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31 May 2019

Beowulf Mining plc

("Beowulf" or the "Company")

Unaudited Interim Statement and Management Update for the Period Ended 31 March 2019

Beowulf (AIM: BEM; Spotlight: BEO), the Nordic focused mineral exploration and development company, announces its unaudited preliminary financial results for the three months ended 31 March 2019 and provides a quarterly management update.

Overview of Activities in the Quarter

- The Company announced, on 14 January 2019, that options were granted to Directors and a senior manager over a total of 8,000,000 ordinary shares of £0.01 each in the capital of the Company, representing approximately 1.41 per cent of the issued share capital of the Company.
- On 1 February 2019, Beowulf informed the market that it attended the Future Mine and Mineral 2019 Conference, where Kurt Budge, CEO, delivered a presentation titled 'Sustainability in the heart - partnership, the lifecycle of mining projects, balancing the interest of stakeholders'.
- On 7 March 2019, the Company announced that Beowulf's wholly owned subsidiary, Oy Fennoscandian Resources AB ("Fennoscandian"), received additional funding from Business Finland, a 50 per cent contribution to a budget of Euros 224,900.
- Beowulf announced, on 27 March 2019, that drilling, targeting both higher-grade mineralisation and high-priority geophysical anomalies, had started at its Aitolampi graphite project in Finland ("Aitolampi").

Post Period

- On 1 April 2019, the Company announced a subscription for new ordinary shares of £0.01 each to raise £750,000 before expenses. Principally, the funds have been used for a follow-on investment in Vardar Minerals Limited ("Vardar").
- On 2 April 2019, Beowulf informed the market that the Company's Chairman, Mr. Göran Färm had written to Mr. Ibrahim Baylan, the Minister of Enterprise and Innovation for The Government of Sweden, regarding the Company's application for an Exploitation Concession for the Kallak Iron Ore Project ("Kallak").
- The Company provided, on 15 April 2019, a management update on its application for an

Exploitation Concession for the Kallak and its investment in Vardar.

- On 16 April 2019, the Company announced a subscription for new ordinary shares of £0.01 each to raise £500,000 before expenses.
- On 30 April 2019, there were 367,090,942 Swedish Depository Receipts representing 62.36 per cent of the issued share capital of the Company. The remaining issued share capital of the Company is held in the UK.
- On 22 May 2019, the CEO attended a Quoted Companies Alliance (“QCA”) Corporate Governance Workshop. The Company has adopted the QCA Code (the “Code”) for Corporate Governance, and the Board is actively looking at the application of Code’s 10 principles, addressing areas of delivering growth, maintaining a dynamic management framework and building trust with shareholders.

Kurt Budge, Chief Executive Officer of Beowulf, commented:

“While we continue to wait for a decision on Kallak in 2019, the Company has completed a third drilling programme at Aitolampi, with plans now to upgrade the resource for the project and to initiate a Scoping Study later in the year.

“We have also increased our investment in Vardar, which, in recent weeks, has got its 2019 exploration programme underway at Mitrovica, including geological mapping, soil sampling and drilling. I will be visiting Kosovo next week with Rasmus Blomqvist our Exploration Manager to see first-hand the progress being made.

“In challenging market conditions, we have successfully raised £1.25 million this year and received further funding from Business Finland for our graphite business. The Company remains financially strong and is tightly managed to ensure that we efficiently put these funds to work.

“I was in Jokkmokk two weeks ago, meeting with the Mayor, landowners and local entrepreneurs, who, since my visit, have collectively sent a letter to Mr. Baylan, the Minister of Enterprise and Innovation, stressing the importance of Kallak to Jokkmokk’s economic future and highlighting the failure of the County Administrative Board for the County of Norrbotten to consider the municipality’s financial health when assessing the Company’s application.

“On 19 May, I was back in Stockholm with Göran Färm to meet with Emil Högberg, the Secretary of State in the Ministry of Enterprise and Innovation, to again make our case for the award of the Concession. This was the first official meeting between the Company and the Government during my time as CEO. While we have no firm commitment from the Government on the timing of a decision, we were reassured to hear that the Government understands the importance of Kallak to Jokkmokk.

“On 11 June, I will be back in Sweden to attend the 3rd OECD Meeting of Mining Regions and Cities - ‘Delivering Green Economies and Skills for the Future’ being held in Skellefteå. As demonstrated by the Company’s involvement in the OECD’s Rural Policy Review ‘Linking the Indigenous Sami People with Regional Development in Sweden’, the Company is an active supporter of such initiatives, which look to promote effective partnerships with communities and to maximise the benefits that mining can generate for society.

“We continue to share the Company’s vision for a modern and sustainable mine at Kallak, that has the potential to positively transform Jokkmokk, and showcases the best of Swedish innovation, design and engineering.

“In the year to date, we have made good progress in Finland and with Vardar. The Kallak process is moving forward, slower than our shareholders and the Company would like, but there are positive developments, visible and strong local support, and we have met ‘face to face’ with the Government.

"I look forward to keeping the market updated on further developments."

Financials

- Loss before and after taxation attributable to the owners of the parent of £223,055 (2018: loss of £199,333). The loss in the period was higher comparable to the prior year due to an increase in director's remuneration, offset against a reversal of an accrual for professional fees.
- Basic/diluted loss per share was 0.04 pence (2018: loss of 0.04 pence).
- £1,229,606 in cash held at the period end.
- The translation reserve losses attributable to the owners of the parent increased from £397,060 at 31 December 2018 to £826,122 at 31 March 2019. Much of the Company's exploration costs are in Swedish Krona which has weakened against the pound by approximately seven per cent since 31 December 2018.
- For the purposes of the FCA's Disclosure and Transparency Rules, the Company advises that the total number of shares in issue and total voting rights as at the date of this announcement is 588,639,270 ordinary shares of 1 pence each.

The Company does not hold any shares in treasury. The above figure of 588,639,270 may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

Operational

Sweden

- On 1 February 2019, Beowulf informed the market that it attended the Future Mine and Mineral 2019 Conference, where the CEO delivered a presentation titled 'Sustainability in the heart - partnership, the lifecycle of mining projects, balancing the interest of stakeholders'.

Future Mine and Mineral is one of the key events in the Nordic mining sector's calendar, showcasing the achievements and ambitions of mining companies in the region as well as providing a platform for raising the profile of issues affecting the industry, such as the lack of transparency and the uncertainty in the permitting of new mines.

The CEO showed the impact that Kallak and other cases are having on Sweden's reputation, highlighted the country's decline in the Fraser Institute Rankings from 8th in 2016 to 16th in 2017, compared to Finland's top rating that year, and drew attention to the 40 per cent decrease in applications for exploration permits in Sweden in 2018.

The presentation reminded the audience that the Swedish Geological Unit ("SGU") discovered Kallak in the 1940s and designated it an Area of National Interest ("ANI") for its valuable minerals in February 2013, that the Company has invested over SEK 77 million and drilled circa 28,000 metres, defining a significant iron ore resource, with an exploration target that could add further tonnage.

The presentation also included Beowulf's approach to sustainable mining and outlined how the Company can play its part in ensuring Sweden continues to lead in this area, by developing a modern and sustainable mining operation at Kallak in partnership with the community in Jokkmokk.

Representatives from the Government both attended the Conference to listen to presentations and panel debates and spoke of the Swedish mining sector as a key sector in the Swedish economy.

- On 2 April 2019, Beowulf informed the market that the Company's Chairman, Mr Göran Färm had written to Mr. Ibrahim Baylan, the Minister of Enterprise and Innovation for The Government of Sweden, regarding the Company's application for an Exploitation Concession for the Kallak.

The letter highlighted the fact that the Company first submitted its application in 2013. Since then, the case has been sent back and forth between Swedish authorities and the Government, finding themselves unable to award an Exploitation Concession for Europe's largest drill defined iron ore deposit, having issued exploration permits and watched the Company invest SEK 77 million, drill circa 28,000 metres, define a significant resource, and develop the Kallak project to where it is today.

All this is against a backdrop of LKAB's warning, in October 2018, that the ore in the Kiruna mine will be depleted earlier than expected. The media spotlight put on the future of LKAB's operations, and with this the attention paid to the importance of iron ore to Sweden, further highlighted the absurdity of the Kallak situation.

- The Company informed the market, on 15 April 2019, that it is actively communicating with the Government with regards to its Kallak North application. It has been confirmed that the Kallak application is being prioritised, and that the Government acknowledges that the Company has been waiting an excessive period for a decision. The Company expects, and it is reasonable to do so, that a decision will be taken by the Government before the summer.
- Further to the CEO's attendance at the seminar in Luleå in March 2019 launching the report on the OECD's Rural Policy Review 'Linking the Indigenous Sami People with Regional Development in Sweden', the Company has been following up with politicians in Norrbotten who have a vested interest in bringing investment to the region. The Company has also contacted groups such as Invest in Norrbotten, Luleå Näringsliv and Luleå Chamber of Commerce, with whom the Company has maintained contact over recent years, and who also seek to attract investment to the region.

Finland

- On 7 March 2019, the Company announced that Fennoscandian received additional funding from Business Finland, a 50 per cent contribution to a budget of Euros 224,900. The funds will be used for graphite purification and spheroidization test work, and the further assessment of Fennoscandian's graphite for battery applications.

Business Finland has been granted Euros 10 million funding for a project titled "BATCircle - the development of a Finland-based Circular Ecosystem of Battery Metals". BATCircle is part of the European Union ("EU") Strategic Energy Technology Programme, where Finland, under the leadership of Aalto University and Outotec, will coordinate research into battery recycling. The national BATCircle consortium includes a total of 22 companies, four universities, two research institutes and two cities.

- Beowulf announced, on 27 March 2019, that drilling, targeting both higher-grade mineralisation and high-priority geophysical anomalies, had started at its Aitolampi graphite project in Finland.

The drill plan included seven holes for an approximate total of 1,040 metres. Four holes to test potential higher-grade mineralised zones to the south-east of drill hole AITDD18018 (completed in 2018 and which intersected 92.5 metres at 6.19 per cent Total Graphitic

Carbon), and three remaining holes to target high-priority geophysical anomalies untested by previous drilling. The drilling contract was awarded to the Finnish contractor, Northdrill Oy.

- The drilling programme will also generate sample material to support baseline environmental studies for Aitolampi, for graphite purification and spheroidization test work, and the further assessment of Aitolampi graphite for battery applications as part of the Business Finland funded BATCircle Project.

Kosovo

- On 6 November 2018, Beowulf announced that it had acquired a 14.1 per cent interest in Vardar for the consideration of £250,000, satisfied in cash. The Company's investment enabled Vardar to complete its 2018 exploration programme.
- On 15 April 2019, the Company announced that it had exercised its option to increase its ownership in Vardar Minerals to approximately 37.55 per cent for the consideration of £750,000, satisfied in cash, fully funding Vardar's 2019 Kosovan exploration programme at the Mitrovica and Viti projects. The Company has an option to invest a further £115,000, which would increase its ownership to 40.1 per cent.

Corporate

- The Company announced, on 14 January 2019, that options were granted to Directors and a senior manager over a total of 8,000,000 ordinary shares of £0.01 each in the capital of the Company, representing approximately 1.41 per cent of the issued share capital of the Company.

The award of the Share Options recognises the contribution made by the Directors and employees to the continued advancement of the Company. Options were last awarded to Kurt Budge in July 2015, and to Christopher Davies and Rasmus Blomqvist in January 2017.

The Share Options are exercisable at a price of 7.35 pence per share, being a 30 per cent premium to the closing mid-price of 5.65 pence per share on 11 January 2019. The Share Options fully vest one year from the date of grant or fully vest immediately if the individual leaves the Company. The Share Options are valid for five years from the date of grant.

Following the grant of Share Options, there were 23,250,000 ordinary shares of £0.01 each of the Company under option to Directors and employees of the Company, representing 4.1 per cent of the existing issued ordinary share capital of the Company.

- On 1 April 2019, the Company announced a subscription for new ordinary shares of £0.01 each to raise £750,000 before expenses. Principally, the funds have been used for a follow-on investment in Vardar.
- On 16 April 2019, the Company announced a subscription for new ordinary shares of £0.01 each to raise £500,000 before expenses.
- On 30 April 2019, there were 367,090,942 Swedish Depository Receipts representing 62.36 per cent of the issued share capital of the Company. The remaining issued share capital of the Company is held in the UK.

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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.

BEOWULF MINING PLC
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS TO MARCH 2019

	(Unaudited) 3 months ended 31 March 2019	(Unaudited) 3 months ended 31 March 2018	(Audited) Year ended 31 December 2018
	£	£	£
Continuing operations			
Administrative expenses	(183,650)	(153,033)	(598,391)
Impairment of exploration costs	-	-	(571,456)
Share based payment expense	(40,022)	(48,442)	(196,460)
Share of loss of associates	(2,246)	-	(19,880)
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Operating loss	(225,918)	(201,475)	(1,386,187)
Finance income	2,822	2,099	11,603
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Loss before and after taxation	(223,096)	(199,376)	(1,374,584)
Loss attributable to:			
Owners of the parent	(223,055)	(199,333)	(1,373,936)
Non-controlling interests	(41)	(43)	(648)
	<hr/>	<hr/>	<hr/>
	<u>(223,096)</u>	<u>(199,376)</u>	<u>(1,374,584)</u>
Loss per share attributable to the ordinary equity holder of the parent:			
Basic and diluted (pence)	(0.04)	(0.04)	(0.25)

BEOWULF MINING PLC
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS TO MARCH 2019

	(Unaudited) 3 months ended 31 March 2019 £	(Unaudited) 3 months ended 31 March 2018 £	(Audited) Year ended 31 December 2018 £
Loss for the period	(223,096)	(199,376)	(1,374,584)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange (losses) / gains arising on translation of foreign operations	(529,814)	(429,200)	(123,265)
Total comprehensive loss	<u>(752,910)</u>	<u>(628,576)</u>	<u>(1,497,849)</u>
Loss attributable to:			
Owners of the parent	(752,748)	(628,395)	(1,497,133)
Non-controlling interests	(162)	(181)	(716)
	<u>(752,910)</u>	<u>(628,576)</u>	<u>(1,497,849)</u>

BEOWULF MINING PLC
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	(Unaudited) As at 31 March 2019	(Unaudited) As at 31 March 2018	(Audited) As at 31 December 2018
	£	£	£
ASSETS			
Non-current assets			
Intangible assets	7,856,750	8,023,508	8,285,547
Property, plant and equipment	28,129	24,200	16,083
Investment in associate	227,874	-	230,120
Loans and other financial assets	5,284	5,379	5,462
	<u>8,118,037</u>	<u>8,053,087</u>	<u>8,537,212</u>
Current assets			
Trade and other receivables	56,995	163,813	62,956
Cash and cash equivalents	1,229,606	1,086,686	1,533,232
	<u>1,286,601</u>	<u>1,250,499</u>	<u>1,596,188</u>
TOTAL ASSETS	<u>9,404,638</u>	<u>9,303,586</u>	<u>10,133,400</u>
EQUITY			
Shareholders' equity			
Share capital	5,663,072	5,363,072	5,663,072
Share premium	19,266,271	18,141,271	19,266,271
Merger Reserve	137,700	137,700	137,700
Capital contribution reserve	46,451	46,451	46,451
Share option reserve	652,487	464,447	612,465
Translation reserve	(1,049,950)	(826,122)	(520,257)
Retained earnings	(15,534,988)	(14,137,330)	(15,311,933)
Total Equity	<u>9,181,043</u>	<u>9,189,489</u>	<u>9,893,769</u>
Non-controlling interests	(160,749)	(160,052)	(160,587)
TOTAL EQUITY	<u>9,020,294</u>	<u>9,029,437</u>	<u>9,733,182</u>
LIABILITIES			
Current liabilities			
Trade and other payables	192,139	274,149	208,013
Grant income	192,205	-	192,205
TOTAL LIABILITIES	<u>384,344</u>	<u>274,149</u>	<u>400,218</u>
TOTAL EQUITY AND LIABILITIES	<u>9,404,638</u>	<u>9,303,586</u>	<u>10,133,400</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the 3 months ended 31 March 2019

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 2018.

The financial information in this statement does not constitute full statutory accounts within the meaning of Section 434 of the UK Companies Act 2006. The financial information for the three months ended 31 March 2019 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 2018 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. Basic 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 566,307,254 (31 March 2018: 535,070,587 and 31 December 2018: 554,716,045) outstanding during the period. There is no difference between the basic and diluted loss per share.

4. Called up share capital

	(Unaudited) 31 March 2019 £	(Unaudited) 31 March 2018 £	(Audited) 31 Dec 2018 £
Allotted, issued and fully paid			
Ordinary shares of 1p each	5,663,072	5,363,072	5,663,072

The number of shares in issue was as follows:

	Number of shares
Balance at 1 January 2018	534,207,254
Issued during the period	<u>2,100,000</u>
Balance at 31 March 2018	536,307,254
Issued during the period	<u>30,000,000</u>
Balance 31 December 2018	566,307,254
Issued during the period	<u>-</u>
Balance at 31 March 2019	<u>566,307,254</u>

5. Intangible Assets

Exploration costs	As at 31 March 2019 (Unaudited) £	As at 31 December 2018 (Audited) £
Cost		
At 1 January	8,285,547	8,191,232
Additions for the period	108,987	782,437
Impairment	-	(571,456)
Foreign exchange movements	(537,784)	(116,666)
	<u>7,856,750</u>	<u>8,285,547</u>
At 31 March and 31 December	<u>7,856,750</u>	<u>8,285,547</u>

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

Project	Country	Minerals	As at 31 March 2019 (Unaudited) £	As at 31 December 2018 (Audited) £
Kallak	Sweden	Iron ore	6,642,821	7,079,806
Åtvidaberg	Sweden	Lead-zinc-copper-silver	283,990	303,565
Ågåsziejegge	Sweden	Iron ore	15,974	17,121
Sala	Sweden	Lead-zinc-silver	7,850	8,444
Pitkäjärvi	Finland	Graphite	832,258	817,986
Joutsijärvi	Finland	Graphite	25,127	25,002
Karhunmaki	Finland	Graphite	19,102	13,685
Rääpysjärvi	Finland	Graphite	28,873	19,938
Merivaara	Finland	Graphite	529	-
Polvela	Finland	Graphite	224	-
Tammijärvi	Finland	Graphite	2	-
			<u>7,856,750</u>	<u>8,285,547</u>

6. Events after the Reporting Date

On the 1 April 2019, the Company announced a subscription to issue 13,636,364 new ordinary shares to raise approximately £750k (before expenses) at a price of 5.5 pence per new ordinary share. The funds were used to follow up the investment in Vardar Minerals Ltd by exercising the option to acquire additional shares in the company, increasing its share in Vardar from 14.1 per cent to 31.3 per cent for the consideration of £500k satisfied in cash.

On the 15 April 2019, a further commitment to increase the investment in Vardar to from 31.3 per cent to approximately 37.6 per cent for consideration of £250,000 to be settled in cash. The Company has an option to invest a further £115k, which would further increase its ownership to 40.1 per cent.

On the 16 April 2019, the Company announced a subscription to issue 8,695,652 new ordinary shares to raise approximately £500k (before expenses) at a price of 5.75 pence per new ordinary share.

**** Ends ****