



**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.**

**26 October 2020**

## **Beowulf Mining plc**

("Beowulf" or the "Company")

### **Unaudited Financial Results for the Period Ended 30 September 2020**

Beowulf (AIM: BEM; Spotlight: BEO), the mineral exploration and development company, announces its unaudited financial results for the three months ended 30 September 2020.

#### **Overview of Activities in the Quarter**

- On 6 July 2020, the Company announced results from grab sampling completed across the Majdan Peak gold target at Vardar Mineral's ("Vardar") Mitrovica licence in Northern Kosovo.
- The Company announced, on 14 July 2020, that plans to drill at Kallak, scheduled for Autumn 2020, had been postponed due to COVID-19, until such time that resources can be fully mobilised and deployed safely.
- On 13 August 2020, the Company announced that it had secured loan financing from Nordic investors of SEK 12 million (approximately £1.0 million) before expenses. The Company also invested a further £300,000 in Vardar, increasing its ownership from 42.2 per cent to 46.1 per cent. Funds have been used to restart exploration works in Kosovo, including geophysical surveys with the objective of defining targets for drilling.
- The findings of an expert market assessment by Dr Bo Arvidson were announced on 17 September 2020, which investigated the market potential of future products from the Kallak North deposit, based on the results of laboratory and pilot plant test work conducted to date.

Testwork on Kallak ore has produced an exceptionally high-grade magnetite concentrate at 71.5 per cent iron ("Fe") content with minimal detrimental components. This would make Kallak the market leading high-grade product among known current and planned future producers.

- The Board approved an extension to the exercise period of the share options granted to Kurt Budge, CEO, of over 9,000,000 ordinary shares of the Company now exercisable by 17 July 2021.
- At the Company's AGM, held on 10 September 2020, all resolutions were passed.

## Post Period

- On 9 October 2020, Beowulf informed the market that the Constitutional Committee in Sweden would be meeting on 13 October 2020, to review the Swedish Government's handling of the Company's application for an Exploitation Concession for Kallak North.
- On 16 October 2020, Beowulf CEO, Kurt Budge, presented at ProHearings Capital Markets Day. An updated corporate presentation is available on the website: <https://beowulfmining.com/wp-content/uploads/2020/10/20201015-Beowulf-Mining-ProHearings-Presentation.pdf>
- On 23 October 2020, the Company announced results from an Induced Polarisation ("IP") and resistivity survey undertaken by Vardar at its Wolf Mountain lead-zinc-silver ("Pb-Zn-Ag") target, situated within the Mitrovica licence.

The survey defined highly anomalous IP chargeability zones, considered high priority targets for drill testing, and anomalies follow established regional structural trends suggesting they may be representative of high-grade Pb-Zn-Ag feeder structures.

### **Kurt Budge, Chief Executive Officer of Beowulf, commented:**

*"There were several highlights of the quarter for me, completing the financing in August, in which we were well-supported by Nordic investors, seeing the Vardar team get 'back to business' in Kosovo, where we are already seeing positive results at Wolf Mountain that indicate the potential for high-grade lead-zinc feeder structures, and receiving the expert assessment of the 'market leading' credentials of Kallak's magnetite concentrate.*

*"In Sweden, the Company has engaged new advisors in Stockholm to support our efforts in seeking approval of our application for an Exploitation Concession for Kallak North and I am pleased with the effective work that's been done to date.*

*"The Company continues to assess the possible resource upside at Kallak. While disappointed that we were forced to postpone drilling this Autumn, as we were unable to get personnel to site under COVID-19 travel restrictions, we have been reviewing historic exploration data, as we evaluate the potential 'life of mine'. A continuation from Kallak North to Kallak South could see a mine in production for 25 years, or more if additional resource at Parkjåure nr 6 is defined.*

*"I visited Jokkmokk a few weeks ago and discussed with stakeholders a vision for the town in 2050, which taps into Swedish mining innovation, excitement around fossil-free enterprise, sustainable development and the Circular Economy. The timeline would see a production start at Kallak within the next five years and 25 years of mining.*

*"Kallak represents the cornerstone of the foundation on which Jokkmokk's future is built and with connections to Norrbotten's renewable power, railways and the Port of Luleå, a sustainable mine will invigorate the region's basic industry and economy.*

*"All in all, we are making excellent progress in all areas of our business. Kallak is positioned as a future regional supplier to Sweden's nascent fossil-free steel making industry, a key part of Sweden's 'Green Transition' (grön omställning). Fennoscandian Resources has its part to play in the battery sector and the drive for electrification and Vardar shows potential as a new source of metals supply in Europe.*

*"I look forward to providing further updates to the markets in due course."*

Kurt Budge, CEO, has conducted an interview with BRR Media. The interview can be seen using the link below:

<https://www.brrmedia.co.uk/broadcasts/5f92d383c4d0076f2b944cac/beowulf-mining-plc-ceo-update>

## Operational

### Kosovo

- On 6 July 2020, the Company announced results from grab sampling completed across the Majdan Peak gold target at Vardar's Mitrovica licence in Northern Kosovo.

42 samples have assayed in excess of 0.1 gramme per tonne ("g/t") gold out of a total of 96 samples collected from available outcrop and subcrop.

Anomalous results correlate well with gold in soils and alteration intensity and confirm the significant scale of the gold anomaly, an area 1400 x 700 metres, which remains open to the east.

Sample results over 1 g/t gold include: 7.2 g/t; 4.6 g/t; 2.8 g/t; 2.0 g/t; 1.5 g/t; 1.3 g/t; 1.3 g/t; and 1.1 g/t.

In addition to the primary gold target, a new multi-element anomaly has been delineated to the south of the main peak. This anomaly correlates well with anomalous rock grab samples (including individual samples with 0.79 g/t gold), with galena (lead sulphide) veins apparent in some of the outcropping gossans.

The link below is a plan showing soil sample gold results, with rock sample gold results overlain and multi-element anomalies delineated. All rock samples with assays > 0.1 g/t have been labelled. Results highlight the spatial extent of the Majdan Peak gold target.

<https://beowulfmining.com/wp-content/uploads/2020/07/Madjan-Peak-rock-sample-results.jpg>

- On 13 August 2020, the Company announced that it had invested a further £300,000 in Vardar, increasing its ownership from 42.2 per cent to 46.1 per cent.

Funds have been used to restart exploration works in Kosovo, with geophysical surveys across the Mitrovica and Viti licences, with the objective of defining drill targets.

- On 23 October 2020, Beowulf announced results from an Induced Polarisation ("IP") and resistivity survey undertaken by Vardar at its Wolf Mountain lead-zinc-silver ("Pb-Zn-Ag") target, situated within the Mitrovica licence, located in northern Kosovo. Highlights included:
  - Highly anomalous IP chargeability zones, considered high priority targets for drill testing, have been defined beneath areas of laterally extensive Pb-Zn gossans and hydrothermal alteration.
  - The IP anomalies are located below, often straddling, the contact between younger Oligo-Miocene ("O-M") volcanoclastic rocks and ultramafic ("UM") basement, in agreement with mapped and drill tested mineralisation, adding further support for a source of the observed mineralisation.
  - Importantly, anomalies follow established regional structural trends suggesting they may be representative of high-grade Pb-Zn-Ag feeder structures, often a characteristic of the deposit type.
  - Resistivity results correlate very well with geological mapping, drilling and trenching, delineating the lateral and vertical extent of the low resistivity volcanoclastic units over the higher resistivity UM basement.
  - Vardar is now planning a follow-up drilling programme to test the main anomalies for high-grade mineralisation.

## **Sweden**

- The findings of an expert market assessment by Dr. Bo Arvidson, were announced on 17 September 2020, which investigated the market potential of future products from the Kallak North deposit, based on the results of laboratory and pilot plant test work conducted to date. Highlights include:
  - Testwork on Kallak ore has produced an exceptionally high-grade magnetite concentrate at 71.5 per cent iron ("Fe") content with minimal detrimental components.
  - This would make Kallak the market leading high-grade product among known current and planned future producers.
  - The next best magnetite product is LKAB's (the state-owned Swedish iron ore company), which produces magnetite fines ("MAF") with a target specification of 70.7 per cent Fe and was regarded as unique, until now, due to its exceptionally high iron content.
  - Kallak magnetite concentrate would reduce the carbon footprint of traditional steel manufacturing, improve energy efficiency in any downstream process and reduce waste. Magnetite has inherent energy content, which ultimately results in lower energy demand for steel manufacturing when compared to current common practice.
  - Globally, the feedstock for steelmaking is 80 per cent hematite and 20 per cent magnetite. The demand for high-quality feedstock and therefore magnetite should increase as producers look to protect the environment by improving energy efficiency, minimizing waste and the impact of waste disposal.

## **Financials**

- The consolidated loss remaining largely unchanged in quarter ended 30 September at £311,899 (Q3 2019: loss of £312,986). The decrease is partly attributable to no share-based payment charge relating to employees and Directors options for the quarter compared to £26,566 incurred in the previous quarter. This decrease is offset by a finance charge of £40,179 associated with the Bridging loan secured in the quarter.
- Consolidated basic and diluted loss per share for the quarter ended 30 September 2020 was 0.04 pence (Q3 2019: loss of 0.04 pence).
- £1,207,384 in cash held at the period end (Q3 2019: £907,527).
- The cumulative translation losses held in equity decreased by £39,801 in the quarter ended 30 September 2020 to £636,664 (31 December 2019: £1,291,068). Much of the Company's exploration costs are in Swedish Krona and Euro which has strengthened against the pound since 31 December 2019.
- As of 30 September 2020, there were 407,758,129 Swedish Depository Receipts representing 67.71 per cent of the issued share capital of the Company. The remaining issued share capital of the Company is held in the UK.

## **Enquiries:**

**Beowulf Mining plc**

Kurt Budge, Chief Executive Officer

Tel: +44 (0) 20 3771 6993

**SP Angel**

(Nominated Adviser & Broker)

Ewan Leggat / Soltan Tagiev

Tel: +44 (0) 20 3470 0470

**Blytheweigh**

Tim Blythe / Megan Ray

Tel: +44 (0) 20 7138 3204

**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 forecast.

**BEOWULF MINING PLC**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE NINE MONTHS TO 30 SEPTEMBER 2020**

		(Unaudited) 3 months ended 30 September 2020	(Unaudited) 3 months ended 30 September 2019	(Unaudited) 9 months ended 30 September 2020	(Unaudited) 9 months ended 30 September 2019	(Audited) 12 months ended 31 December 2019
	Notes	£	£	£	£	£
<b>Continuing operations</b>						
Other income		-	-	-	-	-
Administrative expenses		(252,520)	(286,952)	(655,674)	(737,082)	(904,666)
Impairment of exploration costs		(18,650)	-	(18,650)	-	(10,720)
Share based payment expense		-	(26,566)	-	(93,154)	(119,720)
Gain on step acquisition		-	-	-	563,431	563,431
<b>Operating loss</b>		<b>(271,170)</b>	<b>(313,518)</b>	<b>(674,324)</b>	<b>(266,805)</b>	<b>(471,675)</b>
Finance costs		(40,179)	-	(40,340)	-	(410)
Finance income		8	532	591	5,715	6,298
Grant (expense)/income		(558)	-	7,699	-	37,080
<b>Loss before and after taxation</b>		<b>(311,899)</b>	<b>(312,986)</b>	<b>(706,374)</b>	<b>(261,090)</b>	<b>(428,707)</b>
Loss attributable to:						
Owners of the parent		(269,869)	(255,922)	(623,064)	(153,976)	(267,000)
Non-controlling interests		(42,030)	(57,064)	(83,310)	(107,114)	(161,707)
		<b>(311,899)</b>	<b>(312,986)</b>	<b>(706,374)</b>	<b>(261,090)</b>	<b>(428,707)</b>
Loss per share attributable to the owners of the parent:						
Basic and diluted (pence)	3	(0.04)	(0.04)	(0.10)	(0.03)	(0.04)

**BEOWULF MINING PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS**  
**FOR THE NINE MONTHS TO 30 SEPTEMBER 2020**

	(Unaudited) 3 months ended 30 September 2020	(Unaudited) 3 months ended 30 September 2019	(Unaudited) 9 months ended 30 September 2020	(Unaudited) 9 months ended 30 September 2019	(Audited) 12 months ended 31 December 2019
	£	£	£	£	£
<b>Loss for the period / year</b>	(311,899)	(312,986)	(706,374)	(261,090)	(428,707)
<b>Other comprehensive income</b>					
<b>Items that may be reclassified subsequently to profit or loss:</b>					
Exchange gains/(losses) arising on translation of foreign operations	39,801	(203,018)	660,160	(515,349)	(794,299)
<b>Total comprehensive loss</b>	<b>(272,098)</b>	<b>(516,004)</b>	<b>(46,214)</b>	<b>(776,439)</b>	<b>(1,223,006)</b>
Total comprehensive income loss attributable to:					
Owners of the parent	(207,543)	(466,691)	31,339	(661,989)	(1,037,811)
Non-controlling interests	(64,555)	(49,313)	(77,553)	(114,450)	(185,195)
	<b>(272,098)</b>	<b>(516,004)</b>	<b>(46,214)</b>	<b>(776,439)</b>	<b>(1,223,006)</b>

**BOWULF MINING PLC**  
**CONDENSED COMPANY STATEMENT OF COMPREHENSIVE LOSS**  
**FOR THE NINE MONTHS TO 30 SEPTEMBER 2020**

		(Unaudited) 3 months ended 30 September 2020	(Unaudited) 3 months ended 30 September 2019	(Unaudited) 9 months ended 30 September 2020	(Unaudited) 9 months ended 30 September 2019	(Audited) 12 months ended 31 December 2019
	Notes	£	£	£	£	£
<b>Continuing operations</b>						
Administrative expenses		(211,188)	(180,159)	(514,800)	(563,860)	(651,433)
Share based payment expense		-	(26,566)	-	(93,154)	(119,720)
<b>Operating Loss</b>		<b>(211,188)</b>	<b>(206,725)</b>	<b>(514,800)</b>	<b>(657,014)</b>	<b>(771,153)</b>
Finance income		8	532	591	5,715	6,298
Grant Income		-	-	-	-	1,425
<b>Loss before and after taxation and total comprehensive loss</b>		<b>(211,180)</b>	<b>(206,193)</b>	<b>(514,209)</b>	<b>(651,299)</b>	<b>(763,430)</b>
Loss per share attributable to the owners of the parent: Basic and diluted (pence)	3	(0.04)	(0.04)	(0.09)	(0.11)	(0.13)

**BEOWULF MINING PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2020**

		(Unaudited) As at 30 September 2020 £	(Unaudited) As at 30 September 2019 £	(Audited) As at 31 December 2019 £
<b>ASSETS</b>	Notes			
<b>Non-current assets</b>				
Intangible assets	5	10,938,145	10,300,147	10,011,494
Property, plant and equipment		135,887	118,562	86,998
Loans and other financial assets		5,391	5,280	5,212
Right of use asset		3,438	-	7,324
		<u>11,082,861</u>	<u>10,423,989</u>	<u>10,111,028</u>
<b>Current assets</b>				
Trade and other receivables		98,459	87,145	167,261
Cash and cash equivalents		1,207,384	907,527	1,124,062
		<u>1,305,843</u>	<u>994,672</u>	<u>1,291,323</u>
<b>TOTAL ASSETS</b>		<u>12,388,704</u>	<u>11,418,661</u>	<u>11,402,351</u>
<b>EQUITY</b>				
<b>Shareholders' equity</b>				
Share capital	4	6,022,446	5,886,392	6,022,446
Share premium		20,824,009	20,230,006	20,824,009
Capital contribution reserve		46,451	46,451	46,451
Share based payment reserve		732,185	705,619	732,185
Merger Reserve		137,700	137,700	137,700
Translation reserve		(636,664)	(1,028,270)	(1,291,068)
Accumulated losses		(16,577,737)	(15,465,909)	(15,781,161)
<b>Total Equity</b>		<u>10,548,390</u>	<u>10,511,989</u>	<u>10,690,562</u>
Non-controlling interests		462,514	397,300	326,555
<b>TOTAL EQUITY</b>		<u>11,010,904</u>	<u>10,909,289</u>	<u>11,017,117</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables		256,484	317,167	242,885
Grant income		149,060	192,205	134,877
Lease Liability		3,573	-	7,472
Borrowings		968,683	-	-
<b>TOTAL LIABILITIES</b>		<u>1,377,800</u>	<u>509,372</u>	<u>385,234</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>12,388,704</u>	<u>11,418,661</u>	<u>11,402,351</u>

**BEOWULF MINING PLC**  
**CONDENSED COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2020**

	(Unaudited) As at 30 September 2020 £	(Unaudited) As at 30 September 2019 £	(Audited) As at 31 December 2019 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments	2,077,988	1,482,988	1,697,988
Loans and other financial assets	<u>9,173,997</u>	<u>8,776,137</u>	<u>8,989,451</u>
	<u>11,251,985</u>	<u>10,259,125</u>	<u>10,687,439</u>
<b>Current assets</b>			
Trade and other receivables	22,819	24,755	23,260
Cash and cash equivalents	<u>884,176</u>	<u>791,177</u>	<u>978,514</u>
	<u>906,995</u>	<u>815,932</u>	<u>1,001,774</u>
<b>TOTAL ASSETS</b>	<u><u>12,158,980</u></u>	<u><u>11,075,057</u></u>	<u><u>11,689,213</u></u>
<b>EQUITY</b>			
<b>Shareholders' equity</b>			
Share capital	4 6,022,446	5,886,392	6,022,446
Share premium	20,824,009	20,230,006	20,824,009
Capital contribution reserve	46,451	46,451	46,451
Share option reserve	732,185	705,619	732,185
Merger Reserve	137,700	137,700	137,700
Accumulated losses	<u>(16,813,068)</u>	<u>(16,186,728)</u>	<u>(16,298,859)</u>
<b>TOTAL EQUITY</b>	<u>10,949,723</u>	<u>10,819,440</u>	<u>11,463,932</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	91,514	63,412	90,404
Grant income	149,060	192,205	134,877
Borrowings	<u>968,683</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>1,209,257</u>	<u>255,617</u>	<u>225,281</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>12,158,980</u></u>	<u><u>11,075,057</u></u>	<u><u>11,689,213</u></u>

**BEOWULF MINING PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS TO 30 SEPTEMBER 2020**

	Share capital	Share premium	Capital contribution reserve	Share-based payment reserve	Merger reserve	Translation reserve	Accumulated
	£	£	£	£	£	£	£
<b>At 1 January 2019</b>	5,663,072	19,266,271	46,451	612,465	137,700	(520,257)	(15,300)
Loss for the period	-	-	-	-	-	-	(1,000)
Foreign exchange translation	-	-	-	-	-	(508,013)	-
Total comprehensive loss	-	-	-	-	-	(508,013)	(1,000)
<i>Transactions with owners</i>							
Issue of share capital	223,320	1,026,680	-	-	-	-	-
Costs associated with the issue of new shares	-	(62,945)	-	-	-	-	-
Equity-settled share-based payment transactions	-	-	-	93,154	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-	-
<b>At 30 September 2019 (Unaudited)</b>	<b>5,886,392</b>	<b>20,230,006</b>	<b>46,451</b>	<b>705,619</b>	<b>137,700</b>	<b>(1,028,270)</b>	<b>(15,400)</b>
Loss for the period	-	-	-	-	-	-	(1,000)
Foreign exchange translation	-	-	-	-	-	(262,798)	-
Total comprehensive (loss)	-	-	-	-	-	(262,798)	(1,000)
<i>Transactions with owners</i>							
Issue of share capital	136,054	624,363	-	-	-	-	-
Costs associated with the issue of new shares	-	(30,360)	-	-	-	-	-
Equity-settled share-based payment transactions	-	-	-	26,566	-	-	-
Step acquisition of subsidiary	-	-	-	-	-	-	(2,000)
<b>At 31 December 2019 (Audited)</b>	<b>6,022,446</b>	<b>20,824,009</b>	<b>46,451</b>	<b>732,185</b>	<b>137,700</b>	<b>(1,291,068)</b>	<b>(15,700)</b>
Loss for the period	-	-	-	-	-	-	(6,000)
Foreign exchange translation	-	-	-	-	-	654,404	-
Total comprehensive income	-	-	-	-	-	-	(6,000)
<i>Transactions with owners</i>							
Step acquisition of Subsidiary	-	-	-	-	-	-	(1,000)
<b>At 30 September 2020 (Unaudited)</b>	<b>6,022,446</b>	<b>20,824,009</b>	<b>46,451</b>	<b>732,185</b>	<b>137,700</b>	<b>(636,664)</b>	<b>(16,500)</b>

**BEOWULF MINING PLC**  
**CONDENSED COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS TO 30 SEPTEMBER 2020**

	Share capital	Share premium	Merger reserve	Capital contribution reserve	Share payment r
	£	£	£	£	
<b>At 1 January 2019</b>	5,663,072	19,266,271	137,700	46,451	6
Loss for the period	-	-	-	-	
Total comprehensive loss	-	-	-	-	
<i>Transactions with owners</i>					
Issue of share capital	223,320	1,026,680	-	-	
Costs associated with the issue of new shares	-	(62,945)	-	-	
Equity-settled share-based payment transactions	-	-	-	-	
<b>At 30 September 2019 (Unaudited)</b>	5,886,392	20,230,006	137,700	46,451	7
Loss for the period	-	-	-	-	
Total comprehensive loss	-	-	-	-	
<i>Transactions with owners</i>					
Issue of share capital	136,054	624,363	-	-	
Costs associated with the issue of new shares	-	(30,360)	-	-	
Equity-settled share-based payment transactions	-	-	-	-	
<b>At 31 December 2019 (Audited)</b>	6,022,446	20,824,009	137,700	46,451	7
Loss for the period	-	-	-	-	
Total comprehensive loss	-	-	-	-	
<b>At 30 September 2020 (Unaudited)</b>	6,022,446	20,824,009	137,700	46,451	7

## **NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FOR THE NINE MONTHS TO 30 SEPTEMBER 2020**

### **1. Nature of Operations**

Beowulf Mining plc (the “Company”) is domiciled in England and Wales. The Company's registered office is 201 Temple Chambers, 3-7 Temple Avenue, London, EC4Y 0DT. This consolidated financial information comprises that of 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 2019 except as noted below.

The Group applied the provisions of IFRS 10 from 1 April 2019 to its investment in Vardar following a further increase in ownership, and consolidated Vardar effective of this date. The primary impact of this consolidation in the comparatives for the 9 months to 30 September 2020 has been in the inclusion of the gain on acquisition at 1 April of £563,431, and the inclusion consolidated operating costs of £78,926.

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 period ended 30 September 2019 is unaudited and for the twelve months ended 31 December 2019 is audited. The financial information for the nine-month period ended 30 September 2020 is unaudited and has not been reviewed by the auditors. The audit of the financial information for the year ended 31 December 2019 has been completed. The auditor’s report on the statutory financial statements for the year ended 31 December 2019 was unqualified and did not contain any statement under sections 498 (2) or (3) of the Companies Act 2006. The audit report did contain a material uncertainty with respect of going concern, however following additional audit procedures and noting it as key audit matter, it was concluded the going concern basis was appropriate.

The going concern assumption has been assessed by the Directors in light of the impact of Covid-19, taking into consideration the entities current financial position, ability to raise new funds and carry out its operations for the year. The Directors are confident that there is no immediate need for funding following the loan financing in Sweden of SEK 12 million (before expenses) secured in the previous period.

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. Group and Company loss per share

	(Unaudited) 3 months ended 30 September 2020	(Unaudited) 3 months ended 30 September 2019	(Unaudited) 9 months ended 30 September 2020	(Unaudited) 9 months ended 30 September 2019	(Audited) 12 months ended 31 December 2019
<b>Group</b>					
Loss for the year attributable to shareholders of the Company (£'s)	(269,869)	(255,922)	(623,064)	(153,976)	(267,000)
Weighted average number of ordinary shares	602,244,672	580,770,460	602,244,672	580,770,460	585,102,740
Diluted weighted average number of ordinary shares	602,244,672	580,770,460	602,244,672	580,770,460	585,102,740
Loss per share (p)	(0.04)	(0.04)	(0.10)	(0.03)	(0.04)
Diluted loss per share (p)	(0.04)	(0.04)	(0.10)	(0.03)	(0.04)
<b>Parent</b>					
Loss for the year attributable to shareholders of the Company (£'s)	(211,180)	(206,193)	(514,209)	(651,299)	(763,430)
Weighted average number of ordinary shares	602,244,672	580,770,460	602,244,672	580,770,460	585,102,740
Diluted weighted average number of ordinary shares	602,244,672	580,770,460	602,244,672	580,770,460	585,102,740
Loss per share (p)	(0.04)	(0.04)	(0.09)	(0.11)	(0.13)
Diluted loss per share (p)	(0.04)	(0.04)	(0.09)	(0.11)	(0.13)

#### 4. Share Capital

	(Unaudited) 30 September 2020 £	(Unaudited) 30 September 2019 £	(Audited) 31 December 2019 £
<b>Allotted, issued and fully paid</b>			
Ordinary shares of 1p each	<u>6,022,446</u>	<u>5,886,392</u>	<u>6,022,446</u>

The number of shares in issue was as follows:

	Number of shares
<b>Balance at 1 January 2019</b>	566,307,254
Issued during the period	<u>22,332,016</u>
<b>Balance at 30 September 2019</b>	588,639,270
Issued during the period	<u>13,605,402</u>
<b>Balance at 31 December 2019</b>	<u>602,244,672</u>
<b>Balance at 30 September 2020</b>	<u>602,244,672</u>

## 5. Intangible Assets: Group

Exploration costs	As at 30 September 2020 (Unaudited) £	As at 30 September 2019 (Unaudited) £	As at 31 December 2019 (Audited) £
<b>Cost</b>			
At 1 January	10,011,494	8,285,547	8,285,547
Additions for the year	291,136	528,992	1,304,896
Additions arising from the step-up in interest in Vardar	-	1,389,553	1,203,685
Foreign exchange movements	654,165	(507,299)	(771,914)
Impairment	(18,650)	-	(10,720)
	<u>10,938,145</u>	<u>9,696,793</u>	<u>10,011,494</u>

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

Project	Country	As at 30 September 2020 (Unaudited) £	As at 30 September 2019 (Unaudited) £	As at 31 December 2019 (Audited) £
Kallak	Sweden	7,210,742	6,724,645	6,675,124
Åtvidaberg	Sweden	373,126	352,708	345,978
Ågåsjegge	Sweden	-	15,985	15,568
Sala	Sweden	-	9,251	-
Pitkäjärvi	Finland	1,290,465	1,065,208	1,058,078
Joutsijärvi	Finland	21,901	19,787	19,095
Rääpysjärvi	Finland	47,093	34,042	39,905
Karhunmäki	Finland	40,704	20,216	24,078
Merivaara	Finland	33,175	15,992	17,846
Polvela	Finland	34,043	29,665	31,316
Tammijärvi	Finland	27,127	19,741	24,278
Mitrovica	Kosovo	1,323,224	959,567	1,243,194
Viti	Kosovo	536,545	429,986	517,034
		<u>10,938,145</u>	<u>9,696,793</u>	<u>10,011,494</u>

Total Group exploration costs of £10,938,145 are currently carried at cost in the financial statements. During the period Ågåsjegge was identified as a project to be discontinued. The impairment charge arising from the impairment of the project was £18,650 (30 September 2019 : £Nil).

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

The most significant risk currently facing the Group is that it does not receive an Exploitation Concession for Kallak. The Company originally applied for the Exploitation Concession in April 2013 and throughout 2017, and since the year-end, management have actively sought to progress the application, engaging with the various government bodies and other stakeholders. These activities are summarised above. Kallak is included in the condensed financial statements as at 30 September 2020 as an intangible exploration licence with a carrying value of £7,210,742. Management have considered the status of the application for the Exploitation Concession and in their judgement, they believe it is appropriate to be optimistic about the chances of being awarded the Exploitation Concession and thus have not impaired the project.

## 6. Borrowings

	<b>As at 30 September 2020 (Unaudited) £</b>	<b>As at 30 September 2019 (Unaudited) £</b>	<b>As at 31 December 2019 (Audited) £</b>
<b>Current</b>			
Bridging loan	968,683	-	-
	<hr/>	<hr/>	<hr/>
	968,683	-	-
	<hr/>	<hr/>	<hr/>

On 13 August 2020, the Company secured a Bridging loan from Nordic investors of SEK 12 million (approximately £1.0 million). The Loan has a fixed interest rate of 1.5 percent per stated 30-day period during the duration. Accrued interest is non-compounding. The Loan has a commitment fee of 5 per cent and a Maturity Date of 15 January 2021.

Beowulf can repay the Loan and accrued interest at any time prior to the Maturity Date. If the Loan and accrued interest is not repaid by 15 February 2021, at the latest, the Creditors have the right to convert the Loan and accrued interest into Swedish Depository Receipts ("SDR") at a price per SDR calculated with a 10 per cent discount on the volume weighted average price of the SDR during the preceding 5 trading days to the conversion decision.

The Loan is accounted for using an amortised cost using an effective rate of interest. The conversion feature contained within the loan is considered an embedded derivative and has not been assessed as significant given the available inputs.

## 7. Availability of interim report

A copy of these results will be made available for inspection at the Company's registered office during normal business hours on any weekday. The Company's registered office is at 207 Temple Chambers, 3-7 Temple Avenue, London, EC4Y 0DT. A copy can also be downloaded from the Company's website at [www.beowulfmining.com](http://www.beowulfmining.com). Beowulf Mining plc is registered in England and Wales with registered number 02330496.

\*\* Ends \*\*