The following amendment has been made to the 'Audited Financial Results for the Year Ended 31 December 2018' announcement released on 31 May 2019 at 8:00 under RNS No 6759A.

The date of the Annual General Meeting has been corrected to 28 June 2019 at 11.00 a.m. (BST).

All other details remain unchanged.

The full amended text is shown below.

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.

31 May 2019

Beowulf Mining plc

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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

Beowulf (AIM: BEM; Spotlight: 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 2018. 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 2018.

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 2018 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 2017 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 BDO, 55 Baker Street, London, W1U 7EU. 28 June 2019 at 11.00 a.m. (BST).

The 2018 Annual Report will be posted to those shareholders who have requested a copy and will be available on the Company's website (www.beowulfmining.com). A further news release will be made when the Notice, Form of Proxy and Annual Report are posted to shareholders.

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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 have made good progress in developing our various business areas.

Most importantly, delivering a Mineral Resource Estimate ("MRE") for our Aitolampi graphite project, and strengthening our position as a future supplier of natural flake graphite to Finland's emerging battery sector.

We have also widened the Company's geographical and commodity reach, investing in Vardar Minerals, a base and precious metals exploration company with assets in Kosovo. We believe this to be an exciting opportunity for Beowulf that allows exposure to highly prospective exploration licences in the Tethyan Belt, and the chance to work with a highly regarded management team.

For Kallak, it seems we are finally approaching a decision point on our application for an Exploitation Concession. In 2018, progress was thwarted, first by preparations for a Swedish general election, and second by the protracted negotiations to form a new Government. The Government is now back to business and we are assured that our application is being prioritised.

It is the Board's opinion, that the Company's Kallak application fully satisfies the requirements of the Swedish Mining Act and Environmental Code and should be granted an Exploitation Concession, therefore enabling the Company to advance the project in partnership with all sections of the community in Jokkmokk.

Kallak
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 believes that an Exploitation Concession should be awarded for Kallak North without further delay. It is now over 3.5 years since, in October 2015, the Mining Inspectorate recommended to the Government that the Concession be awarded.

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 Organisation for Economic Cooperation and Development's ("OECD") project 'Linking Indigenous Communities with Regional Development in Sweden', supported by the Swedish Government. In March 2019, the CEO attended the seminar launching the report of the OECD's Review. The Company is extremely proud that it participated in the Review and that we attended the seminar in Luleå. We are studying the report in detail and, as we develop our Kallak project, we will seek to find ways in which we can implement the report's findings in our operations and build cooperative working relationships with Sami reindeer herders.

So far, Kallak's potential impact on Sami culture and reindeer herding rather than jobs and finances has dominated the debate. Our view, which has been shared by past Ministers in the Government, is reindeer herding and mining can prosper side-by-side, which has proven to be the case across Sweden.

In October 2018, the Company re-published, in Swedish, the Copenhagen Economics study of Kallak's potential economic benefits that was completed in September 2017 and drawing attention to the 'big picture' economic opportunity that Kallak represents to Jokkmokk and Norrbotten; that it is 'not just about a mine', with Kallak's direct economic influence extending to rail, port, power and other industries, supporting mutual investments and economic growth.

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 jobs as possible are available to people living in Jokkmokk
- 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

In its November 2017 statement, the County Administrative Board ("CAB") for the County of Norrbotten recommended that an Exploitation Concession for Kallak North is not awarded, but failed to use the socio-economic assessment criteria set out in the Environmental Code for applications such as ours, which put emphasis on safeguarding investment and job creation, and giving consideration for the municipalities' financial health. The CAB also contradicted its July 2015 position, when it supported the economic case for Kallak.

Today Jokkmokk municipality struggles with a deteriorating economy and, in March 2019, declared a need for drastic budget cuts of SEK 28 million over the coming two years. A major mining investment would contribute to turning around that trend.

During the early part of 2019, the mining industry in Sweden has been in renewed focus, with other mining companies, the industry association SveMin and the union IF Metall, raising the issues of uncertain permitting processes for mining projects and unacceptable delays in decision making by authorities.

In April 2019, I wrote to the new Minister for Enterprise and Innovation, Mr. Ibrahim Baylan, to highlight these issues and the problems that Beowulf has faced.

The mining industry is crucial for Sweden's future. Mines contribute to growth, strengthen local communities and are an engine for development, especially in northern Sweden. Swedish mining companies', LKAB and Boliden long-standing businesses prove this.

Many therefore received LKAB's warning, in October 2018, that the ore in the Kiruna mine will be depleted earlier than expected, with astonishment and concern. 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, has highlighted the absurdity of the Kallak North situation. Swedish authorities have found themselves unable to permit Europe's largest drill defined iron ore deposit, having issued exploration permits and watched the Company invest SEK 77 million, drill 27,895 metres ("m"), 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.

Graphite Portfolio

During 2018, we made significant progress at Fennoscandian.

Starting the year, in January 2018, we announced metallurgical testwork results showing that graphite concentrates from Aitolampi could meet the purity specification of 99.95 per cent Total Graphitic Carbon ("TGC") required for the lithium ion battery market, using alkaline and acid purification with some process optimisation.

In April 2018, 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.

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.

In May 2018, the Company presented assays for intersected mineralisation at Aitolampi, and followed this in August 2018, announcing a maiden MRE for Aitolampi, highlights as follows:

- A global Indicated and Inferred Resource (JORC Code, 2012 edition) of 19.3 million tonnes ("Mt") at 4.5 per cent TGC for 878,000 tonnes ("t") of contained graphite, comprising eastern and western lenses above a 3.0 per cent TGC cut-off grade

- A higher-grade Western Zone with an Indicated and Inferred Resource of 9.8 Mt at 5.0 per cent TGC for 490,000 t of contained graphite

- An Eastern Zone with an Indicated and Inferred Resource of 9.5 Mt at 4.1 per cent TGC for 388,000 t of contained graphite.

Further drilling at Aitolampi has taken place in 2019, targeting both higher-grade mineralisation and high-priority geophysical anomalies, with full results yet to be received.

Vardar Minerals ("Vardar")
Vardar is a private UK registered exploration company with a focus on the metal endowed Balkan region and one of the first companies to be awarded exploration licences in 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.

Vardar is exploring the Mitrovica and Viti projects, both of which are located within the Tethyan Belt, a major orogenic metallogenic province for gold and base metals which extends from the Alps (Carpathians/Balkans) to Turkey, Iran and Indochina, and contains several world class discoveries.

Stepping into a new geography, like Kosovo, only makes sense if you are collaborating with a competent team, which we have in Vardar's founders, with experienced technical and support personnel in Kosovo.

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 end, at 30 April 2019, approximately 62.36 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 2018, Beowulf completed a subscription for new ordinary shares to raise £1.5 million before expenses.

Post year-end, the Company announced two fundraisings, on 1 April 2019 and 16 April 2019, raising a total amount of £1.25 million before expenses.

Financial Performance
Loss before and after taxation attributable to the owners of the parent at £1.37 million is higher than the loss recorded in 2017 of £1.04 million, this increase is largely attributable to impairment costs incurred of £0.57 million. The impairment costs assessed relate to projects Haapamäki (£249,646), Kolari1 (£158,727) and Viistola (£163,083).

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 the year end (2017: £1.59 million). During the year £0.78 million (2017: £0.94 million) was spent on exploration and capitalised.

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 license, and Kallak.

On 1 October 2018, the Company appointed SP Angel as Nominated Adviser and Broker.

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

Outlook
2019 will be a busy year for the Company, as we push forward with Kallak, our graphite business, and see what Vardar can deliver.

Since January 2019, Sweden has a new Government, and the Company believes that an Exploitation Concession should be awarded for Kallak North without further delay. In that scenario, the Company will restart and complete the Scoping Study for Kallak and work with Jokkmokks Kommun to establish the 'Development Taskforce', essential for maximising the benefits that will come from a mine at Kallak and flow to the community.

With Fennoscandian, we will continue to pursue a strategy of developing a 'resource footprint' of natural flake graphite prospects that can provide 'security of supply' and enable Finland to achieve its ambition of self-sufficiency in battery manufacturing. Fennoscandian's exploration team continues to evaluate and build our knowledge for each graphite prospect in the portfolio, and we are putting Business Finland's funding to good use, conducting testwork, as we seek to move downstream, and develop know-how in processing and manufacturing value-added graphite products.

Already in 2019, the Company has increased its commitment to Vardar Minerals with a further £750,000 investment, satisfied in cash, taking its interest in Vardar to 37.55 per cent. This will finance intensive exploration programmes at the Mitrovica and Viti licences over the course of the year and produce what we hope is exciting newsflow for shareholders.

Göran Färm
Non-Executive Chairman
30 May 2019

REVIEW OF OPERATIONS AND ACTIVITIES

SWEDEN

Permits
Beowulf, via its subsidiaries, currently holds seven 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
Kallak nr2 (Fe)[1,4]	2011:97	22.19	22/06/2011	22/06/2017

Parkijaure nr3 (Fe)[1,4]	2011:135	4.17	11/08/2011	11/08/2017
Åtvidaberg nr1 (Pb,Zn,Cu, Ag)[2]	2016:51	125.32	30/05/2016	30/05/2019
Sala nr10 (Pb,Ag,Zn)[2]	2016:64	10.49	29/06/2016	29/06/2019
Ågåsjiegge nr2 (Fe)[1]	2014:10	11.14	24/02/2014	24/02/2020
Kallak nr1 (Fe)[1,3]	2006:197	5.00	28/06/2006	28/06/2021
Parkijaure nr2 (Fe)[1]	2008:20	2.85	18/01/2008	18/01/2023

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. The legal process is ongoing.

Introduction

The Company's most advanced project is the Kallak magnetite iron ore deposit located approximately 40 kilometres ("km") west of Jokkmokk in the County of Norrbotten, Northern Sweden, 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 (the "Exploitation Concession"). 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 Direct Reduction Iron ("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 are easily reached by well used forestry tracks. A major hydroelectric power station with associated electric powerlines 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 3,700 metres ("m") 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 90-100 Mt 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 drill hole 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 Mt to 100 Mt at 22-30 per cent iron has been assigned to the area between the southern and northern parts.

2018 Update
Throughout 2018 and in the months prior to the Swedish general election, the Company continued to communicate with the Swedish Government.

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 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. It can be found on the Company's website:

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

Post-Year end
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.

On 1 April 2019, Göran Färm wrote to Mr. Ibrahim Baylan, the Minister for Enterprise and Innovation. A copy of letter and an English translation can be found on the Company's website:

https://polaris.brighterir.com/public/beowulf_mining_plc/news/rns/story/xq4on2w

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.

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

FINLAND

Finnish Exploration Permits
Beowulf, via its wholly-owned subsidiary, Fennoscandian, currently holds one exploration permit and has applied for a further two exploration permits. The Company has relinquished permits for Viistola 1, Kolari 1 and Haapamäki 1, and made appropriate impairments.

Permit Name	Permit ID	Area (km^2)	Valid from	Valid until
Approved Exploration Permits				
Pitkäjärvi 1	2016:0040	10.00	07/12/2016	07/12/2020
Applied for Exploration Permits				
Rääpysjärvi 1	2017:0104	7.16	Applied for 08/08/2017	
Joutsjärvi 1	2017:0122	5.79	Applied for 16/10/2017	

Aitolampi/Pitkäjärvi – Graphite

Introduction
The Aitolampi and Pitkäjärvi graphite prospects were discovered in 2016 and are eastern extensions to the Haapamäki prospect. Aitolampi and Pitkäjärvi are areas of graphitic schists on a fold limb, coincidental with an extensive electro-magnetic ("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.

2018 Summary
The Company made significant progress with Fennoscandian in 2018, specifically with its Aitolampi project, part of the Company's 100 per cent owned Exploration Permit, Pitkäjärvi 1. Metallurgical testwork has demonstrated the potential to produce battery grade graphite products and further to completing a second drilling campaign, the Company announced a Maiden Mineral Resource Estimate ("MRE").

Drilling confirmed 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.

Metallurgical Testwork/Market Assessment
Concentrates from the SGS testwork conducted in 2017 were sent to ProGraphite Gmbh ("ProGraphite") based in Germany. ProGraphite specialises in the processing and evaluation of graphite materials. The results were as follows:

- Alkaline purification produced 99.86 per cent Total Carbon ("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 C(t) 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.

Highlights of the MRE are as follows:

- A global Indicated and Inferred Mineral Resource (reported in accordance with the JORC Code (2012 edition)) of 19.3 Mt at 4.5 per cent Total Graphitic Carbon ("TGC") for 878,000 t of contained graphite, reported from all material within the eastern and western lenses which are interpreted above a nominal 3.0 per cent TGC cut-off grade;
- A higher-grade Western Zone with an Indicated and Inferred Mineral Resource of 9.8 Mt at 5.0 per cent TGC for 490,000 t of contained graphite;
- An Eastern Zone with an Indicated and Inferred Mineral Resource of 9.5 Mt at 4.1 per cent TGC for 388,000 t of contained graphite;
- Reporting above a 4.0 per cent TGC cut-off grade based on the grade-tonnage curve for Aitolampi, gives an Indicated and Inferred Mineral Resource of 12.8 Mt at 5.0 per cent TGC for 639,000 t; and
- The Mineral Resource was estimated by CSA Global PTY Ltd ("CSA Global") of Australia.

Other Developments
In April 2018, Beowulf signed a Graphite Collaboration Agreement between 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.

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 Fennoscandian.

Also, 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.

Post-Year End
In March 2019, the Company announced that Fennoscandian is to receive additional funding from Business Finland, 50 per cent contribution to a budget of Euros 224,900, for graphite purification and spheroidization testwork, and the further assessment of Fennoscandian's graphite for battery applications. Business Finland has been granted Euro 10 million funding for a project titled "BATCircle - the development of a Finland-based Circular Ecosystem of Battery Metals".

A new drilling campaign at Aitolampi also got underway, targeting both higher-grade mineralisation and high-priority geophysical anomalies.

The drill plan includes seven holes for an approximate total of 1,040m. Four holes, 620m of drilling, are planned to test potential higher-grade mineralised zones to the south-east of drill hole AITDD18018 (completed in 2018 and which intersected 92.5m at 6.19 per cent TGC. The three remaining holes will target high-priority geophysical anomalies untested by previous drilling.

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

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

Vardar Minerals Limited
During the year, Beowulf announced an initial investment of 14 per cent in Vardar Minerals Limited ("Vardar"), a UK registered private exploration company with interest in the Balkans, for the consideration of £250,000, satisfied in cash. The Company's investment enabled Vardar to complete its 2018 exploration programme, including geological mapping, specifically hydrothermal alteration, the presence of which is an indicator of possible porphyry-related metal deposition, and reconnaissance rock chip and geochemical soil sampling.

Overview
Based on the geological setting and analysis of historical archive data, Vardar has previously identified the Mitrovica and Viti projects as attractive. Both projects are located within the Tethyan Belt, a major orogenic metallogenic province for gold and base metals which extends from the Alps (Carpathians/Balkans) to Turkey, Iran and Indochina, and contains several world class discoveries.

The Tethyan Belt of south-east Europe can be regarded as Europe's chief copper-gold (lead-zinc-silver) province. Mitrovica and Viti occur within calc-alkaline magmatic arc(s) which developed during the closure of the Neotethys Ocean, primarily targeting epithermal gold, lead-zinc-silver replacement deposits and porphyry related copper-gold mineralisation.

The lack of modern-day exploration in the Balkans presents a real opportunity for new discoveries, such as the Kiseljak porphyry copper deposit in the Lece magmatic complex in neighbouring Serbia, 459 Mt at 0.22 per cent copper, 0.2 grammes per tonne ("g/t") gold, acquired by Dundee Precious Metals in February 2016.

Mitrovica
The Mitrovica project is situated in northern Kosovo, covers 55 square kilometres ("km^2"), and lies immediately to the west and northwest of the Stan Terg lead-zinc-silver mine which dates back to the 1930's (34 Mt) at 3.45 per cent lead, 2.30 per cent zinc and 80 g/t silver).

The licence area exhibits lead, zinc, silver and copper anomalies associated with iron stockworks and gossans, anomalous gold and silver associated with advanced argillic alteration zones, and alteration typical of epithermal gold systems. The project is prospective for both high sulphidation gold mineralisation and vein/replacement related base metal targets.

On a regional scale, the area is located within the late Alpine Tethyan Orogenic Belt and more specifically within the External Vardar Sub-zone of the Vardar Zone. The basement is comprised of ophiolites and a metasedimentary mélange affected by a polymetamorphic overprint (not exceeding greenschist facies conditions). A series of felsic to intermediate sub-volcanic and pyroclastic rocks of Oligocene to Early Miocene age represents the cover sequence.

In early 2018, mapping identified an extensive lead-zinc mineralised gossan, Wolf Mountain target, in the central part of Mitrovica, with associated hydrothermal breccias and silicification on the central-eastern margin of the licence area, along with copper mineralisation associated with trachyte dykes intruding into basement rocks.

In November 2018, fieldwork continued with trenching/channel sampling, geological mapping and ground magnetic geophysical surveys over Wolf Mountain. In addition, detailed geological mapping and sampling were carried out in the Mitrovica South and Majdan Peak areas in the southern part of the licence area, targeting potential porphyry copper and epithermal gold mineralisation.

Highlights

- The Wolf Mountain lead-zinc target (Vllahi Zone) forms a prominent outcropping gossan, with strike length of more than 4km and width ranging from approximately 20m to greater than 300m. The target is located approximately 4km from the Stan Terg mine, highlighting the potential for significant lead-zinc mineralisation;

- All assays from the exposed gossan zone have returned anomalous metal contents averaging 0.71 per cent zinc and 0.73 per cent lead;

- Channel samples show continuity of mineralisation and zones of intense silicification and hydrothermal breccias;

- Highest combined lead-zinc assays from channel sampling returned 2.8 per cent over 26m. Other samples returned lead-zinc assays of 2.34 per cent over 27m, 1.4 per cent over 11m and 0.6 per cent over 22m;

- Elevated silver content averaging 6.0 g/t across the mineralised zone, with individual samples returning up to 93 g/t; and

- Elevated nickel content averaging of 0.15 per cent across the mineralised zone.

Discovery of potential porphyry-epithermal related mineralisation in the southern part of the Mitrovica licence including:

- A large hydrothermal breccia associated with trachyte sills with significant metal anomalies, including consistent zinc values in excess of 1.0 per cent, along with elevated gold of 1.25 g/t and silver of 57 g/t;

- Copper mineralisation, up to 3500 ppm, associated with altered trachyte dykes; and

- Significant gold recoveries from advanced argillic samples (up to 7.0 g/t) on Majdan peak in the south-eastern portion of the licence area.

Wolf Mountain

The Wolf Mountain target forms a prominent outcropping feature, with strike length of more than 4km and width ranging from almost 20m to greater than 300m. It represents a hydrothermal breccia zone with stockworks, which outcrop as a gossan, with iron-manganese oxides and hydroxides. The peripheral parts of the zone are characterised by intense silicification corresponding to fold structures which control the development of the hydrothermal breccia.

The mineralisation is structurally controlled, and for most of the target mineralisation is developed in the basement, broadly following a tectonic contact between ultramafic rocks and phyllite, with the bulk of mineralisation developed within the ultramafic units. Mineralisation is likely vein/replacement-type related to Oligocene magmatic activity responsible for the hydrothermal systems mapped in the southern portion of the licence area.

202 samples have been analysed over the extent of the area, including 118 composite channel samples, and rock grab samples that were cut along traverses perpendicular to the strike of the outcropping gossan. All samples were analysed using 48 element ICP-MS with gold fire assay ICP-AES at ALS Global ("ALS") in Serbia and Ireland.

Mitrovica South

Detailed alteration mapping and sampling have been carried out across the southern half of the licence area. Of interest is a sub-volcanic sill like body of trachytic composition associated with a hydrothermal breccia zone and with abundant iron oxides. Several samples collected from the breccia zone returned significant metal anomalies including consistent zinc values in excess of 1.0 per cent, along with gold (1.25 g/t) and silver (57 g/t) anomalies.

One kilometre south of the above target, interpretation of magnetic airborne geophysical data has led to the identification of a prominent circular magnetic anomaly with magnetised and demagnetised concentric rings, displaying a typical signature of porphyry targets. Geological mapping in this area has identified hydrothermal breccias which have returned significant copper assays in grab samples (0.21 per cent and 0.35 per cent). The presence of the magnetic anomaly and associated copper mineralisation is of interest as it may suggest the potential for porphyry style mineralisation at a deeper structural level in basement rocks.

Higher up in the system, at Madjan Hill, also in the southern part of the licence area, several historic gold workings/pits have been discovered, thought to be of Saxon or Roman age. Rock chip sampling on the slopes of the hill, in an area of advanced argillic alteration, has returned significant gold anomalies of up to 7.0 g/t, suggesting potential for epithermal gold mineralisation.

Viti

The Viti project is situated in south-eastern Kosovo and is made up of three adjacent licences covering 213 km^2. The licences cover an interpreted circular intrusive from regional airborne 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 project area. In addition, Viti is prospective for lithium-boron mineralisation, with a geological setting like Rio Tinto's Jadar deposit in Serbia.

In the south-east of the project area, reconnaissance mapping identified several zones of intense argillic alteration, hydrothermal breccias and iron oxide stockworks. The interpretation of regional magnetic data suggests that alteration is located on the margin of a large caldera structure, which supports the case for porphyry mineralisation. Recent geological mapping has identified prominent silicified gossans, breccias and iron oxide stockworks with intense argillic alteration, often associated with trachyte dykes.

The target area includes a gossanous zone, approximately 300m by 200m, surrounded by a zone of intense argillic alteration, approximately 1.5km in diameter. Sampling over the gossan has returned encouraging results, with anomalous copper (0.99 per cent) and gold (0.16 g/t), along with elevated molybdenum and zinc, potentially related to the deeper part of an uplifted porphyry system with associated phyllic alteration.

Post-Year End

In April 2019, Beowulf announced a follow-on investment in Vardar of £750,000, increasing Beowulf's stake in the company from 14.1 per cent to 37.55 per cent. The investment will fund Vardar's 2019 Kosovan exploration programme, diamond drilling, geophysical surveys and other activities, at the Mitrovica project, targeting lead-zinc-silver, copper and gold mineralisation, and at the Viti project, targeting copper-gold, lithium-boron mineralisation.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

		2018	2017
	Note	£	£
CONTINUING OPERATIONS			
Administrative expenses		(794,851)	(861,669)
Impairment of exploration costs		(571,456)	(183,131)
Share of loss in associates		(19,880)	-
OPERATING LOSS		(1,386,187)	(1,044,800)
Finance income		11,603	5,234
LOSS BEFORE INCOME TAX		(1,374,584)	(1,039,566)
Income tax expense		-	-
LOSS FOR THE YEAR		(1,374,584)	(1,039,566)
Loss attributable to:			
Owners of the parent		(1,373,936)	(1,038,248)
Non-controlling interests		(648)	(1,318)

		(1,374,584)	(1,039,566)
Loss per share attributable to the ordinary equity holder of the parent:			
Basic and diluted (pence)	2	(0.25)	(0.20)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
LOSS FOR THE YEAR		(1,374,584)	(1,039,566)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Exchange losses arising on translation of foreign operations		(123,265)	67,862
		(123,265)	67,862
TOTAL COMPREHENSIVE LOSS		(1,497,849)	(971,704)
Total comprehensive loss attributable to:			
Owners of the parent		(1,497,133)	(970,426)
Non-controlling interests		(716)	(1,278)
		(1,497,849)	(971,704)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018	2017
		£	£
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	3	8,285,547	8,191,232
Property, plant and equipment		16,083	28,580
Investment in associate		230,120	-
Loans and other financial assets		5,462	5,530
		8,537,212	8,225,342
CURRENT ASSETS			
Trade and other receivables		62,956	65,032
Cash and cash equivalents		1,533,232	1,589,897
		1,596,188	1,654,929
TOTAL ASSETS		10,133,400	9,880,271
EQUITY			
SHAREHOLDERS' EQUITY			
Share capital		5,663,072	5,342,072
Share premium		19,266,271	18,141,271
Capital contribution reserve		46,451	46,451
Share based payment reserve		612,465	575,078
Merger reserve		137,700	137,700
Translation reserve		(520,257)	(397,060)
Accumulated losses		(15,311,933)	(14,079,747)
		9,893,769	9,765,765
Non-controlling interests		(160,587)	(159,871)
TOTAL EQUITY		9,733,182	9,605,894
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		208,013	274,377
Deferred income		192,205	-
TOTAL LIABILITIES		400,218	274,377
TOTAL EQUITY AND LIABILITIES		10,133,400	9,880,271

The financial statements were approved and authorised for issue by the Board of Directors on 30 May 2019 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 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	-	-	-	-	-
Reclassification of revaluation reserve	-	-	-	-	-
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	-	-	-	-	-
Issues of shares	-	-	-	-	-
Transfer to accumulated losses	-	-	(25,664)	-	-
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	-	-	-	-	-
Issues of shares	21,000	-	-	-	-
At 31 December 2018	5,663,072	19,266,271	-	137,700	46,451

	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
Issue of shares	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
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)	-	141,750	3,677	-	3,677
At 31 December 2018	612,465	(520,257)	(15,311,933)	9,893,769	(160,587)	9,733,182

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018	2017
	Note	£	£
Cash flows from operating activities			
Loss before income tax		(1,374,584)	(1,039,566)
Depreciation charges		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	-
		(583,695)	(642,720)
Decrease/(increase) in trade and other receivables		2,603	(12,760)
(Increase)/decrease in trade and other payables		(72,740)	15,673
Net cash used in operating activities		(653,832)	(639,807)
Cash flows from investing activities			
Purchase of intangible assets	3	(778,495)	(943,599)
Purchase of property, plant and equipment		(2,515)	(20,367)
Sale of investments		13	14
Acquisition of associate		(250,000)	-
Grant receipt		192,205	-
Interest received		11,603	5,234
Net cash used in investing activities		(827,189)	(958,718)
Cash flows from financing activities			
Proceeds from issue of shares		1,500,000	1,652,800
Payment of share issue costs		(75,000)	(75,000)
Net cash from financing activities		1,425,000	1,577,800
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 foreign exchange rate changes		(644)	1,403
Cash and cash equivalents at end of year		1,533,232	1,589,897

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 2018, the Group had a cash balance of £1.53 million and the Company had a cash balance of £1.47 million Subsequent to year end, the Company has raised £1.25 million (before expenses) cumulatively through two successful subscriptions.

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 is available, and they have successfully raised equity finance subsequent to year end. 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 and effective for the financial year beginning 1 January 2018
IFRS 15 Revenue from Contracts with Customers (effective in accounting periods beginning 1 January 2018) is intended to clarify the principles of revenue recognition and establish a single framework for revenue recognition. The Company has reviewed this standard and consider this to have no material impact on the financial statements.

New and amended standards, and interpretations issued and effective for the financial year beginning 1 January 2018 (continued)
IFRS 9 replaces all phases of the financial instruments project and IAS 39 'Financial Instruments: Recognition and Measurement'. The standard is effective from periods beginning on or after January 2018 and introduces new requirements for the classification and measurement of financial assets and financial liabilities; and a new model for recognising provisions based on expected credit losses ("ECLs"). The impact of IFRS 9 has been assessed at a Group level, and there is no material impact on the consolidated results of the Group, as assets other than cash are immaterial and the ECL impairment is minimal.

The adoption of IFRS 9 has impacted the Parent company. This is a result of the existing incurred loss approach under IAS 39 being replaced by the forward-looking ECL model approach of IFRS 9. The ECL model is required to be applied to the intercompany loan receivable which is classified as held at amortised cost.

The Company has opted to transition method requires a retrospective application for the first time adoption of IFRS 9, however the standard allows the Company a policy choice to not restate the comparative information with differences being recorded in opening retained earnings, these changes have been processed at the date of initial application (i.e. 1 January 2018), and presented in the statement of changes in equity as at 31 December 2018.

New and amended standards, and interpretations issued but not yet effective for the financial year beginning on or after 1 January 2018 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 16 Leases	01-Jan-19

The impact of adopting IFRS 16 is not expected to have a material effect on the Group at this stage of the Group's operations.

Amendments to Existing Standards	**Effective Date**
Annual Improvements to IFRS's	01-Jan-19
Amendments to References to the conceptual framework in IFRS standards	01-Jan-20
Definition of Material – Amendments to IAS 1 and IAS 8	01-Jan-20

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 judgement 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 therefore 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 and the estimation of share-based payment costs.

(i) The Group determines whether there are any indicators of impairment of intangible assets on an annual basis (see note 3);

The Parent Company in applying the ECL model under IFRS 9 must make assumptions when implementing the forward-looking ECL model. This model is required to be used to assess the intercompany loans receivable from subsidiaries for impairment.

Estimations were made regarding the credit risk of the counterparty and the underlying probability of default in each of the credit loss scenarios. The scenarios identified by management included Production, Divestment, Fire-sale and Failure. These scenarios considered technical data, necessary licences to be awarded, the Company's ability to raise finance, and ability to sell the project.

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.

(i) Subsidiaries and acquisitions

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) Equity accounted investees

Associates
Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not the ability to control or jointly control those policies. Investments in Associates are accounted for using the equity method of accounting.

Equity method of accounting – Associates
Under the equity method of accounting, interests in Associates are initially recognised at cost. The Group's share of Associates post acquisition profits or losses after tax are recognised in the 'Share of results of Equity accounted investees' in the Group income statement. The Group's share of Associates post acquisition movement in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment less any impairment in value. Where indicators of impairment arise, the carrying amount of the Associate is tested for impairment by comparing its recoverable amount against its carrying value. Unrealised gains arising from transactions with Associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are similarly eliminated to the extent that they do not provide evidence of impairment of a transferred asset. When the Group's share of losses in an Associate equal or exceeds its interest in the Associate, the Group does not recognise further losses unless the Group has incurred obligations or made payments on behalf of the or Associate. When the Group ceases to have or significant influence, any retained interest in the entity is re-measured to its fair value at the date when or significant influence is lost with the change in carrying amount recognised in the income statement. The Group also reclassifies any movements previously recognised in other comprehensive income to the income statement.

(iii) 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. Each asset is evaluated annually at 31 December, to determine whether there are any indications that impairment exists.

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. Deferred exploration costs will be depreciated if the asset becomes productive.

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 in subsidiaries
Fixed asset investments in subsidiary undertakings are stated at cost less provision for any impairment in value.

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.

Financial assets
The Group classifies all of its financial assets at amortised cost. Management determines the classification of its financial assets at initial recognition.

Amortised cost

The Group's financial assets held at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold their assets in order to collect contractual cash flows and the contractual cash flows are solely payments of the principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime ECLs. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the trade receivables. For trade receivables, which are reported net; such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other receivables are recognised based a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised

Financial liabilities
The Group classifies its financial liabilities in the category of financial liabilities at amortised cost. All financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provision of the instrument.

Financial liabilities measured at amortised cost include:

- Trade payables and other short-dated monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.
- Bank and other borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Unless otherwise indicated, the carrying values of the Group's financial liabilities measured at amortised cost represents a reasonable approximation of their fair values.

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.

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.

Government grant

Government grants received on capital expenditure are generally deducted in arriving at the carrying amount of the asset purchased. Grants for revenue expenditure are netted against the cost incurred by the Group. Where retention of a government grant is dependent on the Group satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the consolidated statement of comprehensive income or netted against the asset purchased.

2. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share at 31 December 2018 was based on the loss attributable to ordinary shareholders of £1,373,936 (2017: £1,038,248) and a weighted average number of Ordinary Shares outstanding during the period ended 31 December 2018 of 554,716,045 (2017: 518,728,856) calculated as follows:

	2018	2017
	£	£
Loss attributable to ordinary shareholders	(1,373,936)	(1,038,248)

Weighted average number of ordinary shares

	Number	Number
Number of shares in issue at the beginning of the year	534,207,254	502,630,331
Effect of shares issued during year	20,508,791	16,098,525
Weighted average number of ordinary shares in issue for the year	554,716,045	518,728,856

The diluted earnings per share is identical to the basic earnings per share as the exercise of warrants and options would be anti-dilutive.

3. INTANGIBLE ASSETS

	Exploration Costs
	£
COST	
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
At 1 January 2018	8,191,232
Additions for the year	782,437
Foreign exchange movements	(116,666)
Impairment	(571,456)
At 31 December 2018	8,285,547
NET BOOK VALUE	
At 31 December 2018	8,285,547
At 31 December 2017	8,191,232

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

	2018	2017
	£	£
Kallak	7,079,806	6,979,844
Åtvidaberg	303,565	253,778
Ågåsjiegge	17,121	7,365
Sala	8,444	2,634
Haapamäki	-	231,132
Kolari1	-	151,706
Viistola	-	147,784
Pitkäjärvi	817,986	414,372
Joutsijärvi	25,002	2,617
Karhunmaki	13,685	-
Rääpysjärvi	19,938	-
	8,285,547	8,191,232

Total Group exploration costs of £8,285,547 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 £139,594 was recorded against the projects for services provided by the Directors during the year (2017: £156,862).

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.

On 30 November 2017, the County Administrative Board ("CAB") for the County of Norbotten made the decision to not recommend that an Exploitation Concession for Kallak North be awarded . 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 for Kallak that the CAB presented in July 2015, that a mine would have local, regional and national benefits.

The Directors considered that the CAB's November 2017 statement was 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 biased conclusions the CAB has presented. At the date of approval of the financial statements the Government's consideration of the application was ongoing.

The most significant risk is that an Exploitation Concession is declined for Kallak North. The Directors have considered the impairment indicators as outlined in the Company's accounting policies and having done so are of the opinion that the current situation does not qualify as an impairment indicator and hence no impairment provision is required for the Kallak permitting situation. In addition, no other impairment indicators per IFRS 6 have been identified.

Kallak is included in 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.

In the year an impairment provision of £571,456 (2017: £183,131) was made against costs incurred on Haapamäki (2018: £249,646), Kolari 1 (2018: £158,727) and Viistola (2018: £163,083) on the basis that no further exploration would be carried out on those projects. In respect of the other license areas, no impairment indicators have been identified. The impairment is charged as an expense and included within the consolidated income statement.

4. EVENTS AFTER THE REPORTING DATE

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.

On the 1 April 2019, the Company announced a subscription to issue 13,636,364 new ordinary shares to raise approximately £750,000 (before expenses) at a price of 5.5 pence per new ordinary share. The funds were used to increase 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 cash consideration of £500,000. On the 15 April 2019, a further investment was committed to increase the Company's holding 31.3 per cent to 37.55 per cent for cash consideration of £250,000. The Company has an option to invest a further £115k, bringing the Company's ownership to 40.1 per cent.

On 16 April 2019, Beowulf announced a subscription of 8,695,652 new ordinary shares of £0.01 each at 5.75p per share to raise £500,000 before expenses.