



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.

28 February 2019

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

Unaudited Preliminary Financial Results for the year ended 31 December 2018

Beowulf (AIM: BEM; Spotlight: BEO), the Nordic focused mineral exploration and development company, announces its unaudited preliminary financial results for the year ended 31 December 2018 (see Appendix 1).

Overview

- During the year Beowulf continued to navigate Swedish bureaucracy as it sought a decision on its application for an Exploitation Concession for Kallak North.
 - The CEO met with key stakeholders in Jokkmokk, Luleå and Stockholm, including local, regional and national politicians, and attended Almedalen (an important Swedish political forum). During these interactions the CEO made it clear, that a Company which invests SEK 77 million in a project and satisfies permitting requirements, should be granted its permit in a reasonable timeframe. Even more so, when in October 2015 the competent authority, the Mining Inspectorate, has recommended that an Exploitation Concession for Kallak North be awarded.

The CEO reiterated the Company's vision for Kallak, to develop the most modern and sustainable mining operation, with the potential to transform Jokkmokk's economic future to one that is thriving, diversified and sustainable. In addition, to reaching out to all groups in the community in the spirit of cooperation and partnership, including the Sami reindeer herding community.

- On 1 February 2018, the Company provided comments to the Government on the County Administrative Board ("CAB") for the County of Norrbotten's statement dated 30 November 2017. The Company made the case that the CAB's statement reads as though it has tried to justify its latest position, that an Exploitation Concession for Kallak North should not be awarded, through flawed analysis and biased conclusions.
- On 6 March 2018, the Company published a letter written by the CEO and sent to the Swedish Government, providing final comments on the Kallak application process. In the letter the CEO reminded the Government that in October 2015, the Mining Inspectorate recommended to the Government that an Exploitation Concession for Kallak North be awarded. That since then, the prescribed process in Sweden for being granted an Exploitation Concession has not changed, the Company has addressed specific concerns raised by the CAB 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 the Laponia World Heritage Site.

- On 16 May 2018, the Company learnt that the Administrative Court in Luleå had rejected the Jokkmokk Iron Mine's AB ("JIMAB") appeal of the Mining Inspectorate's decision not to extend Kallak nr 2 and Parkijaure nr 3 exploration licences. JIMAB has applied to the Administrative Court of Appeal in Sundsvall for its case to be heard, arguing that the court judgement is wrong. Proceedings are ongoing.
- During the year, the Company made significant progress at its graphite projects in Finland.
 - A successful drilling programme was completed at the Aitolampi graphite project, with results published in March and May 2018. Following the drilling programme, on 13 August 2018, the Company announced a Mineral Resource Estimate ("MRE") for Aitolampi which was undertaken by CSA Global Pty Ltd ("CSA Global"). A global Indicated and Inferred Resource (JORC Code, 2012 edition) of 19.3 million tonnes ("Mt") at 4.5% Total Graphitic Carbon ("TGC") for 878,000 tonnes ("t") of contained graphite, comprising eastern and western lenses above a 3.0% TGC cut-off grade.
 - In April 2018, Beowulf signed a Graphite Collaboration Agreement between the Company's Finnish subsidiary, Fennoscandian, and Åbo Akademi University ("Åbo"), located in Turku, Finland and joined a Cooperation Network of existing and new entrant raw materials suppliers to the emerging battery manufacturing industry in Finland. Additionally, Fennoscandian was granted Euros 161,000 by Business Finland for a research project entitled "Green Minerals - Graphite, Exploration to Products".
- On 6 November 2018, the Company announced the acquisition of an initial 14% interest in Vardar Minerals Limited ("Vardar"), a private exploration company with interests in Kosovo, for consideration of £250,000 satisfied in cash. The Company has an option to make a further investment which will increase its ownership interest.

The investment in Vardar provides the Company with exposure to a number of porphyry related copper, gold and base metal targets in the prospective Tethys Arc. The region is rapidly becoming a focus for major exploration investment following significant discoveries in the last decade.

Vardar has four wholly owned exploration licences in Kosovo and two more under a purchase agreement whereby Vardar will own 85% of the licences. The combined coverage is a total of 333.2 square kilometres ("km²").

For ease of reference the licences are split into three projects Mitrovica, Viti, and Drazna.

- On 16 May 2018, Beowulf completed a subscription for new ordinary shares to raise £1.5 million before expenses.
- The Company, on 1 October 2018, announced the appointment of SP Angel as Nominated Adviser and Broker.
- Loss before and after taxation attributable to the owners of the parent was £1.37 million (2017: £1.04 million).
- Basic loss per share was 0.25 pence (2017: 0.20 pence).
- The Company had £1.53 million in cash at 31 December 2018 (2017: £1.59 million)

Post Period Overview

- On 31 January 2019, there were 344,157,507 Swedish Depository Receipts representing 60.77% of the issued share capital of the Company. The remaining issued share capital of the Company is held in the UK.
- In addition, the Company announced, on 14 January 2019, that options were granted to directors and a senior manager over a total 8,000,000 ordinary shares of 1 pence each in the capital of the Company ("Share Options"), representing approximately 1.41% of the issued share capital of the Company.
- On 1 February 2019, Beowulf informed the market of its attendance to the Future Mine and Mineral 2019 Conference, where Kurt Budge, delivered a presentation titled 'Sustainability in the heart - partnership, the lifecycle of mining projects, balancing the interest of stakeholders'.

Kurt Budge, Chief Executive Officer of Beowulf, commented:

"It is good news that Sweden finally has a Government, and that new Ministers are getting back to business. In recent months, the mining industry in Sweden has been in focus, with other mining companies, SveMin and IF Metall, one of the main unions, raising the issues of uncertain permitting processes for mining projects, and unacceptable delays in decision making by authorities.

"In October 2018, we saw a spotlight put on the future of LKAB's operations at Kiruna, and with this attention paid to the importance of iron ore to Sweden. It highlighted the absurdity of the Kallak North application process, when authorities are unable to permit Europe's largest drill defined iron ore deposit.

"At the Future Mine and Mineral Conference last month in Stockholm, the CEO of Boliden made the comment in respect of exploration, that 'if you find something, then you should be able to utilise the asset'. It begs the question 'why would anyone invest in Sweden, if this wasn't the case'. For our own part, the authorities in Sweden have watched the Company invest SEK 77 million, drill over 28,000 metres, define a significant resource, and develop the Kallak project to where it is today.

"Taking all this into consideration, new Ministers, a debate on the importance of mining and iron ore to Sweden, and Sweden wishing to portray itself as an attractive destination for mining investors, we have renewed optimism that a Concession for Kallak North will be forthcoming, without further delay.

"Over the last year, China's moves to restructure its steel industry and tighten environmental controls have positively impacted the iron ore market. This means that premium products, such as the ones Kallak could produce, continue to be in demand and attract premium prices, making Sweden's iron ore sector and Kallak attractive. With an Exploitation Concession, the Company remains committed to taking the Kallak project forward in partnership with stakeholders in Jokkmokk, while having its hand strengthened in finding a strategic partner and investor.

"While Kallak is the foundation of Beowulf, we have made substantial progress in other areas of our business during 2018. Most importantly, delivering a JORC compliant mineral resource estimate ("MRE") for Aitolampi, and overall strengthening our position as a future raw material supplier to the battery sector. The focus for 2019 is to develop a 'resource footprint' of graphite in Finland, that can provide 'security of raw material supply' and enable the country to achieve its ambition of self-sufficiency in battery manufacturing. This will mean increasing our knowledge across our portfolio of graphite prospects, rather than advancing any one project at this stage, so that we can optimise capital allocation to the best projects.

"In addition, we widened the Company's geographical and commodity reach with an investment in Vardar. We believe this to be an exciting opportunity for Beowulf that allows exposure to highly prospective exploration licences in Kosovo, and the chance to work with a well-regarded management team.

"2019 is looking like a busy year for the Company, as we push forward with Kallak, our graphite

business, and see what Vardar can deliver. We look forward to keeping shareholders updated as, and when, appropriate.”

Financial

- Loss before and after taxation attributable to the owners of the parent at £1.37 million was higher than the loss recorded in 2017 of £1.04 million. The increased loss is attributable to an increased impairment charge of £0.57 million, arising from the impairment of Viistola (£0.16 million), Kolari 1 (£0.16 million) and Haapamäki (£0.25 million), as opposed to the £0.18 million impairment charge incurred in the year to 31 December 2017 relating to Nautijaur (£0.02 million) and Piippumäki (£0.15 million).
- The underlying administrative costs decreased in the current year, attributable to a reversal of an over accrual of deal costs, resulting in a decrease in comparison to prior year of £0.05 million, and a decrease of travelling costs incurred of £0.03 million.
- Basic loss per share of 0.25 pence increased by 25 per cent on last year (2017: loss per share of 0.20 pence).
- Approximately £1.53 million in cash was held at 31 December 2018. During the year £0.78 million (2017: £0.94 million) was spent on exploration and capitalised.

Operational

Sweden

- Throughout 2018 and in the months prior to the Swedish general election, the Company continued to communicate with the Swedish Government. Now that a new Government has been formed, the Company remains positive that an Exploitation Concession for Kallak North will be awarded, even more so given that the Mining Inspectorate recommended to the Government that the Concession be awarded over three years ago in October 2015.
- In February 2018, the CEO participated in a meeting in Stockholm to discuss land use and engagement processes between Sami reindeer herding communities and mining companies, as part of the OECD's project 'Linking Indigenous Communities with Regional Development', supported by the Swedish Government.
- On 16 May 2018, the Company learnt that the Administrative Court in Luleå had rejected the Jokkmokk Iron Mine's AB ("JIMAB") appeal of the Mining Inspectorate's decision not to extend Kallak nr 2 and Parkijaure nr 3 exploration licences, in a judgement dated 7 May 2018 and sent to JIMAB by regular post. The two licences are not part of the Kallak Exploitation Concession application.

JIMAB applied to the Administrative Court of Appeal in Sundsvall for its case to be heard, arguing that the court judgement is wrong, and that JIMAB's decision not to invest in further exploration of these two licences, while the Kallak application is being handled, is valid, given the time taken and the performance of the authorities involved. JIMAB has an approved workplan for Parkijaure nr 3, and intends to drill, with one objective being to identify an exploration target for iron ore mineralisation. Proceedings are ongoing.

- In early July 2018, Almedalen again provided an excellent opportunity for the CEO to engage with Swedish Government ministers, members of the Swedish Parliament, regional politicians from Norrbotten and its new Governor.

In its interactions in Sweden, the Company is ensuring that the Kallak project stays front-of-mind, that key decision makers are cognisant of the facts, the handling of the Company's application by the Swedish authorities, and principally that the Company has fully satisfied the Swedish legal requirements to be granted an Exploitation Concession.

- On 22 October 2018, the Company re-published, in Swedish, the Copenhagen Economics study of Kallak's potential economic benefits that was completed in September 2017. Highlights of the study include:
 - A mining operation at Kallak has the potential to create 250 direct jobs and over 300 indirect jobs in Jokkmokk, over the period that a mine is in operation.
 - These jobs could be sustained over a period of 25 years or more, if the Kallak South deposit is mined after the Kallak North deposit, and further deposits can be defined.
 - The Company will seek to establish a 'Task Force' with Jokkmokks Kommun and local employment agencies, so that between now and the start of operations, plans are developed and implemented to make sure as many as possible jobs are available to people living in Jokkmokk.
 - Kallak has the potential to generate SEK 1 billion in tax revenues, considering the case where 70% of the mine's workforce are based locally, with annual tax revenues of SEK 40 million over a 25 years mine life.
 - These tax revenues would help to develop and sustain public services and infrastructure in Jokkmokk, which are at risk due to a lack of new investment and job creation in the community, a declining population, and an ageing population.

A presentation by Copenhagen Economics on the Project can be found on the Company's website:

https://beowulfmining.com/wp-content/uploads/2018/10/Copenhagen-Economics_Presentation_SEP17_Swedish.pdf

Finland

- On 30 January 2018, the Company announced metallurgical test work results for graphite samples from Aitolampi. Highlights were as follows:
 - Alkaline purification produced 99.86% TGC for +100-mesh concentrate and 99.82% TGC for -100-mesh concentrate.
 - Results from acid purification were also promising and reached 99.6% TGC for the +100-mesh and 99.41% TGC 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% TGC required for the lithium ion battery market.
 - Aitolampi graphite shows high crystallinity, with the degree of graphitisation measuring approximately 98%, 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.
- The Company released further preliminary drilling results from Aitolampi, on 23 March 2018, with 10 holes completed and 1577.6m diamond drilled. Highlights were as follows:
 - 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.
 - Drilling shows that mineralisation has a strike length of at least 350m along the main conductive zone (the main electro-magnetic ("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).
- The Company awarded contracts for Aitolampi, including a MRE in accordance with the guidelines of the JORC Code (2012 edition) to be undertaken by CSA Global and an ESIA Roadmap, a detailed plan of requirements for completing an ESIA study, to be undertaken by Pöyry.
- In April 2018, Fennoscandian signed an Agreement with Åbo. The Agreement formalised the partnership that the Company, and its subsidiary Fennoscandian, has forged with Åbo over several years. The Agreement is focused on knowledge sharing, the identification of graphite prospects, their exploration, and development into production assets.
- Additionally, the Company published its involvement in a Cooperation Network of existing and new entrant raw materials suppliers to the emerging battery manufacturing industry in Finland.

The Cooperation Network includes the cities of Vaasa and Kokkola; Freeport Cobalt, the world's largest cobalt refinery and producer of battery chemicals; Nornickel, the producer of world-class nickel metals and nickel chemicals in Harjavalta; Terrafame Group, the parent company of Terrafame, producing nickel, zinc, cobalt and copper in Sotkamo; Keliber, which is preparing to start lithium production in Kaustinen and Kokkola; as well as Beowulf, the 100 per cent owner of the Aitolampi graphite deposit.

The official announcement regarding the Cooperation Network, dated 24 April 2018, and titled "The battery industry has enormous potential to become Finland's new success story. The Vaasa battery factory project has brought together a large nationwide network of cooperation partners" can be viewed at:

<https://www.gigafactory.fi/press-20180424-en>

In addition, Fennoscandian was granted Euros 161,000 by Business Finland for a research project entitled "Green Minerals - Graphite, Exploration to Products". The project runs from 1 January 2018 to 31 December 2019 and has a total budget of Euros 323,750. The Company will contribute the balance of the funding.

- On 4 May 2018, the Company presented assays for intersected mineralisation at Aitolampi, highlights as follows:
 - Drilling confirmed the continuity of mineralisation between holes drilled in 2017, wide graphite lenses extending along strike, at least 350m along the main conductive zone (the main 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.

Follow the link <https://beowulfmining.com/projects/finland/aitolampi/#geology> for plans and sections.

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.

- On 13 August 2018, the Company announced the completed MRE for Aitolampi, highlights as follows:
 - A global Indicated and Inferred Resource (JORC Code, 2012 edition) of 19.3 Mt at 4.5% TGC for 878,000 t of contained graphite, comprising eastern and western lenses above a 3.0% TGC cut-off grade.
 - A higher-grade Western Zone with an Indicated and Inferred Resource of 9.8 Mt at 5.0% TGC for 490,000 t of contained graphite.
 - An Eastern Zone with an Indicated and Inferred Resource of 9.5Mt at 4.1% TGC for 388,000t of contained graphite.
 - Using a 4.0% TGC cut-off grade on the grade-tonnage curve for Aitolampi, gives an Indicated and Inferred Resource of 12.8 Mt at 5.0% TGC for 639,000 t.
 - To date, the Company has invested over Euros 760,000 in Aitolampi and approximately Euros 1.4 million across its graphite portfolio.
- The Company's exploration team continues to evaluate each prospect in the Company's portfolio, with the objective of establishing a 'resource footprint' of graphite, that could support the developing battery manufacturing sector in Finland and satisfy the country's ambition to be self-sufficient in the production of battery minerals.

Kosovo

- On 6 November 2018, the Company announced the acquisition of an initial 14% interest in Vardar, a private exploration company with interests in Kosovo, for the consideration of £250,000 satisfied in cash. The Company has an option to make a further investment which will increase its ownership interest.
- The investment in Vardar provides the Company with exposure to a number of porphyry related copper, gold and base metal targets in the prospective Tethys Arc. The region is rapidly becoming a focus for major exploration investment following significant discoveries in the last decade.

Highlights of the transaction are as follows:

- The investment into Vardar and option to make a further investment, gives Beowulf exposure to a portfolio of exploration licences situated in the European Tertiary calc-alkaline Tethys Arc most notable for its lead-zinc-silver mining districts, as well as recent porphyry related copper and gold discoveries.
- The Balkans are currently experiencing an increased focus from explorers following significant recent discoveries and generally improving conditions in the region.
- Vardar has a highly experienced management team, which has adopted a rigorous and methodical approach to selecting areas of interest and acquiring licences.
- Vardar has four wholly owned exploration licences in Kosovo and two more under a purchase agreement whereby Vardar will own 85% of the licences. The combined coverage is a total of 333.2 km².
- For ease of reference the licences are split into three projects Mitrovica, Viti, and Drazna.
 - Mitrovica, situated in northern Kosovo adjacent to the significant Stan-Terg lead-zinc-silver mine, exhibits alteration typical of porphyry-epithermal systems. Highlights from this licence include gold and silver anomalies associated with advanced argillic alteration, several iron stockworks, breccias and gossans with associated copper and lead-zinc anomalies. The project is prospective for high-sulphidation gold, porphyry copper-gold and vein/replacement related base metal targets.
 - Viti is situated in south-eastern Kosovo and is made up of three adjacent licences covering 213 km². The main exploration target is an interpreted circular intrusive body identified in magnetic data. There is evidence of intense alteration typically associated with porphyry systems, with several copper occurrences and stream sample anomalies in proximity to, and within, the licence areas. In addition, Viti is prospective for lithium-boron mineralisation, with a geological setting similar to Rio Tinto's Jadar deposit in Serbia.
 - Drazna is situated on Kosovo's western border, in proximity to the Kiseljak copper-gold porphyry and Draznja lead-zinc mine. The licence has several alteration centres typical of porphyry/epithermal systems.
- The net proceeds of the investment will be used to fund Vardar's exploration programme and general working capital requirements.
- So long as the Company has an interest in 14% or more of the issued share capital of Vardar, it will be entitled to appoint a director to the Board of Vardar. Kurt Budge was appointed a Director following the completion of the transaction.

Vardar is a UK registered exploration company with a focus on the metal endowed Balkan

region. Vardar was founded by Luke Bryan and Adam Wooldridge, who together also founded Kalahari Metals Limited, a UK company into which Metal Tiger Plc recently announced a second significant investment. More information on Vardar can be found at <https://vardarminerals.com/>.

Corporate

- On 22 February 2018, the Company announced that it had issued 2.1 million ordinary shares of 1.0 pence each to Rasmus Blomqvist, the Company's Exploration Manager, as the first tranche of deferred consideration pursuant to the acquisition of Fennoscandian as announced via RNS on 11 January 2016 (the "Further Consideration Shares"). The second, and final, tranche of 2.1 million deferred consideration shares will be issued subject to completion of a bankable feasibility study on one of the graphite projects in the Fennoscandian portfolio.
- On 16 May 2018, the Company announced that it had completed a subscription for new ordinary shares to raise £1.5 million before expenses, with the funds being used for general working capital purposes and to support activities across Beowulf's three main business areas, which are graphite exploration, the Åtvidaberg exploration licence, and Kallak.
- On 1 October 2018, the Company announced the appointment of SP Angel as Nominated Adviser and Broker.

Post-Period

- On 31 January 2019, there were 344,157,507 Swedish Depository Receipts representing 60.77% of the issued share capital of the Company. The remaining issued share capital of the Company is held in the UK.
- Further to the share information update, the Company announced that options were granted to directors and a senior manager of over a total 8,000,000 ordinary shares of 1 pence each in the capital of the Company ("Share Options"), representing approximately 1.41% of the issued share capital of the Company. The breakdown is outlined below:

	Position	Number of Options Granted	Total number of Options held
Kurt Budge	Chief Executive Officer	3,500,000	13,000,000
Christopher Davies	Non-Executive Director	2,500,000	5,000,000
Rasmus Blomqvist	Exploration Manager	2,000,000	4,000,000

In addition to the above, 1,250,000 Share Options have been granted to certain other employees of the Company.

- Kurt Budge, CEO, attended the Future Mine and Mineral 2019 Conference, in Sweden, on 1 February 2019, where he delivered a presentation titled 'Sustainability in the heart - partnership, the lifecycle of mining projects, balancing the interest of stakeholders'. The conference is regarded as one of the key events in Nordic mining. The key points given in the presentation were as follows:
 - The impact that Kallak and other cases are having on Sweden's reputation and its rankings in

the Fraser Institute report.

- Kallak was designated an Area of National Interest back in 2013 and that the Company has invested over SEK77 million and drilled circa 28,000m.
- The status of reserves at LKAB's Kiruna mine are finite, demonstrating concern over depleting reserves, yet Beowulf, despite having a recommendation from the Mining Inspectorate that the Kallak Concession be granted, cannot get its project permitted.

A copy of the presentation can be found on the Company's website:

<https://beowulfmining.com/wp-content/uploads/2019/01/Beowulf-2019-01-Corporate-Presentation-Future-Mine.pdf>

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% owned subsidiary of Beowulf.

Mr Blomqvist consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

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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.

APPENDIX 1 – PRELIMINARY FINANCIAL RESULTS

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2018

	Notes	2018 (Unaudited) £	2017 (Audited) £
Continuing operations			
Administrative expenses		(598,391)	(658,610)
Share based payment expense		(196,460)	(203,059)
Impairment of exploration costs	5	(571,456)	(183,131)
Share of loss of associates		<u>(19,880)</u>	<u>-</u>
Operating loss		(1,386,187)	(1,044,800)
Finance costs		-	-
Finance income		<u>11,603</u>	<u>5,234</u>
Loss before tax		(1,374,584)	(1,039,566)
Tax		-	-
Loss for the year		<u>(1,374,584)</u>	<u>(1,039,566)</u>
Loss attributable to:			
Owners of the parent		(1,373,936)	(1,038,248)
Non-controlling interests		<u>(648)</u>	<u>(1,318)</u>
		<u>(1,374,584)</u>	<u>(1,039,566)</u>
Loss per share expressed in pence per share:			
- Basic and diluted	3	<u>(0.25)</u>	<u>(0.20)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2018

	2018 (Unaudited) £	2017 (Audited) £
Loss for the year	(1,374,584)	(1,039,566)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange (loss)/gain arising on translation of foreign operations	(123,265)	67,862
Other comprehensive loss for the year, net of income tax	<u>(1,497,849)</u>	<u>(971,704)</u>
Total comprehensive loss for the year	<u>(1,497,849)</u>	<u>(971,704)</u>
Total comprehensive loss attributable to:		
Owners of the parent	(1,497,133)	(970,426)
Non-controlling interests	<u>(716)</u>	<u>(1,278)</u>
	<u>(1,497,849)</u>	<u>(971,704)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

	Notes	2018 (Unaudited) £	2017 (Audited) £
ASSETS			
Non-current assets			
Intangible assets		8,285,547	8,191,232
Property, plant and equipment		16,083	28,580
Investments		230,120	-
Loans and other financial assets		5,462	5,530
		<u>8,537,212</u>	<u>8,225,342</u>
Current assets			
Trade and other receivables		62,956	65,032
Cash and cash equivalents		1,533,232	1,589,897
		<u>1,596,188</u>	<u>1,654,929</u>
TOTAL ASSETS		<u>10,133,400</u>	<u>9,880,271</u>
EQUITY			
Shareholders' equity			
Share capital	4	5,663,072	5,342,072
Share premium		19,266,271	18,141,271
Capital contribution reserve		46,451	46,451
Share based payments reserve		612,465	575,078
Translation reserve		(520,257)	(397,060)
Merger reserve		279,450	137,700
Accumulated losses		(15,453,683)	(14,079,747)
		<u>9,893,769</u>	<u>9,765,765</u>
Non-controlling interests		<u>(160,587)</u>	<u>(159,871)</u>
Total equity		<u>9,733,182</u>	<u>9,605,894</u>
LIABILITIES			
Current liabilities			
Trade and other payables		208,013	274,377
Grant income		192,205	-
Total liabilities		<u>400,218</u>	<u>274,377</u>
TOTAL EQUITY AND LIABILITIES		<u>10,133,400</u>	<u>9,880,271</u>

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2018

	2018 (Unaudited) £	2017 (Audited) £
Cash flows from operating activities		
Loss before income tax	(1,374,584)	(1,039,566)
Depreciation charge	14,696	15,890
Equity-settled share-based transactions	196,460	203,059
Impairment of exploration costs	571,456	183,131
Finance income	(11,603)	(5,234)
Share of loss in associate	19,880	-
	<u>(583,695)</u>	<u>(642,720)</u>
Decrease/(increase) in trade and other receivables	2,603	(12,760)
(Decrease)/increase in trade and other payables	<u>(72,740)</u>	<u>15,673</u>
Net cash used in operating activities	<u>(653,832)</u>	<u>(639,807)</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(778,495)	(943,599)
Purchase of tangible fixed assets	(2,515)	(20,367)
Purchase of investments	(250,000)	-
Disposal of fixed asset investments	13	14
Grant receipt	192,205	-
Interest received	11,603	5,234
	<u>(827,189)</u>	<u>(958,718)</u>
Net cash used in investing activities	<u>(827,189)</u>	<u>(958,718)</u>
Cash flows from financing activities		
Share issue	1,500,000	1,652,800
Payment of share issue costs	<u>(75,000)</u>	<u>(75,000)</u>
Net cash from financing activities	<u>1,425,000</u>	<u>1,577,800</u>
Decrease in cash and cash equivalents	(56,021)	(20,725)
Cash and cash equivalents at beginning of year	1,589,897	1,609,219
Effect of exchange rate changes on cash	(644)	1,403
	<u>1,533,232</u>	<u>1,589,897</u>
Cash and cash equivalents at end of year	<u>1,533,232</u>	<u>1,589,897</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2018

	Share Capital	Share premium	Revaluation reserve	Merger reserve	Capital Contribution reserve
	£	£	£	£	£
At 1 January 2017	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	-	-	-	-	-
Transfer of accumulated losses	-	-	(25,664)	-	-
Acquisition of subsidiary	-	-	-	-	-
At 31 December 2017	5,342,072	18,141,271	-	137,700	46,451
Loss for the year	-	-	-	-	-
Foreign exchange translation	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Transactions with owners					
Issue of share capital	300,000	1,200,000	-	-	-
Cost of issue	-	(75,000)	-	-	-
Equity settled share based transactions	-	-	-	-	-
Acquisition of subsidiary	21,000	-	-	141,750	-
At 31 December 2018	5,663,072	19,266,271	-	279,450	46,451

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2018

	Share based payments reserve £	Translation reserve £	Accumulated losses £	Totals £	Non – controlling interest £	Totals £
At 1 January 2017	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
Transfer of accumulated losses	-	-	25,664	-	-	-
Acquisition of subsidiary	134,216	-	-	134,216	-	134,216
At 31 December 2017	575,078	(397,060)	(14,079,747)	9,765,765	(159,871)	9,605,894
Loss for the year	-	-	(1,373,936)	(1,373,936)	(648)	(1,374,584)
Foreign exchange translation	-	(123,197)	-	(123,197)	(68)	(123,265)
Total comprehensive income	-	(123,197)	(1,373,936)	(1,497,133)	(716)	(1,497,849)
Transactions with owners						
Issue of share capital	-	-	-	1,500,000	-	1,500,000
Cost of issue	-	-	-	(75,000)	-	(75,000)
Equity settled share based transactions	196,460	-	-	196,460	-	196,460
Acquisition of subsidiary	(159,073)	-	-	3,677	-	3,677
At 31 December 2018	612,465	(520,257)	(15,453,683)	9,893,769	(160,587)	9,733,182

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the year ended 31 December 2018

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 2017. The investment in Vardar minerals will be equity accounted in accordance with IAS 28: Investments in Associates and Joint Ventures.

Grants received are accounted in accordance with IAS 20: Accounting for Government Grants.

Revenue grants are accounted for under the accruals model, with grants being recognised within other income on a systematic basis over the period in which the group recognised the related costs for which the grant is intended to compensate. Grants received in advance of the income being recognised in the Statement of Comprehensive Income are included in deferred grant income on the balance sheet.

When grant income is received for capital expenditure, it is held as deferred grant income on the balance sheet and released against capital expenditure when incurred.

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 twelve months ended 31 December 2018 is unaudited and has not been reviewed by the auditors. The financial information for the year ended 31 December 2018 has been derived from the Group's unaudited financial statements for the period. The auditor's report on the statutory financial statements for the year ended 31 December 2017 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 554,716,045 (31 December 2017: 518,728,856) outstanding during the period. There is no difference between the basic and diluted loss per share.

4. Called up share capital

	(Unaudited) 31 Dec 2018 £	(Audited) 31 Dec 2017 £
Allotted, issued and fully paid		
Ordinary shares of 1p each	5,663,072	5,342,072
	<hr/>	<hr/>

The number of shares in issue was as follows:

	Number of shares
Balance at 1 January 2017	502,630,331
Issued during the period	31,576,923
Balance at 31 December 2017	<hr/> 534,207,254
Issued during the period	32,100,000
Balance at 31 December 2018	<hr/> 566,307,254

5. Closing value of intangible assets

Exploration costs	As at 31 Dec 2018 (Unaudited) £	As at 31 Dec 2017 (Audited) £
Cost		
At 1 January	8,191,232	7,186,570
Additions for the period	782,437	1,077,815
Impairment	(571,456)	(183,131)
Foreign exchange movements	(116,666)	109,978
	<u>8,285,547</u>	<u>8,191,232</u>

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

Project	Country	Minerals	As at 31 Dec 2018 (Unaudited) £	As at 31 Dec 2017 (Audited) £
Kallak	Sweden	Iron ore	7,079,806	6,979,844
Åtvidaberg	Sweden	Lead-zinc-copper-silver	303,565	253,778
Ågåsijegge	Sweden	Iron ore	17,121	7,365
Sala	Sweden	Lead-zinc-silver	8,444	2,634
Haapamäki	Finland	Graphite	-	231,132
Kolari1	Finland	Graphite	-	151,706
Viistola	Finland	Graphite	-	147,784
Pitkäjärvi	Finland	Graphite	817,986	414,372
Joutsijärvi	Finland	Graphite	25,002	2,617
Karhunmaki	Finland	Graphite	13,685	-
Rääpysjärvi	Finland	Graphite	19,938	-
			<u>8,285,547</u>	<u>8,191,232</u>

Total Group exploration costs of £8,693,921 are currently carried at cost in the financial statements. During the period, an impairment provision was recognised against costs incurred on Viistola (£163,083), Kolari 1 (£158,727) and Haapamäki (£249,646). In 2017 an impairment provision was made against costs incurred on Nautijaur (£27,621) and Piippumäki (£155,510).

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

The most significant risk currently facing the Group is that it does not receive an Exploitation Concession for Kallak. The Company originally applied for the Exploitation Concession in April 2013 and throughout 2018, and since the year-end, management have actively sought to progress the application, engaging with the various government bodies and other stakeholders. These activities are summarised above under the Operational section.

Kallak is included in condensed financial statements as at 31 December 2018 as an intangible exploration licence with a carrying value of £7,079,806. Management are required to consider whether there are events or changes in circumstances that indicate that the carrying value of this asset may not be recoverable. Management have considered the status of the application

for the Exploitation Concession and in their judgement, they believe it is appropriate to be optimistic about the chances of being awarded the Exploitation Concession and thus have not impaired the project.

6. Going Concern

At the year end the Company has cash and cash equivalents of £1,533,232. 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 12 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 unaudited report does not include any adjustments that would result if the Company was unable to continue as a going concern.

7. Post balance sheet events

On 14 January 2019, Beowulf granted 9,250,000 options to the directors and employees of the Company. The exercise price of the options are 7.35 pence per share, with a vesting period of one year. The options are valid for five years from the date of grant.

8. Availability of interim report

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

**** Ends ****