has seen little modern exploration, yet it hosts Bersbo, one of Sweden's largest early copper mines, and Zinkgruvan, Sweden's most important zinc mine. Other than at Zinkgruvan, exploration activity in Bergslagen has predominantly focused on finding new outcropping ore bodies, with some historic mining areas not being explored since the 1900s.

In late April 2017, the Company held a three-day field workshop at Åtvidaberg, which brought together the Company's exploration team and external experts with major mining company exploration experience, relevant to Bergslagen, volcanogenic massive sulphide mineralisation and modern exploration technologies. The workshop provided the opportunity to brainstorm ideas and develop a plan for the year, which featured both fieldwork and desktop studies focused on understanding the historical mining around Bersbo.

Åtvidaberg represents early stage exploration, but offers real potential for Beowulf, as signified by past discoveries and historic mines.

Sala nr 10 Exploration Licence

The Sala licence area covers 1,049ha and is 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.

FINLAND

Finnish Exploration Permits

Beowulf, via its subsidiary, Fennoscandian, currently holds two exploration permits for graphite, and has applied for a further four graphite exploration permits.

Permit Name	Permit ID	Area (km^2)	Valid from	Valid until
Approved Exploration Permits				
Pitkäjärvi 1	2016:0040-01	10.00	07/12/2016	07/12/2020
Viistola 1	2016:0005-01	0.49	09/11/2017	09/11/2021
Applied for Exploration Permits				
Haapamäki 1	2015:0025-01	4.77	Applied for 26/04/2016	
Rääpysjärvi 1	2017:0104-01	7.16	Applied for 08/08/2017	
Kolari 1	2017:0108-01	9.70	Applied for 29/11/2017	
Joutsjärvi 1	2017:0122-01	5.79	Applied for 16/10/2017	

Aitolampi/Pitkäjärvi – Graphite

Introduction
The Aitolampi and Pitkäjärvi graphite prospects were new discoveries in 2016 and are eastern extensions to the Haapamäki prospect. Pitkäjärvi and Aitolampi are areas of graphitic schists on a fold limb, coincidental with an extensive EM anomaly. Many of the EM zones are obscured by glacial till, but graphite observations in road cuttings and outcrops are also associated with abundant EM anomalies. Haapamäki is in eastern Finland approximately 40km southwest of the well-established mining town of Outokumpu.

2017 Summary
We made real progress on our graphite portfolio during 2017. Starting with metallurgical testwork results for composite samples taken from the Haapamäki, Pitkäjärvi and Aitolampi graphite prospects. We then completed 1,197m of drilling at Aitolampi. The eight-hole diamond drill programme confirmed that the EM anomalies identified 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.

In October 2017, we announced high grade concentrate results for composite samples from the Aitolampi project. For three samples, the combined grades ranged from 96.8 per cent to 97.5 per cent Total Carbon. We achieved a superior metallurgical response from all three samples compared with grab samples from outcrops analysed earlier in the year. The process flowsheet used was simple and proved to be very efficient. The produced concentrates were then sent for further testwork to determine their marketability and potential applications.

The focus remains to put one of Beowulf's graphite projects into production within three years, and, at this time, Aitolampi is the front runner.

Aitolampi Drilling

- Eight holes drilled, approximately 1,197m in total, with the first four drill holes, AITDD17001-004, extending 350m along strike for the main conductive zone.
- Drill holes AITDD17005-008 tested the extent of mineralisation down-dip of the main conductive zone.
- Substantial graphite mineralisation intersections in all holes, including up to 113.5m down-hole width for the longest drill hole AITDD17006, which correspond 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.
- 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.

Metallurgical Testwork

- Composite samples from the drilling programme were dispatched to SGS Mineral Services in Canada. They included 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.
- The combined grades ranged from 96.8 per cent to 97.5 per cent Total Carbon ("C(t)") across the three samples.
- All three samples responded similarly in terms of concentrate grades of the various size fractions.
- Testwork achieved a superior metallurgical response with all three samples compared with grab samples from outcrops analysed earlier in the year.
- The process flowsheet used was simple yet proved to be very efficient.

Post-Year End

Metallurgical Testwork/Market Assessment

- Concentrates from the SGS testwork were sent to ProGraphite Gmbh ("ProGraphite") based in Germany. ProGraphite specialises in the processing and evaluation of graphite materials.
- Alkaline purification produced 99.86 per cent C(t) for +100-mesh concentrate and 99.82 per cent C(t) for -100-mesh concentrate.
- Results from acid purification were also promising and reached 99.6 per cent C(t) for the +100-mesh and 99.41 per cent for the -100-mesh concentrate.
- The alkaline and acid purification results indicate that, with some process optimisation, Aitolampi concentrates may meet the purity specification of 99.95 per cent C(t) required for the lithium ion battery market.
- Aitolampi graphite shows high crystallinity, with the degree of graphitisation measuring approximately 98 per cent, which is almost perfect crystallinity, an important prerequisite for high tech applications, such as lithium ion batteries.
- Volatiles are low, which is an attractive product attribute in many applications, including refractories, lubricants, crucibles, and foundries.
- Specific Surface Area ("SSA") is comparable to that of high quality flake graphite from China.
- Oxidation behaviour is comparable with Chinese graphite of the same flake size, used for refractories, and other high temperature applications.

Further Drilling

- In March 2018, the Company awarded a contract to Oy Northdrill, a Finnish drilling company.
- 10 holes have been completed and 1577.6m have been diamond drilled.
- Longest hole drilled, AITDD18014, was 235.3m, and intercepted a total length of graphite mineralisation of 127.4m, including a single intercept of 44.9m. Mineralisation started 24.4m from the collar. This hole tested all three conductive zones including the north-western strike extension of the higher-grade parallel graphite zones intersected in hole AITDD17006 in last year's drilling programme.
- Longest single intercept of graphite mineralisation, in hole AITDD18015, was 99.4m. Total hole length was 150.0m and mineralisation started at 20.7m from the collar.
- Infill drilling has confirmed the continuity of graphite mineralisation between holes drilled in the 2017 drilling programme.
- Several holes proved mineralisation down-dip from graphite intersected in 2017 and intersected wide mineralised zones along strike and down-dip for some of the previously identified higher grade mineralised zones.
- Drilling shows that mineralisation has a strike length of at least 350m along the main conductive zone (the main EM anomaly extends for 700m).
- For the two parallel higher-grade zones previously identified, mineralisation has a strike length of at least 150m (the two parallel conductive zones extend for 300m and 250m).
- Mineralisation for all zones remains open along strike and at depth.
- Within the Company's Pitkäjärvi licence area, several extensive EM conductors, associated with graphite observed in surface outcrops, have yet to be drilled, are prospective for graphite mineralisation, and offer potential upside.
- The Company's geologists core logged for all holes, and samples have been sent to ALS Minerals in Finland for assay. All samples are being assayed for Graphitic Carbon (C-IR18), Total Carbon (C-IR07) and Total Sulphur (S-IR08).

Assay Results

- Drilling has confirmed the continuity of mineralisation between holes drilled in 2017, wide graphite lenses extending along strike, at least 350m along the main conductive zone (EM anomaly extends for 700m), and at depth.
- For the two parallel higher-grade zones previously identified, mineralisation has a strike length of at least 150m (the two parallel conductive zones extend for 300m and 250m), and these zones seem to merge to form one body of mineralisation.
- From northwest to southeast along strike, drill holes AITDD18014, AITDD18016, AITDD18015, AITDD18017 and AITD18018 (drilled on the same profile), all intersected this higher-grade body of mineralisation, with intercepts of 89.60m at 4.01% TGC, 107.09m at 4.59% TGC, 108.69m at 5.04% TGC, 121.68% at 5.00% TGC and 121.46m at 5.29% TGC respectively.

- For these holes, intercepts showing greater than 5% TGC were as follows: AITDD18014 - 30.10m at 5.75% TGC; AITDD18016 - 29.00m at 6.04% TGC; AITDD18017 - 62.42m at 6.08% TGC; and AITDD18018 - 92.46m at 6.19% TGC, including 44.00m at 7.08% TGC.
- AITDD18018 is the furthest hole drilled to the southeast, to test the parallel higher-grade conductive zone, which remains open in all directions.

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 17

	Note	2017	2016
		£	£
CONTINUING OPERATIONS			
Administrative expenses		(861,669)	(638,573)
Impairment of exploration costs		(183,131)	-
OPERATING LOSS		(1,044,800)	(638,573)
Finance income		5,234	5,344
LOSS BEFORE INCOME TAX		(1,039,566)	(633,229)
Income tax expense		-	-
LOSS FOR THE YEAR		(1,039,566)	(633,229)
Loss attributable to:			
Owners of the parent		(1,038,248)	(632,125)
Non-controlling interests		(1,318)	(1,104)
		(1,039,566)	(633,229)
Loss per share attributable to the ordinary equity holder of the parent:			
Basic and diluted (pence)	2	(0.20)	(0.13)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 17

	2017	2016
	£	£
LOSS FOR THE YEAR	(1,039,566)	(633,229)
OTHER COMPREHENSIVE INCOME		
Item that may be reclassified subsequently to profit or loss:		
Exchange gains arising on translation of foreign operations	67,862	626,438
Reclassification of revaluation reserve	-	55,664
	67,862	682,102
TOTAL COMPREHENSIVE LOSS/INCOME	(971,704)	48,873

Total comprehensive loss/income attributable to:			
Owners of the parent		(970,426)	49,005
Non-controlling interests		(1,278)	(132)
		(971,704)	48,873

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 17

	Note	2017	2016
		£	£
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	3	8,191,232	7,186,576
Property, plant and equipment		28,580	23,511
Loans and other financial assets		5,530	5,503
		8,225,342	7,215,590
CURRENT ASSETS			
Trade and other receivables		65,032	51,766
Cash and cash equivalents		1,589,897	1,609,219
		1,654,929	1,660,985
TOTAL ASSETS		9,880,271	8,876,575
EQUITY			
SHAREHOLDERS' EQUITY			
Share capital	4	5,342,072	5,026,302
Share premium		18,141,271	16,879,241
Revaluation reserve		-	25,664
Capital contribution reserve		46,451	46,451
Share Based Payment reserve		575,078	237,803
Merger reserve		137,700	137,700
Translation reserve		(397,060)	(464,882)
Accumulated losses		(14,079,747)	(13,067,163)
		9,765,765	8,821,116
Non-controlling interests		(159,871)	(158,593)
TOTAL EQUITY		9,605,894	8,662,523
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		274,377	214,052
TOTAL LIABILITIES		274,377	214,052
TOTAL EQUITY AND LIABILITIES		9,880,271	8,876,575

The financial statements were approved and authorised for issue by the Board of Directors on 11 May 2018 and were signed on its behalf by:

Mr K Budge - Director
Company Number 02330496

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 17

	Share capital	Share premium	Revaluation reserve	Merger reserve	Capital contribution reserve
	£	£	£	£	£
At 1 January 2016	4,303,138	15,187,112	(30,000)	-	46,451
Loss for the year	-	-	-	-	-
Reclassification of revaluation reserve	-	-	55,664	-	-
Foreign exchange translation	-	-	-	-	-
Total comprehensive income	-	-	55,664	-	-
Transactions with owners					
Issue of share capital	697,664	1,837,243	-	-	-
Cost of issue	-	(145,114)	-	-	-
Equity settled share based transactions	-	-	-	-	-
Release of charge for lapsed options	-	-	-	-	-
Acquisition of subsidiary	25,500	-	-	137,700	-
At 31 December 2016	5,026,302	16,879,241	25,664	137,700	46,451
Loss for the year	-	-	-	-	-
Foreign exchange translation	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Transactions with owners					
Issue of share capital	315,770	1,337,030	-	-	-
Cost of issue	-	(75,000)	-	-	-
Equity settled share based transactions	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-
Transfer to accumulated losses	-	-	(25,664)	-	-
At 31 December 2017	5,342,072	18,141,271	-	137,700	46,451

	Share based payments reserve £	Translation reserve £	Accumulated losses £	Totals £	Non – controlling interest £	Totals £
At 1 January 2016	97,796	(1,090,348)	(12,466,046)	6,048,103	(158,461)	5,889,642
Loss for the year	-	-	(632,125)	(632,125)	(1,104)	(633,229)
Reclassification of revaluation reserve	-	-	-	55,664	-	55,664
Foreign exchange translation	-	625,466	-	625,466	972	626,438
Total comprehensive income	-	625,466	(632,125)	49,005	(132)	48,873
Transactions with owners						
Issue of share capital	-	-	-	2,534,907	-	2,534,907
Cost of issue	-	-	-	(145,114)	-	(145,114)
Equity settled share based transactions	40,109	-	-	40,109	-	40,109
Release of charge for lapsed options	(31,008)	-	31,008	-	-	-
Acquisition of subsidiary	130,906	-	-	294,106	-	294,106
At 31 December 2016	237,803	(464,882)	(13,067,163)	8,821,116	(158,593)	8,662,523
Loss for the year	-	-	(1,038,248)	(1,038,248)	(1,318)	(1,039,566)
Foreign exchange translation	-	67,822	-	67,822	40	67,862
Total comprehensive income	-	67,822	(1,038,248)	(970,426)	(1,278)	(971,704)
Transactions with owners						
Issue of share capital	-	-	-	1,652,800	-	1,652,800
Cost of issue	-	-	-	(75,000)	-	(75,000)
Equity settled share based transactions	203,059	-	-	203,059	-	203,059
Acquisition of subsidiary	134,216	-	-	134,216	-	134,216
Transfer to accumulated losses	-	-	25,664	-	-	-
At 31 December 2017	575,078	(397,060)	(14,079,747)	9,765,765	(159,871)	9,605,894

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Loss before income tax		(1,039,566)	(633,229)
Depreciation charges		15,890	12,097
Equity-settled share-based transactions		203,059	40,109
Impairment of exploration costs	3	183,131	-
Expenses financed by issue of shares		-	29,375

Reclassification of revaluation reserve	-	55,664
Finance income	(5,234)	(5,344)
	(642,720)	(501,328)
(Increase)/decrease in trade and other receivables	(12,760)	31,646
Decrease/(increase) in trade and other payables	15,673	(15,557)
Net cash used in operating activities	(639,807)	(485,239)
Cash flows from investing activities		
Purchase of intangible assets	(943,599)	(622,817)
Purchase of property, plant and equipment	(20,367)	(862)
Sale of investments	14	50,444
Acquisition of subsidiary	-	(50,482)
Interest received	5,234	5,344
Net cash used in investing activities	(958,718)	(618,373)
Cash flows from financing activities		
Proceeds from issue of shares	1,652,800	2,505,530
Payment of share issue costs	(75,000)	(145,114)
Net cash from financing activities	1,577,800	2,360,416
(Decrease)/increase in cash and cash equivalents	(20,725)	1,256,804
Cash and cash equivalents at beginning of year	1,609,219	352,914
Effect of foreign exchange rate changes	1,403	(499)
Cash and cash equivalents at end of year	1,589,897	1,609,219

1. ACCOUNTING POLICIES

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. These consolidated financial statements comprise 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.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below:

Going concern

At 31 December 2017, the Group had a cash balance of £1.59 million and the Company had a cash balance of £1.51 million.

Management have prepared cash flow forecasts which indicate that although there is no immediate funding requirement, the Group will need to raise further funds in the next twelve months for corporate overheads and to advance its projects.

The Directors are confident they are taking all necessary steps to ensure that the required finance will be available and they have successfully raised equity finance in the past. They have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis. However, while they are confident of being able to raise the new funds as they are required, there are currently no agreements in place, and there can be no certainty that they will be successful in raising the required funds within the appropriate timeframe.

These conditions indicate the existence of a material uncertainty which may cast significant doubt over the Group's and the Company's ability to continue as a going concern and that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result if the Group and Company were unable to continue as a going concern.

Basis of preparation
The consolidated financial statements have been prepared in accordance with applicable International Financial Reporting Standards as adopted by the European Union ("IFRS") and with those parts of the UK Companies Act 2006 applicable to companies reporting under IFRS as adopted by the European Union. 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.

New and amended standards, and interpretations issued but not yet effective for the financial year beginning 1 January 2016 and not early adopted
The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are listed below. The Group intends to adopt these standards, if applicable, when they become effective. Unless stated below, there are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Standard	**Effective Date**
IFRS 15 Revenue from Contracts with Customers	01-Jan-18
IFRS 9 Financial Instruments	01-Jan-18
IFRS 16 Leases	01-Jan-19

The only standard which is anticipated to be significant or relevant to the Group is IFRS 9 "Financial Instruments", the Group is in the process of assessing the impact of the standard on the Financial Statements. Both IFRS 15 and IFRS 16 are not expected to have a material impact on the Group at this stage of the Group's operations.

For the year ending 31 December 2018, IFRS 9 ''Financial Instruments'' introduces significant changes to the classification and measurement requirements for financial instruments. The new standard will replace existing accounting standards. It is applicable to financial assets and liabilities and will introduce changes to existing accounting concerning classification, measurement and impairment (introducing an expected credit loss method). This could impact on the Company balance sheet in respect of the carrying value of intercompany debtors, because it is unlikely that the assessment of expected credit loss will support a nil exposure to credit loss.

Significant accounting judgements, estimates and assumptions
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for income and expenses during the year and the amounts reported for assets and liabilities at the balance sheet date. However, the nature of estimation means that the actual outcomes could differ from those estimates.

The principal source of risk and estimation uncertainty is that the exploitation concession for Kallak North will not be awarded. The board has considered the impairment indicators as outlined in the Company's accounting policies and having done so is of the opinion that the current situation does not qualify as an impairment indicator and hence no impairment provision is required for this permit (see note 3).

The other key areas of judgement and sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the assessment of any impairment of intangible assets, the estimation of share-based payment costs and the treatment of the acquisition of Fennoscandian. In respect of these items:

(i) The Group determines whether there are any indicators of impairment of intangible assets on an annual basis (see note 3); and
(ii) The estimation of share-based payments requires the selection of an appropriate model, consideration as to the inputs necessary for the valuation model chosen and the estimation of the number of awards that will ultimately vest.

Basis of consolidation

(i) Subsidiaries and acquisitions

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is recognised where an investor is exposed, or has rights, to variable returns from its investment with the investee, and has the ability to affect these returns through its power over the investee.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair value at the date of acquisition. Any excess of the cost of the acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If the cost of the acquisition is less than the fair value of net assets of the subsidiary acquired, the difference is recognised directly in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the statement of comprehensive income from the effective date of acquisition, or up to the effective date of disposal, as appropriate.

Non-controlling interests in subsidiaries are presented separately from the equity attributable to equity owners of the parent Company. When changes in ownership in a subsidiary do not result in a loss of control, the non-controlling shareholders' interests are initially measured at the non-controlling interests' proportionate share of the subsidiaries net assets. Subsequent to this, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance

(ii) Transactions eliminated on consolidation

Intra-Group balances and any unrealised gains and losses or income and expenses arising from intra-Group transactions are eliminated in preparing the consolidated financial statements.

Intangible assets – deferred exploration costs
All costs incurred prior to the application for the legal right to undertake exploration and evaluation activities on a project are expensed as incurred.

Exploration and evaluation costs arising following the application for the legal right, are capitalised on a project-by-project basis, pending determination of the technical feasibility and commercial viability of the project. Costs incurred include appropriate employee costs and costs pertaining to technical and administrative overheads.

Exploration and evaluation activity includes:
- researching and analysing historical exploration data;
- gathering exploration data through topographical, geochemical and geophysical studies;
- exploratory drilling, trenching and sampling;
- determining and examining the volume and grade of the resource;
- surveying transportation and infrastructure requirements; and
- conducting market and finance studies.

Administration costs that are not directly attributable to a specific exploration area are expensed as incurred.

Deferred exploration costs are carried at historical cost less any impairment losses recognised. When a project is deemed to no longer have commercially viable prospects to the Group, deferred exploration costs in respect of that project are deemed to be impaired and written off to the statement of comprehensive income.

Impairment
Whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable an asset is reviewed for impairment. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset's carrying amount.

Impairment reviews for deferred exploration and evaluation expenditure are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise such as:

(i) unexpected geological occurrences that render the resource uneconomic;
(ii) title to the asset is compromised;
(iii) variations in mineral prices that render the project uneconomic;
(iv) substantive expenditure on further exploration and evaluation of mineral resources is neither budgeted nor planned; and
(v) the period for which the Group has the right to explore has expired and is not expected to be renewed.

Property, plant and equipment
Items of property, plant and equipment are stated at historical cost less accumulated depreciation.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 25 per cent on reducing balance

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Investments

Investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised at cost less any provision for impairment. Fixed asset investments in subsidiary undertakings and joint venture interests are stated at cost less provision for any impairment in value.

Financial instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial assets and liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are recorded at their nominal amount less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

Trade payables

Trade payables are stated at amortised cost using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Where equity instruments are issued as part of an acquisition they are recorded at their fair value on the date of acquisition.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised, using the liability method, in respect of temporary differences between the carrying amount of the Group's assets and liabilities and their tax base.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits, within the same jurisdiction, in the foreseeable future against which the deductible temporary difference can be utilised.

Taxation (continued)

Deferred tax is determined using tax rates that are expected to apply in the periods in which the asset is realised or liability settled, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Current and deferred tax is recognised in the profit or loss, except when the tax relates to items charged or credited directly in equity, in which case the tax is also recognised directly in equity.

Foreign currencies

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in GB Pounds Sterling which is the presentation currency for the Group and Company financial statements. The functional currency of the Company is the GB Pounds Sterling.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are included in the statement of comprehensive income for the period.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in GB Pounds Sterling using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as other comprehensive income and are transferred to the Group's translation reserve.

Foreign currency movements arising from the Group's net investment, which comprises equity and long-term debt, in subsidiary companies whose functional currency is not the GB Pounds Sterling are recognised in the translation reserve, included within equity until such time as the relevant subsidiary company is sold, whereupon the net cumulative foreign exchange difference relating to the disposal is transferred to profit and loss.

Share-based payment transactions
Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of all options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the income statement or share premium account, if appropriate, are charged with the fair value of goods and services received.

2. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share at 31 December 2017 was based on the loss attributable to ordinary shareholders of £1,038,248 (2016: £632,125) and a weighted average number of Ordinary Shares outstanding during the period ended 31 December 2017 of 518,728,856 (2016: 472,525,290) calculated as follows:

	2017 £	2016 £
Loss attributable to ordinary shareholders	(1,038,248)	(632,125)

Weighted average number of ordinary shares

	Number	Number
Number of shares in issue at the beginning of the year	502,630,331	430,313,824
Effect of shares issued during year	16,098,525	42,211,466
Weighted average number of ordinary shares in issue for the year	518,728,856	472,525,290

As detailed in note 5, the Company issued 2.1 million shares post year end, these shares would have an anti-dilutive effect. There is no difference between the diluted and non-diluted loss per share.

3. INTANGIBLE ASSETS - Group

	Exploration Costs £
COST	
At 1 January 2016	5,588,270
Additions for the year	968,460
Foreign exchange movements	629,846
At 31 December 2016	7,186,576
At 1 January 2017	7,186,576
Additions for the year	1,077,815
Foreign exchange movements	109,972
Impairment	(183,131)
At 31 December 2017	8,191,232
NET BOOK VALUE	
At 31 December 2017	8,191,232
At 31 December 2016	7,186,576

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

	2017 £	2016 £
Kallak	6,979,844	6,438,283
Nautijaur	-	24,912
Åtvidaberg	253,778	153,927
Ågåsjiegge	7,365	7,257
Sala	2,634	2,372
Haapamäki	231,132	141,944
Kolari1	151,706	99,554
Piippumäki	-	119,087
Viistola	147,784	107,369
Pitkäjärvi	414,372	91,871
Joutsijärvi	2,617	-
	8,191,232	7,186,576

Total Group exploration costs of £8,191,232 are currently carried at cost in the financial statements. The Group will need to raise funds and/or bring in joint venture partners to further advance exploration and development work. An amount of £156,382 was recorded against the projects for services provided by the Directors during the year.

During the year an impairment provision was recognised totalling £183,131 (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.

In accordance with its accounting policies and processes, each asset is evaluated annually at 31 December, to determine whether there are any indications impairment exist, the board considers the indications as outlined in IFRS 6.

The most significant risk is that an exploitation concession is declined for Kallak North. The board has considered the impairment indicators as outlined in the Company's accounting policies and having done so is of the opinion that the current situation does not qualify as an impairment indicator and hence no impairment provision is required for this permit

Additional consideration was given to the decision by the County Administrative Board ("CAB") on the 30 November 2017 to not recommend that an exploitation concession be awarded to the Company. It should be noted that the CAB does not have the final decision, that rests with the Government. The CAB's decision included information not based on fact, flawed analysis, and biased conclusions that contradicted its previous representations provided in July 2015. The key biases include;

- Operating outside their mandate with respect to assessing transport matters at this stage of permitting and suggesting the need for State investment should Kallak be built. The Company has never stated that State support would be needed. The CAB ignored infrastructure projects that are already under consideration e.g. Inlandsbanan Railway, the Ore Railway and the Port of Luleå, all of which will bring additional capacity to regional infrastructure, which could be utilised by Kallak.
- Disregarding Kallak's designation as an Area of National Interest (ANI") awarded by the SGU in February 2013.
- Disregarding the strong economic case, that would have local, regional and national benefits, that the CAB presented in July 2015.

The Directors therefore consider that the decision of the CAB is not an impairment indicator as the comments and findings of the CAB represent a recommendation to Government that should have limited to no persuasive impact due to the inaccuracies, flawed analysis and conclusions the CAB has presented.

Post year end, the Company's application is now with the Government. The Company, and other interested parties, were invited to provide comments on the CAB's statement, which the Company submitted on 2 February 2018. At the date of approval of the financial statements the Government's consideration of the application was ongoing.

In the year an impairment provision of £183,131 (2016: £Nil) was made against costs incurred on Pippumäki (£155,510) and Nautijaur (£27,621) on the basis that no further exploration would be carried out on those projects. The impairment is charged as an expense and included within the consolidated income statement.

4. SHARE CAPITAL

	2017 Number	2017 £	2016 Number	2016 £
Allotted, called up and fully paid				
At 1 January	502,630,331	5,026,302	430,313,824	4,303,138
Issued for cash	23,076,923	230,770	66,829,007	668,289
Issued in settlement of expenses	-	-	2,937,500	29,375
Issued in option exercise	8,500,000	85,000	-	-
Issued for acquisition of subsidiary	-	-	2,550,000	25,500
At 31 December	534,207,254	5,342,072	502,630,331	5,026,302

The par value of all Ordinary Shares in issue is £0.01.

The Company has removed the limit on the number of shares that it is authorised to issue in accordance with the Companies Act 2006.

Shares issued in 2017

On 17 October 2017, the Company announced that Bevan Metcalf a Director, had been issued 8,500,000, as a result of the exercise of options.

On 17 May 2017, the Company announced a subscription to raise £1.5m (before expenses) through the issue of 23,076,923 new ordinary shares of 6.5 pence each.

Shares issued in 2016

On 11 January 2016, the Company issued 2,100,000 million new ordinary shares of 6.4 pence each, in connection with its acquisition of Fennoscandian.

On 11 February 2016, the Company issued 729,329 new ordinary shares of 6.4 pence each. This included the issue of 450,000 new ordinary shares being the deferred payment in connection with its acquisition of Fennoscandian and 279,329 new ordinary shares in satisfaction of the professional fees.

On 25 February 2016, the Company announced that it had raised £1.25 million before expenses and issued 38,461,538 new ordinary shares at a price of 3.25 pence per new ordinary share.

On 2 March 2016, the Company announced that the over-allotment option announced on 25 February 2016, was exercised on 29 March by the Company in respect of 7,692,307 new ordinary shares at a price of 3.25 pence per new ordinary share raising £0.25 million before expenses.

On 21 December 2016, the Company announced a subscription for £1m (before expenses). Pursuant to the subscription, the Company issued to Swedish investors 20,000,000 ordinary shares of 1.0 pence each to raise approximately £860,000 (before expenses) at a price of 0.5 SEK per ordinary share and to 3,333,333 ordinary shares to UK investors to raise approximately £140,000 (before expenses) at a price of 4.2 pence per new ordinary share.

5. EVENTS AFTER THE REPORTING DATE

On 22 February 2018, 2.1 million ordinary shares of 1.0 pence were issued to Rasmus Blomqvist, the Company's Exploration manager, as a first tranche of deferred consideration pursuant to the acquisition of Oy Fennoscandian Resources AB. The second and final tranche of 2.1 million ordinary shares of 1.0 pence will be issued subject to competition of a bankable feasibility study on one of the graphite projects in the Fennoscandian portfolio.