

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser. The whole of this document should be read, but your attention is in particular drawn to Part II (Risk Factors) of this document.**

This document relating to Beowulf Mining plc (the “Company”) has been approved by the Financial Conduct Authority of the United Kingdom (“FCA”), as competent authority under Regulation (EU) 2017/1129 (the “Prospectus Regulation”). The FCA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by The Prospectus Regulation and such approval should not be considered as an endorsement of the issuer that is the subject of this prospectus or of the quality of the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares and/or the New SDRs that are the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares, and/or the New SDRs. This prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of The Prospectus Regulation. This prospectus has been passported into Sweden pursuant to Chapter 2, Section 36 of the Swedish Financial Instruments Trading Act (Swedish: *lagen (1991:980) om handel med finansiella instrument*). This document does not constitute an admission document drawn up in accordance with the AIM Rules.

If you have sold or otherwise transferred all of your Existing Ordinary Shares prior to 8.00 a.m. on 17 November 2020 being the date upon which the Existing Ordinary Shares will be marked “ex” the entitlement to the Open Offer please immediately forward this document, together with, if relevant, the personalised Application Form, if and when received, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer is/was effected for delivery to the purchaser or the transferee. However, the distribution of this document, the Application Forms and/or any related documents, and/or the transfer of the Open Offer Entitlements and/or Excess Open Offer Entitlements through CREST into jurisdictions other than the United Kingdom and Sweden may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of such jurisdictions. In particular, this document, the enclosures and any other such documents should not be distributed, forwarded to or transmitted in or into the United States or any other Restricted Jurisdiction. In such circumstances, if you sell or have sold or otherwise transferred only part of your holding of Existing Ordinary Shares, you should retain any such documents received.

The Directors, whose names appear on page 31 of this document, and the Company accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

The distribution of this document and any accompanying documents to jurisdictions other than the United Kingdom and Sweden may be restricted by applicable laws or regulations and neither this document nor the Application Form forms part of any offer or invitation to sell or issue or the solicitation of any offer to purchase or subscribe for the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares or the New SDRs in any jurisdiction where such offer, invitation or solicitation is unlawful. Persons in jurisdictions other than the United Kingdom and Sweden into whose possession this document and/or any of the accompanying documents comes should inform themselves about and observe such applicable legal or regulatory requirements in such jurisdiction. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction.

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# BOWULF MINING PLC



*(incorporated in England and Wales under the Companies Act 2006 and registered with registered number 02330496)*

**Open Offer of up to 225,841,752 new Ordinary Shares at 3.16 pence per share**

**Rights issue of new SDRs to existing holders of SDRs at SEK 0.370 per SDR**

*Nominated Adviser and Broker*

**SP Angel Corporate Finance LLP**

*Swedish Financial Adviser and Broker*

**Sedermora Fondkommission**

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The Existing Ordinary Shares are admitted to trading on AIM. Application will be made for the New Ordinary Shares to be admitted to trading on AIM. It is expected that AIM Admission will become effective and that dealings will commence in the New Ordinary Shares by 8.00 a.m. on 22 December 2020. Application will be made for the Swedish Subscription Rights, the Paid Subscribed SDRs and the New SDRs to be admitted to trading on Spotlight. Dealings on Spotlight in the Swedish Subscription Rights and Paid Subscribed SDRs will commence (for normal settlement) on 20 November 2020 and that Swedish Admission will become effective and that dealings on Spotlight in the New SDRs will commence (for normal settlement) on or around 29 December 2020.

AIM is a market designed primarily for emerging and smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not examined or approved the contents of this document. This document does not constitute a recommendation regarding securities of the Company.

**Your attention is drawn to the letter from the Chairman of the Company which is set out in Part VII of this document. You should read the whole of this document, including the information incorporated by reference into this document, and you should review the Risk Factors set out on pages 12 to 23 of this document for a discussion of certain risks, uncertainties and other factors that might affect the value of any shareholding in the Company. Prospective investors should be aware that an investment in the Company involves a degree of risk and that, if certain of the risks described in this document occur, investors may find their investment materially adversely affected. Accordingly, an investment in the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares or the New SDRs is only suitable for investors who are particularly knowledgeable in investment matters and who are able to bear the loss of the whole or part of their investment.**

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 18 December 2020. The procedures for acceptance and payment are set out in Part VI of this document and, where relevant, in the Application Form. Qualifying Non-CREST Shareholders will be sent an Application Form. Qualifying CREST Shareholders (who will not receive an Application Form) will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements and Excess Open Offer Entitlements which is expected to be enabled for settlement on 18 November 2020.

Applications under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of a sale or transfer of Ordinary Shares prior to the date on which the Ordinary Shares were marked "ex" the entitlement by the London Stock Exchange. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer. The Application Form is personal to Qualifying Shareholders and cannot be transferred, sold, or assigned except to satisfy *bona fide* market claims. Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer.

SP Angel Corporate Finance LLP ("**SP Angel**"), which is authorised and regulated by the FCA in the United Kingdom, is acting as nominated adviser and financial adviser exclusively for the Company and no-one else in connection with the Capital Raising, this document and AIM Admission and will not regard any other person (whether or not a recipient of this document) as a client of SP Angel in relation to the Capital Raising, this document or AIM Admission or any arrangement referred to in, or information contained in, this document and will not be responsible for providing the protections afforded to SP Angel's clients nor for giving advice in relation to the Capital Raising, this document or AIM Admission, or any arrangement referred to or information contained in this document.

Sedermerna is acting as the financial adviser to, and is providing issuing services for, the Company in relation to the SDR Rights Issue. Sedermerna is a secondary business name of ATS Finans AB. Sedermerna has assisted the Company in the preparation of this document. The Directors are responsible for the contents of this document and Sedermerna and ATS Finans AB disclaim all responsibility in relation to Shareholders and SDR Holders and for other direct or indirect consequences as a result of investment decisions or other decisions based on the information in this document.

#### **NOTICE TO US INVESTORS**

This document, including the Application Form, does not constitute an offer of Swedish Subscription Rights, Paid Subscribed SDRs, New Ordinary Shares or New SDRs to any person with a registered address in, or who is resident in, the United States or any other Restricted Jurisdiction. The Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares and the New SDRs have not been and will not be registered under the US Securities Act, or with any regulatory authority or under the applicable securities laws of any state or other jurisdiction of the United States, or the relevant laws of any state, province or territory of any other Restricted Jurisdiction and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States or any other Restricted Jurisdiction.

The Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares and the New SDRs have not been approved or disapproved by the SEC, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares and the New SDRs or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States. There will be no public offer of the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares and the New SDRs in the United States.

#### **NOTICE TO OVERSEAS SHAREHOLDERS AND OVERSEAS SDR HOLDERS**

**EXCEPT AS OTHERWISE SET OUT HEREIN, THE CAPITAL RAISING DESCRIBED IN THIS DOCUMENT IS NOT BEING MADE TO SHAREHOLDERS OR INVESTORS IN ANY RESTRICTED JURISDICTIONS. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.**

For a description of the restrictions on offers, sales and transfers of the New Ordinary Shares and the distribution of this document, see Part VIII (*Terms and Conditions of the Open Offer*) of this document.

All Overseas Shareholders and any person (including, without limitation, a nominee, custodian or trustee who has a contractual or other legal obligation to forward this document or any Application Form, if and when received, or other document to a jurisdiction outside the UK), should read section 6 of Part VIII (*Terms and Conditions of the Open Offer*) of this document.

For a description of the restrictions on offers, sales and transfers of the New SDRs and the distribution of this document, see Part X (*Terms and Conditions of the SDR Rights Issue*) of this document.

All Overseas SDR Holders and any person (including, without limitation, a nominee, custodian or trustee who has a contractual or other legal obligation to forward this document or any Pre-Printed Issue Account Statement or Subscription Form, if received, or other document to a jurisdiction outside Sweden and the UK), should read section 12 of Part X (*Terms and Conditions of the SDR Rights Issue*) of this document.

**The contents of this document are not to be construed as legal, business or tax advice. Each prospective investor should consult their own legal, financial or tax adviser for legal, financial or tax advice.**

**Investors should only rely on the information contained in this document and contained in any documents incorporated into this document by reference. No person has been authorised to give any information or make any representations other than those contained in this document and any document incorporated by reference and, if given or made, such information or representation must not be relied upon as having been so authorised by the Company, the Board, SP Angel or Sedermera. The Company will comply with its obligation to publish supplementary prospectuses containing further updated information required by law or by any regulatory authority but assumes no further obligation to publish additional information.**

**Subject to FSMA, the AIM Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation Rules and the Prospectus Regulation, neither the delivery of this document nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as at any time after this date.**

**Without limitation, the contents of the Group's website do not form part of this document (including the contents of any websites accessible from the hyperlinks of such website), other than the information set out in Part XVI (*Information Incorporated by Reference*). No statement in this document or incorporated by reference into this document is intended as a profit forecast or profit estimate for any period.**

Capitalised terms have the meanings ascribed to them in the Definitions set out at the end of this document.

### **INFORMATION TO DISTRIBUTORS**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares and the New SDRs have been subject to a product approval process, which has determined that the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares and the New SDRs are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares and the New SDRs may decline and investors could lose all or part of their investment; the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares and the New SDRs each offer no guaranteed income and no capital protection; and an investment in each of the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares and the New SDRs is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Brokers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares and the New SDRs. Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares and the New SDRs and determining appropriate distribution channels.

In accordance with the AIM Rules, this document will be available to Shareholders on the Company's website at <https://beowulfmining.com> from the date of this document, free of charge

**The date of this document is 16 November 2020.**

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# PART I

## SUMMARY

### 1 INTRODUCTION AND WARNINGS

#### 1.1 Details of the securities

The Existing Ordinary Shares are registered with ISIN GB0033163287 and are traded on AIM under the ticker symbol "BEM". The New Ordinary Shares will also be registered with ISIN GB0033163287.

The ISIN number for the Open Offer Entitlements will be GB00BN0T0Y16 and the ISIN number for the Excess CREST Open Offer Entitlements will be GB00BN0T0Z23.

The SDRs are registered with ISIN SE0002457796 and are traded on Spotlight under the ticker symbol "BEO SDB". The New SDRs will also be registered with ISIN SE0002457796.

The ISIN number, the CFI number and the FISN number for the Swedish Subscription Rights will be SE0015195581, RSMXXR and BOWULF/SUBS RTS NL PD and the ISIN number, the CFI number and the FISN number for the Paid Subscribed SDRs will be SE0015195599, EDSXDR and BOWULF/SDR, respectively.

#### 1.2 Details of the issuer

The issuer is Beowulf Mining plc, a public limited company incorporated in England and Wales with registered number 02330496.

The Company's registered office is at 201 Temple Chambers, 3-7 Temple Avenue, London EC4Y 0DT. Its telephone number is +44 (0)20 3771 6993 and the LEI of the Company is 213800MV3XGAOASPT433.

#### 1.3 Details of the FCA

This document has been approved by the FCA as the competent authority under the Prospectus Regulation.

The head office of the FCA is at 12 Endeavour Square, London, E20 1JN. The telephone number of the FCA is +44 (0)20 7066 1000.

#### 1.4 Date of approval of the prospectus

16 November 2020.

#### 1.5 Warnings

This summary should be read as an introduction to this document.

Any decision to invest in the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares or the New SDRs should be based on a consideration of the document as a whole by the investor. Any investor could lose all or part of their invested capital.

Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this document before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only where this summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or where it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares or the New SDRs.

### 2 KEY INFORMATION ON THE ISSUER

#### 2.1 Who is the issuer of the securities?

The issuer is Beowulf Mining plc, a public limited company domiciled and incorporated in England and Wales with registered number 02330496. The LEI of the Company is 213800MV3XGAOASPT433. The principal legislation under which the Company operates is the Companies Act.

##### **Principal activities**

The Company's vision is to build a sustainable and innovative mining company, which creates shareholder value by developing mining assets, delivering production and generating cash flow, and, in so doing, meets society's needs for metals.

The Company's asset portfolio is diversified by commodity, geography and the development stage of its various projects, and features metals in demand to facilitate an economic green transition and for addressing the climate emergency:

- the Kallak magnetite iron ore project in Sweden;
- the Aitolampi graphite project in Finland.

In addition, the Company owns approximately 46.1 per cent. of Vardar, a UK registered exploration company with two exploration projects are located within the Tethyan Belt, a major orogenic metallogenic province for gold and base metals in the Balkan region.

### Major shareholders

As at the Latest Practicable Date, the Company had been notified in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules of the following interests in its Existing Ordinary Shares:

	<i>Number of Ordinary Shares</i>	<i>% of voting rights</i>
HSBC Global Custody Nominee (UK) Limited	408,460,129	67.82
Interactive Investor Services Nominees Limited A/C SMKTNOMS	23,322,604	3.87

### Key managing director

Kurt Budge, Chief Executive Officer.

### Statutory auditor

The Company's statutory auditor is BDO LLP, 55 Baker Street, Marylebone, London W1U 7EU.

## 2.2 What is the key financial information regarding the issuer?

Selected key historical financial information relating to the Group for the financial year ended 31 December 2019, the six month period ended 30 June 2020 and the nine month period ended 30 September 2020 is set out below.

The financial information set out in the table below has been extracted without material adjustment from the Historical Financial Information.

### Consolidated Income Statement:

	<i>For the year ended 31 December 2019 (audited) £</i>	<i>For the six months ended 30 June 2020 (unaudited) £</i>	<i>For the six months ended 30 June 2019 (unaudited) £</i>	<i>For the nine months ended 30 September 2020 (unaudited) £</i>	<i>For the nine months ended 30 September 2019 (unaudited) £</i>
Total revenue	–	–	–	–	–
Operating profit (loss)	(471,675)	(403,154)	46,713	(674,324)	(266,805)
Net profit (loss) attributable to equity holders of the Company	(267,000)	(353,195)	101,947	(623,064)	(153,976)
Profit (loss) per share	(0.04)p	(0.06)p	0.02p	(0.10p)	(0.03p)

### Consolidated Statement of Financial Position:

	<i>As at 31 December 2019 (audited) £</i>	<i>As at 30 June 2020 (unaudited) £</i>	<i>As at 30 September 2020 (unaudited) £</i>
Total assets	11,402,351	11,725,653	12,388,704
Total equity	11,017,117	11,283,002	11,010,904

### **Consolidated Statement of Cash Flows:**

	<i>For the year ended 31 December 2019 (audited) £</i>	<i>For the six months ended 30 June 2020 (unaudited) £</i>	<i>For the six months ended 30 June 2019 (unaudited) £</i>	<i>For the nine months ended 30 September 2020 (unaudited) £</i>	<i>For the nine months ended 30 September 2019 (unaudited) £</i>
Net cash flows used in operating activities	(959,742)	(277,058)	(307,083)	(540,663)	(713,640)
Net cash flows used in investing activities	(1,346,175)	(228,378)	(741,070)	(303,387)	(1,096,678)
Net cash flow from (used in) financing activities	1,901,818	(2,988)	1,187,055	924,020	1,187,055

The audit report on the 2019 Financial Statements incorporated by reference into this document is unqualified. The 2019 Half-Yearly Financial Statements, the 2020 Half-Yearly Financial Statements and the 2020 Nine Months Financial Statements incorporated by reference into this document are unaudited.

### **2.3 What are the key risks that are specific to the issuer?**

Prior to investing in the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares or the New SDRs, prospective investors should consider the associated risks. The key risks specific to the Company are:

- (a) the Company may not be granted an Exploitation Concession for its principal and most advanced project at Kallak North;
- (b) the Company's operations are dependent upon the grant, renewal or continuance in force of appropriate licences which may be revoked if their conditions are not complied with;
- (c) the Company will have additional financing needs in the future and adequate financing might not be available on acceptable terms, or at all;
- (d) the Company's value and financial performance is dependent on commodity prices;
- (e) the Company is exposed to foreign currency risk;
- (f) the Company may not discover an economic mineral deposit;
- (g) COVID-19 has negatively impacted economic conditions globally and may adversely affect the Group's operations;
- (h) the Company has no current revenue source and a history of operating losses, is likely to generate operating losses for the foreseeable future and is likely to achieve revenues or profitability for some time, if at all.

## **3 KEY INFORMATION ON THE SECURITIES**

### **3.1 What are the main features of the securities?**

#### ***Type, class and ISIN of the securities***

The New Ordinary Shares will be fully paid ordinary shares of 1 pence each in the capital of the Company traded on AIM under the ticker symbol "BEM". On AIM Admission, the New Ordinary Shares will have the ISIN code GB0033163287.

The ISIN number for the Open Offer Entitlements will be GB00BN0T0Y16 and the ISIN number for the Excess CREST Open Offer Entitlements will be GB00BN0T0Z23.

The New SDRs will be SDRs traded on Spotlight under the ticker symbol "BEO SDB". On Swedish Admission, the New SDRs will have the ISIN-code SE0002457796.

The ISIN number, the CFI number and the FISN number for the Swedish Subscription Rights will be SE0015195581, RSMXXR and BEO WULF/SUBS RTS NL PD and the ISIN number, the CFI number and the FISN number for the Paid Subscribed SDRs will be SE0015195599, EDSXDR and BEO WULF/SDR, respectively.

#### ***Currency of the securities***

The New Ordinary Shares are denominated in pounds sterling.

The Swedish Subscription Rights, the Paid Subscribed SDRs and the New SDRs are denominated in Swedish krona.

#### ***Number of issued and fully paid securities***

The Open Offer comprises in aggregate up to 225,841,752 New Ordinary Shares.

On the Latest Practicable Date, the Company had 602,244,672 Existing Ordinary Shares in issue (all of which were fully paid or credited as fully paid).

The SDR Rights Issue comprises in aggregate up to 153,172,548 New SDRs.

On the Latest Practicable Date, the Company had 408,460,129 SDRs in issue.

#### ***Rights attaching to the securities***

The New Ordinary Shares will be issued and credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and distributions declared in respect of Ordinary Shares after their issue.

Subject to any special rights, restrictions or prohibitions on voting for the time being attached to any Ordinary Shares (for example, in the case of joint holders of a share, the only vote which will count is the vote of the person whose name is listed before the other voters on the register for the share), Shareholders shall have the right to receive notice of, and to attend and vote at, general meetings of the Company.

The New SDRs will, upon issue, rank *pari passu* in all respects with the Existing SDRs and will carry the right to any dividend for the first time on the first record date of dividend following their registration with Euroclear Sweden.

An SDR Holder will have the rights set out in the General Terms and Conditions of the SDRs, which may be summarised as:

- the right to withdraw the Shares deposited and underlying the SDRs;
- the right to receive payment in SEK from the Custodian for an amount equal to cash dividends received by the Custodian from the Company in respect of the deposited Ordinary Shares;
- the right to receive from the Custodian additional SDRs representing additional Ordinary Shares received by the Custodian from the Company by way of dividend or bonus issue;
- the right to receive from the Custodian any dividend in property other than cash in a manner determined by the Custodian in consultation with the Company which may entail that the property is sold and that funds from the sale following deduction for sales costs and taxes shall be paid to the SDR Holders;
- the right to request the Custodian to subscribe for Ordinary Shares, convertibles, warrants or other rights made available by the Company to holders of Ordinary Shares; and
- the right to attend and vote at any shareholders' meeting or to instruct the Custodian regarding the exercise by proxy of any voting rights notified by the Company to the Custodian,

in each case subject to the detailed terms set out in the General Terms and Conditions of the SDRs.

#### ***Description of restrictions on free transferability of the securities***

The New Ordinary Shares are freely transferable and there are no restrictions on transfer of the New Ordinary Shares.

The New SDRs are freely transferable and there are no restrictions on transfer of the New SDRs.

#### ***Rank of securities in the Company's capital structure in the event of insolvency***

The New Ordinary Shares do not carry any rights to participate in a distribution (including on a winding-up) other than those that exist as a matter of law. On a return of capital on a winding-up, the Ordinary Shares rank equally and are not subordinated to any other securities issued by the Company. The New Ordinary Shares and the Existing Ordinary Shares will rank *pari passu* in all respects.

The New SDRs are entitled to receive any cash or other property received in respect of the deposited Ordinary Shares in a distribution (including on a winding-up).

#### ***Dividend policy***

It is the intention of the Directors to achieve capital growth by maximising the value of the Company's exploration projects and not to pay dividends until such time that the Company's assets have been brought into profitable production or sold. No dividends will be distributed for the year ended 31 December 2019.

### **3.2 Where will the securities be traded?**

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that admission of the New Ordinary Shares on AIM will become effective, and that dealings in the New Ordinary Shares on AIM will commence, at 8.00 a.m. on 22 December 2020.

Application will be made for the Swedish Subscription Rights, the Paid Subscribed SDRs and the New SDRs to be admitted to trading on Spotlight. It is expected that dealings on Spotlight in the Swedish Subscription Rights

and the Paid Subscribed SDRs will commence (for normal settlement) on 20 November 2020 and that Swedish Admission will become effective and that dealings on Spotlight in the New SDRs will commence (for normal settlement) on or around 29 December 2020.

### 3.3 What are the key risks that are specific to the securities?

Prior to investing in the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares and the New SDRs, prospective investors should consider the associated risks. The key risks specific to the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares and the New SDRs are:

- (a) the value of an investment in the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares or the New SDRs may go down as well as up and any fluctuations may be material and may not reflect the underlying asset value;
- (b) the market price for Ordinary Shares may decline below the Offer Price and for Swedish Subscription Rights, Paid Subscribed SDRs and SDRs may decline below the SDR Offer Price;
- (c) Shareholders and SDR Holders are likely to experience dilution in their ownership of the Company;
- (d) investment in securities traded on AIM is perceived to involve a higher degree of risk and be less liquid than investment in companies whose securities are listed on the Official List and traded on the London Stock Exchange's main market for listed securities;
- (e) investment in securities traded on Spotlight is perceived to involve a higher degree of risk and be less liquid than investment in companies whose securities are listed on the main market for listed securities in Sweden;
- (f) potentially volatile share price and liquidity;
- (g) SDR Holders must rely on the Custodian to exercise rights attaching to the underlying Ordinary Shares for the benefit of the SDRs Holders.

## 4 KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC

### 4.1 Under which conditions and timetable can I invest in this security?

#### **Terms and conditions of the Capital Raising**

The Capital Raising is conditional upon AIM Admission becoming effective by not later than 8.00 a.m. on 22 December 2020 (or such later time and/or date (being not later than 8.00 a.m. on 29 December 2020) as the Company and SP Angel may agree).

Accordingly, if such condition is not satisfied, the Capital Raising will not proceed. In such circumstances, application monies will be returned to investors without payment of interest, as soon as practicable.

**Open Offer:** The Company intends to raise gross proceeds of up to approximately £7.3 million (approximately SEK 82.9 million) through the Open Offer of 225,841,752 New Ordinary Shares at the Offer Price.

Subject to the fulfilment of the conditions below, Qualifying Shareholders are being given the opportunity to subscribe for New Ordinary Shares *pro rata* to their existing shareholdings on the basis of 3 Open Offer Shares at 3.16 pence each for every 8 Existing Ordinary Shares held by them and registered in their names at the Open Offer Record Time and so in proportion to any other number of Existing Ordinary Shares then held, rounded down to the nearest whole number of Open Offer Shares. Qualifying Shareholders may therefore apply for any whole number of Open Offer Shares up to their Open Offer Entitlement. Qualifying Shareholders are also being given the opportunity to apply for Excess Open Offer Shares at the Offer Price through the Excess Application Facility provided always that no Qualifying Shareholder shall be entitled to receive in excess of such number of Open Offer Shares as would bring their aggregate interest in the Company to more than the Aggregate Limit.

The Open Offer is not being underwritten.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that admission of the New Ordinary Shares on AIM will become effective, and that dealings in the New Ordinary Shares on AIM will commence, at 8.00 a.m. on 22 December 2020.

The New Ordinary Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Ordinary Shares and rank in full for all dividends and distributions declared in respect of Ordinary Shares after their issue.

**SDR Rights Issue:** the Company will instruct the Custodian, a Qualifying Shareholder and the depositary for the issue of the SDRs, to offer its Open Offer Entitlements to New Ordinary Shares to Qualifying SDR Holders in Sweden for subscription by way of New SDRs on the basis of 3 New SDRs at SEK 0.370 for every 8 Existing SDR held at the SDR Rights Issue Record Date. Qualifying SDR Holders will receive Swedish Subscription Rights. 1 Swedish Subscription Right is entitled to subscribe for 1 New SDR.

Trading in Swedish Subscription Rights registered in the VPC system will take place on Spotlight from 20 November 2020 until 2 December 2020. The subscription period commences on 20 November 2020 until 4

December 2020. Trading in Paid Subscribed SDRs registered in the VPC system will take place on Spotlight from 20 November 2020 until the New SDRs can be registered in the VPC system.

The SDR Rights Issue is being underwritten up to 80 per cent. by the Guarantors (approximately SEK 45.3 million), subject to the conditions set out in the Guarantee Commitment Agreements.

### **Expected timetable**

Each of the times and dates in the table below is indicative only and may be subject to change. References to times in this timetable are to London time unless otherwise stated.

	<i>2020</i>
Announcement of the Capital Raising	7.00 a.m. on 6 November
Latest time and date for conversion of Ordinary Shares into SDRs (and <i>vice versa</i> ) prior to the Open Offer Record Time and SDR Rights Issue Record Date	7.00 a.m. on 6 November
The last day of trading in SDRs with preferential rights	16 November
Publication of this document	16 November
Open Offer Record Time for Open Offer Entitlements	6.00 p.m. on 16 November
Ex-Entitlement Date for the Open Offer	8.00 a.m. on 17 November
Posting of this document and Application Forms (to Qualifying Non-CREST Shareholders only)	17 November
The first day of trading in SDRs without preferential rights	17 November
SDR Rights Issue Record Date for the SDR Rights Issue	18 November
Open Offer Entitlements and Excess Open Offer Entitlements credited to stock accounts in CREST (Qualifying CREST Shareholders only)	as soon as practicable after 8.00 a.m. on 18 November
Time and date from which conversion of Ordinary Shares into SDRs (and <i>vice versa</i> ) is permitted again	7.00 a.m. on 19 November
Swedish Subscription Rights are credited to VPC Accounts of Qualifying Swedish Directly Registered SDR Holders and, pursuant to the procedures of the relevant nominee, to the nominee accounts of Qualifying Swedish Nominee Registered SDR Holders	on or around 19 November
<b>Start of the subscription period for the SDR Rights Issue and dealings in the Swedish Subscription Rights and Paid Subscribed SDRs on Spotlight</b>	<b>20 November</b>
Last day of trading in the Swedish Subscription Rights	2 December
<b>Subscription period for the SDR Rights Issue ends</b>	<b>5.00 p.m. (Stockholm time) on 4 December</b>
Announcement of the results of the SDR Rights Issue	on or around 9 December
<b>Latest date for payment without preferential rights under the SDR Rights Issue</b>	<b>11 December</b>
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST (i.e. if your Open Offer Entitlements are in CREST and you wish to convert them to certificated form)	4.30 p.m. on 14 December
Latest time for depositing Open Offer Entitlements into CREST (i.e. of your Open Offer Entitlements are represented by an Application Form and you wish to convert them to uncertificated form)	3.00 p.m. on 15 December
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 16 December
<b>Latest time and date for receipt of completed Application Forms and payments in full and final settlement of CREST instructions (as appropriate)</b>	<b>11.00 a.m. on 18 December</b>
Announcement of the results of the Capital Raising	21 December
Last day of trading in the Paid Subscribed SDRs	on or around 21 December

**AIM Admission and commencement of dealings in the New Ordinary Shares****by 8.00 a.m. on 22 December**

New Ordinary Shares credited to CREST stock accounts (uncertificated Shareholders only) as soon as practicable after 8.00 a.m. on 22 December

Record date for conversion of the Paid Subscribed SDRs into New SDRs on or around 23 December

New SDRs credited to VPC Accounts of subscribers and, where applicable, their nominees on or around 29 December

**Swedish Admission and commencement of dealings in the New SDRs****on or around 29 December**

Despatch of definitive share certificates for the New Ordinary Shares in certificated form within 10 Business Days of AIM Admission

**Dilution**

A maximum of 225,930,552 New Ordinary Shares (including in relation to the SDR Rights Issue) may be issued pursuant to the Capital Raising, increasing the number of Ordinary Shares in issue from 602,244,672 to up to 828,175,224, corresponding to a £2,259,305.52 increase in the issued share capital of the Company from £6,022,446.72 to £8,281,752.24. If Qualifying Shareholders or Qualifying SDR Holders do not participate in the Open Offer or SDR Rights Issue and do not take up any of their Open Offer Entitlements or Excess Open Offer Entitlements, such Qualifying Shareholders' holdings, as a percentage of the Enlarged Share Capital, will be diluted by approximately 27.3 per cent. of votes and share capital (assuming full take-up under the Open Offer and SDR Rights Issue) as a result of the Capital Raising.

**Costs and expenses**

The total estimated costs and expenses of the Capital Raising payable by the Company are approximately £1.2 million (approximately SEK 14 million) assuming full take-up under the Open Offer and SDR Rights Issue. Of the total estimated issuing costs, approximately £0.48 million (approximately SEK 5.4 million) are attributable to cash compensation to the Guarantors as underwriters of the SDR Rights Issue. Shareholders and SDR Holders will not be charged expenses by the Company in respect of the Capital Raising.

**4.2 Why is this prospectus being produced?****Reasons for the Capital Raising**

The Company expects to utilise the Minimum Net Proceeds from the Capital Raising over the next 12 months as follows:

		<i>Percentage of Minimum £ Net Proceeds</i>
Repayment of the Bridge Loan	1,100,000	39%
Vardar – drilling of exploration targets defined by 2020 geophysics	719,000	26%
Fennoscandian – Aitolampi scoping study, pilot plant/test mining studies	430,000	15%
Kallak – drillings,scoping/technical studies	204,000	7%
Working capital	363,000	13%
<b>Total</b>	<b>2,816,000</b>	<b>100%</b>

The Company's cash position as at 31 October 2020 was approximately £756,000. In the event that the Company raises funds in the Capital Raising in excess of the Minimum Net Proceeds, the allocation of capital will be dependent on the results of the workstreams that are funded in the table of expected expenditures above and the circumstances at the time e.g. if drilling in Kosovo delivers resource grade intercepts, which supports resource drilling, then additional funds will be allocated accordingly.

**Material interests**

There are no interests, including any conflicting interests, known to the Company that are material to the Company or the Capital Raising.

## PART II

### RISK FACTORS

**Investment in the Company, the Ordinary Shares and SDRs carries a significant degree of risk, including risks in relation to the Company's business strategy, risks relating to taxation and risks relating to the Ordinary Shares and SDRs.**

Prospective investors should note that the risks relating to the Company, its industry and the Ordinary Shares and SDRs summarised in Part I (*Summary*) of this document are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares or the SDRs. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in Part I (*Summary*) of this document but also, *inter alia*, the risks and uncertainties described below.

The risks referred to below are those risks the Company and the Directors consider to be the material risks relating to the Company. However, there may be additional risks that the Company and the Directors do not currently consider to be material or of which the Company and the Directors are not currently aware that may adversely affect the Company's business, financial condition, results of operations or prospects. Investors should review this document carefully and in its entirety and consult with their professional advisers before acquiring any Ordinary Shares or SDRs. If any of the risks referred to in this document were to occur, the results of operations, financial condition and prospects of the Company could be materially adversely affected. If that were to be the case, the trading price of the Ordinary Shares or the SDRs could decline significantly. Further, investors could lose all or part of their investment.

#### **1 RISKS RELATING TO THE BUSINESS AND OPERATIONS OF THE GROUP**

##### **1.1 The Company may not be granted an Exploitation Concession for its principal and most advanced project at Kallak North**

There is a risk that the Exploitation Concession for the Company's principal and most advanced project, Kallak North, will not be awarded. 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. In July 2015, the County Administrative Board for the County of Norrbotten ("**CAB**") supported the Company's application, and in October 2015 the Mining Inspectorate recommended to the Swedish Government that the Exploitation Concession be awarded. On 30 November 2017, the CAB made the decision to not recommend that an Exploitation Concession for Kallak North be awarded. However, the Directors believe, based on legal advice received by the Company, that the CAB failed to use the socio-economic assessment criteria set out in the Environmental Code for applications such as the Company's, which put emphasis on safeguarding investment and job creation, and giving consideration for the municipalities' financial health. Furthermore, the Directors also believe (based on such legal advice) that the CAB also contradicted its July 2015 position, when it supported the economic case for Kallak. The CAB does not have the final decision on the award of the Exploitation Concession as that rests with the Swedish Government.

There is no time limit by when the Swedish Government needs to make a decision but the Minister has spoken of the need for transparency and predictability in permitting processes and of a 'forthcoming decision' with respect to the Company's application. While the Company waits on the Government, it will continue to maintain in good standing its interests in the exploration licences that make up the Kallak project and to undertake the studies and work programmes described in "*Plans for 2021 and outlook*" in section 2(b) of Part VII (*Letter from the Chairman of Beowulf Mining plc*) of this document. There is no definitive date by which the Company needs the Exploitation Concession.

Since the end of 2017, the Company has continued to push for a decision from the Swedish Government. The Company has the support of the Mayor of Jokkmokk, landowners' association and local entrepreneurs who have lobbied the Swedish Government. The Directors believe Kallak would have a positive transformational economic effect on Jokkmokk, the importance of which the Swedish Government has acknowledged. However, despite the Company's efforts the Swedish Government

has not been able to comment on when it expects to take a decision. While it is the Board's opinion that the Company has fully met the requirements of the prescribed application process, Swedish Minerals Act and Environmental Code, there is no guarantee that the grant of the Exploitation Concession will not be further delayed, or that the Exploitation Concession will be granted on favourable conditions or that it will be granted at all. Any continuing delay in obtaining or the failure to be granted the Exploitation Concession may result in a delay in investment or development of Kallak North and may have a materially adverse effect on the business, results of operations, cash flows and financial condition of the Company.

Throughout the application process the Company has been advised by Swedish lawyers Fröberg & Lundholm in its submissions and comments to Swedish authorities. In 2019, the Company engaged Swedish legal advisors Mannheimer Swartling to work with Fröberg and Lundholm and a concluding statement was submitted to the Swedish Government in November 2019 (the "**Statement**").

The purpose of the Statement was not to submit any new facts in the Kallak case, as all necessary and relevant facts have already been established as part of the application process. Rather, the Statement summarised the circumstances relevant to a judicial review of whether Beowulf should be awarded the Exploitation Concession for Kallak.

The Statement stressed that, as has previously been demonstrated by the Company, and acknowledged by the CAB, the establishment of a mine at Kallak would have significant positive effects on the local economy: creating jobs, generating tax revenues for Jokkmokk municipality, and stimulating and diversifying the business sector in Jokkmokk. In so doing, Kallak would help solve the problems Jokkmokk is facing, a lack of investment in new enterprise and job creation, and a declining and ageing population, which is putting a burden on Jokkmokks Kommun it cannot afford.

The Statement noted that neither the Reindeer Herding Impact Assessment, nor the Environmental Impact Assessment have concluded that mining operations at Kallak would threaten the existence and livelihoods of local reindeer herding communities. Furthermore, the Statement highlighted the similarities between Kallak and available case law, which support the approval of the Exploitation Concession.

For these reasons, the Statement concludes that Beowulf should be awarded the Exploitation Concession for Kallak.

## **1.2 The Company's operations are dependent upon the grant, renewal or continuance in force of appropriate licences which may be revoked if their conditions are not complied with**

The Company's current exploration operations are dependent upon the grant, renewal or continuance in force of appropriate licences, concessions, permits, authorisations, regulatory approvals and consents and contractual agreements which may be valid only for a defined time period, may be subject to limitations and may provide for termination, revocation or withdrawal in certain circumstances. There can be no assurance that such licences, concessions, permits, authorisations, regulatory approvals or consents or contractual agreements would be granted, secured, entered into, renewed or continue in force, that such permits will not be delayed, or that such permits will be granted on favourable conditions or at all. The failure to secure, or any delay in obtaining or renewing a licence, concession, permit, authorisation, regulatory approval and consent and contractual agreement or the failure to be granted or enter into the same on favourable conditions may result in no, or a delay in, investment in, or the development of, a resource and may have a material adverse impact on the Company's business, operating results, cash flows and financial condition.

The Company's licences, concessions, permits, authorisations, regulatory approvals and consents and contractual agreements contain a range of conditions and obligations on the Company, and there may be adverse consequences of breach of these conditions and obligations, ranging from penalties to, in extreme cases, suspension, termination, revocation or withdrawal of the Company's licences, concessions, permits, authorisations, regulatory approvals and consents and contractual agreements. While the Company diligently manages its licences to ensure full compliance (including through the generation for monitoring purposes and action of a monthly status report), suspension, termination, revocation or withdrawal of the requisite licences, concessions, permits, authorisations, regulatory approvals and consents and contractual agreements in respect of any of the Company's operations

may have a material adverse impact on the Company's business, operating results, cash flows and financial condition.

The Company manages its exploration licences and expenditures in accordance with applicable conditions and obligations for each licence. In Sweden and Finland, this means permitted activities, but not minimum expenditures, and in Kosovo, this means a minimum expenditure of 50 Euros per hectare per year in respect of the mining permits for Mitrovica and Viti in Kosovo. By ensuring that the Company meets its permit obligations in each jurisdiction, licences are typically renewed and the Company can continue to work.

Despite near-term expiry dates, the Company applies for renewals in a timely manner to maintain its exploration licences in good standing, unless no further work is planned and the licence is being relinquished.

In the jurisdictions in which the Company operates there is no specific statutory guidelines for when renewal decisions need to be taken by authorities. However, the Company seeks to build working relationships with authorities to ensure its applications are as expected and can be processed without undue delay.

Information on the Group's exploration licences and permits is set out in paragraph 15 of Part XV (*Additional Information*) of this document.

### **1.3 The Company will have additional financing needs in the future and adequate financing might not be available on acceptable terms, or at all**

Following the Capital Raising and receipt of the Minimum Net Proceeds, the Company will have sufficient working capital to continue operations for at least the next 12 months following the date of this document, and the Directors believe, into 2022. However, the Minimum Net Proceeds will be insufficient to fund in full the further exploration and development of the Company's projects. Accordingly, as is often the case for exploration companies, the Company expects to seek additional sources of financing to implement its strategy, to invest in its project portfolio and to cover corporate costs. While the Company will endeavour to continue to communicate effectively to the market, to seek to raise capital in a timely manner, to ensure its cash needs forecasting is accurate and its expenditure controls are in place to optimise cash resources, there can be no assurance that the Company will be able to raise those funds, whether on acceptable terms or at all. If further financing is obtained by issuing equity securities or convertible debt securities, existing Shareholders and SDR Holders may be diluted and the new securities may carry rights, privileges and preferences superior to the New Ordinary Shares and the New SDRs.

The Company may seek debt finance to fund all or part of any future development of the Company's projects. There can be no assurance that the Company will be able to raise those debt funds, whether on acceptable terms or at all. If debt financing is obtained, the Company's ability to raise further finance and its ability to operate its business may be subject to restrictions imposed by the providers of such funding. If the Company is unable to raise additional funds as needed, the scope of its operations may be reduced and or its interest in its projects may be diluted or may expire and, as a result, the Company may be unable to fulfil its medium to long-term exploration and development programme.

### **1.4 The Company's value and financial performance is dependent on commodity prices**

The value of the Company's assets and potential future earnings may be affected by adverse fluctuations in commodity prices, such as iron ore, graphite, zinc, lead, copper, gold, silver, lithium and boron prices. These prices can significantly fluctuate, and are exposed to numerous factors beyond the control of the Company such as global demand for metals and other commodities, forward selling by producers, and production cost levels in major metal producing regions. Other factors include expectations regarding inflation, the financial impact of movements in currency and interest rates, global economic trends, and domestic and international fiscal, monetary and regulatory policy settings.

While the Company seeks to identify and invest in high quality projects that are attractive to the market and to manage its capital and operating expenditures to maximise shareholder returns, the value of the Company's projects and its financial performance may be highly dependent on commodity prices.

### 1.5 **The Company is exposed to foreign currency risk**

Fluctuations in exchange rates between the currencies of the countries in which the Company operates and in the currency in which commodity prices are denominated, in each case relative to pounds sterling, may cause fluctuations in the value of its assets and financial results, which are not necessarily related to the Company's underlying operations. Accordingly, the depreciation of the pound and/or the appreciation of the foreign currency relative to pounds sterling could result in a translation loss on consolidation which is taken directly to shareholder equity. The Company's current operations would be particularly affected by adverse movements in the US dollar, the Euro or the Swedish krona.

The Company does not deliberately hedge foreign currency risk, but the Capital Raising will generate pounds sterling and Swedish krona receipts, and provide some mitigation of currency risk.

### 1.6 **The Company may not discover an economic mineral deposit**

Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. As part of its mine development, the Company must undertake exploration activities in order that it can fully understand the geology across its exploration licences and successfully develop the assets to fully exploit its resources. Exploration activities are speculative and are often unproductive. These activities also often require substantial expenditure to establish the mineral resources through drilling and metallurgical and other testing techniques, determine appropriate recovery processes to extract the minerals from the ore and construct, renovate or expand mining and processing facilities. Once the mineral resource is defined, it can take several years to determine whether mineral reserves exist. During this time the economic viability of the deposits may change. Success in this process involves (amongst other things):

- discovery and proving-up, or acquiring, an economically recoverable resource or reserve;
- access to adequate capital throughout the acquisition/discovery and project development phases;
- securing and maintaining title to mineral exploration projects;
- obtaining required development consents and approvals necessary for the acquisition, mineral exploration, development and production phases; and
- accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.

While early studies and test work give confidence to the Directors that the Company is allocating capital appropriately and in Kallak and Aitolampi the Board believes the Company has potential quality resources, benefitted by excellent local infrastructure in established low-risk mining countries, there can be no assurance that exploration on the Company's current projects or any other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral deposit.

The upgrade through further exploration of the Company's indicated resources to measured resources and further to proven and probable reserve categories is not guaranteed. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited. The economic viability, net present value and returns from Kallak, if developed, will be the subject of more detailed work including the completion of a scoping study followed by a feasibility study. There can be no guarantee that such studies will confirm the economic viability of Kallak. Failure to achieve the outcomes, returns or values projected in any scoping or feasibility study may adversely affect the operational and financial performance of the Company.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.

The Company may consider from time to time the acquisition of other exploration and development properties, either as stand-alone assets or as to be integrated into existing Company projects. Its decisions to acquire these properties will be based on a variety of factors, including historical exploration and/or operating results, estimates of and assumptions about future resources and

reserves, commodity prices and projected economic returns and evaluations of existing or potential liabilities associated with each property and its operations. Other than historical exploration and/or operating results, all of these parameters may differ significantly from the Company's estimates and assumptions.

#### **1.7 COVID-19 has negatively impacted economic conditions globally and may adversely affect the Group's operations**

The outbreak of COVID-19 (commonly referred to as coronavirus) has negatively impacted economic conditions globally and is having an adverse and disruptive effect on the global economy. The Group's way of operating has adapted and is likely to need to continue to adapt over the coming months in response to the developments relating to the COVID-19 outbreak.

In March 2020, the Company acted to face the ongoing threat posed by COVID-19 including 30 per cent. salary cuts for the CEO and Board for six months, and sought to maintain a 'business as usual' attitude. Despite the economic shock, COVID-19 has not had a material effect on the mining sector. Mines in the Nordic region have largely continued to operate and Vardar has continued its exploration activities in Kosovo. Management has implemented logistical and organisational changes to underpin the Company's resilience to the impact felt by the COVID-19 pandemic, with the key focus being protecting all personnel, minimising the impact on critical work streams and ensuring business continuity. The effect on the economy may impact the Company in varying ways, which could lead to a direct bearing on the Company's ability to raise funds for working capital purposes. The inability to gauge the length of such disruption further adds to this uncertainty. Management is closely monitoring the COVID-19 pandemic. With the Capital Raising and receipt of the Minimum Net Proceeds, the Company will have access to sufficient working capital to continue operations for at least the next 12 months following the date of this document and, the Directors believe, into 2022.

While the economic slowdown caused by the pandemic is anticipated to reverse once COVID-19 is brought under control, the exact ramifications of the pandemic are highly uncertain and it is difficult to predict its duration, its full effect on global and local economies and the effectiveness of the Company's response in relation to the adverse impacts which may result from COVID-19. If the COVID-19 pandemic continues for a prolonged period of time, this may further affect the Company's operations. The COVID-19 pandemic may therefore have a material adverse effect on the Company's business.

#### **1.8 The Company has no current revenue source and a history of operating losses, is likely to generate operating losses for the foreseeable future and is unlikely to achieve revenues or profitability for some time, if at all**

Natural resource project appraisal and exploration activities are capital intensive and inherently uncertain in their outcome. The Company has no assets producing positive cash flow or other revenue source and its ultimate success will depend on its ability to generate cash flow from active mining operations in the future and its ability to access equity markets for its development requirements. All of the Company's activities are directed to the exploration and, if warranted, development of its existing properties and to the search for and the development of new mineral deposits. Significant capital investment will most likely be required to achieve commercial production. The Company has a history of operating losses and is likely to generate operating losses for the foreseeable future. The Company is unlikely to achieve revenues or profitability for some time, if at all.

#### **1.9 The loss of key management personnel or employees could adversely affect the Company's business and financial condition**

The Group relies heavily on a small number of key individuals, in particular the CEO, the other Directors, its senior management and consultants. The Company's future success is substantially dependent on the continued services and continuing contributions of these individuals and the Company's business may be negatively affected by the departure of any of these individuals. The Company does not hold key person insurance in respect of the Directors.

In addition, there is a risk that the Company will not be able to recruit future directors, senior management and consultants of sufficient expertise or experience to operate its projects as they are

developed or to maximise any other opportunities that present themselves, or that recruiting and retaining those executives is more costly or takes longer than expected.

The loss or diminution in the services of any of the CEO, the other Directors or any member of the management team or an inability to recruit, train and/or retain necessary personnel could have a material and adverse effect on the Company's business, results of operations, financial condition and prospects.

**1.10 The Company is subject to various environmental risks and must comply with legislative, regulatory and licensing approvals and restrictions in the areas of environmental protection and safety**

The Company's activities are subject to the environmental and safety laws inherent in the mining industry and those specific to Sweden, Finland and Kosovo. The Company intends to conduct its activities in a safe and environmentally responsible manner and in compliance with all applicable laws.

Environmental approvals are required from relevant government and regulatory authorities before activities may be undertaken which are likely to impact the environment. Failure or delay in obtaining such approvals will prevent the Company from undertaking its planned activities. Further, the Company is unable to predict the impact of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

Any accidents, unaddressed risks or violations of licences, permits, regulations or approvals could cause temporary or longer term cessation of exploration and development activities, could cause the Company to expend significant amounts to remediate safety issues or repair damage, could subject the Company to costly administrative and legal proceedings and the potential imposition of civil or criminal penalties, could result in the temporary or permanent closure of exploration and development activities and could expose the Company to costly reputational harm, all of which could have a material adverse effect on the Company's business, revenues, financial condition or results of operations.

**1.11 Changes to the current economic, political, judicial, administrative, taxation and other regulatory environment in the countries in which the Company operates may adversely affect the Company**

The Company's exploration and development activities are and will continue to be conducted in Sweden, Finland and Kosovo. The economic, political, judicial, administrative, taxation and other regulatory conditions that currently exist in those countries may change and national governments may adopt different policies with respect to foreign development and to ownership of natural resources at any time. Any changes in policy may result in changes in laws affecting the ownership of assets, licence tenure, taxation, royalties, exchange rates, environmental protection, labour relations, repatriation of income and return of capital. This may adversely affect both the Company's ability to undertake exploration and development activities on future properties as well as its ability to continue to explore and develop those properties for which it has obtained exploration rights to date.

Regulatory changes, if any, in extraction or investment policies or shifts in political attitude may adversely affect the Company's operations and future profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, foreign investment, maintenance of claims, environmental legislation, water use, employment and contractor selection. Moreover, political pressures and fiscal constraints could lead host governments to impose higher taxes on operations in the mining sector.

A developing country such as Kosovo could be subject to greater risks of the changes in the matters referred to above occurring (and, if they do occur, at a more rapid pace) than developed countries such as Sweden and Finland. Exploration and development activities in developing countries such as Kosovo may require protracted negotiations with host governments, local governments and communities, local competent authorities and third parties and may be subject to economic, social and political considerations outside of the Company's control, such as the risks of expropriation, nationalisation, renegotiation, forced interruption, suspension of operations, curtailment of sales, forced

change or nullification of existing contracts or royalty rates, unenforceability of contractual rights, changing taxation policies or interpretations, adverse changes to laws (whether of general application or otherwise) or the interpretation or enforcement thereof, foreign exchange restrictions, inflation changing political conditions, the death or incapacitation of political leaders, local currency devaluation, currency controls and foreign governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

#### **1.12 Uncertainties inherent in the Company's estimates of mineral resources could result in lower than expected resources and reserves or economic viability of those resources and reserves, adversely affecting the Company's financial condition or results of operations**

The Company's mineral resources are reported in accordance with the JORC Code. There are numerous uncertainties inherent in estimating mineral resources, including factors beyond the control of the Company. The estimation of mineral resources is a statistical process and the accuracy of any such estimation is a function of the quality of available data and of engineering and geological interpretation and judgement based on knowledge, experience and industry practice. By their very nature, resource estimates are imprecise and depend to some extent on interpretation which may prove to be inaccurate. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. Results of drilling, metallurgical testing, production, evaluation of mine plans and exploration activities subsequent to the date of any estimate may justify revision (up or down) of such estimates. There is no assurance that mineral resources can be economically mined. A mineral resource is a statement of in situ mineralisation.

Only a certain proportion of estimated mineral resources will be translated into reserves and recovered as the Company proceeds to production on its development and exploration sites. There is no assurance that any of the mineral resources can be translated into reserves. Lower commodity prices and other factors may also render the Company's mineral resources uneconomic to exploit.

The occurrence of any of the foregoing risks could have a material adverse effect on the Company's business, revenues, financial condition or results of operations.

The Company engages an independent Competent Person, a suitably qualified and experienced mining industry professional, registered with a recognized professional organization with a code of ethics, to sign-off mineral resource estimates for its projects.

#### **1.13 Failure to engage or manage relationships with local communities and stakeholders may affect the ability of the Company to develop and operate its projects**

The Company must maintain the support of local, regional and national stakeholders in order to develop and operate its projects successfully. The Directors continue to have regard to the impact of its activities on the community, human rights, sustainability, the environment and the Company's reputation.

Since joining the Company, the CEO has worked to build relationships with all stakeholders in the Kallak project. The project has the support of the Mayor of Jokkmokk, local landowners and entrepreneurs, and has sought to engage with local Sami reindeer herders.

Since 2018, the Company has also contributed to the OECD's work in Sweden, specifically its project 'Linking the Indigenous Sami People with Regional Development in Sweden'. The Company also communicates with members of the Sametinget, the Sami Parliament in Sweden.

The Company has outlined its immediate plan for advancing the Kallak project in the event the Swedish Government awards the Exploitation Concession. The plan includes developing a roadmap for environmental permitting and the formation of a 'Development Taskforce' with Jokkmokks Kommun and other key partners with an interest in Kallak, such that the development of Kallak and the opportunity to regenerate Jokkmokk can be fully coordinated. As part of the plan the Company intends to advance discussions with the Sami reindeer herding communities, to listen to their concerns, find solutions together to problems that might exist, working towards reaching mutually beneficial agreements that ensure Sami reindeer herding, livelihoods and culture are protected, and that Sami communities benefit from the development of a mine at Kallak, as do all stakeholders in Jokkmokk.

While there can be no assurance of continued support from stakeholders, the Company will continue to do all it can to ensure good relations with communities and to be seen as a local partner.

#### **1.14 The Company's insurance and indemnities may not adequately cover all risks or expenses**

The Company maintains insurance of the type and in the amounts that the Directors consider necessary for the Company's operations. However, the Company is unable to insure against all risks and may be exposed under certain circumstances to uninsurable hazards and risks which may result in financial liability, property damage, personal injury or other hazards or liability for the acts or omissions of sub-contractors, operators and other third parties. Although indemnities may have been provided by sub-contractors, operators and other third parties, such indemnities may be difficult to enforce given the financial positions of those giving the indemnities or due to the jurisdiction in which the Company seeks to enforce the indemnities, leaving the Company exposed to claims by third parties.

There is also no assurance that the Company will be able to maintain adequate insurance in the future at rates the Company considers reasonable. Accordingly, the Company could incur substantial losses if an event which is not fully covered by insurance occurs, which would have a material adverse effect on the Company's business, revenues, financial condition and results of operations.

## **2 RISKS RELATING TO TAXATION**

### **2.1 Taxation of returns from assets located outside the UK may reduce any net return to Investors**

The Company's operations are carried on by subsidiary companies outside the UK. The return the Company receives from these subsidiary companies will be reduced by irrecoverable foreign withholding or other local taxes and this may reduce any net return derived by investors from a shareholding or holding of SDRs in the Company.

### **2.2 Future changes in tax legislation applicable to the Company's entities may reduce net returns to Shareholders and SDR Holders**

The tax treatment of Group entities is subject to changes in tax legislation or practices in the countries in which the Group entities are resident for tax purposes. Such changes may include (but are not limited to) the taxation of operating income, investment income, dividends received or (in the specific context of withholding tax) dividends paid. Any changes to tax legislation or practices in which the Group entities are resident for tax purposes may have a material adverse effect on the financial position of the Company, reducing net returns to Shareholders and SDR Holders. In many jurisdictions, the resources sector is subject to particular taxation regimes which sometimes impose a comparatively heavy burden on activities within the sector.

### **2.3 There can be no assurance that the Company will be able to make returns to Shareholders and SDR Holders in a tax-efficient manner**

The Company has made certain assumptions regarding taxation based on interpretations of existing laws. However, if these assumptions are not borne out in practice, taxes may be imposed with respect to any of the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This could alter the post-tax returns for Shareholders and SDR Holders (or for Shareholders and SDR Holders in certain jurisdictions). In addition, the Company may incur costs in taking steps to mitigate any such adverse effects on the post-tax returns for Shareholders and SDR Holders.

### **2.4 Any change in the Company's tax status or in taxation law could negatively affect the Company's ability to provide returns to Shareholders and SDR Holders**

Statements in this document concerning the taxation of the Company or of Shareholders and SDR Holders are based on current tax law and practice which is subject to varying interpretation by tax authorities and to changes in law. The taxation of an investment in the Company also depends on the individual circumstances of the relevant Shareholder or SDR Holder and Shareholders and SDR Holders

may have different tax reporting obligations in the country of their tax residence or where they habitually reside. Any Shareholder or SDR Holder who is in doubt as to its tax position should consult an appropriate adviser.

### **3 RISKS RELATING TO THE CAPITAL RAISING, THE ORDINARY SHARES AND THE SDRs**

#### **3.1 Prospective investors should be aware that the value of an investment in the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares or the New SDRs may go down as well as up and any fluctuations may be material and may not reflect the underlying asset value**

The market price of the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares and the New SDRs could be subject to significant fluctuations due to a change in sentiment in the market regarding the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares and the New SDRs. The fluctuations could result from national and global economic and financial conditions, the market's response to the Capital Raising, market perceptions of Company and various other factors and events, including but not limited to regulatory changes affecting the Company's operations, variations in the Company's operating results, business developments of the Company and/or its competitors and the liquidity of the financial markets. Furthermore, the Company's operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares and the New SDRs.

#### **3.2 The market price for Ordinary Shares may decline below the Offer Price paid by investors and for Swedish Subscription Rights, Paid Subscribed SDRs and SDRs may decline below the SDR Offer Price paid by investors**

In addition, if stock markets in general experiences loss of investor confidence, the trading price of the Swedish Subscription Rights, Paid Subscribed SDRs, Ordinary Shares and SDRs could decline for reasons unrelated to the Group's business, financial condition or operating results. There is no assurance that the public trading market price of the Ordinary Shares will not decline below the Offer Price paid by investors and the SDRs may decline below the SDR Offer Price paid by investors. Should that occur, relevant Shareholders and SDR Holders will suffer an immediate loss as a result. Moreover, there can be no assurance that, following Shareholders' acquisition of New Ordinary Shares or SDR Holders' acquisition of Swedish Subscription Rights, Paid Subscribed SDRs and New SDRs, Shareholders or SDR Holders will be able to sell their New Ordinary Shares, Swedish Subscription Rights, Paid Subscribed SDRs or New SDRs at a price equal to or greater than the acquisition price for those shares or Swedish Subscription Rights, Paid Subscribed SDRs or New SDRs.

#### **3.3 Shareholders and SDR Holders are likely to experience dilution in their ownership of the Company**

A maximum of 225,930,552 New Ordinary Shares (including in relation to the SDR Rights Issue) may be issued pursuant to the Capital Raising, increasing the number of Ordinary Shares in issue from 602,244,672 to up to 828,175,224, corresponding to a £2,259,305.52 increase in the issued share capital of the Company from £6,022,446.72 to £8,281,752.24. If Qualifying Shareholders or Qualifying SDR Holders do not participate in the Open Offer or SDR Rights Issue and do not take up any of their Open Offer Entitlements or Excess Open Offer Entitlements, such Qualifying Shareholders' holdings, as a percentage of the Enlarged Share Capital, will be diluted by approximately 27.3 per cent. of votes and share capital (assuming full take-up under the Open Offer and SDR Rights Issue) as a result of the Capital Raising.

Subject to certain limited exceptions, Shareholders and SDR Holders in the Restricted Jurisdictions will not be able to participate in the Capital Raising and will therefore experience dilution as a result of the Capital Raising.

In addition, Shareholders and SDR Holders may experience immediate and substantial dilution by further share issues. Other than pursuant to the Capital Raising, Company has no current plans for an offering of shares apart from possible issues in relation to employee share options. However, the

Company expects to seek additional sources of financing to implement its strategy, to invest in its project portfolio and to cover corporate costs. Future equity fundraisings to provide this financing may dilute Shareholders' and SDR Holders' proportionate ownership in the Company. The Company may raise capital in the future through public or private equity financings or by raising debt securities convertible into Ordinary Shares, or rights to acquire these securities. Any such issues may exclude the pre-emption rights pertaining to the then outstanding shares. If the Company raises significant amounts of capital by these or other means, it could cause dilution for the Company's existing Shareholders and SDR Holders. Moreover, the further issue of Ordinary Shares could have a negative impact on and/or increase the volatility of the market price of the Ordinary Shares and SDRs. Furthermore, the issue of additional Ordinary Shares may be on more favourable terms than the Capital Raising.

The Company may also issue further Ordinary Shares, or create further options over Ordinary Shares, as part of its employee remuneration policy, which could in aggregate create a dilution in the value of the Ordinary Shares and SDRs and the proportion of the Company's share capital in which investors are interested.

In addition, the issue of additional Ordinary Shares by the Company, or the possibility of such issue or exercise, may cause the market price of the Ordinary Shares and SDRs to decline and may make it more difficult for Shareholders to sell Ordinary Shares or SDR Holders to sell SDRs at a desirable time or price.

### **3.4 Investment in AIM securities**

The New Ordinary Shares will be traded on AIM and no application is being made for the admission of the Ordinary Shares to the Official List. Investment in securities traded on AIM is perceived to involve a higher degree of risk and be less liquid than investment in companies whose securities are listed on the Official List and traded on the London Stock Exchange's main market for listed securities. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached rather than for larger or more established companies. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

An investment in Ordinary Shares traded on AIM may be difficult to realise. Although AIM has been in existence since June 1995, Admission to AIM does not guarantee that there will be a liquid market for New Ordinary Shares. An active public market for New Ordinary Shares may not develop or be sustained after AIM Admission and the market price of the Ordinary Shares may fall below the Offer Price paid by investors. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

In addition, AIM is a less regulated market than the Official List. For example, there are fewer circumstances in which the Company would be required to seek Shareholder approval for transactions and the requirements for disclosure of the financial history of any asset holding companies that are acquired may be lower. Investors may suffer actual or perceived prejudice to the extent the Company takes advantage of the increased flexibility it is allowed through its admission to trading on AIM.

### **3.5 Investment in Spotlight securities**

Investment in securities traded on Spotlight is perceived to involve a higher degree of risk and be less liquid than investment in companies whose securities are listed on the main market for listed securities in Sweden.

### **3.6 Potentially volatile share price and liquidity**

An investment in a share which is traded on AIM, such as the Ordinary Shares, or in an investment in a Swedish Subscription Right, Paid Subscribed SDR or SDR which is traded on Spotlight may be

difficult to realise and carries a high degree of risk. The ability of an investor to sell Swedish Subscription Rights, Paid Subscribed SDRs, Ordinary Shares or SDRs will depend on there being a willing buyer for them at an acceptable price. The Swedish Subscription Rights, Paid Subscribed SDRs, Ordinary Shares and SDRs may be illiquid and, accordingly, an investor may find it difficult to sell Swedish Subscription Rights, Paid Subscribed SDRs, Ordinary Shares or SDRs, either at all or at an acceptable price. Consequently, it might be difficult for an investor to realise he or she investment in the Company and he or she may lose all of he or she investment.

The price of securities quoted on AIM or Spotlight can be highly volatile and holdings illiquid. The price at which the Swedish Subscription Rights, Paid Subscribed SDRs, Ordinary Shares and SDRs are quoted and the price at which investors may realise their investment in the Company may be influenced by a significant number of factors, some specific to the Company and its operations and some which affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of Swedish Subscription Rights, Paid Subscribed SDRs, Ordinary Shares and SDRs, legislative changes and general, economic, political or regulatory conditions.

### **3.7 SDR Holders must rely on the Custodian to exercise rights attaching to the underlying Ordinary Shares for the benefit of the SDR Holders**

The rights of SDR Holders are governed by the terms of the Custodian Agreement. As the registered shareholder, the Custodian has the power to exercise proxy voting and other rights conferred by English law and the Articles of Association on behalf of the relevant holder. Consequently, the holders of SDRs must rely on the Custodian to exercise such rights for the benefit of the holders of SDRs. Although the Custodian Agreement requires the Custodian to give notice of any meeting of Shareholders or of the need to take any action in respect of any cash or other distribution or offering of any rights in respect of the Ordinary Shares, there can be no assurance that such notices, and consequently, all such rights and, entitlements, will at all times be duly and timely passed on or that such proxy arrangements will be effective.

### **3.8 There is no guarantee that the Ordinary Shares will continue to be traded on AIM or that the SDRs will continue to be traded on Spotlight**

The Company cannot assure investors that the Ordinary Shares will always continue to be traded on AIM, that the SDRs will always continue to be traded on Spotlight or that the Ordinary Shares or SDRs will be admitted to trading on any other exchange. If such trading were to cease, certain investors may decide to sell their Ordinary Shares or SDRs, which could have an adverse impact on the price of the Ordinary Shares and SDRs. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM and/or Spotlight, the level of liquidity of the Ordinary Shares and/or SDRs traded could decline.

### **3.9 The Company does not currently intend to pay dividends and its ability to pay dividends in the future may be limited**

The Company has never declared or paid any dividends on the Ordinary Shares. It is the intention of the Directors to achieve capital growth by maximising the value of the Company's exploration projects and not to pay dividends until such time that the Company's assets have been brought into profitable production or sold. Therefore, at present, there is no intention to pay dividends and a dividend may never be paid. Any decision to declare and pay dividends will be made at the discretion of the Board and will depend on, among other things, the Company's results of operations, financial condition and solvency and distributable reserves tests imposed by corporate law and such other factors that the Board may consider relevant.

In addition to the foregoing, the Company's ability to institute and pay dividends now or in the future is or may be limited by covenants contained in any debt facilities or other agreements governing any indebtedness that the Company may incur in the future, including the terms of any credit facilities the Company may enter into with third party lenders. It is not uncommon that credit facilities will prevent a borrower from declaring or paying any dividends to any of its shareholders or returning any capital (including by way of dividend) to any of its Shareholders and SDR Holders.

As a result of the foregoing factors, purchasers of the Swedish Subscription Rights, Paid Subscribed SDRs, Ordinary Shares or SDRs may not receive any return on an investment in the Swedish Subscription Rights, Paid Subscribed SDRs, Ordinary Shares or SDRs unless they sell such Swedish Subscription Rights, Paid Subscribed SDRs, Ordinary Shares or SDRs for a price greater than that which they paid for them.

**3.10 If the Company is wound up, distributions to Shareholders and SDR Holders will be subordinated to the claims of creditors**

On a winding-up of the Company, holders of the Ordinary Shares and the SDRs will be entitled to be paid a distribution out of the assets of the Company available to its Shareholders only after the claims of all creditors of the Company have been met.

**3.11 The ability of Overseas Shareholders to bring actions, or to enforce judgments, against Company, the Company Directors or the officers of Company may be limited**

The ability of an Overseas Shareholder to bring an action against Company may be limited under law. Company is a public limited company incorporated in England and Wales. The rights of holders of Ordinary Shares are governed by English law and the Articles of Association. These rights differ from the rights of shareholders in non-UK corporations. An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors. Furthermore, it may not be possible for an Overseas Shareholder to effect service of process upon the Directors within the Overseas Shareholder's country of residence or to enforce against the Directors judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the UK against the Directors who are residents of the UK or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

**3.12 Overseas Shareholders and Overseas SDR Holders may be subject to exchange rate risks**

The Ordinary Shares are priced in pounds sterling, and the New Ordinary Shares will be quoted and traded in pounds sterling. In addition, any dividends the Company may pay will be declared and paid in pounds sterling. Accordingly, holders of Ordinary Shares resident outside the UK are subject to risks arising from adverse movements in the value of their local currencies against the pounds sterling, which may reduce the value of the New Ordinary Shares, as well as that of any dividends paid. The SDRs are priced in Swedish krona, and the New SDRs will be quoted and traded in Swedish krona. In addition, any dividends the Company may pay will be declared and paid in pounds sterling to the Custodian who will convert them into Swedish krona. Accordingly, holders of SDRs resident outside Sweden are subject to risks arising from adverse movements in the value of their local currencies against the pounds sterling and Swedish krona, which may reduce the value of the New SDRs, as well as that of any dividends paid.

## **PART III**

### **IMPORTANT INFORMATION**

The contents of this document are not to be construed as legal, business or tax advice. Each prospective investor should consult their own legal, financial or tax adviser for legal, financial or tax advice. In making an investment decision, each investor must carry out their own examination, analysis and enquiry of the Company and its Group, including the merits and risks involved.

Without prejudice to the Company's obligations under FSMA, the Prospectus Regulation Rules, the Prospectus Regulation, the Disclosure Guidance and Transparency Rules, the AIM Rules, the Market Abuse Regulation and other applicable regulations, neither the publication of this document nor any distribution of Swedish Subscription Rights, Paid Subscribed SDRs, New Ordinary Shares or New SDRs shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Group taken as a whole since the date of this document or that the information contained herein is correct as of any time subsequent to its date.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company or by the Brokers.

Part I (*Summary*) of this document should be read as an introduction to this document. Any decision to invest in Swedish Subscription Rights, Paid Subscribed SDRs, New Ordinary Shares or New SDRs should be based on a consideration of this document as a whole by the investor. In particular, investors must read the sections headed "*What are the key risks that are specific to the issuer?*" and "*What are the key risks that are specific to the securities?*" of Part I (*Summary*), together with the risks set out in Part II (*Risk Factors*), of this document.

#### **NO INCORPORATION OF WEBSITE INFORMATION**

Neither the contents of the Company's website (<https://beowulfmining.com>), nor the content of any website accessible from hyperlinks on the Company's website, is incorporated into, or forms part of, this document and investors should not rely on them, save for the documents incorporated by reference into this document which are referred to in Part XVI (*Information Incorporated by Reference*) and are available on the Company's website.

#### **FORWARD LOOKING STATEMENTS**

Certain statements contained in this document relate to the future, including 'forward looking statements' relating to the Group's financial position and strategy. These statements, including the Company's Mineral Resource Estimates, relate to future events or the future performance of the Group but do not seek in any way to qualify the working capital statement given by the Company. In some cases, these forward looking statements can be identified by the use of forward looking terminology, including the terms 'believes', 'estimates', 'plans', 'prepares', 'anticipates', 'expects', 'intends', 'may', 'will' or 'should' or, in each case, their negative or other variations or comparable terminology. These statements discuss future expectations concerning the Group's results of operations or financial condition, or provide other forward looking statements.

These forward looking statements are not guarantees or predictions of future performance, and are subject to known and unknown risks, uncertainties and other factors, including the risk factors set out in Part II (*Risk Factors*), of this document, many of which are beyond the Group's control, and which may cause the Group's actual results of operations, financial condition and the development of the business sectors in which the Group operates to differ materially from those suggested by the forward looking statements contained in this document. In addition, even if the Group's actual results of operations, financial condition and the development of the business sectors in which it operates are consistent with the forward looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Recipients of this document are cautioned not to put undue reliance on forward looking statements.

Other than as required by English law, none of the Company, its Directors, officers, advisers or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this document will actually occur, in part or in whole.

Additionally, statements of the intentions of the Board and/or Directors reflect the present intentions of the Board and/or Directors, respectively, as at the date of this document and may be subject to change as the composition of the Company's board of directors alters, or as circumstances require.

The forward looking statements speak only as at the date of this document. Except as required by the FCA, the London Stock Exchange or applicable law (including as may be required by FSMA, the Prospectus Regulation Rules, the Prospectus Regulation, the Disclosure Guidance and Transparency Rules, the AIM Rules, the Market Abuse Regulation and other applicable regulations), the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained in this document to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

## **NO FORECASTS OR ESTIMATES**

Nothing in this document is intended as a profit forecast or estimate for any period and no statement in this document should be interpreted to mean that earnings or earnings per share for the Company for the current or future financial years will necessarily match or exceed the historical published earnings or earnings per share for the Company.

## **MARKET DATA**

Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and has been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## **PRESENTATION OF FINANCIAL INFORMATION AND NON-FINANCIAL OPERATING DATA**

### **Historical financial information**

The Historical Financial Information presented in this document consists of the audited consolidated financial statements of the Group as of and for the year ended 31 December 2019, the unaudited half-yearly consolidated financial statements of the Group as of and for the six month period ended 30 June 2020 and the unaudited nine months interim consolidated financial statements of the Group as of and for the nine month period ended 30 September 2020.

The basis of preparation and significant IFRS accounting policies are explained in the notes to the consolidated financial statements which are incorporated by reference into this document, as explained in Part XVI (*Information Incorporated by Reference*) of this document.

### **Non-financial operating data**

The non-financial operating data included in this document has been extracted without material adjustment from the management records of the Company and is unaudited.

## **CURRENCY PRESENTATION**

Unless otherwise indicated:

- all references in this document to "£", "pounds", "pounds sterling" or "sterling" are to the lawful currency of the United Kingdom and references to "pence" or "p" represent pence in the lawful currency of the United Kingdom;
- all references in this document to "SEK", "Swedish krona" or "öre" are to the lawful currency of Sweden; and
- all references in this document to "US\$" or "US dollar" are to the lawful currency of the United States.

Unless otherwise specified, this document contains certain translations of pounds sterling into amounts in SEK for convenience of the reader based on the exchange rate of £1.00 = SEK 11.398, being the relevant exchange rate at 5.30 p.m. on 5 November 2020 (being the Business Day prior to the announcement of the Capital Raising). This exchange rate was obtained from the homepage of the Central Bank of Sweden.

The Group prepares its consolidated financial statements incorporated by reference into this document in pounds. Unless otherwise indicated, the financial information contained in this document has been expressed in pounds.

## **ROUNDING**

Certain data in this document including financial, statistical and operating information as well as the financial information presented in a number of tables have been rounded to the nearest whole number or the nearest decimal place. Therefore, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data and the sum of the numbers in a table may not conform exactly to the total figure given for that table. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

## **DISCLAIMER**

Apart from the responsibilities and liabilities, if any, which may be imposed on SP Angel by FSMA or the regulatory regime established thereunder or on Sedermera under the Swedish Securities Markets Act (Swedish: *lagen (2007:528) om värdepappersmarknaden*) or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Broker, nor any of their respective affiliates, accepts any responsibility whatsoever for the contents of this document including its accuracy, completeness and verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares, the New SDRs, the Capital Raising or Admission and nothing in this document is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. The Brokers and their respective affiliates accordingly disclaim, to the fullest extent permitted by applicable law, all and any liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise be found to have in respect of this document or any such statement. No representation or warranty express or implied, is made by the Brokers or any of their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this document, and nothing in this document will be relied upon as a promise or representation in this respect, whether or not to the past or future.

SP Angel and any of its affiliates may subscribe for or purchase New Ordinary Shares, and Sedermera and any of its affiliates may subscribe for or purchase Swedish Subscription Rights, Paid Subscribed SDRs or New SDRs, in each case acting as an investor for its or their own account(s) as a principal position and, in that capacity, may retain, subscribe for, purchase, sell, offer to sell, contract to sell, transfer, dispose or otherwise deal for its or their own account(s) in such securities, any other securities of the Company or other related investments in connection with the Capital Raising or otherwise. Accordingly, references in this document to the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares or New SDRs being issued, offered, subscribed, sold or otherwise dealt with should be read as including any issue or offer to, or subscription or purchase or dealing by, in the case of the New Ordinary Shares, SP Angel and any of its affiliates, and, in the case of the Swedish Subscription Rights, the Paid Subscribed SDRs or the New SDRs, Sedermera and any of its affiliates, in each case acting as an investor for its or their own account(s). In addition, the Brokers and any of their respective affiliates may in the ordinary course of their business activities enter into financing arrangements (including swaps) with investors in connection with which the Brokers (or their respective affiliates) may from time to time acquire, hold, sell, offer to sell, contract to sell, transfer or otherwise dispose of, in the case of SP Angel or its affiliates, New Ordinary Shares and, in the case of, Sedermera and its affiliates, Swedish Subscription Rights, Paid Subscribed SDRs or New SDRs. The Brokers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

In the ordinary course of their various business activities, the Brokers and each of their respective affiliates may hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) in the Company and their respective affiliates for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments.

The Brokers and each of their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company and its affiliates for which they would have received customary fees. The Brokers and each of their respective affiliates may provide such services to the Company and any of its affiliates in the future.

Investors who subscribe for or purchase Swedish Subscription Rights, Paid Subscribed SDRs, New Ordinary Shares or New SDRs in the Capital Raising will be deemed to have acknowledged that: (i) they have not relied on the Brokers or any person affiliated with either of them in connection with any investigation of the accuracy of any information contained in this document or their investment decision; and (ii) they have relied on the information contained in this document, and no person has been authorised to give any information or to make any representation concerning the Company, the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares or the New SDRs (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Brokers.

## PART IV

### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

*Each of the times and dates in the table below is indicative only and may be subject to change. Please read the notes to the timetable set out below.*

**2020**

Announcement of the Capital Raising	7.00 a.m. on 6 November
Latest time and date for conversion of Ordinary Shares to SDRs (and <i>vice versa</i> ) prior to the Open Offer Record Time and the SDR Rights Issue	7.00 a.m. on 6 November
The last day of trading in SDRs with preferential rights	16 November
Publication of this document	16 November
Open Offer Record Time for Open Offer Entitlements	6.00 p.m. on 16 November
Ex-Entitlement Date for the Open Offer	8.00 a.m. on 17 November
Posting of this document and Application Forms (to Qualifying Non-CREST Shareholders only)	17 November
The first day of trading in SDRs without preferential rights	17 November
SDR Rights Issue Record Date for the SDR Rights Issue	18 November
Open Offer Entitlements and Excess Open Offer Entitlements credited to stock accounts in CREST (Qualifying CREST Shareholders only)	as soon as practicable after 8.00 a.m. on 18 November
Time and date from which conversion of Ordinary Shares into SDRs (and <i>vice versa</i> ) is permitted again	7.00 a.m. on 19 November
Swedish Subscription Rights are credited to VPC Accounts of Qualifying Swedish Directly Registered SDR Holders and, pursuant to the procedures of the relevant nominee, to the nominee accounts of Qualifying Swedish Nominee Registered SDR Holders	on or around 19 November
<b>Start of the subscription period for the SDR Rights Issue, Swedish Rights Admission and dealings in the Swedish Subscription Rights and Paid Subscribed SDRs commence on Spotlight</b>	<b>20 November</b>
Last day of trading in the Swedish Subscription Rights	2 December
<b>Subscription period for the SDR Rights Issue ends</b>	<b>5.00 p.m. (Stockholm time) on 4 December</b>
Announcement of the results of the SDR Rights Issue	on or around 9 December
<b>Latest date for payment without preferential rights under the SDR Rights Issue</b>	11 December
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST (i.e. if your Open Offer Entitlements are in CREST and you wish to convert them to certificated form)	4.30 p.m. on 14 December

Latest time for depositing Open Offer Entitlements into CREST (i.e. of your Open Offer Entitlements are represented by an Application Form and you wish to convert them to uncertificated form)	3.00 p.m. on 15 December
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 16 December
<b>Latest time and date for receipt of completed Application Forms and payments in full and final settlement of CREST instructions (as appropriate)</b>	<b>11.00 a.m. on 18 December</b>
Announcement of the results of the Capital Raising	21 December
Last day of trading in the Paid Subscribed SDRs	on or around 21 December
<b>AIM Admission and commencement of dealings in the New Ordinary Shares</b>	<b>by 8.00 a.m. on 22 December</b>
New Ordinary Shares credited to CREST stock accounts (uncertificated Shareholders only)	as soon as practicable after 8.00 a.m. on 22 December
Record date for conversion of the Paid Subscribed SDRs into New SDRs	on or around 23 December
New SDRs credited to VPC Accounts of subscribers and, where applicable, their nominees	on or around 29 December
<b>Swedish Admission and commencement of dealings in the New SDRs</b>	<b>on or around 29 December</b>
Despatch of definitive share certificates for the New Ordinary Shares in certificated form	within 10 Business Days of AIM Admission

*Notes:*

1. These times and dates and those mentioned throughout this document are indicative only and may be adjusted by the Company in consultation with the Brokers, in which event details of the new times and dates will be notified to the FCA, the London Stock Exchange and Spotlight.
2. References to times in this timetable are to London time unless otherwise stated.

## PART V

### CAPITAL RAISING STATISTICS

Offer Price	3.16 pence per New Ordinary Share (or, in the case of Open Offer Shares applied for by the Custodian, the SDR Offer Price per New Ordinary Share)
SDR Offer Price	SEK 0.370 per New SDR
Number of Existing Ordinary Shares <sup>1</sup>	602,244,672
Basis of Open Offer	3 Open Offer Shares for every 8 Existing Ordinary Shares <sup>2</sup>
Basis of SDR Rights Issue	3 New SDRs for every 8 Existing SDRs
Approximate discount to the TERP of the Ordinary Shares calculated on the Closing Price per Ordinary Share and to the TERP of the SDRs based on the closing price per SDR, in each case on 5 November 2020 (being the Business Day prior to the announcement of the Capital Raising)	35 per cent.
Number of New Ordinary Shares to be issued pursuant to the Capital Raising, comprising	up to 225,930,552
– <i>number of New Ordinary Shares to be offered under the Open Offer (excluding those offered under the SDR Rights Issue in the form of New SDRs)</i>	<i>up to 72,669,204</i>
– <i>number of New Ordinary Shares to be offered under the SDR Rights Issue in the form of New SDRs</i>	<i>up to 153,172,548</i>
– <i>number of New Ordinary Shares to be issued under the Additional Subscription</i>	<i>88,800</i>
Number of Ordinary Shares in issue immediately following AIM Admission <sup>3</sup>	up to 828,175,224
New Ordinary Shares as a percentage of the Enlarged Share Capital immediately following AIM Admission <sup>3</sup>	approx. 27.3 per cent.
Estimated gross proceeds of the Capital Raising, comprising <sup>3</sup>	approx. £7.3 million (approx. SEK 82.9 million)
– <i>under the Open Offer (excluding the SDR Rights Issue)</i>	<i>approx. £2.3 million (approx. SEK 26.2 million)</i>
– <i>under the SDR Rights Issue</i>	<i>approx. £5.0 million (approx. SEK 56.7 million)</i>
– <i>under the Additional Subscription</i>	<i>£2,806 (SEK 32,000)</i>
Estimated net proceeds of the Capital Raising (after deduction of costs and expenses) <sup>3</sup>	approx. £6.0 million (approx. SEK 68.8 million)

<sup>1</sup> In issue at 13 November 2020, being the Latest Practicable Date

<sup>2</sup> Fractions of New Ordinary Shares will not be allotted to Shareholders in the Open Offer and fractional entitlements under the Open Offer will be rounded down to the whole nearest number of New Ordinary Shares

<sup>3</sup> Assuming full take-up under the Open Offer and SDR Rights Issue

## PART VI

### DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

<b>DIRECTORS</b>	Sven Otto Littorin ( <i>Non-Executive Chairman</i> ) Kurt Budge ( <i>Chief Executive Officer</i> ) Christopher Davies ( <i>Independent Non-Executive Director</i> )
<b>SENIOR MANAGER</b>	Rasmus Blomqvist ( <i>Exploration Manager</i> )
<b>REGISTERED OFFICE</b>	201 Temple Chambers 3-7 Temple Avenue, London EC4Y 0DT United Kingdom
<b>COMPANY SECRETARY</b>	Liam O'Donoghue
<b>NOMINATED ADVISER AND BROKER</b>	SP Angel Corporate Finance LLP Prince Frederick House 35-39 Maddox Street London W1S 2PP United Kingdom
<b>SWEDISH FINANCIAL ADVISER AND BROKER</b>	Sedermera Fondkommission Norra Vallgatan 64 211 22 Malmö Sweden
<b>LEGAL ADVISER TO THE COMPANY AS TO ENGLISH LAW</b>	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT United Kingdom
<b>LEGAL ADVISER TO THE COMPANY AS TO SWEDISH LAW</b>	Bird & Bird Advokat KB Norrandsgatan 15 Box 7714 Stockholm SE-103 95 Sweden
<b>AUDITORS</b>	BDO LLP 55 Baker Street Marylebone London W1U 7EU United Kingdom
<b>REGISTRAR</b>	Neville Registrars Ltd Neville House Steelpark Road Halesowen West Midlands B62 8HD United Kingdom
<b>CUSTODIAN</b>	Skandinaviska Enskilda Banken AB (publ) Stjärntorget 4, Solna PO Box 106 40 Stockholm Sweden
<b>SUB-CUSTODIAN</b>	HSBC Bank plc 8 Canada Square London E14 5HQ United Kingdom

## PART VII

### LETTER FROM THE CHAIRMAN OF BEOWULF MINING PLC

*(incorporated and registered in England and Wales with registered number 02330496)*

*Directors:*

Sven Otto Littorin (Non-Executive Chairman)  
Kurt Budge (Chief Executive Officer)  
Christopher Davies (Independent Non-Executive Director)

*Registered Office:*

201 Temple Chambers  
3-7 Temple Avenue  
London  
EC4Y 0DT

16 November 2020

Dear Shareholder and SDR Holder,

**Open Offer of up to 225,841,752 new Ordinary Shares at 3.16 pence per share  
Rights issue of new SDRs to existing holders of SDRs at SEK 0.370 per SDR**

#### 1 INTRODUCTION

It was announced on 6 November 2020 that the Company wishes to offer all Qualifying Shareholders the opportunity to participate in a further issue of new equity in the Company by way of the Open Offer on a pre-emptive basis of up to 225,841,752 new Ordinary Shares to Qualifying Shareholders at the Offer Price. Qualifying Shareholders may subscribe for Open Offer Shares on the basis of 3 Open Offer Shares for every 8 Existing Ordinary Shares held at the Open Offer Record Time. Shareholders subscribing for their full entitlement under the Open Offer may also request Excess Open Offer Shares through the Excess Application Facility.

As at the Last Practicable Date, approximately 68 per cent of the Existing Ordinary Shares are represented in the form of SDRs. In order to ensure that existing SDR Holders are able to participate in the Open Offer in respect of the underlying Ordinary Shares represented by the SDRs, the Company will instruct Sedermera as issuer agent in the Swedish market to offer the underlying Ordinary Shares' entitlements to accept the Open Offer to Qualifying SDR Holders in Sweden for subscription by way of the SDR Rights Issue of New SDRs with preferential rights of up to approximately SEK 56.7 million (gross) at a price of SEK 0.370 per New SDR. Qualifying SDR Holders will receive Swedish Subscription Rights on the basis of one Swedish Subscription Right for each Existing SDR held at the SDR Rights Issue Record Date. The Swedish Subscription Rights will be admitted to trading on Spotlight. Holders of Swedish Subscription Rights will be entitled to subscribe for 3 New SDRs for every 8 Swedish Subscription Rights held.

New SDRs in the SDR Rights Issue will also be offered for subscription without preferential rights by institutional investors, other professional investors and the general public in Sweden. The New SDRs to be offered with preferential rights to Qualifying SDR Holders and without preferential rights to investors and the general public in Sweden will represent up to the entirety of the Custodian's Open Offer Entitlements. Following the closing of the SDR Rights Issue, the Custodian will apply in the Open Offer and subscribe at the SDR Offer Price for such number of Open Offer Shares as shall equal the number of New SDRs subscribed for under the SDR Rights Issue.

In addition, Christopher Davies, Independent Non-Executive Director, who is not currently a Shareholder, has agreed to subscribe for 88,800 New Ordinary Shares by way of the Additional Subscription.

Assuming full take-up under the Open Offer and SDR Rights Issue, the issue of the New Ordinary Shares pursuant to the Capital Raising will raise gross proceeds of up to approximately £7.3 million (approximately SEK 82.9 million) for the Company. The Open Offer is not being underwritten but the SDR Rights Issue is being underwritten up to 80 per cent. (approximately SEK 45.3 million) by the Guarantors, subject to the terms set out in the Guarantee Commitment Agreements.

The Offer Price of 3.16 pence under the Open Offer represents approximately a 35 per cent. discount to the TERP based on the Closing Price of 5.5 pence per Ordinary Share and the SDR Offer Price of SEK 0.370 represents approximately a 35 per cent. discount to the TERP of the SDRs based on the closing price of

SEK 0.644 per SDR on Spotlight, in each case on 5 November 2020, being the Business Day prior to the announcement of the Capital Raising.

The Capital Raising is conditional upon AIM Admission becoming effective by not later than 8.00 a.m. on 22 December 2020 (or such later time and/or date (being not later than 8.00 a.m. on 29 December 2020) as the Company and SP Angel may agree).

The Capital Raising is not conditional on approval by Shareholders. The New Ordinary Shares will be issued using the Directors' existing authority to allot shares for cash on a non-pre-emptive basis. This authority was granted by Shareholders at the Company's annual general meeting held on 10 September 2020.

The New Ordinary Shares to be issued pursuant to the Open Offer and the Additional Subscription are to be admitted to trading on AIM, which is expected to take place at 8.00 a.m. on 22 December 2020. The Swedish Subscription Rights, the Paid Subscribed SDRs and the New SDRs are to be admitted to trading on Spotlight which, in the case of the Swedish Subscription Rights and the Paid Subscribed SDRs, is expected to take place on 20 November 2020 and, in the case of the New SDRs, is expected to take place on or around 29 December 2020.

The net proceeds of the Capital Raising (after costs and expenses) will be used principally for advancing the Company's projects in Kosovo, Finland and Sweden and for general working capital purposes, as well as the repayment of the Bridge Loan and accrued interest. Further details on the background to and the reasons for the Capital Raising are given in section 2 of this letter below.

The purpose of this letter is to explain to Shareholders and SDR Holders the background to, and reasons for, the Capital Raising.

## **2 BACKGROUND TO AND REASONS FOR, THE CAPITAL RAISING**

### **(a) The Company's asset portfolio**

The Company's vision is to build a sustainable and innovative mining company, which creates shareholder value by developing mining assets, delivering production and generating cash flow, and, in so doing, meets society's needs for metals.

The Company's first priority remains the award of the Exploitation Concession for Kallak North. The introduction of a strategic partner or investor who understands the value of Kallak as a high-quality asset, which could be in production within four to five years, is an ongoing consideration, but does not preclude the Company from continuing to advance the project in the meantime through studies and permitting, continuing to add value.

Fennoscandian, the Company's 100 per cent. owned graphite business, is pursuing a strategy to develop a 'resource footprint' of natural flake graphite that can provide 'security of supply' and enable Finland to achieve its ambition of self-sufficiency in battery manufacturing. The Company is a recipient of Business Finland funding, which is supporting Fennoscandian to move downstream, and develop its knowledge in processing and manufacturing value-added graphite products.

The Company owns approximately 46.1 per cent. of Vardar, a UK registered exploration company with a focus on the metal endowed Balkan region. Vardar holds exploration licences for the Mitrovica and Viti projects in Kosovo. 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 and lead-zinc-silver province.

The Company's asset portfolio is diversified by commodity, geography and the development stage of its various projects, and features metals in demand to facilitate an economic green transition and for addressing the climate emergency:

- magnetite iron ore in Sweden: 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. This would likely apply to the HYBRIT process, a fossil free steel production method being piloted in Sweden, with collaboration partners LKAB, SSAB and Vattenfall.

- graphite in Finland: for the next decade graphite will remain the material of choice for anodes in lithium-ion batteries. As the demand for electric vehicle and renewables storage batteries surges, so too will the demand for graphite. Europe and the Nordic region are focused on developing strategic capability in battery manufacturing and regional supply of raw materials will be important, when considering supply chain transparency and security. Natural graphite is included in the EU's List of Critical Raw Materials 2020.

Kallak provides the foundation asset of the Company, but with Vardar and Fennoscandian, the Company has many opportunities to grow, each business area displaying strong prospects.

## (b) **Sweden – Kallak**

### **Overview**

The Company's most advanced project is the Kallak magnetite iron ore deposit in which it has invested more than £7.2 million (approximately SEK 83.2 million) since 2006.

Kallak is located approximately 40 km west of Jokkmokk in the County of Norrbotten, Northern Sweden, 80 km southwest of the major iron ore mining centre of Malmberget, and approximately 120 km to the southwest of LKAB's Kiruna iron ore mine and processing facilities.

The deposit has excellent local infrastructure with all-weather gravel roads passing through the project and forestry tracks allowing for easy access throughout the licence. A major hydroelectric power station, with associated electric power-lines, is located only a few kilometres to the south east.

The nearest railway, the Inlandsbanan, passes approximately 40 km to the east. The Inlandsbanan meets the Malmbanan railway at Gällivare, which provides routes to the Atlantic harbour at Narvik in Norway or to the Bothnian Sea harbour at Luleå in Sweden.

The first exploration licence for Kallak was awarded by the Mining Inspectorate of Sweden in 2006. In February 2013 the Kallak deposit was designated an area of national interest for minerals by the Swedish Geological Society meaning it is protected, to an extent, against competing land use and other measures that could limit mineral extraction in the area.

A Mineral Resource estimate for Kallak North and Kallak South, based on drilling conducted between 2010 and 2014, a total of 131 holes and 27,895 metres was finalised on 28 November 2014 and announced by the Company on 4 December 2014. Following the guidelines of the JORC Code, an Indicated Mineral Resource of 118.5 Mt at 27.5 per cent. Fe content and Inferred Mineral Resource of 33.8 Mt at 26.2 per cent. Fe was defined in the Kallak Mineral Resource Estimate. Also, there is an additional exploration target of 90 – 100 Mt at 22 – 30 per cent. Fe (Source: Kallak Mineral Resource Estimate).

The Kallak Mineral Resource Estimate was prepared and categorised for reporting purposes by Mr. Thomas Lindholm, of GeoVista AB, Fellow of the AusIMM, following the guidelines of the JORC Code.

In 2015, testwork on Kallak ore showed that an exceptionally high grade magnetite concentrate can be produced, yielding 71.5 per cent. Fe 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. This would make Kallak the 'market leading' grade product among known current and planned future producers.

The testwork was carried out at GTK in Outokumpu City, Finland on samples generated from test mining at Kallak North in 2013. A magnetite product control sample was analysed by SGS Canada Inc. to validate the high grade results. Dr. Arvidson, MSc Mining/Mineral Processing, PhD Mineral Processing (equivalent), both read at the Royal Institute of Technology, Stockholm, reviewed and approved the Company's previous announcements of this technical information in his capacity as a

qualified person, as required under the AIM Rules. Dr. Arvidson has over 50 years' relevant experience in the minerals industry, and has developed over 80 new applications within the industrial minerals and iron ore areas. Dr. Arvidson has visited the Kallak site and supervised laboratory and pilot plant testing of samples extracted from trenches on the site.

On 17 September 2020, the Company announced the results of a further assessment by Dr. Arvidson of the magnetite concentrate, the highlights of which can be summarised as follows:

- testwork on Kallak ore has produced an exceptionally high-grade magnetite concentrate at 71.5 per cent. Fe content with minimal detrimental components;
- this would make Kallak the 'market leading' 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 is 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.

In April 2013, the Company applied for an Exploitation Concession for Kallak North and in October 2015, the Mining Inspectorate recommended to the Swedish Government that the Exploitation Concession be awarded. In July 2017 an application was sent to the Swedish Government for a final decision. The Company is still waiting on the Swedish Government to take that decision. There is no time limit by when the Swedish Government needs to make a decision but the Minister has spoken of the need for transparency and predictability in permitting processes and of a 'forthcoming decision' with respect to the Company's application.

In southern Sweden, the Company has its Åtvidaberg nr 1 exploration licence, which is prospective for polymetallic discoveries, mainly copper and zinc.

### ***Plans for 2021 and outlook***

The Directors believe that the award of the Exploitation Concession would result in a re-rating of the Company's value and prospects by investors. The 'big picture' for Kallak is that a mine could be in production within 4-5 years. The context is that the Government wants to demonstrate leadership in sustainable mining, the state iron ore company LKAB announced in October 2018 that it had overestimated reserves at its mining complex at Kiruna and projects, such as HYBRIT, and plans for fossil-free steel making are reliant on high quality iron ore feed and security of supply.

If the Swedish Government approves the Exploitation Concession, and with funding from the Capital Raising, the Company's immediate plan is to complete a scoping study within 12 months, in parallel plan for a pre-feasibility study and initiate environmental permitting.

There is no definitive date by which the Company needs the Exploitation Concession. While the Company waits for a decision on the Exploitation Concession, exploration work can continue under valid work plans. Plans to drill at Kallak South this Autumn had to be postponed because of COVID-19 and until such time that resources can be fully mobilised and deployed safely. The work is now planned to take place during the summer of 2021.

The programme will determine if a 3D seismic model can be constructed, using the established seismic characteristics of the Kallak deposit, and whether the 3D model can be used to identify additional iron ore mineralisation for the Exploration Target at Kallak South.

The work is being undertaken as part of the PACIFIC project. The Company received £192,205 on the 30 July 2018, to fund exploration work in accordance with its participation in PACIFIC, a component of the European Union's Horizon 2020 programme.

The aim of PACIFIC is to develop a new low-cost and environmentally friendly tool for exploring for sub-surface mineral deposits. The programme will test a multi-array method in parallel with drilling at Kallak South, with noise from drilling providing a passive seismic source. The PACIFIC funds will fund an agreed work programme to test the new exploration method, while providing further exploration data.

The magnetic signature of mineralisation at Kallak, extends southwards from Kallak North to Kallak South, and then beyond to Parkijaure. Interpretation of geophysical data suggests the potential for additional iron ore mineralisation, which could add to the Kallak North and Kallak South resource.

If successful, the set-up could then be applied to the Parkijaure nr 6 Exploration Licence, awarded by the Mining Inspectorate in October 2019, which covers approximately 1,000 hectares and lies immediately to the south of the Kallak deposits. Funds for this work are included in the Use of Proceeds table in section 4 of this Part VII (*Letter from the Chairman of Beowulf Mining plc*).

Desktop work is currently underway to assess whether an additional exploration target can be added to the potential global resource for Kallak, using historic geophysics and drilling data. Work will continue on firmly establishing the resource upside and the potential for a much longer life mining operation, beyond the 14 years included in the Kallak North application, which can support a long life sustainable mining operation, high quality production and the economic future of Jokkmokk municipality.

In addition, the Company is working with consultants on assessing new processing innovations, which will remove the necessity for flotation and enable the Kallak design to move away from a wet tailings storage towards dry-stacking, thereby reducing the environmental footprint of a future operation.

The Company also continues to assess whether it is appropriate to bring a strategic partner or investor into Kallak.

Finally, the Company has embarked on advancing social studies, specifically aimed at advancing discussions on formal agreements with key stakeholders including the Jokkmokk municipality and the Sami reindeer herders. The Company considers this work as critical to maximising the benefits that Kallak will generate for all stakeholders.

Funds from the Capital Raising will be used for these specific studies and work programmes, as they are beneficial to optimising the environmental and social aspects of the Kallak project, reducing its impacts and maximising its benefits.

(c) **Finland – Fennoscandian**

**Overview**

Through its 100 per cent. owned subsidiary Fennoscandian, the Company has a portfolio of graphite exploration prospects in Finland. Fennoscandian is positioned within Finland and Europe's fast developing lithium-ion battery manufacturing sector, helping Finland prepare for the surge in demand for anode material in Europe.

The Company is Finland's only developer of natural flake graphite production. Fennoscandian is pursuing a strategy of developing a 'resource footprint' of natural flake graphite that can provide transparent 'security of supply' and enable Finland to achieve its ambition of self-sufficiency in battery manufacturing. The Company is building its knowledge in processing and manufacturing value-added graphite products, including feed material for manufacturing anodes in lithium-ion batteries, supported, in part, by funding from Business Finland.

Since Fennoscandian was acquired in January 2016, the Company has invested approximately Euros 1.56 million in graphite exploration, resource development, metallurgical testwork and the assessment of market applications for graphite supplied from its Aitolampi project, including lithium-ion battery applications.

The market opportunity for batteries and graphite is significant, with Gigafactory capacity in Europe and the demand for anode material expected to multiply by nine times between now and 2024, a move towards transparent and shorter supply chains, such that strategic capability for manufacturing lithium-ion batteries is established in Europe.

The Aitolampi project is located in eastern Finland, approximately 13 km north north west of the town of Heinävesi, and 40 km southwest of the well-established mining town of Outokumpu. Infrastructure in the area is excellent, with road access and good availability of high voltage power.

During 2019, Fennoscandian delivered an upgraded estimate of the Mineral Resources of the Aitolampi project, with an 81 per cent. increase in contained graphite (compared to the Company's previous 2018 estimate of the Mineral Resources for Aitolampi) for the higher-grade western zone with an Indicated and Inferred Mineral Resource of 17.2 Mt at 5.2 per cent Total Graphitic Carbon ("**TGC**") containing 887,000 tonnes of contained graphite. An unchanged Indicated and Inferred Mineral Resource of 9.5 Mt at 4.1 per cent TGC for 388,000 tonnes of contained graphite for the eastern lens (Source: Aitolampi Mineral Resource Estimate).

In total, an Indicated and Inferred Mineral Resource of 26.7 Mt at 4.8 per cent TGC for 1,275,000 t of contained graphite. All material is contained within two graphite mineralised zones, the eastern and western lenses, interpreted above a nominal three per cent TGC cut-off grade (Source: Aitolampi Mineral Resource Estimate).

An augmented global Indicated and Inferred Mineral Resource of 11.1 Mt at 5.7 per cent TGC for 630,000 t of contained graphite, reporting above a five per cent TGC cut-off, based on the grade-tonnage curve for the resource (Source: Aitolampi Mineral Resource Estimate).

The Aitolampi Mineral Resource Estimate was based on information compiled by Mr Aaron Meakin, under the direction and supervision of Dr Andrew Scogings. At the time, Mr Meakin was a full-time employee of CSA Global and Dr Scogings is an Associate of CSA Global. Dr Scogings took overall responsibility for the report. Dr Scogings is a Member of both the Australian Institute of Geoscientists and Australasian Institute of Mining and Metallurgy, and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a competent person in terms of the JORC Code.

### ***Plans for 2021 and outlook***

In response to the impending surge in demand for anode material in Europe, Fennoscandian is refining its business plan as it seeks to strengthen its position in the Finnish battery sector.

Given the strategic imperative for developing mines that can supply the raw materials necessary to manufacture lithium-ion batteries, as a meaningful response to the climate emergency, Fennoscandian is focused on its exploration portfolio, expanding its resource footprint and additional options and sources for natural flake graphite production.

With sufficient funding from the Capital Raising, by the end of 2021, Fennoscandian will have completed a scoping study for its Aitolampi project, and in conjunction with the scoping study, developed plans for test mining at Aitolampi to produce a bulk sample and the establishment of a pilot plant for producing spherical graphite for batteries and other high-value graphite products.

Pilot plant production should effectively start the pre-qualification timeline for a battery factory feed material and the further development of Fennoscandian's marketing strategy. Significant testwork on Aitolampi graphite (including advanced metallurgical/battery testwork, market assessments, the production of spherical graphite and battery tests) has already completed. This has shown the graphite at Aitolampi to have almost perfect crystallinity, an important prerequisite for high tech applications, such as lithium-ion batteries. Purification results indicate that, with some process optimisation, concentrates may meet the purity specification of 99.95 per cent. C(t) for lithium-ion batteries.

Fennoscandian continues to assess opportunities for complementary supplies of raw graphite material e.g. recycled materials that support sustainability and circular economy objectives.

The Directors believe Fennoscandian is the only developer of natural flake graphite in Finland benefitted by Finland's leadership in mineral processing and the support the Company receives from Business Finland. Fennoscandian's location and Finland's membership of the European Union should also give the Company access to European grant funding schemes.

(d) **Kosovo – Vardar**

**Overview**

The Company has a 46.1 per cent. interest in Vardar following an investment of approximately £1.6 million. Vardar is a UK registered exploration company with a focus on the mineral endowed Balkan region. In 2019, the Company obtained control of Vardar and, as such, the Vardar group of companies is now consolidated into the Company and subject to the same financial controls and scrutiny.

Vardar gives the Company strategic investment exposure to the highly prospective Tethyan Belt. Vardar has two exploration licence areas, Mitrovica and Viti in Kosovo.

Significant progress continues to be made and exploration results have developed the Company's understanding of the copper-gold porphyry potential at both the Mitrovica and Viti projects in Kosovo.

Porphyry deposits are exceptionally large, low grade, polymetallic systems, that typically contain copper along with other metals, such as gold, silver, zinc and lead. Examples in the region include the Kiseljak deposit in Serbia (Inferred Mineral Resource: 459 million tonnes at 0.22 per cent. copper, 0.2 grammes per tonne gold. Source: Dunav Resources' announcement, June 2014) and the Skouries high grade gold-copper deposit in Greece (Measured and Indicated Mineral Resource: 289 million tonnes at 0.43 per cent. copper and 0.58 grammes per tonne gold. Inferred Mineral Resource: 170 million tonnes at 0.34 per cent. copper and 0.31 grammes per tonne gold. Source: Eldorado Gold).

At Viti, initial stratigraphic holes, intersected the correct alteration type, returning gold and visible copper mineralisation, and indicating potential for the discovery of a mineralised copper-gold porphyry in a hitherto unexplored area.

**Mitrovica**

The Mitrovica licence is located immediately to the west and north west of the world class Stan Terg former lead-zinc-silver mine, which dates back to the 1930s. With current reserves of 29 Mt of ore at 3.45 per cent Pb, 2.30 per cent Zn, and 80 g/t Ag (ITT/UNMIK 2001 report), together with the past production of approximately 34 Mt of ore, the deposit represents an important source of metals in the south eastern part of Europe (Source: Strmić Palinkaš S., Palinkaš L.A *et al*, 2013. Metallogenic Model of the Trepča Pb-Zn-Ag Skarn Deposit, Kosovo: Evidence from Fluid Inclusions, Rare Earth Elements, and Stable Isotope Data. *Economic Geology*, 108, 135–162).

The licence is showing its potential for a range of porphyry-related mineralisation types, including the Majdan Peak high-sulphidation epithermal gold target, the Wolf Mountain low-sulphidation lead-zinc-silver target and the Mitrovica South base and precious metal target in the southern part of the licence area. Vardar believes all the targets are related to a potentially much larger porphyry style mineralised system.

– *Majdan Peak*

An extensive gold anomaly has been identified over an area approximately 1,400 m x 700 m, with individual soil samples returning up to 0.36 g/t gold. A number of grab samples returned high grade gold results, which correlated well with gold in soils and alteration intensity and confirmed the significant scale of the anomaly, which remains open to the east.

The scale and size of the anomaly, together with coincidental multi-element anomalies and extensive hydrothermal alteration, are comparable to significant high-sulphidation epithermal gold deposits within the region. The gold anomaly correlates well with anomalous arsenic, copper, lead, mercury, strontium and antimony and geological mapping has shown the presence of advanced argillic alteration.

– *Wolf Mountain*

The Wolf Mountain target forms a prominent outcropping feature, with strike length of more than 4 km and width ranging from almost 20 m to greater than 300 m. 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.

Vardar has completed 1,609 m of drilling and a total of 278.5 m of trenching, carried out over outcropping stockwork and hydrothermal breccia mineralisation. Drilling and trenching results have confirmed extensive lead-zinc-silver mineralisation over an area of 800 m in length and 400 m in width in its northern part, with significant potential for high grade feeder structures.

– *Mitrovica South*

A new lead-zinc-copper-gold target has been identified to the south of Majdan Peak, of particular significance given its situation, approximately 4 km from the former Stan Terg lead-zinc-silver mine. Vardar has mapped zinc mineralisation associated with trachyte dykes. Soil sampling results indicate the potential for a large mineralised system, having identified distinctive zinc, copper, lead, silver, and gold anomalies in the southern part of the licence, extending laterally from known mineralisation, suggesting that the system may be larger than indicated by initial geological mapping.

**Viti**

The Viti licence encompass an interpreted circular intrusive, indicated by 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 the south-east of the project area, reconnaissance mapping has identified several zones of intense argillic alteration, hydrothermal breccias and iron oxide stockworks.

In addition, Viti is prospective for lithium-boron mineralisation, with a geological setting similar to Rio Tinto's Jadard deposit in Serbia.

Orientation drilling at Viti has intersected the upper part of a copper-gold porphyry system. Two stratigraphic holes, totalling 439 m, drilled to test for alteration type and potential associated mineralisation in the gossanous zone, identified highly altered trachyte porphyry dykes with associated copper and gold mineralisation, including down the hole intersections of 1 m at 0.5 g/t Au and 10 m at 0.12 g/t.

Drill testing was designed to test the extent and type of alteration associated with an extensive 3 km gossanous outcrop, which had previously returned anomalous copper and gold concentrations in rock grab samples. In addition, soil samples were collected to determine the extent of possible anomalous metal concentrations over the target area.

### **Plans for 2021 and outlook**

The Company's latest investment of £300,000, announced on 13 August 2020, is funding a high resolution drone magnetic survey. The geophysics programme is designed to map out alteration zones and identify potential structural controls to mineralisation. 3D IP/DC surveys are also being used to directly map sulphides and resistivity contrasts associated with mineralisation.

Work is underway in Kosovo, starting at Mitrovica, covering Wolf Mountain, Majdan Peak and Mitrovica South, then Viti.

The geophysics programme is due to complete by the end of 2020, with data analysis and interpretation being conducted concurrently, and conclusions informing plans for 2021.

The next steps would see the Company funding, from the proceeds of the Capital Raising, drilling for epithermal and porphyry targets in 2021. A minimum budget for targeted drilling has been included in the Use of Proceeds table in section 4 of this Part VII (*Letter from the Chairman of Beowulf Mining plc*). With additional funds an increased drilling budget will be prepared, dependent on both the results of the geophysics programme and the proceeds of the Capital Raising.

As an example of some initial results from the geophysics programme, on 23 October 2020 the Company published news on Wolf Mountain, the highlights of which can be summarised as follows:

- highly anomalous IP chargeability zones, considered high priority targets for drill testing, have been defined beneath areas of laterally extensive lead-zinc 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 lead-zinc-silver 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.

With continued exploration success in Kosovo, the Company will continue to fund work at Mitrovica and Viti, the goal being to discover a deposit(s) and thereafter define a mineral resource(s). Vardar will also continue to evaluate additional licence opportunities in Kosovo.

### **(e) Reasons for the Capital Raising**

With strong demand and pricing forecast for metals within the Company's portfolio, and with plans for each business area to drive the Company forwards, the Capital Raising is intended, first and foremost, to further develop the Company's projects, while supporting its tightly managed corporate overheads.

The Directors have successfully raised equity finance since 2015, but have not made a proposal to shareholders to fund the Company on a pre-emptive basis.

### 3 VALUE DRIVERS

The Directors believe that the Company's key value drivers can be summarised as follows:

<i>Business area</i>	<i>Near-term</i>	<i>Medium-term</i>
Kallak	Exploitation Concession – 'forthcoming decision' – potential re-rating event. Continue to evaluate Parkijaure nr 6 and increase the total resource	Advance project development studies/strategic partner search/develop formal agreements with Jokkmokk municipality and Sami reindeer herders
Fennoscandian	Focus is on building a resource and production base, positioning the Company as a supplier of feed material for manufacturing the anodes in lithium-ion batteries	Continue to develop graphite portfolio, including scoping study, test mining and pilot plant for Aitolampi, and to investigate other sources of graphite supply
Vardar	Geophysics programme for Mitrovica and Viti should provide targets for drilling in 2021	Drilling for epithermal and porphyry targets in 2021. Focus on discovery. Continue to evaluate additional licence opportunities in Kosovo

### 4 MINERAL RESOURCE ESTIMATES

The Company has reported the following Mineral Resource Estimates:

#### (a) Aitolampi

Aitolampi is part of the Company's exploration permit named Pitkäjärvi 1. The current permit expires 10 January 2021. Fennoscandian plans to submit a renewal application by 9 November 2020.

The Company published an updated estimate of the Mineral Resource for Aitolampi, following the guidelines of the JORC Code, on 30 October 2019, based on 23 diamond drill ("DD") holes for 3,608.92 m (combined 2017 and 2019 drilling) of which five DD holes were completed in 2019 for 838.17 m of drilling to augment the resource in the western higher-grade graphite mineralised lens.

A summary of the Aitolampi Mineral Resource Estimate is as follows:

<i>Zone</i>	<i>Classification</i>	<i>Tonnage (Mt)</i>	<i>TGC (%)</i>	<i>S (%)</i>	<i>Density (t/m<sup>3</sup>)</i>	<i>Contained graphite (kt)</i>
Western lens	Indicated	9.2	5.1	5.0	2.80	468
	Inferred	8.0	5.2	4.7	2.80	419
	<b>Indicated + Inferred</b>	<b>17.2</b>	<b>5.2</b>	<b>4.8</b>	<b>2.80</b>	<b>887</b>
Eastern lens	Indicated	1.8	4.1	4.4	2.82	74
	Inferred	7.7	4.1	4.5	2.82	314
	<b>Indicated + Inferred</b>	<b>9.5</b>	<b>4.1</b>	<b>4.5</b>	<b>2.82</b>	<b>388</b>
<b>TOTAL</b>	<b>Indicated + Inferred</b>	<b>26.7</b>	<b>4.8</b>	<b>4.7</b>	<b>2.81</b>	<b>1,275</b>

Notes:

- (1) The Aitolampi Mineral Resource Estimate was estimated by CSA Global in accordance with the JORC Code.
- (2) The Aitolampi Mineral Resource Estimate was based on information compiled by Mr Aaron Meakin, under the direction and supervision of Dr Andrew Scogings. At the time, Mr Meakin was a full-time employee of CSA Global and Dr Scogings is an Associate of CSA Global. Dr Scogings took overall responsibility for the report. Dr Scogings is a Member of both the Australian Institute of Geoscientists and Australasian Institute of Mining and Metallurgy, and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person ("CP") in terms of the JORC Code.

- (3) Dr Andrew Scogings approved the disclosure of technical information in the form and context in which it appeared in the announcement at the time, in his capacity as a CP, as required under the AIM Rules.
- (4) Dr Scogings is a geologist with more than 25 years' experience in industrial minerals exploration, product development and sales management. Dr Scogings has published papers on reporting requirements of the JORC Code, with specific reference to Table 1 and Clauses 18 and 19 (industrial mineral Exploration Results) and Clause 49 (industrial mineral specifications). He has published numerous articles on industrial minerals, addressing aspects of QA/QC, bulk density methods and petrography for industrial minerals exploration. He was recently senior author of two significant reviews: Natural Graphite Report – strategic outlook to 2020 and Drilling grade barite – Supply, Demand & Markets published in 2015 by Industrial Minerals Research (UK), and has co-authored several papers ranking global graphite exploration projects. Andrew is a Registered Professional Geoscientist (RP Geo. Industrial Minerals) with the Australian Institute of Geoscientists.
- (5) Mr Aaron Meakin is a geologist with over 24 years' experience in mining, resource development and exploration. Mr Meakin has significant mine production experience, having worked at both underground and open-pit operations. His Mineral Resource estimation experience spans a range of commodities and styles of mineralisation, including graphite deposits.

(b) **Kallak**

The Kallak North and Kallak South orebodies are centrally located and cover an area approximately 3,700 m in length and 350 m in width, as defined by drilling. The Kallak Mineral Resource Estimate is based on drilling conducted between 2010 and 2014, a total of 131 holes and 27,895 m.

The Kallak Mineral Resource Estimate was published by the Company on 4 December 2014, following the guidelines of the JORC Code, the summary of which is as follows:

<i>Project</i>	<i>Category</i>	<i>Tonnage (Mt)</i>	<i>Fe (%)</i>	<i>P (%)</i>	<i>S (%)</i>
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.
- (3) Cut-off grade of 15 per cent. Fe has been used.
- (4) Mineral Resource, which is not Mineral Reserves, has 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 AusIMM, following the guidelines of the JORC Code.

Geological interpretation and solid modelling were carried out by Mr. Mathias Forss MSc Geology and Mineralogy of AB Scandinavian Geopool Ltd., Finland, in cooperation with Dr. Robin Bernau Ph.D., FGS, Member of the AusIMM (CP) of Micon International Ltd, U.K. Mr. Forss has fulfilled the role of Kallak project geologist from 2013 to 2014. Mine planning was carried out by Mr. Peter Shankaya B.Min.Sc., Engineering Institute of Zambia of Micon International Ltd, U.K.

Further drilling planned for Autumn 2020 has been postponed to 2021 because of COVID-19 restrictions and until such time that personnel can be fully mobilised and deployed safely.

Once underway, the drilling is planned to determine if a 3D seismic model can be constructed, using the established seismic characteristics of the Kallak deposit, and whether the 3D model can be used to identify additional iron ore mineralisation.

The work is being undertaken as part of the PACIFIC Project. The aim of PACIFIC is to develop a new low-cost and environmentally friendly tool for exploring for sub-surface mineral deposits. The programme will test a multi-array method in parallel with drilling at Kallak South, with noise from drilling providing a passive seismic source.

The magnetic signature of mineralisation at Kallak, extends southwards from Kallak North to Kallak South, and then beyond to Parkijaure. Interpretation of geophysical data suggests the potential for additional iron ore mineralisation, which could add to the Kallak North and Kallak South resource.

The Company's application for an Exploitation Concession was based on Kallak North, a production rate of approximately 4.2 million tonnes per annum and a mine life of 14 years. The application was submitted in April 2013 and since then the resource has been upgraded and an exploration target has been added. As such the potential exists for a longer life operation, which the Company believes could be 25 years or more, if the exploration target is converted to resource and further iron ore is discovered at Parkijaure.

## 5 USE OF PROCEEDS

The Company expects to utilise the Minimum Net Proceeds from the Capital Raising over the next 12 months as follows:

	£	<i>Percentage of Minimum Net Proceeds</i>
Repayment of the Bridge Loan	1,100,000	39%
Vardar – drilling of exploration targets defined by 2020 geophysics	719,000	26%
Fennoscandian – Aitolampi scoping study, pilot plant/test mining studies	430,000	15%
Kallak – drilling, scoping/technical studies	204,000	7%
Working capital	363,000	13%
<b>Total</b>	<b>2,816,000</b>	<b>100%</b>

Management prepare and monitor cash flow forecasts and assess the need to raise funds on an ongoing basis. Management has implemented logistical and organisational changes to underpin the Group's resilience to the impact felt by the COVID-19 pandemic, focused on protecting all personnel, minimising the impact on critical workstreams and ensuring business continuity.

The above expenditures are estimated and not committed. Therefore the Directors have the ability to reduce expenditure and sustain the Company's cash resources over a longer period of time than shown. The Company does not have any minimum work programme, expenditure obligations or other project commitments under any of its mining licences and permits except for a minimum expenditure of 50 Euros per hectare per year in respect of the mining permits for Mitrovica and Viti in Kosovo.

The Company's cash position as at 31 October 2020 was approximately £756,000.

In the event that the Company raises funds in the Capital Raising in excess of the Minimum Net Proceeds, the allocation of capital will be dependent on the results of the workstreams that are funded in the table of expected expenditures above and the circumstances at the time e.g. if drilling in Kosovo delivers resource grade intercepts, which supports resource drilling, then additional funds will be allocated accordingly.

## 6 UPDATE ON COVID-19

The Company has assessed, and continues to assess, the potential for disruption caused by COVID-19 and has put plans and measures in place to enable the business to respond to what is an evolving situation, while seeking to maintain a 'business as usual' attitude.

Drilling at Kallak, scheduled for Autumn 2020, was postponed due to an increase in COVID-19 cases in the region and until such time that resources can be fully mobilised and deployed safely. Measures implemented by the Company include 30 per cent. salary cuts for the CEO and Board. Despite the economic shock, mines in the Nordic region have largely continued to operate and Vardar has been able to work in Kosovo.

Management has implemented logistical and organisational changes to underpin the Group's resilience to the impact felt by the COVID-19 pandemic, with the key focus being protecting all personnel, minimising the impact on critical work streams and ensuring business continuity.

The effect on the economy may impact the Group in varying ways, which could lead to a direct bearing on the Group's ability to generate future cash flows for working capital purposes. The inability to gauge the length of such disruption further adds to this uncertainty. For these reasons, the generation of sufficient operating cash flows remain a priority.

Management is closely monitoring commercial and technical aspects of the Group's operations to mitigate risk and believes with the Capital Raising the Group will have access to sufficient working capital to continue operations for the foreseeable future.

However, the exact ramifications of the COVID-19 outbreak are highly uncertain and it is difficult to predict the duration of the pandemic, its full effect on global and local economies and the effectiveness of the Group's response in relation to the adverse impacts which may result from COVID-19. If the COVID-19 pandemic continues for a prolonged period of time, this may further affect the Group's operations.

## **7 SUMMARY OF THE PRINCIPAL TERMS OF THE CAPITAL RAISING**

The Company proposes to raise up to approximately £7.3 million (approximately SEK 82.9 million) in aggregate (before costs and expenses) by way of Capital Raising, of which approximately SEK 56.7 million in aggregate (before costs and expenses) is to be raised through the SDR Rights Issue. Accordingly, up to 225,930,552 New Ordinary Shares will be issued pursuant to the Capital Raising, representing, in aggregate approximately 27.3 per cent. of the Enlarged Share Capital, at the Offer Price of 3.16 pence (or, in the case of the Custodian, SEK 0.370) per Ordinary Share.

The Offer Price of 3.16 pence under the Open Offer represents approximately a 35 per cent. discount to the TERP based on the Closing Price of 5.5 pence per Ordinary Share and the SDR Offer Price of SEK 0.370 represents approximately a 35 per cent. discount to the TERP of the SDRs based on the closing price of SEK 0.644 per SDR on Spotlight, in each case on 5 November 2020, being the Business Day prior to the announcement of the Capital Raising. The Offer Price has been set by the Directors following their assessment of market conditions. The Directors are in agreement that the level of discount and method of issue are appropriate to secure the investment necessary.

In addition, Christopher Davies, Independent Non-Executive Director, who is not currently a Shareholder, has agreed, conditional upon AIM Admission, to subscribe for 88,800 New Ordinary Shares by way of the Additional Subscription.

The Capital Raising is conditional upon AIM Admission becoming effective by not later than 8.00 a.m. on 22 December 2020 (or such later time and/or date (being not later than 8.00 a.m. on 29 December 2020) as the Company and SP Angel may agree).

Accordingly, if such condition is not satisfied, the Capital Raising will not proceed. In such circumstances, application monies will be returned to investors without payment of interest, as soon as practicable.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that AIM Admission will become effective and that dealings in the New Ordinary Shares will commence on or around 22 December 2020. The New Ordinary Shares will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares already in issue, including the right to receive all dividends and other distributions declared, made or paid in respect of such shares after the date of issue of the New Ordinary Shares.

Application will be made for the Swedish Subscription Rights, the Paid Subscribed SDRs and the New SDRs to be admitted to trading on Spotlight. It is expected that dealings on Spotlight in the Swedish Subscription Rights and the Paid Subscribed SDRs will commence (for normal settlement) on 20 November 2020 and that Swedish Admission will become effective and that dealings on Spotlight in the New SDRs will commence (for normal settlement) on or around 29 December 2020.

Since the transfer of Ordinary Shares between CREST and the VPC system may cause reconciliation issues, the Company has instructed the Registrar, the Custodian and Euroclear Sweden not to process conversions of: (i) Ordinary Shares to SDRs and the crediting of such SDRs to the VPC system from 7.00 a.m. (8.00 a.m. Stockholm time) on 6 November 2020 until 7.00 a.m. (8.00 a.m. Stockholm time) on 19 November 2020; and (ii) the removal from the VPC system of SDRs and their conversion to Ordinary Shares from 7.00 a.m.

(8.00 a.m. Stockholm time) on 6 November 2020 until 7.00 a.m. (8.00 a.m. Stockholm time) on 19 November 2020. Accordingly, Shareholders will not be able to convert their Ordinary Shares to SDRs (or *vice versa*) during these times. This will ensure that anyone who bought Ordinary Shares and anyone who bought SDRs before the announcement of the Capital Raising will be able to participate in the Open Offer and the SDR Rights Issue, respectively, by virtue of being on the relevant register in the correct jurisdiction.

In addition, it will not be possible to transfer or exchange Open Offer Entitlements to or for Swedish Subscription Rights in the VPC system, or to transfer or exchange Swedish Subscription Rights or Paid Subscribed SDRs in the VPC system to or for Open Offer Entitlements or Ordinary Shares.

## **8 OPEN OFFER**

### **(a) Introduction**

The Board recognises and is grateful for the continued support received from Shareholders and therefore wishes to provide an opportunity for all existing Qualifying Shareholders to participate in a further issue of new Ordinary Shares at the Offer Price by way of the Open Offer.

The Open Offer is being made so as to enable all Qualifying Shareholders to subscribe for new Ordinary Shares at the Offer Price on a *pro rata* basis to their current holdings and with the option for increasing their allocation pursuant to an Excess Application Facility.

It should be noted that the Open Offer is not a rights issue and the Open Offer Entitlements cannot be traded. Unlike a rights issue, any Open Offer Shares not applied for under the Open Offer will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not take up their rights to subscribe under the Open Offer. In view of the limited liquidity in the trading of the Ordinary Shares on AIM, the Board is of the opinion that undertaking a rights issue of new Ordinary Shares does not warrant the extra costs and expenses that would be involved in making an application for provisionally allotted rights to new Ordinary Shares to be admitted to trading on AIM.

The Open Offer has been structured so that it is not available to Restricted Shareholders, being Shareholders resident or located in any Restricted Jurisdiction.

### **(b) Details of the Open Offer**

#### **(i) Structure**

The Directors have considered the best way to structure the Open Offer, having regard to, *inter alia*, the importance of pre-emption rights to all Shareholders, the extent to which there are Overseas Shareholders, the regulatory requirements applicable to companies traded on AIM, cost implications and market risks. After considering these factors, the Directors have concluded that the most suitable structure for the Open Offer, for both the Company and its Shareholders as a whole, is that the Open Offer be made only to Qualifying Shareholders who are not resident or located in any Restricted Jurisdiction.

The Open Offer provides an opportunity for all Qualifying Shareholders to acquire Open Offer Shares *pro rata* to their current holdings of Existing Ordinary Shares as at the Open Offer Record Time with the option for subscribing for more Ordinary Shares pursuant to the Excess Application Facility. The Offer Price of 3.16 pence per Open Offer Share for the Open Offer is the same as the Offer Price in the Additional Subscription, while the Offer Price of SEK 0.370 per Open Offer Share to be subscribed for by the Custodian is the same as the SDR Offer Price in the SDR Rights Issue. Once subscriptions by Qualifying Shareholders under their respective Open Offer Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all, provided always that no Qualifying Shareholder shall be entitled to receive in excess of such number of Open Offer Shares as would bring their aggregate interest in the Company to more than the Aggregate Limit.

(ii) **Principal terms of the Open Offer**

Subject to the fulfilment of the conditions set out below and in Part VIII (*Terms and Conditions of the Open Offer*) of this document, Qualifying Shareholders are being given the opportunity to subscribe for up to 225,841,752 New Ordinary Shares at a price of 3.16 pence (or, in the case of the Custodian, of SEK 0.370) per Open Offer Share, *pro rata* to their holdings of Ordinary Shares at the Open Offer Record Time on the basis of:

**3 Open Offer Shares for every 8 Ordinary Shares  
held at the Open Offer Record Time**

Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlement in full, to apply for Excess Shares through the Excess Application Facility.

Assuming full take-up under the Open Offer and SDR Rights Issue, the issue of the Open Offer Shares will raise gross proceeds of approximately £7.3 million (approximately SEK 82.9 million) for the Company. The Open Offer Shares will, upon issue, rank *pari passu* in all respects with the Existing Ordinary Shares.

Fractions of Open Offer Shares will not be allotted; instead, each Qualifying Shareholder's entitlement under the Open Offer will be rounded down to the nearest whole number. The fractional entitlements will be aggregated and used to satisfy applications under the Excess Application Facility.

Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating the Open Offer Entitlements.

The Open Offer is conditional upon AIM Admission becoming effective by not later than 8.00 a.m. on 22 December 2020 (or such later time and/or date (being not later than 8.00 a.m. on 29 December 2020) as the Company and SP Angel may agree). The Open Offer is not conditional on approval by Shareholders.

It should be noted that the Open Offer is not a rights issue and the Application Form is not a document of title and cannot be traded. Unlike a rights issue, any Open Offer Shares not applied for under the Open Offer will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not take up their rights to subscribe under the Open Offer.

(iii) **Excess Application Facility**

The Excess Application Facility will enable Qualifying Shareholders, provided that they take up their Open Offer Entitlement in full, to apply for Excess Open Offer Entitlements, subject always to the Aggregate Limit.

Qualifying Non-CREST Shareholders who wish to apply for more than their Open Offer Entitlement should complete the relevant sections on the Application Form. Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to section 4.2 of Part VIII (*Terms and Conditions of the Open Offer*) of this document for information on how to apply for Excess Shares pursuant to the Excess Application Facility. Applications for Excess Open Offer Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Open Offer Entitlements. Once applications by Qualifying Shareholders under their respective Open Offer Entitlements have been satisfied, the Company will, in its absolute discretion, determine whether to meet any excess applications in full or in part, subject always to the Aggregate Limit. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

The Custodian will not be permitted to apply for Excess Open Offer Shares through the Excess Application Facility.

(iv) **Procedure for application and payment**

Application will be made for the Open Offer Entitlements and Excess Open Offer Entitlements in respect of Qualifying CREST Shareholders to be admitted to CREST. It is expected that such Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST at 8.00 a.m. on 18 November 2020. Applications through the means of the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying Non-CREST Shareholders will have received an Application Form with this document which sets out their entitlement to Open Offer Shares as shown by the number of Open Offer Entitlements allocated to them. Qualifying Non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded.

Qualifying CREST Shareholders should note that although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

For Qualifying Non-CREST Shareholders, completed Application Forms, accompanied by full payment, in the form of cheque made payable to "Neville Registrars Limited re: clients account", should be returned by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, UK so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 18 December 2020. Third party cheques, building society cheques and banker's drafts will not be accepted. For Qualifying CREST Shareholders the relevant CREST instructions must have been settled as explained in this document by no later than 11.00 a.m. on 18 December 2020.

The Company has made separate arrangements with the Custodian for the take up by it of its Open Offer Entitlements following the conclusion of the SDR Rights Issue.

(v) **Further information**

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part VIII (*Terms and Conditions of the Open Offer*) of this document and on the Application Form.

## **9 SDR RIGHTS ISSUE**

(a) **Principal terms of the SDR Rights Issue**

Subject to the fulfilment of the conditions set out below and in Part VIII (*Terms and Conditions of the SDR Rights Issue*) of this document, Qualifying SDR Holders are being given the opportunity to subscribe for up to 153,172,548 New SDRs at a price of SEK 0.370 per New SDR, *pro rata* to their holdings of SDRs at the SDR Rights Issue Record Date on the basis of:

### **3 New SDR for every 8 SDRs held at the SDR Rights Issue Record Date**

Qualifying SDR Holders will receive Swedish Subscription Rights on the basis of one Swedish Subscription Right for each Existing SDR held at the SDR Rights Issue Record Date. The Swedish Subscription Rights will be admitted to trading on Spotlight. Holders of Swedish Subscription Rights will be entitled to subscribe for 1 New SDR for every 1 Swedish Subscription Right held.

The SDR Rights Issue is conditional upon AIM Admission becoming effective by not later than 8.00 a.m. on 22 December 2020 (or such later time and/or date (being not later than 8.00 a.m. on 29 December 2020) as the Company and SP Angel may agree). The SDR Rights Issue is not conditional on approval by Shareholders.

The New SDRs will, upon issue, rank *pari passu* in all respects with the Existing SDRs.

(b) **Details of the SDR Rights Issue**

(i) **Procedure for application and payment**

Application will be made for the Swedish Subscription Rights and the Paid Subscribed SDRs to be admitted to trading on Spotlight. It is expected that dealings on Spotlight in the Swedish Subscription Rights and the Paid Subscribed SDRs will commence (for normal settlement) on 20 November 2020.

Sedermerna will instruct Euroclear Sweden to credit the VPC Accounts of the Qualifying Swedish Directly Registered SDR Holders with their Swedish Subscription Rights.

Qualifying Swedish Directly Registered SDR Holders will receive a Pre-Printed Issue Account Statement (which gives details of their maximum preferential right entitlement under the SDR Rights Issue), a Subscription Form “subscription with preferential rights”, a folder (containing a summary of the SDR Rights Issue with reference to this document) and a money laundering form. SDR Holders who are included in the separate list of pledgees and others in relation to the VPC system will not receive this information and will be notified separately.

Subscription for New SDRs by Qualifying Swedish Directly Registered SDR Holders with preferential rights should be made by simultaneous cash payment no later than 5.00 p.m. (Stockholm time) on 4 December 2020. Subscription by simultaneous cash payment must be made either with the Pre-Printed Issue Account Statement or in accordance with the payment instructions on the Subscription Form “subscription with preferential rights”.

Sedermerna will instruct Euroclear Sweden to credit the VPC Accounts of the nominees of the Qualifying Nominee Directly Registered SDR Holders with their Swedish Subscription Rights.

Qualifying Swedish Nominee Registered SDR Holders will not receive a Pre-Printed Issue Account Statement or a Subscription Form “subscription with preferential rights” but will receive a folder containing a summary of the SDR Rights Issue with reference to this document.

Subscription and payment by Qualifying Swedish Nominee Registered SDR Holders for Swedish Subscription Rights should be made in accordance with instructions from their respective bank or trustee. Please note that in the event that the subscription for Swedish Subscription Rights takes place via a bank or trustee, this should be done early in the SDR Rights Issue subscription period, as the respective bank or trustee may set different deadlines for subscription.

(ii) **Further information**

Further information on the SDR Rights Issue and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part X (*Terms and Conditions of the SDR Rights Issue*) of this document and on the Subscription Forms.

## **10 NOTICE TO OVERSEAS SHAREHOLDERS AND OVERSEAS SDR HOLDERS**

Information for Overseas Shareholders who have registered addresses outside the United Kingdom and Sweden or who are citizens or residents of countries other than the United Kingdom and Sweden appears in section 6 of Part VIII (*Terms and Conditions of the Open Offer*) of this document, which sets out the restrictions applicable to such persons. If you are an Overseas Shareholder, it is important that you pay particular attention to section 6 of Part VIII (*Terms and Conditions of the Open Offer*) of this document.

Information for Overseas SDR Holders who have registered addresses outside the United Kingdom and Sweden or who are citizens or residents of countries other than the United Kingdom and Sweden appears in section 12 of Part X (*Terms and Conditions of the SDR Rights Issue*) of this document, which sets out the restrictions applicable to such persons. If you are an Overseas SDR Holders, it is important that you pay particular attention to section 12 of Part X (*Terms and Conditions of the SDR Rights Issue*) of this document.

Neither the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares nor the New SDRs have been, nor will be, registered under the US Securities Act or the securities laws of any state or jurisdiction of the United States, and may not be offered or sold within the United States to, or for the account

or benefit of, a US Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and such other applicable state securities laws.

Accordingly, the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares and the New SDRs are being offered only outside the United States in reliance upon Regulation S under the US Securities Act in offshore transactions to investors who will be required to make certain representations to the Company and others prior to the investment in the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares and the New SDRs.

Neither the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares nor the New SDRs have been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have the foregoing authorities passed upon or endorsed the merits of the Capital Raising or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

## **11 DIVIDENDS AND DIVIDEND POLICY**

It is the intention of the Directors to achieve capital growth by maximising the value of the Company's exploration projects and not to pay dividends until such time that the Company's assets have been brought into profitable production or sold. No dividends will be distributed for the year ended 31 December 2019.

## **12 DIRECTORS' AND THE SENIOR MANAGER'S COMMITMENTS AND SHAREHOLDINGS**

Certain of the Directors and Rasmus Blomqvist, the only senior manager of the Company, have agreed to subscribe for Open Offer Shares and Additional Subscription Shares for an amount totalling approximately £87,000, corresponding to approximately 1.2 per cent. of the Capital Raising (assuming take-up in full of the Open Offer and SDR Rights Issue). The number of Open Offer Shares to be subscribed for by them pursuant to the Open Offer and the Additional Subscription, and their resulting shareholdings on AIM Admission (assuming take-up in full of the Open Offer and SDR Rights Issue), are set out below:

<i>Name</i>	<i>Number and type of New Ordinary Shares</i>	<i>Number of Ordinary Shares on AIM Admission</i>
Kurt Budge	906,159 Open Offer Shares	3,322,585
Christopher Davies	88,800 Additional Subscription Shares	88,800
Rasmus Blomqvist	1,743,750 Open Offer Shares	6,393,750

## **13 RELATED PARTY TRANSACTION**

The Additional Subscription from Christopher Davies is considered a related-party transaction for the purposes of Rule 13 of the AIM Rules for Companies. The directors independent of the Additional Subscription, (being Kurt Budge and Sven Otto Littorin) consider, having consulted with SP Angel, the Company's nominated adviser, that the Additional Subscription participation is fair and reasonable in so far as the Company's shareholders are concerned.

## **14 RISK FACTORS**

**You should consider fully the risk factors associated with the business and operation of the Group, taxation and the Capital Raising, the Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares and the SDRs. Your attention is drawn to the Risk Factors set out on pages 12 to 23 of this document.**

## **15 ACTION TO BE TAKEN**

### **(a) Open Offer**

**The latest time and date for acceptance and payment in full in respect of the Open Offer is 11.00 a.m. on 18 December 2020, unless otherwise announced by the Company.**

The procedure for payment and acceptance and details of the further terms and conditions of the Open Offer are set out in Part VIII (*Terms and Conditions of the Open Offer*) of this document and, where relevant, the Application Forms. Please also refer to Part IX (*Questions and Answers about the Open Offer*).

### **(b) SDR Rights Issue**

**The Subscription period for the SDR Rights Issue ends on 5.00 p.m. (Stockholm time) on 4 December 2020.**

The procedure for payment and acceptance and details of the further terms and conditions of the SDR Rights Issue are set out in Part X (*Terms and Conditions of the SDR Rights Issue*) of this document.

### **(c) Overseas Shareholders and Overseas SDR Holders**

The attention of Overseas Shareholders who have registered addresses outside the United Kingdom and Sweden or who are citizens or residents of countries other than the United Kingdom and Sweden is drawn to the information which appears in section 6 of Part VIII (*Terms and Conditions of the Open Offer*) of this document.

The attention of Overseas SDR Holders who have registered addresses outside the United Kingdom and Sweden or who are citizens or residents of countries other than the United Kingdom and Sweden is drawn to the information which appears in section 12 of Part X (*Terms and Conditions of the SDR Rights Issue*) of this document.

## **16 TAXATION**

Your attention is drawn to Part XIV (*Taxation*) in relation to taxation matters. If you are in any doubt as to your tax position, you should consult your own professional adviser without delay.

## **17 FURTHER INFORMATION**

The attention of Shareholders is drawn, in particular to, Parts VIII (*Terms and Conditions of the Open Offer*) and IX (*Questions and Answers about the Open Offer*) of this document. The attention of SDR Holders is drawn, in particular, to Part X (*Terms and Conditions of the SDR Rights Issue*) of this document. However, you should read the whole of this document (including the information incorporated into this document by reference) and not just rely on the information contained in this letter or in those particular Parts of this document.

Yours faithfully,

**Sven Otto Littorin**  
Chairman

## PART VIII

### TERMS AND CONDITIONS OF THE OPEN OFFER

#### 1 INTRODUCTION

As explained in the letter set out in Part VII (*Letter from the Chairman of Beowulf Mining plc*) of this document, the Company is proposing to issue up to 225,841,752 New Ordinary Shares under the Open Offer at the Offer Price, to raise gross proceeds of, assuming that it is fully subscribed, approximately £7.3 million (approximately SEK 82.9 million). The Open Offer is not being underwritten.

The Open Offer Record Time for entitlements under the Open Offer for Qualifying Shareholders is 6.00 p.m. on 16 November 2020. An Application Form for each Qualifying Non-CREST Shareholder is enclosed with this document and Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST by 18 November 2020.

The Open Offer is an opportunity for Qualifying Shareholders to apply for Open Offer Shares at the Offer Price on the basis of 3 Open Offer Shares for every 8 Existing Ordinary Shares held at the Open Offer Open Offer Record Time, in accordance with the terms of the Open Offer.

**Qualifying Shareholders are also being offered the opportunity under the Excess Application Facility to apply for additional Open Offer Shares in excess of their Open Offer Entitlements to the extent that other Qualifying Shareholders do not take up their Open Offer Entitlements in full.**

Further details in relation to the Excess Application Facility are set out in section 4.1(c) and section 4.2(c) of this Part VIII (*Terms and Conditions of the Open Offer*) and also, for Qualifying Non-CREST Shareholders, in the Application Form.

The latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is 11.00 a.m. on 18 December 2020. Application will be made to AIM for Open Offer Shares to be admitted to trading on AIM and AIM Admission and commencement of dealings in Open Offer Shares is expected to take place at 8.00 a.m. on 22 December 2020.

This document and, for Qualifying Non-CREST Shareholders only, the Application Form contains the formal terms and conditions of the Open Offer. The attention of Qualifying Non-CREST Shareholders is drawn to section 4.1, and the attention of Qualifying CREST Shareholders is drawn to section 4.2, of this Part VIII (*Terms and Conditions of the Open Offer*) which give details of the procedure for application and payment for the Open Offer Shares and any additional shares applied for pursuant to the Excess Application Facility.

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

Subject to AIM Admission and assuming that the Open Offer is fully subscribed, the Open Offer Shares will represent approximately 27.3 per cent. of the Enlarged Share Capital and the Existing Ordinary Shares will represent approximately 72.7 per cent. of the Enlarged Share Capital.

Any Qualifying Shareholder who has sold or transferred all or part of his or her registered holding(s) of Ordinary Shares prior to 8.00 a.m. on 17 November 2020, when the Existing Ordinary Shares are marked "ex" the entitlement to the Open Offer, is advised to consult the stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him or her by the buyer(s).

**The attention of Overseas Shareholders is drawn to section 6 of this Part VIII (*Terms and Conditions of the Open Offer*).**

## 2 THE OPEN OFFER

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are being given the opportunity under the Open Offer to apply for any number of Open Offer Shares *pro rata* to their holdings at the Offer Price of 3.16 pence (or, in the case of the Custodian, of SEK 0.370) per Open Offer Share on the basis of:

### **3 Open Offer Shares for every 8 Ordinary Shares held at the Open Offer Record Time**

The Offer Price is at a discount of approximately 35 per cent. to the TERP based on the Closing Price of 5.5 pence per Ordinary Share on 5 November 2020, being the Business Day prior to the announcement of the Capital Raising.

Fractions of Open Offer Shares will not be allotted; instead, each Qualifying Shareholder's entitlement under the Open Offer will be rounded down to the nearest whole number. The fractional entitlements will be aggregated and used to satisfy applications under the Excess Application Facility. Qualifying Shareholders with fewer than 3 Existing Ordinary Shares will not be able to apply for Open Offer Shares.

**Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.**

If you are a Qualifying Non-CREST Shareholder, the Application Form shows the number of Existing Ordinary Shares registered in your name on the Open Offer Record Time (in Box 3). Qualifying Non-CREST Shareholders should refer to section 4.1 of this Part VIII (*Terms and Conditions of the Open Offer*) for information on the relevant application procedures and further details on the Excess Application Facility as well as the Application Form.

Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST and should refer to section 4.2 of this Part VIII (*Terms and Conditions of the Open Offer*) for information on the relevant CREST procedures and further details on the Excess Application Facility. Qualifying CREST Shareholders can also refer to the CREST Manual for further information on the relevant CREST procedures.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Open Offer Entitlement in full, to apply for further Open Offer Shares in excess of their Open Offer Entitlement, subject always to the Aggregate Limit. The Custodian will not be permitted to apply for Excess Open Offer Shares through the Excess Application Facility.

Further details in relation to the Excess Application Facility are set out in Part IX (*Questions and Answers about the Open Offer*) and, for Qualifying Non-CREST Shareholders, the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility, subject always to the Aggregate Limit.

Please refer to sections 4.1(c) and 4.2(c) of this Part VIII (*Terms and Conditions of the Open Offer*) for further details of the Excess Application Facility.

**If a Qualifying Shareholder does not take up any of his or her entitlement under the Open Offer, his or her proportionate holding of Ordinary Shares will be diluted dependent on the number of Open Offer Shares taken up by Qualifying Shareholders under the Open Offer.**

**Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Application Form is not a negotiable document and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of entitlements under the Open**

**Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by the CREST Claims Processing Unit.**

**Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Open Offer Shares will have no rights under the Open Offer. Any Open Offer Shares which are not applied for by Qualifying Shareholders under their Open Offer Entitlements will be used to satisfy applications by Qualifying Shareholders who have made an application for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility, with the proceeds retained for the benefit of the Company.**

Application will be made for the Open Offer Entitlements issued to Qualifying CREST Shareholders and Excess CREST Open Offer Entitlements to be credited to Qualifying CREST Shareholders' CREST accounts. The Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts as soon as possible after 8.00 a.m. on 18 November 2020.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

The Open Offer Shares will rank *pari passu* in all respects with the Existing Ordinary Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer and, in the case of the Custodian's Open Offer Entitlement, the SDR Rights Issue.

### **3 CONDITIONS AND FURTHER TERMS OF THE OPEN OFFER**

The Open Offer is conditional upon AIM Admission of the Open Offer Shares becoming effective by not later than 8.00 a.m. on 22 December 2020 (or such later time and/or date (being not later than 8.00 a.m. on 29 December 2020) as the Company and SP Angel may agree).

Accordingly, if this condition is not satisfied, the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

The Open Offer is not conditional on approval by Shareholders.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form; definitive certificates are expected to be posted by 8 January 2021. Open Offer Shares issued in uncertificated form are expected to be credited to stock accounts maintained in CREST by as soon as possible after 8.00 a.m. on 22 December 2020.

Applications will be made for the Open Offer Shares to be admitted to trading on AIM. AIM Admission is expected to occur at 8.00 a.m. on 22 December 2020, when dealings in the Open Offer Shares are expected to commence.

All monies received by the Receiving Agent in respect of Open Offer Shares will be credited to a non-interest bearing account by the Receiving Agent.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a Regulatory Information Service and through the Cision newswire service (<https://news.cision.com/se/?n=beowulf>) giving details of the revised dates.

### **4 PROCEDURE FOR APPLICATION AND PAYMENT**

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you have an Application Form in respect of your Open Offer Entitlements under the Open Offer or you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your CREST stock account.

Qualifying Shareholders who hold all their Existing Ordinary Shares in certificated form (i.e. their Ordinary Shares) will have received the Application Form enclosed with this document. The Application Form shows

the number of Ordinary Shares held by them at the Open Offer Record Time. It will also show Qualifying Non-CREST Shareholders the number of Open Offer Shares for which they are entitled to apply under the Open Offer in certificated form and the amount payable in respect of such Open Offer Entitlements.

Qualifying Shareholders who hold all their Ordinary Shares in CREST will be issued Open Offer Shares in CREST. Qualifying Shareholders who hold part of their Ordinary Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in section 4.2 of this Part VIII (*Terms and Conditions of the Open Offer*).

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

The Company has made separate arrangements with the Custodian for the take up by it of its Open Offer Entitlements following the conclusion of the SDR Rights Issue.

**Qualifying Shareholders who do not want to apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form, or send a USE message through CREST.**

#### **4.1 If you have received an Application Form in respect of your Open Offer Entitlements under the Open Offer**

##### **(a) General**

Subject as provided in section 6 of this Part VIII (*Terms and Conditions of the Open Offer*) in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will have received an Application Form. The Application Form shows the number of Ordinary Shares registered in their name at the Open Offer Record Time in Box 3. It also shows (in Box 4) the Open Offer Entitlement allocated to them. Fractions of Open Offer Shares will not be allotted; instead, each Qualifying Shareholder's entitlement under the Open Offer will be rounded down to the nearest whole number. The fractional entitlements will be aggregated and used to satisfy applications under the Excess Application Facility. Qualifying Non-CREST Shareholders with fewer than 3 Existing Ordinary Shares will not have received an Application Form and will not be able to apply for Open Offer Shares.

Box 5 shows how much Qualifying Non-CREST Shareholders need to pay if they wish to take up their Open Offer Entitlements in full. Qualifying Non-CREST Shareholders may apply for less than their Open Offer Entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

Under the Excess Application Facility, provided they have agreed to take up their Open Offer Entitlement in full, Qualifying Non-CREST Shareholders may apply for more than the amount of their Open Offer Entitlement should they wish to do so, subject always to the Aggregate Limit. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility, subject always to the Aggregate Limit.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 22 December 2020 (or such later time and/or date (being not later than 8.00 a.m. on 29 December 2020) as the Company and SP Angel may agree), the Open Offer will lapse, any Application Forms

submitted to the Receiving Agent will be deemed invalid and the Receiving Agent will refund the amount paid by a Qualifying Non-CREST Shareholder by way of cheque, without interest, at the risk of the Shareholder concerned, as soon as practicable thereafter.

(b) ***Bona fide market claims***

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Ordinary Shares through the market prior to the date upon which the Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 16 December 2020. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his or her holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should consult the stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee. Qualifying Non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however be forwarded to or transmitted in or into any Restricted Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in section 4.2(b) below.

(c) ***The Excess Application Facility***

Subject to availability and provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables a Qualifying Non-CREST Shareholder to apply for Open Offer Shares in excess of his or her Open Offer Entitlement, subject always to the Aggregate Limit.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility, subject always to the Aggregate Limit. The Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying Non-CREST Shareholders under the Excess Application Facility will be met in full, in part or at all.

Qualifying Non-CREST Shareholders who wish to apply for Open Offer Shares in excess of their Open Offer Entitlement must complete the Application Form in accordance with the instructions set out on the Application Form.

Should the Open Offer become unconditional and applications for Open Offer Shares, subject always to the Aggregate Limit, exceed the total number of Open Offer Shares offered following take up of Open Offer Entitlements, resulting in a scale back of applications under the Excess Application Facility, each Qualifying Non-CREST Shareholder who has made a valid application for excess Open Offer Shares under the Excess Application Facility and from whom payment in full for excess Open Offer Shares has been received will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for but not allocated to the relevant Qualifying Non-CREST Shareholder multiplied by the Offer Price. Monies will be returned by cheque as soon as reasonably practicable thereafter, without payment of interest and at the applicant's sole risk.

The Custodian will not be permitted to apply for Excess Open Offer Shares through the Excess Application Facility.

(d) **Application procedures**

Qualifying Non-CREST Shareholders wishing to apply to acquire Open Offer Shares (whether in respect of all or part of their Open Offer Entitlement or in addition to their Open Offer Entitlement under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it. Qualifying Non-CREST Shareholders may only apply for additional Open Offer Shares under the Excess Application Facility if they have agreed to take up their Open Offer Entitlements in full.

**Completed Application Forms should be posted in the accompanying pre-paid envelope or returned by post or by hand (during normal business hours only) to the Receiving Agent, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, UK, so as to be received by the Receiving Agent by no later than 11.00 a.m. on 18 December 2020, after which time Application Forms will not be valid.**

Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Application Form is being sent by first-class post in the UK, Qualifying Non-CREST Shareholders are recommended to allow at least four working days for delivery.

All payments must be made by cheque in pounds sterling and made payable to “Neville Registrars Limited re: clients account” and crossed “A/C Payee Only”. Cheques must be drawn on a bank in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. The account name should be the same as that shown on the Application Form. Third party cheques, building society cheques and banker’s drafts will not be accepted. Post-dated cheques will not be accepted. Payments via CHAPS, BACS or electronic transfer will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents and cheques sent through the post will be sent at the risk of the sender.

If cheques are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be credited to a non-interest bearing account by the Receiving Agent. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant’s sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Application Forms received after 11.00 a.m. on 18 December 2020; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. on 18 December 2020 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant’s sole risk.

If Open Offer Shares have already been allotted to a Qualifying Non-CREST Shareholder and such Qualifying Non-CREST Shareholder's cheque is not honoured upon first presentation or such Qualifying Non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, the Receiving Agent shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-CREST Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of the Receiving Agent, SP Angel, or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholders.

**All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to the Receiving Agent, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, UK, or you can contact the Receiving Agent via telephone on 0121 585 1131 from within the UK or on +44 (0)121 585 1131 if calling from outside the UK between Monday to Friday.**

**Please note that Neville Registrars will be unable to answer any queries or provide any advice in relation to the SDR Rights Issue or SDRs.**

Calls to the helpline from within the UK are charged at your service provider's standard rate. Calls made from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note the Receiving Agent cannot provide advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or give any financial, legal or tax advice.

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form.

A Qualifying Non-CREST Shareholder who is also a CREST member may elect to receive the Open Offer Shares to which he or she is entitled in uncertificated form in CREST. Please see section 4.2(g) below for more information.

(e) **Effect of application**

By completing and delivering an Application Form the applicant:

- (i) represents and warrants to the Company and SP Angel that he or she has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his or her rights, and perform his or her obligations under any contracts resulting therefrom and that he or she is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company and SP Angel that all applications under the Open Offer and contracts resulting therefrom shall be governed by and construed in accordance with the laws of England;
- (iii) confirms to the Company and SP Angel that in making the application he or she is not relying on any information or representation in relation to the Company other than that contained in this document and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he or she will be deemed to have had notice of all information in relation to the Company contained in this document;
- (iv) represents and warrants to the Company and SP Angel that he or she is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he or she received such Open Offer Entitlements by virtue of a *bona fide* market claim;

- (v) represents and warrants to the Company and SP Angel that if he or she has received some or all of his or her Open Offer Entitlements from a person other than the Company he or she is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) requests that the Open Offer Shares, to which he or she will become entitled, be issued to him or her on the terms set out in this document and the Application Form, subject to the Articles of Association;
- (vii) represents and warrants to the Company and SP Angel that he or she is not, nor is he or she applying on behalf of any person who is in any Restricted Jurisdiction or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and he or she is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his or her application in any Restricted Jurisdiction or to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he or she is able to apply for Open Offer Shares free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares;
- (viii) represents and warrants to the Company and SP Angel that he or she is not, and nor is he or she applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986; and
- (ix) confirms to the Company and SP Angel that in making the application he or she is not relying and has not relied on SP Angel or any person affiliated with SP Angel in connection with any investigation of the accuracy of any information contained in this document or his or her investment decision.

#### 4.2 **If Open Offer Entitlements and Excess CREST Open Offer Entitlements have been credited to your stock account in CREST in respect of your entitlement under the Open Offer**

##### (a) **General**

Subject as provided in section 6 of this Part VIII (*Terms and Conditions of the Open Offer*) in relation to Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his or her stock account in CREST of his or her Open Offer Entitlement equal to the maximum number of Open Offer Shares for which he or she is entitled to apply under the Open Offer and also an Excess CREST Open Offer Entitlement. Fractions of Open Offer Shares will not be allotted; instead, each Qualifying CREST Shareholder's entitlement under the Open Offer will be rounded down to the nearest whole number. The fractional entitlements will be aggregated and used to satisfy application under the Excess Application Facility. Qualifying CREST Shareholders with fewer than 3 Existing Ordinary Shares will not have received a credit to his or her stock account in CREST of an Open Offer Entitlement or an Excess CREST Open Offer Entitlement and will not be able to apply for Open Offer Shares.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Ordinary Shares held at the Open Offer Record Time by the Qualifying CREST Shareholder.

If for any reason the Open Offer Entitlements and/or the Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. on 18 November 2020, or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlement and Excess CREST Open Offer Entitlement which

should have been credited to his or her stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive such Application Forms.

CREST members who wish to apply to acquire some or all of their Open Offer Shares Entitlements and their Excess CREST Open Offer Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below.

**Should you need advice with regard to these procedures, please contact, the Receiving Agent, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, UK, or you can contact the Receiving Agent via telephone on 0121 585 1131 from within the UK or on +44 (0)121 585 1131 if calling from outside the UK between 9.00 a.m. and 5.00 p.m. Monday to Friday.**

Calls to the helpline from within the UK are charged at your service provider's standard rate. Calls made from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note the Receiving Agent cannot provide advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or give any financial, legal or tax advice.

**Please note that Neville Registrars will be unable to answer any queries or provide any advice in relation to the SDR Rights Issue or SDRs.**

If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

Qualifying CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not give, or procure that there is given, any USE instruction to Euroclear UK & Ireland.

(b) ***Bona fide market claims***

Each of the Open Offer Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as "cum" the Open Offer Entitlement and Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly. The Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement(s) claim.

(c) ***The Excess Application Facility***

Subject to availability and provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables Qualifying CREST Shareholders to apply for Open Offer Shares in excess of their Open Offer Entitlements, subject always to the Aggregate Limit.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility, subject always to the Aggregate Limit. The Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying CREST Shareholders under the Excess Application Facility will be met in full, in part or at all.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions set out below in this section 4.2(c) and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as “cum”, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement(s) claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his or her Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser(s). Please note that an additional USE instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Should the Open Offer become unconditional and applications for Open Offer Shares, subject always to the Aggregate Limit, exceed the total number of Open Offer Shares offered following take up of Open Offer Entitlements, resulting in a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application for excess Open Offer Shares under the Excess Application Facility and from whom payment in full for excess Open Offer Shares has been received will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for but not allocated to the relevant Qualifying CREST Shareholder multiplied by the Offer Price. Monies will be returned by CREST payment as soon as reasonably practicable thereafter, without payment of interest and at the applicant's sole risk.

The Custodian will not be permitted to apply for Excess Open Offer Shares through the Excess Application Facility.

(d) **Unmatched Stock Event (“USE”) instructions**

Qualifying CREST Shareholders who want to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements and their Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an USE instruction to Euroclear UK which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in section 4.2(d)(i) above.

(e) **Content of USE instruction in respect of Open Offer Entitlements**

The USE instruction must be properly authenticated in accordance with Euroclear UK's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlements being delivered to the Receiving Agent);
- (ii) the ISIN of the Open Offer Entitlement. This is GB00BN0T0Y16;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA11;
- (vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is BEOWULF;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in section 4.2(e)(i) above;

- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 18 December 2020; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 18 December 2020.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 22 December 2020 (or such later time and/or date (being not later than 8.00 a.m. on 29 December 2020) as the Company and SP Angel may agree), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(f) ***Content of USE instruction in respect of Excess CREST Open Offer Entitlements***

The USE instruction must be properly authenticated in accordance with Euroclear UK's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of Excess CREST Open Offer Entitlements being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BN0T0Z23;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA11;
- (vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is BEOWULF;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in section 4.2(f)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 18 December 2020; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 18 December 2020.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 22 December 2020 (or such later time and/or date (being not later than 8.00 a.m. on 29 December 2020) as the Company and SP Angel may agree), the Open Offer will lapse, the Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(g) **Deposit of Open Offer Entitlements into, and withdrawal from, CREST**

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his or her Application Form may be deposited into CREST (either into the account of the Qualifying Non-CREST Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer and entitlement to apply under the Excess Application Facility is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 3.00 p.m. on 15 December 2020. After depositing their Open Offer Entitlement into their CREST account, CREST holders will shortly thereafter receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by the Receiving Agent.

In particular, having regard to normal processing times in CREST and, on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold his or her Open Offer Entitlement set out in such Application Form as Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 15 December 2020 and the recommended latest time for receipt by Euroclear UK of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 14 December 2020 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility, as the case may be, prior to 11.00 a.m. on 18 December 2020.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member(s) that it is/they are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing the Open Offer Entitlements into CREST" on page 3 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that it is/they are not in a Restricted Jurisdiction or citizen(s) or resident(s) of any Restricted Jurisdiction or any jurisdiction in which an application for New Ordinary Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(h) **Validity of application**

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 18 December 2020 will constitute a valid application under the Open Offer.

(i) **CREST procedures and timings**

CREST members and (where applicable) their CREST sponsors should note that Euroclear UK does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his or her CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 18 December 2020. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) **Incorrect or incomplete applications**

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through the Receiving Agent, reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question (without interest);
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question (without interest).

(k) **Effect of valid application**

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

- (i) represents and warrants to the Company and SP Angel that he or she has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his or her rights, and perform his or her obligations, under any contracts resulting therefrom and that he or she is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company and SP Angel to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) agrees with the Company and SP Angel that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (iv) confirms to the Company and SP Angel that in making the application he or she is not relying on any information or representation in relation to the Company other than that contained in this document and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he or she will be deemed to have had notice of all the information in relation to the Company contained in this document;
- (v) represents and warrants to the Company and SP Angel that he or she is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he or she has received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) represents and warrants to the Company and SP Angel that if he or she has received some or all of his or her Open Offer Entitlements from a person other than the Company, he or

she is entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a *bona fide* market claim;

- (vii) requests that the New Ordinary Shares to which he or she will become entitled be issued to him or her on the terms set out in this document, subject to the Articles of Association;
  - (viii) represents and warrants to the Company and SP Angel that he or she is not, nor is he or she applying on behalf of any Shareholder who is, in any Restricted Jurisdiction or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and he or she is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his or her application in any Restricted Jurisdiction or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he or she is able to apply for Open Offer Shares free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares;
  - (ix) represents and warrants to the Company and SP Angel that he or she is not, and nor is he or she applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986; and
  - (x) confirms to the Company and SP Angel that in making the application he or she is not relying and has not relied on SP Angel or any person affiliated with SP Angel in connection with any investigation of the accuracy of any information contained in this document or his or her investment decision.
- (l) ***Company's discretion as to the rejection and validity of applications***
- The Company may in its sole discretion:
- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part VIII (*Terms and Conditions of the Open Offer*);
  - (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
  - (iii) treat a properly authenticated dematerialised instruction (in this sub-section the "first instruction") as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear UK of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
  - (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

## 5 MONEY LAUNDERING REGULATIONS

### 5.1 Holders of Application Forms

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements is the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent’s stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the “**applicant**”), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this section 5 the “**relevant Open Offer Shares**”) and shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any applicant or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant applicant unless and until the verification of identity requirements have been satisfied in respect of that applicant or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the applicant’s risk) without interest to the account of the bank or building society on which the relevant cheque was drawn.

**Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, the Receiving Agent and SP Angel from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.**

The verification of identity requirements will not usually apply:

- (i) if the applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (ii) if the applicant is an organisation required to comply with the EU Money Laundering Directive (no.2015/849/EC);
- (iii) if the applicant is a company whose securities are listed on a regulated market subject to specified disclosure obligations;
- (iv) the applicant (not being an applicant who delivers their application in person) makes payment through an account in the name of such applicant with a credit institution which is subject to the Money Laundering Regulations or with a credit institution situated in a non-EEA State which imposes requirements equivalent to those laid down in that directive; or
- (v) if the aggregate subscription price for the Open Offer Shares is less than €15,000 (or its pounds sterling equivalent).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (i) if payment is made by cheque in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques should be made payable to "Neville Registrars Limited re: clients account" in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only". Third party cheques, building society cheques and banker's drafts will not be accepted. The account name should be the same as that shown on the Application Form; or
- (ii) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (ii) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, members of the Gulf Co-operation Council (being Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), Hong Kong, Iceland, India, Israel, Korea, Japan, Malaysia, Mexico, New Zealand, Norway, the Russian Federation, Singapore, South Africa, Switzerland, Turkey and the US), the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent. If the agent is not such an organisation, it should contact the Receiving Agent at the address set out on page 1 of the Application Form.

**To confirm the acceptability of any written assurance referred to in (ii) above, or in any other case, the applicant should contact the Receiving Agent, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, UK, or you can contact the Receiving Agent via telephone on 0121 585 1131 from within the UK or on +44 (0)121 585 1131 if calling from outside the UK between 9.00 a.m. and 5.00 p.m. Monday to Friday.**

Calls to the helpline from within the UK are charged at your service provider's standard rate. Calls made from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note the Receiving Agent cannot provide advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or give any financial, legal or tax advice.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 18 December 2020, the Receiving Agent has not received evidence satisfactory to it as mentioned above, the Receiving Agent may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited. This is without prejudice to the right of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as mentioned above.

## 5.2 **Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST**

If you hold your Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of some or all of your Open Offer Entitlements and Excess CREST Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction, which on its settlement constitutes a valid application as described above, constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving

Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence as mentioned above.

## **6 OVERSEAS SHAREHOLDERS**

The comments set out in this section 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

### **6.1 General**

The distribution of this document and the Application Form and the making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom and Sweden or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom and Sweden may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.

No action has been or will be taken by the Company, SP Angel, or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom and Sweden.

Receipt of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Application Forms will not be sent to, and Open Offer Entitlements and Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in a Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied in its sole and absolute discretion that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom and Sweden may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom and Sweden wishing to apply for Open Offer Shares to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, SP Angel, nor any of their respective representatives, is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares unless the Company and SP Angel determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Open Offer Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part VIII (*Terms and Conditions of the Open Offer*) and specifically the contents of this section 6.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or despatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom and Sweden in which it would be unlawful to deliver such share certificates or make such a credit.

Notwithstanding any other provision of this document or the relevant Application Form, the Company reserves the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST.

Due to restrictions under the securities laws of the Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in a Restricted Jurisdiction or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements.

No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

## 6.2 **United States**

The New Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from the registration requirements of the

US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States unless an exemption from the registration requirements of the US Securities Act as amended, is available and, subject to certain exceptions, neither this document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Open Offer Shares in the United States. Subject to certain exceptions, neither this document nor an Application Form will be sent to, and no Open Offer Shares will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring Open Offer Shares and wishing to hold such Open Offer Shares in registered form must provide an address for registration of the Open Offer Shares issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires Open Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the Open Offer Shares, that they are not, and that at the time of acquiring the Open Offer Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a nondiscretionary basis in the United States or any state of the United States. The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or dispatched from, the United States, or that provides an address in the United States for the receipt of Open Offer Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any Open Offer Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any Open Offer Shares may be transferred. In addition, the Company and SP Angel reserve the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the Open Offer Shares.

In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the New Ordinary Shares within the United States by a dealer (whether or not participating in the Open Offer) may violate the registration requirements of the US Securities Act.

### **6.3 Other Restricted Jurisdictions**

Due to restrictions under the securities laws of the Restricted Jurisdictions other than the US and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer of Open Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction.

### **6.4 Other overseas territories**

Application Forms will be sent to Qualifying Non-CREST Shareholders and Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States

or the other Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares in accordance with the instructions set out in this document and the Application Form.

Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom and Sweden should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares.

## 6.5 Representations and warranties relating to Overseas Shareholders

### (a) **Qualifying Non-CREST Shareholders**

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, SP Angel and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction:

- (i) such person is not requesting registration of the relevant Open Offer Shares from within any Restricted Jurisdiction;
- (ii) such person is not in any territory in which it is unlawful to apply for or otherwise acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it;
- (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to apply was given; and
- (iv) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any Restricted Jurisdiction or any territory referred to in (ii) above.

The Company and/or the Receiving Agent may treat as invalid any application or purported application for Open Offer Shares comprised in an Application Form if it:

- (i) appears to the Company or its agents to have been executed, effected or dispatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements;
- (ii) provides an address in a Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom and Sweden in which it would be unlawful to deliver such share certificates); or
- (iii) purports to exclude the representation and warranty required by this section 6.5(a).

### (b) **Qualifying CREST Shareholders**

A Qualifying CREST Shareholder who makes a valid acceptance in accordance with the procedures set out in this Part VIII (*Terms and Conditions of the Open Offer*) represents and warrants to the Company and SP Angel that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction:

- (i) he or she is not within any Restricted Jurisdiction;
- (ii) he or she is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares;
- (iii) he or she is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in section 6.5(b)(ii) above at the time the instruction to accept was given; and

- (iv) he or she is not acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any Restricted Jurisdiction or territory referred to in section 6.5(b)(ii) above.

The Company may treat as invalid any USE Instruction which:

- (i) appears to the Company to have been despatched from any Restricted Jurisdiction or otherwise in a manner which may involve a breach of the laws of any jurisdiction or which they or their agents believe may violate any applicable legal or regulatory requirement; or
- (ii) purports to exclude the representation and warranty required by this section 6.5.

## 6.6 Waiver

The provisions of this section 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and/or SP Angel and the Receiving Agent in their sole and absolute discretion. Subject to this, the provisions of this section 6 supersede any terms of the Open Offer inconsistent herewith. References in this section 6 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this section 6 shall apply to them jointly and to each of them.

## 7 ADMISSION, SETTLEMENT AND DEALINGS

The result of the Open Offer is expected to be announced at 7.00 a.m. on 21 December 2020. Applications will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that AIM Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 22 December 2020.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the Open Offer Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 18 December 2020 (the latest date for applications under the Open Offer). If the condition to the Open Offer described above is satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. On 22 December 2020, the Receiving Agent will instruct Euroclear UK to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from AIM Admission (expected to be 22 December 2020). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements and to issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

For Qualifying Non-CREST Shareholders who have applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for (including Excess Shares successfully applied for under the Excess Application Facility) are expected to be despatched by post by 8 January 2021. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the UK share register of the Company. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to section 4.1 above and their respective Application Form.

## **8 TIMES AND DATES**

The Company shall, in agreement with SP Angel and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are dispatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify AIM and make an announcement on a Regulatory Information Service and through the Cision newswire service (<https://news.cision.com/se/?n=beowulf>) but Qualifying Shareholders may not receive any further written communication.

## **9 FURTHER INFORMATION**

Your attention is drawn to the further information set out in the rest of this document and also, in the case of Qualifying Non-CREST Shareholders and other Qualifying Shareholders to whom the Company has sent Application Forms, to the terms, conditions and other information printed on the accompanying Application Form.

## **10 GOVERNING LAW AND JURISDICTION**

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By subscribing Open Offer Shares, whether by way of their Open Offer Entitlements or through the Excess Application Facility (as applicable), in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

## PART IX

### QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

*The questions and answers set out in this Part IX (Questions and Answers about the Open Offer) are intended to be in general terms only and, as such, you should read Part VIII (Terms and Conditions of the Open Offer) of this document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser, who is authorised under FSMA if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.*

This Part IX (*Questions and Answers about the Open Offer*) deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom and Sweden who are Qualifying Non-CREST Shareholders. If you are an Overseas Shareholder, you should read section 6 of Part VIII (*Terms and Conditions of the Open Offer*) of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlements. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part VIII (*Terms and Conditions of the Open Offer*) of this document for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor.

**If you do not know whether your Existing Ordinary Shares are in certificated or uncertificated form, please call the Receiving Agent, Neville Registrars Limited on 0121 585 1131 from within the UK or on +44 (0)121 585 1131 if calling from outside the UK between Monday to Friday.**

Calls to the helpline from within the UK are charged at your service provider's standard rate. Calls made from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note the Receiving Agent cannot provide advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or give any financial, legal or tax advice.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his or her own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

#### **1 WHAT IS AN OPEN OFFER?**

An open offer is a way for companies to raise money. Companies usually do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings. In this instance Qualifying Shareholders are also being offered the opportunity to apply for additional Ordinary Shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlement in full.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply for up to 225,841,752 New Ordinary Shares at a price of 3.16 pence (or, in the case of the Custodian, of SEK 0.370) per share. If you held Ordinary Shares at the Open Offer Record Time or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in a Restricted Jurisdiction, you will be entitled to buy Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 3 Open Offer Shares for every 8 Ordinary Shares held by Qualifying Shareholders at the Open Offer Record Time. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.

The Offer Price of 3.16 pence per Open Offer Share represents approximately a 35 per cent. discount to TERP based on the Closing Price of 5.5 pence per Ordinary Share on 5 November 2020, being the Business Day prior to the announcement of the Capital Raising.

The Excess Application Facility allows Qualifying Shareholders to apply for Open Offer Shares in excess of their Open Offer Entitlements, subject always to the Aggregate Limit. The Custodian will not be permitted to apply for Excess Open Offer Shares through the Excess Application Facility. Applications made under the Excess Application Facility will be scaled back *pro rata* to existing shareholdings if applications are received from Qualifying Shareholders for more than the available number of Open Offer Shares. The Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying CREST Shareholders under the Excess Application Facility will be met in full, in part or at all.

The number of available Open Offer Shares under the Excess Application Facility is dependent on the level of take-up of Open Offer Entitlements and subject to the Aggregate Limit. Assuming that there are no Overseas Shareholders who have registered addresses in, or are residents in or citizens of Restricted Jurisdictions and every Qualifying Shareholder takes up their Open Offer Entitlements in full, there will be no Open Offer Shares available under the Excess Application Facility.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only), and neither the Open Offer Entitlements nor the Excess CREST Open Offer Entitlements will be tradeable or listed, and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

## **2 I HOLD MY ORDINARY SHARES IN CERTIFICATED FORM. HOW DO I KNOW I AM ELIGIBLE TO PARTICIPATE IN THE OPEN OFFER?**

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address or located in any Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Ordinary Shares before 17 November 2020 (the time when the Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

## **3 I HOLD MY ORDINARY SHARES IN CERTIFICATED FORM. HOW DO I KNOW HOW MANY OPEN OFFER SHARES I AM ENTITLED TO TAKE UP?**

If you hold your Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address and are not located in any Restricted Jurisdiction, you will be sent an Application Form that shows:

- how many Ordinary Shares you held at the Open Offer Record Time;
- how many Open Offer Shares are comprised in your Open Offer Entitlement; and
- how much you need to pay if you want to take up your right to buy all your entitlement to the Open Offer Shares.

Subject to certain exceptions, if you have a registered address in any of the Restricted Jurisdictions, you will not receive an Application Form.

If you would like to apply for any of, all of or more than the Open Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Please return the completed form in the reply-paid envelope provided (for use within the UK only) with the Application Form along with a cheque for the number of Open Offer Shares you want to apply for and allow at least four Business Days for delivery if using the reply-paid envelope or if sent by first class post from within the United Kingdom.

#### **4 I AM A QUALIFYING SHAREHOLDER WITH A REGISTERED ADDRESS IN THE UK AND I HOLD MY ORDINARY SHARES IN CERTIFICATED FORM. WHAT ARE MY CHOICES IN RELATION TO THE OPEN OFFER AND WHAT SHOULD I DO WITH THE APPLICATION FORM?**

##### **If you want to take up all of your Open Offer Entitlement**

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque for the amount due (as indicated in Box 5 of your Application Form), payable to “Neville Registrars Limited re: clients account” and crossed “A/C payee only”, in the reply-paid envelope provided (for use within the UK only), by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, UK to arrive by no later than 11.00 a.m. on 18 December 2020, after which time Application Forms will not be valid.

Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using the reply-paid envelope or first-class post within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope.

Full instructions are set out in Part VIII (*Terms and Conditions of the Open Offer*) of this document and in the Application Form. A definitive share certificate will then be sent to you for the Open Offer Shares that you take up.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 8 January 2021.

##### **If you want to take up some but not all of your Open Offer Entitlement**

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Box 8 of your Application Form; for example, if you are entitled to take up 500 shares but you only want to take up 250 shares, then you should write ‘250’ in Box 8.

To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, ‘250’) by 3.16 pence, which is the price in pounds of each Open Offer Share (giving you an amount of £7.90 in this example). You should write this amount in Box 9, rounding down to the nearest whole pence and this should be the amount your cheque is made out for. You should then return the completed Application Form, together with a cheque for that amount payable to “Neville Registrars Limited re: clients account” and crossed “A/C payee only”, in the reply-paid envelope provided (for use within the UK only), by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, UK to arrive by no later than 11.00 a.m. on 18 December 2020, after which time Application Forms will not be valid.

Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using the reply-paid envelope or first-class post within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope.

Full instructions are set out in Part VIII (*Terms and Conditions of the Open Offer*) of this document and in the Application Form.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be dispatched to you by no later than 8 January 2020.

##### **If you want to apply for more than your Open Offer Entitlement**

Provided you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility, subject always to the Aggregate Limit. You should first write the number of Open Offer Shares in Box 6, which must be the number of Open Offer Shares shown in Box 4. You should then write the number of Open Offer Shares you wish to apply for under the Excess Application Facility in Box 7 and then complete Box 8 by adding together the numbers you have entered in Boxes 6 and 7.

To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares shown in Box 8 by 3.16 pence, which is the price of each Open Offer Share. You should write this amount in Box 9, rounding down to the nearest whole pence. You should then return your Application Form together with your cheque for that amount, payable to “Neville Registrars Limited re: clients account” and crossed “A/C payee only”, in the reply-paid envelope provided (for use within the UK only) by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, UK to arrive by no later than 11.00 a.m. on 18 December 2020, after which time the Application Form will not be valid.

Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. Full instructions are set out in the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility. Applications under the Excess Application Facility are also subject to the Aggregate Limit. The Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying CREST Shareholders under the Excess Application Facility will be met in full, in part or at all. Therefore, applications under the Excess Application Facility may not be satisfied in full. In this event Qualifying Shareholders will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allocated to, the relevant Qualifying Shareholder, multiplied by the Offer Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant’s sole risk.

A definitive share certificate will be sent to you for the Open Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 8 January 2021.

### **If you do not want to take up your Open Offer Entitlement**

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money when the Open Offer Shares you could have taken up are sold, as would happen under a rights issue. You cannot sell your Application Form or your Open Offer Entitlement to anyone else. If you do not return your Application Form applying for the Open Offer Shares to which you are entitled by 11.00 a.m. on 18 December 2020, the Company will seek to issue those Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

If you do not take up your Open Offer Entitlement then, following the issue of the Open Offer Shares pursuant to the Open Offer, your proportionate holding of Ordinary Shares will be diluted dependent on the number of Open Offer Shares taken up by Qualifying Shareholders.

## **5 I HOLD MY ORDINARY SHARES IN UNCERTIFICATED FORM IN CREST. WHAT DO I NEED TO DO IN RELATION TO THE OPEN OFFER?**

CREST members should follow the instructions set out in Part VIII (*Terms and Conditions of the Open Offer*) of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by the CREST member through which they hold their Existing Ordinary Shares of (i) the number of Open Offer Shares which they are entitled to acquire under their Open Offer Entitlement and (ii) how to apply for Open Offer Shares in excess of their Open Offer Entitlements under the Excess Application Facility (provided they choose to take up their Open Offer Entitlement in full) and should contact them should they not receive this information. The Custodian will not be permitted to apply for Excess Open Offer Shares through the Excess Application Facility.

## **6 I ACQUIRED MY ORDINARY SHARES PRIOR TO THE RECORD TIME AND HOLD MY ORDINARY SHARES IN CERTIFICATED FORM. WHAT IF I DO NOT RECEIVE AN APPLICATION FORM OR I HAVE LOST MY APPLICATION FORM?**

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Qualifying Non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying CREST Shareholders who held their Ordinary Shares in uncertificated form at the Open Offer Record Time and who have converted them to certificated form;
- Qualifying Non-CREST Shareholders who bought Ordinary Shares before 17 November 2020 but were not registered as the holders of those shares at the Open Offer Record Time; and
- certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please call the Receiving Agent, Neville Registrars Limited on 0121 585 1131 from within the UK or on +44 (0)121 585 1131 if calling from outside the UK between Monday to Friday. Calls to the helpline from within the UK are charged at your service provider's standard rate. Calls made from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note the Receiving Agent cannot provide advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or give any financial, legal or tax advice.

## **7 IF I BUY ORDINARY SHARES AFTER THE RECORD TIME WILL I BE ELIGIBLE TO PARTICIPATE IN THE OPEN OFFER?**

If you bought Ordinary Shares at or after the Open Offer Record Time, you are unlikely to be able to participate in the Open Offer unless you have a *bona fide* market claim. If you bought Ordinary Shares on or after 17 November 2020 (the ex-entitlement date), you will not be eligible to participate in the Open Offer in respect of those Ordinary Shares.

If you are in any doubt, please consult your stockbroker, bank or other agent who arranged your share purchase, to ensure you claim your entitlement.

## **8 CAN I TRADE MY OPEN OFFER ENTITLEMENT?**

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), the Open Offer Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim. Open Offer Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Open Offer Entitlement will have no rights under the Open Offer or receive any proceeds from it.

## **9 WHAT IF I CHANGE MY MIND?**

Once you have sent your Application Form and payment to the Receiving Agent or have applied for Open Offer Shares in CREST, you cannot withdraw your application or change the number of Open Offer Shares you have applied for.

## **10 WHAT IF THE NUMBER OF OPEN OFFER SHARES TO WHICH I AM ENTITLED IS NOT A WHOLE NUMBER: AM I ENTITLED TO FRACTIONS OF OPEN OFFER SHARES?**

Your entitlement to Open Offer Shares will be calculated as at the Open Offer Record Time. If the result is not a whole number, you will not receive an Open Offer Share in respect of the fraction of each Ordinary

Share and your entitlement will be rounded down to the nearest whole number. The resulting fractions of New Ordinary Shares will be aggregated and used towards the Excess Application Facility.

**11 I HOLD MY ORDINARY SHARES IN CERTIFICATED FORM. WHAT SHOULD I DO IF I HAVE SOLD SOME OR ALL OF MY ORDINARY SHARES?**

If you hold your Ordinary Shares in the Company yourself and have sold some or all of them before 16 November 2020, you should contact the buyer or the stockbroker, bank or other agent through whom you sold your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer.

If you have sold any of your Ordinary Shares on or after 16 November 2020, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

**12 I HOLD MY ORDINARY SHARES IN CERTIFICATED FORM. HOW DO I PAY?**

You should return your Application Form with a cheque in pounds sterling. Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. You should allow at least four Business Days for delivery if using first-class post within the United Kingdom.

Cheques should be drawn on a personal account of the Qualifying Shareholder who is applying for the Open Offer Shares and must bear the appropriate sort code in the top right hand corner. Third party cheques will not be accepted. You may be required to supply additional documentation to satisfy Money Laundering Regulations. The funds should be made payable to "Neville Registrars Limited re: clients account" and crossed "A/C payee only". Payments via CHAPS, BACS or electronic transfer will not be accepted.

**13 WILL THE ORDINARY SHARES THAT I HOLD NOW BE AFFECTED BY THE OPEN OFFER?**

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced, dependent on the number of Open Offer Shares taken up by Qualifying Shareholders.

**14 I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHERE DO I SEND MY APPLICATION FORM?**

You should send your completed Application Form in the accompanying pre-paid envelope or return by post or by hand (during normal office hours only), together with the monies in the appropriate form, to: Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, UK (which is acting as the Receiving Agent in relation to the Open Offer). If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

If you do not want to take up or apply for Open Offer Shares then you need take no further action.

**15 I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHEN DO I HAVE TO DECIDE IF I WANT TO APPLY FOR OPEN OFFER SHARES?**

Neville Registrars Limited must receive the Application Form by no later than 11.00 a.m. on 18 December 2020, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

**16 I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHEN WILL I RECEIVE MY NEW SHARE CERTIFICATE?**

It is expected that Neville Registrars Limited will post all new share certificates by 8 January 2021.

**17 IF I BUY ORDINARY SHARES AFTER THE RECORD TIME, WILL I BE ELIGIBLE TO PARTICIPATE IN THE OPEN OFFER?**

If you bought your Ordinary Shares after the Open Offer Record Time, you are unlikely to be able to participate in the Open Offer in respect of such Ordinary Shares.

**18 WHAT SHOULD I DO IF I THINK MY HOLDING OF ORDINARY SHARES (AS SHOWN IN BOX 3 ON THE APPLICATION FORM) IS INCORRECT?**

If you bought or sold Ordinary Shares shortly before the Open Offer Record Time, your transaction may not have been entered on the register of members before the Open Offer Record Time for the Open Offer. If you bought Ordinary Shares before 16 November 2020 but were not registered as the holder of those shares at the Open Offer Record Time for the Open Offer (6.00 p.m. on 16 November 2020), you may still be eligible to participate in the Open Offer. If you are in any doubt, please contact your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure that you claim your entitlement.

You will not be entitled to Open Offer Entitlements in respect of any Existing Ordinary Shares acquired on or after 6.00 p.m. on 16 November 2020.

**19 WILL THE OPEN OFFER AFFECT DIVIDENDS ON THE EXISTING ORDINARY SHARES?**

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

**20 WHAT SHOULD I DO IF I LIVE OUTSIDE THE UNITED KINGDOM?**

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement.

Shareholders with registered addresses or who are located in any Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in section 6 of Part VIII (*Terms and Conditions of the Open Offer*) of this document.

**21 HOW DO I TRANSFER MY ENTITLEMENTS INTO THE CREST SYSTEM?**

If you are a Qualifying Non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (in Box 13 in the Application Form), and ensure it is deposited with the CREST Courier and Sorting Services in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.

**22 DO I NEED TO COMPLY WITH THE MONEY LAUNDERING REGULATIONS (AS SET OUT IN SECTION 5 OF PART VIII OF THIS DOCUMENT)?**

If you are a Qualifying Non-CREST Shareholder, you may not need to follow these procedures if the value of the Open Offer Shares you are acquiring is less than the pounds sterling equivalent of €15,000 or if you pay for them by a cheque drawn on an account in your own name and that account is one which is held with an United Kingdom regulated bank or building society. If you are a Qualifying CREST Shareholder, you will not generally need to comply with the Money Laundering Regulations unless you apply to take up all or some of your entitlement to Open Offer Entitlements as agent for one or more persons and you are not an United Kingdom regulated financial institution.

Qualifying Non-CREST Shareholders should refer to section 5.1 of Part VIII of this document and Qualifying CREST Shareholders should refer to section 5.2 of Part VIII.

### **23 FURTHER ASSISTANCE**

Should you require further assistance please call the Receiving Agent, Neville Registrars Limited on 0121 585 1131 from within the UK or on +44 (0)121 585 1131 if calling from outside the UK between Monday to Friday.

Calls to the helpline from within the UK are charged at your service provider's standard rate. Calls made from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note the Receiving Agent cannot provide advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or give any financial, legal or tax advice.

**Please note that Neville Registrars will also be unable to answer any queries or provide any advice in relation to the SDR Rights Issue or SDRs.**

## PART X

### TERMS AND CONDITIONS OF THE SDR RIGHTS ISSUE

#### 1 THE SDR RIGHTS ISSUE

The Board decided on 5 November 2020 on a rights issue of New SDRs to the Qualifying SDR Holders registered in the central securities depository system of Euroclear Sweden and to the general public in Sweden. The New Ordinary Shares corresponding to the New SDRs will be issued using the Directors' existing authority to allot shares for cash on a non-pre-emptive basis. This authority was granted by Shareholders at the Company's annual general meeting held on 10 September 2020.

The Company will issue a maximum of 153,172,548 New SDRs with a subscription price of SEK 0.370 per SDR. The SDR Rights Issue will be conducted with preferential rights for Qualifying SDR Holders. The total issue proceeds will amount to a maximum of approximately SEK 56.7 million. The SDR Rights Issue is being underwritten up to 80 per cent. (approximately SEK 45.3 million) by the Guarantors, subject to the terms set out in the Guarantee Commitment Agreements.

The SDR Rights Issue is conditional upon AIM Admission becoming effective by not later than 8.00 a.m. on 22 December 2020 (or such later time and/or date (being not later than 8.00 a.m. on 29 December 2020) as the Company and SP Angel may agree). The SDR Rights Issue is not conditional on approval by Shareholders.

The New SDRs will, upon issue, rank *pari passu* in all respects with the Existing SDRs.

**The attention of Overseas SDR Holders is drawn to section 12 of this Part X (*Terms and Conditions of the SDR Rights Issue*).**

#### 2 PREFERENTIAL RIGHTS

Qualifying SDR Holders who were SDR Holders on the SDR Rights Issue Record Date have preferential rights to subscribe for New SDRs in the SDR Rights Issue in relation to their existing holdings of SDRs. SDR Holders will receive 1 Swedish Subscription Right for every 1 Existing SDR. 8 Swedish Subscription Rights will entitle the Holder to subscribe for 3 New SDRs.

#### 3 SUBSCRIPTION PRICE

The SDR Offer Price is SEK 0.370 per New SDR. No brokerage fee will be charged.

#### 4 SDR RIGHTS ISSUE RECORD DATE IN THE VPC SYSTEM

The SDR Rights Issue Record Date for participation in the SDR Rights Issue by SDR Holders with preferential rights will be 18 November 2020. The last day of trading in SDRs with preferential rights is 16 November 2020. The first day of trading in SDRs without preferential rights will be 17 November 2020.

#### 5 SUBSCRIPTION PERIOD

The subscription period for the SDR Rights Issue will commence on 20 November 2020 and end at 5.00 p.m. (Stockholm time) on 4 December 2020. After the subscription period, all unexercised Swedish Subscription Rights in the VPC system will be void and will lose their value. Unexercised Swedish Subscription Rights will be removed from the relevant SDR Holder's VPC Account, without specific notification from Euroclear Sweden.

#### 6 TRADING IN SWEDISH SUBSCRIPTION RIGHTS REGISTERED IN THE VPC SYSTEM

Trading in Swedish Subscription Rights registered in the VPC system will take place on Spotlight from 20 November 2020 until 2 December 2020. SDR Holders should immediately contact their bank or other nominee with the necessary authority to carry out the purchase and sale of Swedish Subscription Rights.

Swedish Subscription Rights that are acquired by investors during the above-mentioned trading period will have the same rights to subscribe for New SDRs as SDR Holders have with Swedish Subscription Rights based on their SDR holdings on the SDR Rights Issue Record Date. Swedish Subscription Rights must be exercised no later than 4 December 2020 or sold no later than 2 December 2020, in order not to become void or lose their value.

## **7 PRE-PRINTED ISSUE ACCOUNT STATEMENTS AND SUBSCRIPTION FORMS**

### **7.1 Qualifying Swedish Directly Registered SDR Holders (i.e. SDR Holders registered in the VPC system)**

Qualifying Swedish Directly Registered SDR Holders will receive a Pre-Printed Issue Account Statement (which gives details of their maximum preferential right entitlement under the SDR Rights Issue), a Subscription Form “subscription with preferential rights”, a folder (containing a summary of the SDR Rights Issue with reference to this document) and a money laundering form. This information can be downloaded from Sedermera’s website ([www.sedermera.se](http://www.sedermera.se)), from Spotlight’s website ([www.spotlightstockmarket.com](http://www.spotlightstockmarket.com)) or from the Company’s website ([www.beowulfmining.com](http://www.beowulfmining.com)).

SDR Holders who are included in the separate list of pledgees and others in relation to the VPC system will not receive this information and will be notified separately.

VPC Account notification (Swedish: *VP-avi*), regarding the registration and de-registration of the Swedish Subscription Rights, the Paid Subscribed SDRs and the New SDRs in VPC Accounts will not be distributed, unless specified in this document, in the Pre-Printed Issue Account Statement or in the Subscription Form “subscription with preferential rights”.

Sedermera will instruct Euroclear Sweden to credit the VPC Accounts of the Qualifying Swedish Directly Registered SDR Holders with their Swedish Subscription Rights.

### **7.2 Qualifying Swedish Nominee Registered SDR Holders (i.e. SDRs held with a bank or other nominee in the VPC system)**

Qualifying Swedish Nominee Registered SDR Holders will not receive a Pre-Printed Issue Account Statement or a Subscription Form “subscription with preferential rights” but will receive a folder containing a summary of the SDR Rights Issue with reference to this document.

Subscription and payment by Qualifying Swedish Nominee Registered SDR Holders for Swedish Subscription Rights should be made in accordance with instructions from their respective bank or trustee. Please note that in the event that the subscription for Swedish Subscription Rights takes place via a bank or trustee, this should be done early in the SDR Rights Issue subscription period, as the respective bank or trustee may set different deadlines for subscription.

Sedermera will instruct Euroclear Sweden to credit the VPC Accounts of the nominees of the Qualifying Nominee Registered SDR Holders with their Swedish Subscription Rights.

## **8 SUBSCRIPTION FOR NEW SDRS WITH PREFERENTIAL RIGHTS**

Subscription for New SDRs by Qualifying Swedish Directly Registered SDR Holders with preferential rights should be made by simultaneous cash payment no later than 5.00 p.m. (Stockholm time) on 4 December 2020. Subscription by simultaneous cash payment must be made either with the Pre-Printed Issue Account Statement or in accordance with the payment instructions on the Subscription Form “subscription with preferential rights” in accordance with one of the following two options:

### **8.1 Pre-Printed Issue Account Statement**

If all Swedish Subscription Rights allotted on the SDR Rights Issue Record Date in the VPC system are to be exercised, only the Pre-Printed Issue Account Statement should be used for subscription by way of cash payment. The Subscription Form should not be used in this case.

## 8.2 Subscription Form “subscription with preferential rights”

In the event a different number of Swedish Subscription Rights than that stated on the Pre-Printed Issue Account Statement are to be exercised, for example, if Swedish Subscription Rights have been acquired or sold since the SDR Rights Issue Record Date, the Subscription Form “subscription with preferential rights” should be used for subscription by means of cash payment. The SDR Holders must state on the Subscription Form “subscription with preferential right” the number of Swedish Subscription Rights being exercised, the number of New SDRs they are subscribing for, and the amount that is being paid. If the payment is made in any way other than with the attached Pre-Printed Issue Account Statement, the VPC Account must be indicated as a reference. Incomplete or incorrectly filled in Subscription Forms may be disregarded. The Subscription Form “subscription with preferential rights” can be downloaded at Sedermera’s web page ([www.sedermera.se](http://www.sedermera.se)). A completed Subscription Form “subscription with preferential rights” must, with the required cash payment, be sent to, and received by, Sedermera no later than 5.00 p.m. (Stockholm time) on 4 December 2020 according to the contact details stated below. The subscription is binding.

Issuer: Beowulf  
Sedermera Fondkommission  
Norra Vallgatan 64  
211 22 Malmö, Sweden  
Phone: +46 (0) 40-615 15 10

E-mail: [issuingsservices@sedermera.se](mailto:issuingsservices@sedermera.se) (scanned Subscription Form)

## 9 SUBSCRIPTION ABOVE €15,000

If the subscription amounts to, or exceeds €15,000, a money laundering form shall be completed and sent to Sedermera in accordance with the Swedish Act (2017:630) on measures against money laundering and terrorist financing. Please note that Sedermera cannot distribute any Paid Subscribed SDRs, even if payment has been received, before the money laundering form has been received by Sedermera. The money laundering form can be downloaded from Sedermera’s web page ([www.sedermera.se](http://www.sedermera.se)).

## 10 SUBSCRIPTION FOR NEW SDRS WITHOUT PREFERENTIAL RIGHTS

An application for subscription for SDRs without preferential rights can be made on the Subscription Form “subscription without preferential rights” which is available for downloading from Sedermera’s website ([www.sedermera.se](http://www.sedermera.se)), from Spotlight’s website ([www.spotlightstockmarket.com](http://www.spotlightstockmarket.com)) or from the Company’s website ([www.beowulfmining.com](http://www.beowulfmining.com)).

Qualifying Swedish Nominee Registered SDR Holders in the VPC system, applying for a subscription of New SDRs without preferential rights, must coordinate such a subscription with the account-holding bank or trustee in accordance with instructions from the respective account-holding bank or trustee, or if SDRs are registered at several different nominee registered accounts, from each of these account-holding banks or trustees. Note that SDR Holders or other investors who have an account with specific rules for securities transactions, such as an investment savings account (Swedish: *investeringssparkonto*) or endowment account (Swedish: *kapitalförsäkring*), must check with the account-holding bank or trustee, whether a subscription for New SDRs in the SDR Rights Issue is possible. The subscription shall, in that case be made in accordance with instructions received from the account-holding bank or trustee.

Incomplete or incorrectly filled out Subscription Forms may be disregarded. Only one Subscription Form “subscription without preferential rights” may be submitted per subscriber. In the event that more than one such Subscription Form “subscription without preferential rights” is submitted, only the one last received will be considered, and the other Subscription Forms will be disregarded. The Subscription Form “subscription without preferential rights” must be sent to, and received by, Sedermera no later than 11 December 2020. The subscription is binding.

## 11 ALLOCATION OF NEW SDRS SUBSCRIBED FOR WITHOUT PREFERENTIAL RIGHTS

In the event that not all New SDRs in the SDR Rights Issue are subscribed for with preferential rights, the Board shall decide on the allocation of New SDRs, within the limits of the maximum amount of the SDR

Rights Issue, to SDR Holders or other investors that have subscribed for New SDRs without preferential rights in the following priority:

- (i) allocation of New SDRs which are subscribed for without preferential rights shall be done to SDR Holders or other investors who have also subscribed for New SDRs by exercising Swedish Subscription Rights, regardless if the subscriber was a registered SDR Holder on the SDR Rights Issue Record Date or not. In case that allocation of New SDRs cannot fully be provided in accordance to subscriptions without Swedish Subscription Rights, allocation shall be made in relation *pro rata* to the quantity of Swedish Subscription Rights exercised for subscription of New SDRs in the SDR Rights Issue, and to the extent this is not possible, by drawing of lots.
- (ii) allocation of New SDRs which are subscribed for without preferential rights shall be done to other investors than the above mentioned, who have subscribed for New SDRs without Swedish Subscription Rights. In case that allocation for New SDRs cannot fully be provided in accordance to subscriptions without Swedish Subscription Rights, allocation shall be made in relation *pro rata* to the amount of subscribed for New SDRs without Swedish Subscription Rights in the SDR Rights Issue, and to the extent this is not possible, by drawing of lots.
- (iii) an allocation of New SDRs shall be made to the Guarantors in proportion to the size of their commitments made in the Guarantee Commitments Agreements, subject to the aggregate commitments made by the Guarantors.

Notification of allotment of New SDRs without preferential rights will be made via a settlement note (Swedish: *avräkningsnota*) containing payment instructions for allotted New SDRs. Settlement notes are expected to be sent out as soon as possible after the subscription period of the SDR Rights Issue, and payment must be made in accordance with the payment instructions on the settlement note. Payment is due within two (2) Swedish business days from the date the settlement note was distributed. Note that payment for any allotted New SDRs will not be drawn from the specified depository account. If payment is not received in due time, the subscribed for New SDRs may be assigned to another party. Should the price for such an assignment be lower than the SDR Offer Price, the subscriber who initially was allocated these New SDRs may vouch for all or a part of the difference. SDR Holders or other investors that are not allotted any New SDRs will not receive any notification.

## 12 OVERSEAS SDR HOLDERS

Overseas SDR Holders (with the exception of Restricted SDR Holders) who have preferential rights in the SDR Rights Issue can contact Sedermera for further information regarding subscription and payment.

Due to restrictions under the securities laws of the Restricted Jurisdictions and other countries in which participation in the SDR Rights Issue requires the preparation of a prospectus, further registration or measurements other than those which are required by Swedish or UK legislation, Overseas SDR Holders with registered addresses in any of these countries will not qualify to participate in the SDR Rights Issue and will not be sent Pre-Printed Issue Account Statements and Subscription Forms and Swedish Subscription Rights will not be issued in the VPC system to such Overseas SDR Holders. Accordingly, no offer is being or will be made to subscribe for New SDRs in the Company to Overseas SDR Holders residing in these countries.

Receipt of this document, a Pre-Printed Issue Account Statements and/or Subscription Forms and/or the issue of Swedish Subscription Rights to a VPC Account will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document, Pre-Printed Issue Account Statements and/or Subscription Forms must be treated as sent for information only and should not be copied or redistributed.

Notwithstanding any other provision of this document, the Pre-Printed Issue Account Statements or the Subscription Forms, the Company reserves the right to permit any person to apply for New SDRs in respect of the SDR Rights Issue if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

### **13 PAID SUBSCRIBED SDRS**

Subscription via payment is registered with the VPC system as soon as practicable, typically a few banking days after payment is made. Thereafter, the subscriber will receive a VPC Account (Swedish: *VP-avi*) notification confirming the registration of Paid Subscribed SDRs in the subscriber's VPC Account.

Qualifying Swedish Nominee Registered SDR Holders will receive information from their respective nominees in accordance with the procedures of the relevant nominee.

### **14 TRADING IN PAID SUBSCRIBED SDRS**

Trading in Paid Subscribed SDRs will take place on Spotlight from 20 November 2020 until the New SDRs can be registered in the VPC system.

### **15 DELIVERY OF NEW SDRS**

Following the registration of New SDRs in the VPC system, Paid Subscribed SDRs will be automatically converted into New SDRs without any special notification from Euroclear Sweden. It is estimated such conversion will be effective by 31 December 2020.

### **16 PUBLICATION OF THE RESULT OF THE SDR RIGHTS ISSUE**

As soon as possible after the SDR Rights Issue subscription period has ended, the Company will publish the result of the SDR Rights Issue through a press release.

### **17 TERMS AND CONDITIONS OF THE SDRS**

The SDRs are issued by the Custodian and governed by the "General Terms and Conditions for Swedish Depositary Receipts in Beowulf Mining plc" which are set out in Part XI (*Terms and Conditions of the SDRs*) of this document.

### **18 DIVIDEND RIGHTS**

The New SDRs will carry the right to any dividend for the first time on the first record date of dividend following their registration with Euroclear Sweden. The New SDRs will carry the same right to dividend as the Existing SDRs. Dividend rights are governed by "General Terms and Conditions for Swedish Depositary Receipts in Beowulf Mining plc" which are set out in Part XI (*Terms and Conditions of the SDRs*) of this document.

### **19 REGISTER OF SDR HOLDERS**

The SDRs are financial instruments registered with Euroclear Sweden. The Company's SDR register with information about SDR Holders is handled and accounted by Euroclear Sweden with address Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden.

### **20 SDR HOLDERS' RIGHTS**

The SDR Holders' dividend rights, voting rights and preferential rights are governed by the "General Terms and Conditions for Swedish Depositary Receipts in Beowulf Mining plc" which are set out in Part XI (*Terms and Conditions of the SDRs*) of this document.

### **21 TRADING IN THE SDRS, SWEDISH SUBSCRIPTION RIGHTS AND THE PAID SUBSCRIBED SDRS**

The SDRs are traded on Spotlight. The SDRs are traded under the ticker symbol "BEO SDB" and have the ISIN-code SE0002457796. The New SDRs will be admitted to trading in connection with the conversion of the Paid Subscribed SDRs to New SDRs. The ISIN number, the CFI number and the FISN number for the Swedish Subscription Rights will be SE0015195581, RSMXXR and BEOWULF/SUBS RTS NL PD and the

ISIN number, the CFI number and the FISN number for the Paid Subscribed SDRs will be SE0015195599, EDSXDR and BEOWULF/SDR, respectively.

## **22 SWEDISH ISSUING AGENT AND ADVISER**

Sedermora is the Swedish issuing agent and financial adviser of the Company in connection with the SDR Rights Issue.

## **23 GOVERNING LAW AND JURISDICTION**

The terms and conditions of the SDR Rights Issue as set out in this Part X (*Terms and Conditions of the SDR Rights Issue*) of this document, the Pre-Printed Issue Account Statement and the Subscription Forms shall be construed and applied in accordance with Swedish law. Any dispute which may arise out of or in connection with the SDR Rights Issue, this document, the Pre-Printed Issue Account Statement and the Subscription Forms shall be adjudicated by a court of general jurisdiction and the action shall be brought before the Stockholm District Court (Swedish: *Stockholms tingsrätt*), Sweden.

## **24 OTHER**

The Company shall, in agreement with Sedermora and after consultation with its financial and legal advisers, be entitled to extend the subscription period and the payment deadline for the SDR Rights Issue and all related dates set out in this document and in such circumstances shall make an appropriate announcement on a Regulatory Information Service and through the Cision newswire service (<https://news.cision.com/se/?n=beowulf>) but Qualifying SDR Holders may not receive any further written communication.

The subscription of New SDRs with and without preferential rights are binding.

In the case an excess amount has been paid by a subscriber for the New SDRs, the excess amount will be repaid to the subscriber. Excess amounts less than SEK 100 will not be refunded.

## **25 FURTHER INFORMATION**

Your attention is drawn to the further information set out in the rest of this document and to the terms, conditions and other information printed on the Subscription Forms and, in the case of Qualifying Swedish Directly Registered SDR Holders, on the Pre-Printed Issue Account Statement.

## PART XI

### THE CUSTODIAN, THE SUB-CUSTODIAN AND THE TERMS AND CONDITIONS OF THE SDRS

#### 1 INFORMATION RELATING TO THE CUSTODIAN

The Custodian, which is the depository for the issue of the SDRs, is a Swedish credit institution licensed by Finansinspektionen, the Swedish financial supervisory authority, to provide banking and investment services.

#### 2 INFORMATION RELATING TO THE SUB-CUSTODIAN

The Sub-Custodian is a public company incorporated in England and Wales with registration number 00014259 authorised by the Prudential Regulation Authority at the Bank of England and regulated by the FCA and the Prudential Regulation Authority at the Bank of England to provide banking and investment services. The Sub-Custodian holds securities for the Depository in relation to the SDRs through its nominee, HSBC Global Custody Nominee (UK) Limited, a private limited company incorporated in England and Wales with company number 00228660, under account number 937453, subject to a custody agreement between the Sub-Custodian, S.E.B. Securities Services and the Custodian which is governed by English law.

The SDR Holders do not have any contractual relationship with, or rights enforceable against, the Sub-Custodian.

#### 3 TERMS AND CONDITIONS OF THE SDRS

The rights of SDR Holders against the Custodian are governed by the General Terms and Conditions for Swedish Depository Receipts in Beowulf Mining plc which are set out in appendix A to the Custodian Agreement). Such General Terms and Conditions apply to the Existing SDRs and the News SDRs. The Custodian Agreement is available for inspection at the address specified in paragraph 24 of Part XV (*Additional Information*) of this document.

The General Terms and Conditions set out in Appendix A to the Custodian Agreement are as follows (except any words which appear below in italics):

“Beowulf Mining Plc (hereinafter referred to as the “**Company**”) has commissioned Skandinaviska Enskilda Banken AB (publ) (hereinafter referred to as “**SEB**”), on behalf of depository receipt holders, to hold shares (hereinafter referred to as the “**Shares**”) in the Company in a custody account and to issue one Swedish Depository Receipt (hereinafter referred to as the “**SDR**”) for each deposited Share in accordance with these General Terms and Conditions. The SDRs shall be registered at VPC AB, (hereinafter referred to as “**VPC**”) and admitted to trading on AktieTorget (*now Spotlight*).

##### 1 Deposit of Shares and registration, etc.

- 1.1 The Shares are deposited on behalf of depository receipt holders, as defined below, in a custody account with a bank appointed by SEB (*currently HSBC Bank plc*) which conducts business in the U.K. and is permitted under English law to hold Shares (the “**Sub-Custodian**”). The Sub-Custodian is the registered owner of the Shares in its custody as evidenced by the entry of the Sub-Custodian’s name in the Company’s register of shareholders. These General Terms and Conditions shall govern the deposit of Shares and the issuance of SDRs. “**Depository Receipt Holder**” as set forth in these General Terms and Conditions means an owner of SDRs or his nominee.
- 1.2 For each deposited Share, SEB shall issue one SDR. SEB will not accept deposits of fractions of Shares or of an uneven number of fractional rights.
- 1.3 SEB and the Sub-Custodian may refuse to accept Shares for deposit under these general Terms and Conditions whenever notified that the Company has restricted transfer of such Shares to comply with any ownership or transfer restrictions under Swedish, English or any applicable law.

1.4 The SDRs shall be registered in a Swedish CSD register maintained by VPC AB (hereinafter referred to as the “**VPC Register**”) in accordance with the Financial Instruments Accounts Act (SFS 1998:1479). Thus, physical securities representing the SDRs will not be issued.

## 2 **Deposit and withdrawal of Shares**

2.1 Shares may be deposited under these General Terms and Conditions by delivery to SEB or the Sub- Custodian together with appropriate instructions to SEB as to the shareholder's name, address and VPC Account number in which the SDRs are to be registered as well as any other information and documentation required under Swedish, English or any other applicable law. Upon payment to SEB by the shareholder depositing the Shares of all taxes, including any applicable stamp duty on the value of the Shares being deposited at the applicable time, charges, fees and costs in connection with a deposit of Shares, the corresponding number of SDRs will be registered in the VPC register.

2.2 Upon payment of all taxes, governmental charges, fees and costs payable in connection with a withdrawal of Shares, and subject to the provisions of the Company's Articles of Association, Swedish, U.K. or any other applicable law, Shares may be withdrawn from the safe custody only if such withdrawal is not prohibited under Swedish, English or any other applicable law or by a decision of a governmental authority. Shares will be delivered to a custody account designated by the Depository Receipt Holder or as agreed between the Depository Receipt Holder and SEB provided the corresponding number of SDRs have been surrendered to and cancelled by SEB in the VPC Register.

2.3 Deposit and withdrawal of Shares pursuant to this Section 2 may only be made via SEB in Sweden.

2.4 Deposit and withdrawal of Shares pursuant to this Section 2, is not allowed during a ten day period from the Record Date of a shareholders' meeting to the date of the shareholders' meeting.

2.5 SEB is entitled to compensation from a Depository Receipt Holder for all fees and costs in connection with deposit and withdrawal of Shares pursuant to this Section 2, in accordance with the price list applied by SEB from time to time.

2.6 Registrations in the VPC Register resulting from deposits or withdrawals of Shares may be temporarily suspended or withheld, during any period when the transfer books of VPC or the Company are closed.

## 3 **Transfer and pledging, etc.**

3.1 Deposited Shares may only be transferred or pledged through a transfer or pledge of SDRs. With respect to transfers and pledges of SDRs, the provisions set forth in Chapter 6 of the Financial Instruments Accounts Act shall apply.

## 4 **Trading in SDRs**

4.1 Trading in SDRs shall take place on AktieTorget (*now Spotlight*). In the event that the trading shall be transferred to a Swedish regulated market or on another multilateral trading facility (MTF) in Sweden or where the trading on AktieTorget (*now Spotlight*) or any Swedish regulated market or MTF ceases, the Company shall as soon as possible inform SEB and the Depository Receipts Holders in accordance with the provisions of Section 12 below.

## 5 **Record Date**

5.1 SEB shall, in consultation with the Company, decide upon the date (“**Record Date**”) which shall be applied by SEB for the determination of those Depository Receipt Holders who are entitled to receive cash dividends or other property, to participate and vote at shareholders meetings, to receive Shares in connection with bonus issues, to subscribe for Shares, convertibles, warrants and other rights in connection with new issues and to otherwise exercise those rights which

normally accrue to shareholders in the Company. It is the Company's and SEB's intention, where practically feasible, that the Record Date for dividends and other rights in Sweden shall be the same date as the record date in England.

## 6 Dividends and taxes, etc.

- 6.1 The payment of dividends shall take place in Swedish kronor ("**SEK**") to those persons who, on the Record Date, are registered in the VPC Register as Depository Receipt Holders or rights holders in respect of dividends.
- 6.2 In conjunction with every distribution, SEB shall, in consultation with the Company, determine the date of the payment of dividends ("**Payment Date**"). Payment of dividends to Depository Receipt Holders or holders of other rights to the dividend, shall take place on the Payment Date through VPC and in accordance with the rules and regulations applied by VPC from time to time.
- 6.3 SEB shall convert dividends in foreign currency into SEK in accordance with the exchange rates applied by SEB from time to time, which shall be set in accordance with public market rates, prior to payment taking place. The conversion of foreign currency into SEK shall take place 3 banking days before the Payment Date. The dividend amount distributed per SDR will be rounded down to the nearest whole öre. Surplus amounts, which as a consequence of a rounding are not paid, shall be repaid by SEB to the Company.
- 6.4 The payment of dividends to Depository Receipt Holders shall be made without any deduction of any costs, fees, or equivalents thereto which are related to the Company, SEB, the Sub-Custodian or any of their respective agents. However, deductions shall be made for Swedish preliminary income tax, withholding tax or other taxes which are to be withheld pursuant to Swedish law or agreements with foreign tax authorities as well as for any taxes which may be imposed pursuant to Swedish, English or applicable provisions of another country.
- 6.5 In conjunction with payment of dividends to Depository Receipt Holders, the Company, SEB, VPC, the Sub-Custodian or any other party shall withhold and pay to the tax authorities in the U.K. any required tax amount, should there be any such taxes imposed. In the event the Company, SEB, VPC or the Sub-Custodian or representatives or agents of the foregoing determine that dividends in cash, shares, rights, or other property are subject to taxation or other public fees which must be withheld, the Company, SEB or representatives or agents of any of the foregoing shall be entitled to withhold cash amounts or sell all or part of the property as is financially and practically necessary to sell in order to be able to pay those taxes and fees. The remaining proceeds, following deduction of taxes and fees, shall be paid by SEB to the Depository Receipt Holders who are entitled thereto. Depository Receipt Holders shall be liable for deficiencies which may arise in conjunction with sale pursuant to the above.
- 6.6 SEB shall attempt to provide the Depository Receipt Holders with any information SEB has in its possession and which the Depository Receipt Holders might reasonably request in order to enjoy such benefits as are granted pursuant to the applicable double taxation treaty. SEB shall upon request inform any recipient resident in Sweden of any U.K. tax credit to which the recipient may be entitled and of any U.K. withholding tax.

According to present U.K. law and the Tax Treaty between Sweden and the U.K., a Swedish recipient of the dividend is entitled to U.K. tax credit with an amount equal to one ninth of the dividend. U.K. withholding tax is however usually levied with the same amount and no actual payments of the tax credit are made. For a Swedish recipient is the tax credit to be considered a taxable dividend. The dividend will be reported to the Depository Receipt Holder and the Swedish tax authorities with a sum including the tax credit and stating the U.K. withholding tax.

- 6.7 SEB shall, in consultation with the Company, determine the manner in which dividends in property other than cash shall be provided to the Depository Receipt Holders. This may entail that the property is sold and that funds from the sale following deduction for sales costs and taxes shall be paid to the Depository Receipt Holders, as described in Section 6.5 above.

6.8 SEB and the Company shall be deemed to have fulfilled their respective obligations notwithstanding that a person who is paid dividends to was not an authorised recipient. The aforementioned shall not, however, apply where SEB or the Company was aware that the dividend was paid to a person who was not authorised to receive the dividend or where SEB or the Company failed to exercise normal or reasonable care which, in consideration of the circumstances, should have been exercised, or where payment cannot be claimed as a result of the recipient being a minor or due to the fact that a guardian had been appointed for the recipient pursuant to the Code on Parents, Guardians and Children and such guardianship included the receipt of dividends.

## 7 **Bonus issues, splits, or reverse splits of Shares**

7.1 SEB shall, as soon as possible, accept receipt of Shares through its registered Sub-Custodian in conjunction with bonus issues and issue corresponding number of SDRs to Depository Receipts Holders so entitled and shall carry out any adjustments to the SDRs to reflect, *pro rata*, any splits or reverse splits of Shares through taking necessary registration measures on VPC Accounts belonging to the Depository Receipt Holders to ensure that they receive the benefit of all such entitlements.

7.2 Persons who, on the Record Date, are registered in the VPC Register as Depository Receipt Holders or rights holders with respect to the measure in question shall be entitled to participate in the bonus issue, split, and reverse split. Where such persons are not authorised recipients, the provisions set forth in Section 6.8 shall apply in a corresponding manner.

7.3 Applicable taxes shall be addressed in the manner set forth in Section 6.

## 8 **New issues, etc.**

8.1 Where the Company resolves to issue new Shares, convertibles, warrants or other rights to which the Company's shareholders generally have pre-emptive rights, the Company shall commission SEB or any other agent to provide notice to the Depository Receipt Holders in accordance with Section 12 of the material terms and conditions governing the new issue based on the information received from the Company. The aforementioned shall apply to other offers, which the Company directs to the shareholders. Application forms shall, if applicable, be appended to the information whereon the Depository Receipt Holders can instruct SEB or any other agent to subscribe for Shares, convertibles, warrants or other rights on behalf of the Depository Receipt Holder. Where, in accordance with the instructions of the Depository Receipt Holder, SEB subscribes for and allocates such Shares, convertibles, warrants, or rights, equivalent registration on the respective Depository Receipt Holder's VPC Account shall take place as soon as possible following the issue.

8.2 Where a Depository Receipt Holder does not instruct SEB or any other agent to exercise any of the rights set forth above and such rights are possible to sell, SEB shall be entitled to sell such rights on behalf of the Depository Receipt Holder and to pay the proceeds to the Depository Receipt Holder following deduction for costs and any fees and taxes.

## 9 **Fractional rights**

9.1 Where, in accordance with Sections 6 – 8, a Depository Receipt Holder is entitled to a fraction of a Share or any other fractional rights which do not entitle the Depository Receipt Holder to a whole number of Shares, SEB and the Company may enter into an agreement to the effect that SEB shall sell such excess Shares or fractional rights, etc., and pay the proceeds of such sale to the Depository Receipt Holder following deduction for costs and any fees and taxes.

## 10 **Participation at shareholders' meetings, etc.**

10.1 The Company shall at the latest four (4) weeks before and not earlier than six (6) weeks prior to the shareholders' meeting inform SEB of the shareholders' meeting. As soon as practicable thereafter the Company shall notify the Depository Receipts Holders of the shareholders' meeting.

Such notification shall be issued through a press release published in at least one Swedish national daily newspaper. The notification shall include i) the contents set forth in the notice from the Company of the shareholders' meeting as prescribed by applicable law, ii) the Record Date for the Depository Receipts Holders determined in accordance with Section 5, and iii) instructions regarding any measures to be taken by the Depository Receipt Holder in order to be able to vote at the shareholders meeting by attending the meeting in person or to authorise a person to attend and vote for him or by instructing SEB to vote by proxy form. Only Depository Receipt Holders registered in the VPC Register ten (10) calendar days before the shareholders' meeting and who have, no later than 5 calendar days before the meeting, notified SEB or its representative that they shall attend and vote at the meeting or have instructed SEB to vote by proxy form, are entitled to attend the meeting either in person or by an authorised attorney or vote by proxy form. The Sub- Custodian, as registered owner of the Shares, shall appoint as proxies, all those Depository Receipt Holders who have notified SEB or its representative of their intention to be represented at the shareholders' meeting. Such proxies shall be presented to the Company together with a list of the Depository Receipt Holders for whom proxies have been issued.

10.2 SEB undertakes not to represent Shares for which the Depository Receipt Holder has not notified its intention to participate at the shareholders' meeting either in person or by proxy.

## 11 Information

11.1 SEB shall, on the instructions of the Company send the information which SEB has obtained from the Company to the Depository Receipt Holders in the manner set forth in Section 12, or a summary provided by the Company of the information if the Company deems it sufficient or appropriate in each individual case. As a general rule, the information shall be presented in English unless the Company deems that, in each individual case, a translation of a document into Swedish to be appropriate with regard to the contents or the purpose of the document. The English version of the information shall govern.

11.2 The Company shall, on request from a Depository Receipt Holder, ensure that the Company's annual report is sent to the Depository Receipt Holders. The Company shall also publish stock market information in accordance with the requirements for trading on AktieTorget (*now Spotlight*) or any other applicable marketplace.

11.3 Information regarding the Company and its Investor Relation Services are available on the Company's website, [www.beowulfmining.com](http://www.beowulfmining.com).

## 12 Notices

12.1 SEB shall ensure that notices to Depository Receipt Holders pursuant to these General Terms and Conditions are provided to the Depository Receipt Holders and other rights holders who are registered in the VPC Register as entitled to receive notices in accordance with the Financial Instruments Accounts Act.

12.2 Written notices shall be sent by mail to authorised persons in accordance with Section 12.1 to the address listed in the VPC Register. SEB and the Company may, in lieu of mailing notices, publish the notice in at least one Swedish national daily newspaper.

## 13 Fees and costs

13.1 SEB's costs and fees for administration of the Shares shall be borne by the Company unless otherwise set forth in these General Terms and Conditions.

## 14 Replacement of custodian bank

14.1 In the event the Company decides to retain another securities institution as custodian bank in lieu of SEB, SEB shall transfer all of SEB's rights and obligations vis-à-vis the Depository Receipt Holders pursuant to these General Terms and Conditions and deliver the Shares to the new custodian bank. The identity of any replacement of a custodian bank must be submitted by the

Company to VPC for approval and such replacement shall be carried out not earlier than three (3) months following the time at which notification regarding the replacement of the custodian bank is sent in accordance with Section 12.

## 15 **Amendments to these General Terms and Conditions**

15.1 SEB shall be entitled to amend these General Terms and Conditions where such amendment is necessary in order for the General Terms and Conditions to comply with Swedish, English or other applicable law, decisions by governmental authorities or amendments to VPC's or any applicable marketplace's rules and regulations. SEB and the Company are entitled to jointly agree to amend these General Terms and Conditions where, for other reasons, it is deemed appropriate or necessary, provided in all cases that the Depository Receipt Holders' rights are in no way materially prejudiced. SEB shall notify the Depository Receipt Holders regarding decisions to amend in the manner set forth in Section 12.

## 16 **Information regarding Depository Receipt Holders**

16.1 SEB retains the right to request information from VPC regarding the Depository Receipt Holders and to submit such information to the Company.

16.2 SEB and the Company are entitled to provide information regarding the Depository Receipt Holders and their holdings to such parties who perform share registration duties or to governmental authorities, provided that the obligation to submit such information is prescribed by Swedish or foreign law or agreement with governmental authorities. The Depository Receipt Holders are obligated, following demand, to submit such information to SEB.

16.3 SEB and the Company shall be entitled to provide information regarding the Depository Receipt Holders and their holdings to governmental authorities in connection with repayment or refunding of paid taxes or when subject to any tax audit to the extent such is necessary.

16.4 SEB and the Company are entitled to provide and publish information regarding the Depository Receipt Holders to the extent required by AktieTorget (*now Spotlight*) or any applicable marketplace or as required pursuant to Swedish or other applicable rules and regulations.

## 17 **Limitation of liability**

17.1 Neither SEB, the Sub-Custodian nor the Company shall be liable for damage which is due to Swedish or foreign legislation, the actions of Swedish or foreign public authorities, acts of war, strikes, blockades, boycotts, lockouts, or other similar circumstances. The reservation with respect to strikes, blockades, boycotts, and lockouts shall apply notwithstanding that SEB, the Sub-Custodian or the Company itself adopts, or is an object of, such measures.

17.2 In other cases than as set forth in Section 17.1, SEB, the Sub-Custodian or the Company shall not be liable to compensate damage where SEB, the Sub-Custodian or the Company has acted with normal care. SEB, the Sub-Custodian or the Company shall not be liable for indirect damage unless such damage is caused by gross negligence.

17.3 Where SEB, the Sub-Custodian or the Company is prevented from effecting payment or other measures due to circumstances as set forth in Section 17.1, such measure may be postponed until the impediment ceases.

## 18 **Termination, etc.**

18.1 SEB is entitled to terminate the deposit of Shares by notice to a Depository Receipt Holder pursuant to Section 12 where:

- (i) the Company adopts a resolution according to which the Shares in the Company shall no longer be represented by SDRs governed by these General Terms and Conditions;

- (ii) the Company adopts a resolution according to which the SDRs shall no longer be listed on a Swedish regulated market or traded on a multilateral trading facility (MTF) in Sweden or any equivalent market;
  - (iii) VPC terminates the Agreement regarding registration of Swedish depository receipts;
  - (iv) the Company applies for reorganisation, bankruptcy, liquidation, or other similar procedure, or where such a procedure commences upon application by third parties; or
  - (v) the Company materially breaches its obligations vis-à-vis SEB.
- 18.2 In case of termination in accordance with section 18.1 i) or ii), the listing of or the trading in the SDRs shall cease at the earliest three (3) months after the day of notice of termination was sent or published provided the SDRs have not been de-listed from a Swedish regulated market or the trade has ceased on a multilateral trading facility (MTF) in Sweden or any equivalent market prior thereto.
- 18.3 In the event that SEB terminates the deposits in accordance with Section 18.1, these General Terms and Conditions shall continue to apply to the date decided by SEB, in consultation with the Company if practically possible. Such notice of termination shall be sent by mail to the Depository Receipt Holders entitled to receive notices in accordance with Section 12.1 to the addresses listed in the VPC Register.
- 18.4 In cases other than those set forth in Section 18.1, SEB is entitled to terminate the deposits of Shares through notification to the Depository Receipt Holders, which notice shall take effect on the date agreed between SEB and the Company and which is informed in the notice of termination.
- 18.5 In the notice of termination, SEB shall set forth the Record Date upon which SEB shall de-register all the SDRs in the VPC Register and transfer the Shares to a custodian account as instructed by the Depository Receipt Holder or as otherwise agreed with the Depository Receipt Holder. In the event the Depository Receipt Holder has not designated a custodian account or where an agreement has otherwise not been reached, SEB is entitled to sell the underlying Shares. The Depository Receipt Holder shall be entitled to the proceeds of the sale following deduction for fees, taxes and reasonable costs. The amount shall be paid to the cash account linked to respective VPC Account of the Depository Receipt Holder concerned or in the absence of such cash account, in the form of a payment notice. No interest shall accrue on the amount.

## 19 **Applicable law, etc.**

- 19.1 These General Terms and Conditions shall be interpreted and applied in accordance with Swedish law.
- 19.2 Disputes regarding these General Terms and Conditions or related to the legal relationships shall be adjudicated by a court of general jurisdiction and the action shall be brought before the Stockholm District Court (*Stockholms tingsrätt*), Sweden.”

## PART XII

### CAPITALISATION AND INDEBTEDNESS

#### 1 CAPITALISATION AND INDEBTEDNESS

The following table shows the Group's indebtedness and capitalisation as at 30 September 2020. The information has been extracted without material adjustment from the 2020 Nine Months Interim Financial Statements and underlying accounting records.

<i>Indebtedness</i>	£
<b>Current debt</b>	–
Guaranteed	–
Secured	–
Unguaranteed / unsecured	1,377,800
<b>Total current debt</b>	1,377,800
<b>Non-current debt</b>	–
Guaranteed	–
Secured	–
Unguaranteed / unsecured	–
<b>Total non-current debt</b>	–
<b>Total indebtedness</b>	1,377,800
<i>Capitalisation</i>	£
Share capital	6,022,446
Legal reserves	20,961,709
Other reserves	141,972
<b>Total shareholder equity</b>	27,126,127

#### 2 NET FINANCIAL INDEBTEDNESS

The following table sets out the Group's net financial indebtedness at 30 September 2020. The information has been extracted without material adjustment from the 2020 Nine Months Interim Financial Statements and underlying accounting records.

<i>Net financial indebtedness</i>	£
Cash	1,207,384
Cash equivalent (detail)	–
Trading securities	–
<b>Liquidity</b>	1,207,384
<b>Current financial receivable</b>	–
Current bank debt	–
Current portion of non-current debt	–
Other current financial debt	1,377,800
<b>Current financial debt</b>	1,377,800
<b>Net current financial indebtedness</b>	(170,416)
Non-current bank loans	–
Bond issued	–
Other non-current loans	–
Net non-current financial indebtedness	–
<b>Net financial indebtedness</b>	(170,416)

There has been no material change to the Group's total capitalisation or indebtedness since 30 September 2020.

## **PART XIII**

### **FINANCIAL INFORMATION RELATING TO THE GROUP**

The unaudited half-yearly consolidated financial statements of the Group as of and for the six month period ended 30 June 2019, the audited consolidated financial statements of the Group as at and for the year ended 31 December 2019, the unaudited half-yearly consolidated financial statements of the Group as of and for the six month period ended 30 June 2020 and the unaudited consolidated financial statements of the Group as at and for the nine months ended 30 September 2020 are incorporated by reference into this document, as explained in Part XVI (*Information Incorporated by Reference*) of this document.

## PART XIV

### TAX INFORMATION

#### 1 GENERAL

Investors should note that the tax laws of their own country may affect the tax treatment of their participation in the Capital Raising; and that the tax laws of their own country and the country in which the Company is incorporated, and the countries in which the Group operates, may affect Shareholders' and SDR Holders' post-tax income from their Ordinary Shares and SDRs, respectively. A summary of certain UK and Swedish tax issues is set out below.

If potential investors are in any doubt about the taxation consequences of acquiring, holding or disposing of Swedish Subscription Rights, the Paid Subscribed SDRs, the New Ordinary Shares or SDRs, or are subject to tax in any country other than the UK or Sweden, they should seek advice from their own professional advisers without delay. Investors should note that tax law and interpretation can change and that, in particular, the level and basis of, and reliefs from, taxation may change and that may affect the benefits of investment.

#### 2 UK TAXATION

The following information is intended only as a general guide to current UK tax legislation and to current published practice of HMRC. The information is not exhaustive.

The following information is intended to apply only to investors who (unless the position of non-UK resident Shareholders is expressly referred to) are resident, and in the case of individuals, domiciled or deemed domiciled, in the UK for UK taxation purposes (and not in any other territory) and to whom split-year treatment does not apply, who hold their Ordinary Shares as investments (and not as securities to be realised in the course of a trade or which constitute carried interest) and who are the direct absolute beneficial owners of their Ordinary Shares and who have not acquired (or been deemed to have acquired) their Ordinary Shares through any individual savings account ("**ISA**") or self-invested personal pension or by reason of their or another person's office or employment. The information may not apply to certain classes of investors, such as dealers in securities or investors who are trustees or who hold their Ordinary Shares through any form of investment vehicle.

##### 2.1 Dividends

The Company is not required to withhold tax at source from dividend payments it makes.

##### **Individual Shareholders**

All dividends received from the Company by an individual Shareholder who is resident and domiciled in the UK will, except to the extent that they are earned through an ISA, self-invested pension plan or other regime which exempts the dividend from tax, form part of the Shareholder's total income for income tax purposes.

A nil rate of income tax will apply to the first £2,000 of dividend income received by an individual Shareholder from all sources in a tax year (the "**Nil Rate Amount**"), regardless of what tax rate would otherwise apply to that dividend income.

Any dividend income received by an individual Shareholder in a tax year in excess of the Nil Rate Amount will be subject to income tax at the following dividend rates for 2020/2021:

- (i) at the rate of 7.5 per cent., to the extent that the relevant dividend income falls into the basic rate band;
- (ii) at the rate of 32.5 per cent., to the extent that the relevant dividend income falls into the higher rate band of income tax but below the threshold for the additional rate of income tax; and
- (iii) at the rate of 38.1 per cent., to the extent that the relevant dividend income falls into the additional rate of income tax.

Dividend income that is within the dividend nil rate amount counts towards an individual's basic or higher rate limits, and will therefore potentially affect the level of savings allowance to which they are entitled and the rate of tax that is due on any dividend income in excess of the nil rate amount. In calculating into which tax band any dividend income over the nil rate falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

### **Corporate Shareholders within the charge to UK corporation tax**

Shareholders within the charge to UK corporation tax that are "small companies" (for the purposes of UK taxation of dividends) will not generally be subject to UK tax on dividends from the Company, provided certain conditions are met, including an anti-avoidance condition.

Other Shareholders within the charge to UK corporation tax will be liable to UK corporation tax (currently at a rate of 19 per cent.) unless the dividends fall within an exempt class and certain conditions are met. In general, dividends paid on ordinary shares that are non-redeemable shares and do not carry any present or future preferential rights to dividends or to a company's assets on its winding up, and dividends paid to a person holding less than 10 per cent. of the issued share capital of the payer (or any class of that share capital in respect of which the distribution is made) and who is entitled to less than 10 per cent. of the profits available for distribution and would be entitled to less than 10 per cent. of the assets available for distribution on a winding-up, are examples of dividends within an exempt class. However, the exemptions are not comprehensive and are subject to anti-avoidance rules.

### **Non-UK resident Shareholders**

A non-UK resident Shareholder is not generally subject to UK tax on dividend receipts. However where a non-UK resident Shareholder carries on a trade, profession or vocation in the UK and the dividends are a receipt of that trade or, in the case of corporation tax, the Ordinary Shares are held by or for a UK permanent establishment through which the trade is carried on, there may be a liability to UK tax.

A Shareholder resident outside the UK may be subject to taxation on dividend income under their local laws. Any such Shareholder should consult its own tax advisers concerning its tax liabilities (in the UK and any other country) on dividends received from the Company.

## **2.2 UK taxation of chargeable gains arising on sale or other disposal**

For the purpose of UK tax on chargeable gains, the amounts paid by a Shareholder for Ordinary Shares will generally constitute the base cost of its holdings in those Ordinary Shares.

A disposal of Ordinary Shares by a Shareholder who is resident in the UK for tax purposes may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains depending upon the Shareholder's circumstances and subject to any available exemption or relief.

### **UK resident individual Shareholders**

For an individual Shareholder within the charge to UK capital gains tax, a disposal of New Ordinary Shares may give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax.

An individual Shareholder who is resident in the UK for UK tax purposes and whose total taxable gains and income in a given tax year, including any gains made on the disposal or deemed disposal of his New Ordinary Shares, are less than or equal to the upper limit of the income tax basic rate band applicable in respect of that tax year (the "**Band Limit**") will generally be subject to capital gains tax at the flat rate of 10 per cent. (for the tax year 2020/2021) in respect of any gain arising on a disposal or deemed disposal of his New Ordinary Shares.

An individual Shareholder who is resident in the UK for UK tax purposes and whose total taxable gains and income in a given tax year, including any gains made on the disposal or deemed disposal of his New Ordinary Shares, are more than the Band Limit will generally be subject to capital gains tax at the flat rate of 10 per cent. (for the tax year 2020/2021) in respect of any gain arising on a disposal or deemed disposal of his New Ordinary Shares (to the extent that, when added to the Shareholder's

other taxable gains and income in that tax year, the gain is less than or equal to the Band Limit) and at the flat rate of 20 per cent. (for the tax year 2020/2021) in respect of the remainder.

No indexation allowance will be available to an individual Shareholder in respect of any disposal or deemed disposal of New Ordinary Shares. However, each individual Shareholder has an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £12,300 for the tax year 2020/2021.

Individuals who are temporarily not resident in the UK may, in certain circumstances, be subject to UK tax in respect of gains realised while they are not resident in the UK.

### ***UK resident corporate Shareholders***

For a corporate Shareholder within the charge to UK corporation tax, a disposal of Ordinary Shares may give rise to a chargeable gain at the rate of corporation tax applicable to that Shareholder (currently 19 per cent. for companies) or an allowable loss for the purposes of UK corporation tax. It should be noted for the purposes of calculating an indexation allowance available on a disposal of New Ordinary Shares that generally the expenditure incurred in acquiring the New Ordinary Shares will be treated as incurred only when the Shareholder made, or became liable to make, payment, and not at the times those shares are otherwise deemed to have been acquired. Regardless of the date of disposal of the New Ordinary Shares, indexation allowance (if relevant) will be calculated only up to and including December 2017.

### ***Open Offer***

As a matter of UK tax law, the acquisition of Open Offer Shares pursuant to the Open Offer may not strictly speaking constitute a reorganisation of share capital for the purposes of the UK taxation of chargeable gains. The published practice of HMRC to date has been to treat any subscription of shares by an existing shareholder which is equal to or less than the shareholder's minimum entitlement pursuant to the terms of an open offer as a reorganisation, but it is not certain that HMRC will apply this practice in circumstances where an open offer is not made to all shareholders. HMRC's treatment of the Open Offer cannot therefore be guaranteed and specific confirmation has not been requested in relation to the Open Offer.

To the extent that the acquisition of the Open Offer Shares is regarded as a reorganisation of the Company's share capital for the purposes of the UK taxation of chargeable gains, a Qualifying Shareholder should not be treated as making a disposal of any part of that Qualifying Shareholder's Existing Ordinary Shares by reason of taking up all or part of his Open Offer Entitlement. The Open Offer Shares issued to a Qualifying Shareholder will be treated as the same asset as, and having been acquired at the same time as, the Qualifying Shareholder's Existing Ordinary Shares. The amount of subscription monies paid for the Open Offer Shares will be added to the base cost of the Qualifying Shareholder's Existing Ordinary Shares.

If, or to the extent that, the acquisition of Open Offer Shares under the Open Offer is not regarded as a reorganisation of the Company's share capital, the Open Offer Shares acquired by each Qualifying Shareholder under the Open Offer will, for the purposes of the UK taxation of chargeable gains, be treated as a separate acquisition of Ordinary Shares and the price paid for those Open Offer Shares will constitute their base cost. For both corporate and individual shareholders, the Open Offer Shares should be pooled with the shareholder's Existing Ordinary Shares and the share identification rules will apply on a future disposal. To the extent that the Open Offer Shares under the Open Offer are issued for less than their market value, there is a technical risk that Qualifying Shareholders may be regarded as having made a part-disposal of their existing shareholding when they take up shares under the Open Offer. However, to date, the Company is not aware that HMRC have sought to tax a part-disposal under such circumstances.

### ***Non-resident Shareholders***

A Shareholder who is not resident in the UK for tax purposes is generally not subject to UK capital gains tax on a disposal of shares, unless such a Shareholder carries on a trade, profession or vocation in the UK through a branch or agency or, in the case of a non-UK resident corporate Shareholder, a permanent establishment to which the Ordinary Shares are attributable or the company is considered to be 'property rich' where 75 per cent. of the company's asset base is UK land.

Subject to the exceptions set out in the paragraph above, individual Shareholders who are not resident in the UK will not be subject to UK capital gains tax in respect of gains arising on disposals of Ordinary Shares. However, a Shareholder who has previously been resident or ordinarily resident in the United Kingdom may in some cases be subject to UK tax on capital gains in respect of a disposal of Ordinary Shares in the event that they re-establish residence in the United Kingdom.

### 2.3 Stamp duty and SDRT

**The following statements are intended as a general guide to the current UK stamp duty and SDRT position for holders of New Ordinary Shares. Certain categories of person, including intermediaries, brokers, dealers and persons connected with clearance services and depositary receipt systems, may not be liable to stamp duty or SDRT or may be liable at a higher rate. Furthermore, such persons may, although not primarily liable for the tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986. Shareholders in any doubt about their position should seek appropriate tax advice.**

The comments in this section relating to stamp duty and SDRT apply whether or not a Shareholder is resident in the UK.

#### ***The issue of the New Ordinary Shares***

No stamp duty or SDRT is ordinarily required to be paid on the New Ordinary Shares to be issued by the Company.

#### ***Subsequent transfers***

AIM qualifies as a recognised growth market for the purposes of the UK stamp duty and SDRT legislation. Accordingly, for so long as the Ordinary Shares are admitted to trading on AIM and are not listed on any other market no charge to UK stamp duty or SDRT should arise on their subsequent transfer. If the Ordinary Shares cease to qualify for this exemption their transfer on sale will be subject to stamp duty and/or SDRT (generally at the rate of 0.5 per cent. of the consideration subject to a de minimis threshold), although special rules apply in respect of certain transfers including transfers to market intermediaries and transfers into clearance services or depositary receipt arrangements.

## 3 SWEDISH TAXATION

Below is a summary of certain Swedish tax issues related to the SDR Rights Issue for private individuals and limited liability companies who hold SDRs, Paid Subscribed SDRs or Swedish Subscription Rights and are domiciled in Sweden for tax purposes, unless otherwise stated. The summary is based on current legislation and is intended to provide general information only.

The summary does not cover:

- situations where the SDRs, Paid Subscribed SDRs or Swedish Subscription Rights are held as current assets in business operations;
- situations where the SDRs, Paid Subscribed SDRs or Swedish Subscription Rights are held by a limited partnership or a partnership;
- situations where the SDRs, Paid Subscribed SDRs or Swedish Subscription Rights are held in an investment savings account (Sw. *investeringsparkonto*);
- situations where the SDRs, Paid Subscribed SDRs or Swedish Subscription Rights are held in an endowment insurance (Sw. *kapitalförsäkring*);
- the special rules regarding tax-exempt capital gains (including non-deductible capital losses), and tax-exempt dividends, that may be applicable when the investor holds securities that for tax purposes are deemed to be held for business purposes;
- the special rules which in certain cases may be applicable to shares in companies which are or have been so-called close companies or to shares acquired by means of such shares;
- the special rules that may be applicable to private individuals who make, or reverse, a so-called investor deduction (Sw. *investeraravdrag*);

- foreign enterprises conducting business through a permanent establishment in Sweden;
- foreign enterprises that have been Swedish companies; or
- credit of foreign tax.

Furthermore, special tax rules apply to certain categories of investors. The tax consequences for each investor depend to some extent on the particular circumstances at hand. Each investor is advised to consult a tax adviser as to the tax consequences relating to the investor's particular circumstances that may arise from holding SDRs, Paid Subscribed SDRs or Swedish Subscription Rights, including the applicability and effect of foreign tax legislation and provisions in tax treaties for the avoidance of double taxation.

### 3.1 Private individuals resident in Sweden for tax purposes

#### **Dividend taxation**

For private individuals resident in Sweden for tax purposes, capital income such as interest income, dividends and capital gains is taxed in the capital income category. The tax rate in the capital income category is 30 per cent.. A preliminary tax of 30 per cent. is generally withheld on dividends paid to individuals resident in Sweden. The preliminary tax is withheld by Euroclear Sweden or, in the case of SDRs registered with a nominee or Paid Subscribed SDRs, by the Swedish nominee.

#### **Capital gains taxation**

Capital gains are taxed as income in the capital income category at a tax rate of 30 per cent.. The capital gain or loss is calculated as the difference between the sales proceeds, after deducting sales costs, and the tax basis (i.e. the acquisition cost increased by the improvement costs). The tax basis for all securities of the same class and type is calculated in accordance with the average cost method (Sw. *genomsnittsmetoden*). Alternatively, holders may choose to use 20 per cent. of the sales proceeds, after deducting sales costs (Sw. *schablonmetoden*), as the tax basis. In this context, Paid Subscribed SDRs are not considered as constituting the same class and type as the Existing SDRs.

#### **Capital losses**

Capital losses on shares and other listed securities taxed as shares, e.g. SDRs, Paid Subscribed SDRs or Swedish Subscription Rights, may be fully offset against taxable capital gains arising during the same year on listed shares as well as on listed securities. Capital losses may, however, not be offset against gains on mutual funds (Sw. *värdepappersfonder*) and hedge funds (Sw. *specialfonder*) containing Swedish receivables only (Sw. *räntefonder*). Capital losses not absorbed by these set-off rules are deductible at 70 per cent. in the capital income category. Should a net loss arise in the capital income category, a reduction is granted of the tax on income from employment and/or business operations, as well as national and municipal property tax. This tax reduction is 30 per cent. of the net loss that does not exceed SEK 100,000 and 21 per cent. of any excess loss. A net loss cannot be carried forward to future tax years.

### 3.2 Limited liability companies resident in Sweden for tax purposes

#### **Dividend and capital gains taxation**

For limited liability companies (Sw. *aktiebolag*) all income, including taxable capital gains and taxable dividends, is taxed as income from business operations at a rate of 21.4 per cent. (expected to be lowered to 20.6 per cent. as of 1 January 2021).

#### **Capital losses**

Capital losses on SDRs, Paid Subscribed SDRs or Swedish Subscription Rights may only offset taxable capital gains on shares and other securities taxed as shares, e.g. SDRs, Paid Subscribed SDRs or Swedish Subscription Rights. A net capital loss on SDRs, Paid Subscribed SDRs or Swedish Subscription Rights that cannot be utilized during the year of the loss, may be carried forward and offset against taxable capital gains on shares and other securities taxed as shares, e.g. SDRs, Paid Subscribed SDRs or Swedish Subscription Rights, in future years, without any limitation in time. If a capital loss cannot be deducted by the company that has suffered the loss, it may be deducted from

another legal entity's taxable capital gains on shares and other securities taxed as shares, e.g. SDRs, Paid Subscribed SDRs or Swedish Subscription Rights, provided that the companies are entitled to so-called group contributions with fiscal effect (Sw. *koncernbidrag*) and both companies request this for a tax year having the same filing date for each company. Special tax rules may apply to certain categories of companies or certain legal persons, e.g. investment companies.

### 3.3 Exercise of Swedish Subscription Rights

SDR Holders that do not wish to make use of their preferential rights to participate in the SDR Rights Issue may sell their Swedish Subscription Rights. The taxable gain shall be calculated on the disposal of the Swedish Subscription Rights. Swedish Subscription Rights deriving from current holdings are deemed to have been acquired at SEK 0. It is not possible to use 20 per cent. of the sales proceeds, after deducting sales costs (Sw. *schablonmetoden*), as the tax basis. Hence, the proceeds less sales costs are thus taxable. The tax base of the Existing SDR is not affected. A Swedish Subscription Right that is not exercised or disposed of and therefore expires is deemed to have been disposed of for SEK 0. Consequently, no capital gain or loss will arise.

### 3.4 Acquired Swedish Subscription Rights

For anyone acquiring Swedish Subscription Rights, the consideration paid constitutes the tax base value for the same. No tax is levied if the Swedish Subscription Rights are exercised to subscribe for New SDRs. The tax base value of the Swedish Subscription Rights shall be included when calculating the tax base of New SDRs and/or Paid Subscribed SDRs as the case may be. If the Swedish Subscription Rights are disposed of, capital gains tax is triggered. The tax base for the Swedish Subscription Rights is calculated using the average cost method (Sw. *genomsnittsmetoden*). Alternatively, holders may choose to use 20 per cent. of the sales proceeds, after deducting sales costs (Sw. *schablonmetoden*), as the tax basis on acquired Swedish Subscription Rights. A Swedish Subscription Right that is not exercised or disposed of and therefore expires is deemed to have been disposed of for SEK 0.

### 3.5 Investors not resident in Sweden for tax purposes

Holders of SDRs, Paid Subscribed SDRs or Swedish Subscription Rights that are not resident in Sweden for tax purposes and are not conducting business in Sweden through a permanent establishment, are normally not liable for capital gains taxation in Sweden upon disposal of SDRs, Paid Subscribed SDRs or Swedish Subscription Rights. Holders may, however, be subject to taxation in their state of residence.

Under a special rule, private individuals not resident in Sweden for tax purposes are, however, subject to Swedish capital gains taxation upon disposals of SDRs, Paid Subscribed SDRs or Swedish Subscription Rights, if they have been a resident of Sweden due to a habitual abode in Sweden or a stay in Sweden for six consecutive months at any time during a calendar year of the disposal or the ten calendar years preceding the year of the disposal. An additional requirement for the applicability of the rule in relation to securities in a foreign company is that the securities must have been acquired while the individual was considered to be unlimited liable to tax in Sweden. Securities which have replaced the original securities of a foreign company shall be considered acquired at the same time as the original securities of the foreign company for the purpose of this rule. In a number of cases, the application of this rule is limited by applicable tax treaties for the avoidance of double taxation.

## PART XV

### ADDITIONAL INFORMATION

#### 1 RESPONSIBILITY

The Directors, whose names and principal functions appear in section 8 of this Part XV (*Additional Information*) of this document, and the Company accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

#### 2 THE COMPANY

- 2.1 The Company was incorporated and registered in England and Wales as a private company limited by shares on 21 December 1988. On 2 March 1989 the Company changed its name to Britcan Minerals plc and on 19 May 1989 the Company re-registered as a public limited company. On 7 April 2000 the Company changed its name to E.Ruby plc, on 2 April 2001 changed its name again to Alamos plc and on 21 January 2003 changed its name a further time to Beowulf Gold plc. The Company changed its name again on 31 March 2005 from Beowulf Gold plc to Beowulf Mining plc.
- 2.2 The registered office of the Company is at 201 Temple Chambers, 3-7 Temple Avenue, London EC4Y 0DT. The telephone number is +44 (0) 20 3771 6993. The Company's website is <https://beowulfmining.com>. The information on the Company's website does not form part of this document save to the extent that it is incorporated by reference into it as set out in Part XVI (*Information Incorporated by Reference*).
- 2.3 The principal legislation under which the Company operates is the Companies Act and the regulations made under that Act. The Company's LEI is 213800MV3XGAOASPT433.

#### 3 SHARE CAPITAL AND SDRS OF THE COMPANY

- 3.1 As at the Latest Practicable Date, the share capital of the Company was £6,022,446.72, comprised of 602,244,672 Ordinary Shares, all of which were fully paid or credited as fully paid.
- 3.2 The Existing Ordinary Shares are admitted to trading on AIM under the ticker symbol "BEM". The ISIN of the Existing Ordinary Shares is GB0033163287.
- 3.3 As at the Latest Practicable Date, there were 408,460,129 SDRs in issue, representing 67.32 per cent. of the issued share capital of the Company.
- 3.4 The SDRs are admitted to trading on Spotlight under the ticker symbol "BEO SDB". The ISIN of the SDRs is SE0002457796.

#### 4 OUTSTANDING RIGHTS TO SUBSCRIBE FOR OR ACQUIRE ORDINARY SHARES

- 4.1 As at 31 December 2019, the date to which the 2019 Financial Statements are made up, the following options over Ordinary Shares were fully vested and outstanding:

<i>Optionholder</i>	<i>Ordinary Shares under option</i>	<i>Exercise price per Ordinary Share</i>	<i>Expiry date of option</i>
Kurt Budge	3,500,000	7.35 pence	14 January 2024
Christopher Davies	2,500,000	12 pence	26 January 2022
Christopher Davies	2,500,000	7.35 pence	14 January 2024
Kurt Budge	9,000,000	1.66 pence	17 July 2021

- 4.2 As at 31 December 2019, the date to which the 2019 Financial Statements are made up, the Company did not have any convertible securities, exchangeable securities or securities with warrants in issue and there were no acquisition rights or obligations over the Company's unissued capital or undertakings given by the Company to increase its share capital, other than the options referred to in section 4.1 of this Part XV (*Additional Information*) of this document.

## **5 THE NEW ORDINARY SHARES**

- 5.1 The New Ordinary Shares to be allotted pursuant to the Open Offer and Additional Subscription are up to 225,930,552 Ordinary Shares to be issued at the Offer Price of 3.16 pence per New Ordinary Share. The ISIN of the New Ordinary Shares is GB0033163287. The New Ordinary Shares will be issued in pounds sterling.
- 5.2 The New Ordinary Shares will be allotted and issued under the Companies Act and the Articles of Association pursuant to the resolutions passed by Shareholders of the Company at the Company's annual general meeting on 10 September 2020 credited as fully paid and will be freely transferable.
- 5.3 The Articles of Association are available for inspection at the address specified in section 25 of this Part XV (*Additional Information*). The Articles of Association contain provisions, amongst others, to the following effect which set out the rights attaching to the New Ordinary Shares:

(a) ***Dividend rights***

The New Ordinary Shares will be issued and credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and distributions declared in respect of Ordinary Shares after their issue.

(b) ***Voting rights***

Subject to any special rights, restrictions or prohibitions on voting for the time being attached to any Ordinary Shares (for example, in the case of joint holders of a share, the only vote which will count is the vote of the person whose name is listed before the other voters on the register for the share), Shareholders shall have the right to receive notice of, and to attend and vote at, general meetings of the Company.

(c) ***Pre-emption rights***

The New Ordinary Shares are freely transferable and there are no restrictions under the Articles of Association on transfer of the New Ordinary Shares. In certain circumstances, Shareholders may have statutory pre-emption rights as provided for by the Companies Act (save to the extent not previously disapplied by Shareholders). These statutory pre-emption rights would require the Company to offer new shares for allotment for cash to existing Shareholders on a *pro rata* basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to Shareholders of the Company.

(d) ***Rights to share in the Company's profits***

If recommended by the Directors, the Company may by ordinary resolution capitalise any sum which is part of the Company's reserves or which the Company is holding as undivided profits. The Directors will set aside the capitalised sum for the holders of Ordinary Shares in the same proportion as their entitlement to dividends.

(e) ***Rights to share in any surplus in the event of liquidation***

The New Ordinary Shares do not carry any rights to participate in a distribution (including on a winding-up) other than those that exist as a matter of law. On a return of capital on a winding-up, the Ordinary Shares rank equally and are not subordinated to any other securities issued by the Company. The New Ordinary Shares and the Existing Ordinary Shares will rank *pari passu* in all respects.

## 6 THE NEW SDRs

- 6.1 The New SDRs to be allotted pursuant to the SDR Rights Issue are up to 153,172,548 SDRs to be issued at the SDR Offer Price of SEK 0.370 per New SDR. The ISIN of the New SDRs is SE0002457796. The New SDRs will be issued in Swedish krona. The ISIN number, the CFI number and the FISN number for the Swedish Subscription Rights will be SE0015195581, RSMXXR and BEOWULF/SUBS RTS NL PD and the ISIN number, the CFI number and the FISN number for the Paid Subscribed SDRs will be SE0015195599, EDSXDR and BEOWULF/SDR, respectively.
- 6.2 Each SDR represents one Ordinary Share.
- 6.3 The Existing SDRs have been, and the New SDRs will be, created under the Companies Act and the Articles of Association and pursuant to the Custodian Agreement and are, and will be, freely transferable.
- 6.4 The terms and conditions of the SDRs (which will govern the New SDRs) are set out in appendix A of the Custodian Agreement and detailed in Part XI (*Terms and Conditions of the SDRs*) of this document. The Custodian Agreement is available for inspection at the address specified in section 25 of this Part XV (*Additional Information*).
- 6.5 SEB's obligations under the Custodian Agreement in respect of the SDRs are not guaranteed by any bank or other guarantor.

## 7 MAJOR SHAREHOLDERS

- 7.1 As at the Latest Practicable Date, the Company had been notified in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules of the following interests in its Ordinary Shares:

	<i>Number of Ordinary Shares</i>	<i>% of voting rights</i>
HSBC Global Custody Nominee (UK) Limited	408,460,129	67.82
Interactive Investor Services Nominees Limited A/C SMKTNOMS	23,322,604	3.87

- 7.2 Save as disclosed in this section 7, the Company is not aware of any person who, as at the Latest Practicable Date, directly or indirectly, has a holding which is notifiable under English law.
- 7.3 None of the Company's Shareholders referred to in section 7.1 of this Part XV (*Additional Information*) of this document has any different voting rights from any other Shareholder.
- 7.4 As at the Latest Practicable Date, the Company was not aware of any persons who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company.
- 7.5 As at the Latest Practicable Date, the Company was not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.
- 7.6 No person involved in the Capital Raising has an interest which is material to the Capital Raising.

## 8 DIRECTORS

- 8.1 The Directors and their principal functions within the Company, together with a brief description of their management experience and expertise and principal business activities outside the Company, are set out below. The business address of each of the Directors (in such capacity) is 201 Temple Chambers 3-7 Temple Avenue, London EC4Y 0DT.

<i>Name</i>	<i>Position</i>
Sven Otto Julius Littorin	Non-Executive Chairman
Kurt Richard Budge	Chief Executive Officer
Christopher Davies	Independent Non-Executive Director

## 8.2 **Sven Otto Littorin (Non-Executive Chairman)**

Mr Littorin was appointed Non-Executive Chairman of the Company on 10 November 2020.

Mr Littorin is a former politician and Sweden's Minister for Employment from 2006 to 2010. Since leaving government, he co-founded his own real estate development company and has held a number of advisory positions across Europe, North America and the Middle East.

His most recent positions include serving as a member of the Advisory Board of Gravitas in Austria, a Senior Advisor with The Labyrinth Public Affairs in Sweden, and an Advisor to the Human Resources Development Fund in Saudi Arabia.

Mr Littorin holds a BSc in Economics and Business from Lund University.

## 8.3 **Kurt Budge (Chief Executive Officer)**

Kurt Budge was appointed Chief Executive Officer of the Company in October 2014 after initially joining the Company as a Non-Executive Director in September 2014.

He has over 20 years' experience in the mining sector, during which he spent five years as a Business Development Executive in Rio Tinto's Business Evaluation Department, where he was engaged in mergers and acquisitions, divestments and evaluated capital investments. He has also been an independent adviser to junior mining companies on acquisitions and project development as well as a General Manager of Business Development for an AIM listed mining company, where he developed strategic growth and M&A options for iron ore assets.

Mr Budge was previously Vice President of Pala Investments AG, a mining focused private equity firm based in Switzerland and has worked as a mining analyst in investment research.

During the earlier part of his career he held several senior operations and planning roles in the UK coal industry with RJB Mining (now Harworth Group plc) and worked as a Venture Capital Executive with Schroder Ventures.

Kurt holds an M.Eng (Hons) degree in Mining Engineering from The Royal School of Mines, Imperial College London and an MBA from London Business School.

## 8.4 **Christopher Davies (Independent Non-Executive Director)**

Christopher Davies joined the board of the Company as a Non-Executive Director in April 2016.

Mr Davies is an exploration/economic geologist with more than 30 years' experience in the mining sector. He has substantial knowledge of graphite and base metals and was Manager for the exploration and development of a graphite deposit in Tanzania.

He has worked as a geologist in many different parts of the world including Africa, Australia, Yemen, Indonesia and Eastern Europe. His most recent role was as a Consultant to an Australian Group seeking copper-gold assets in Africa where he carried out technical due diligence and negotiated commercial terms for joint venture partnerships. He was Operations Director of African Eagle until March 2012 and Country Manager for SAMAX Resources in Tanzania, which was acquired by Ashanti Goldfields in 1998 for US\$135 million.

## 9 **SENIOR MANAGER**

Rasmus Blomqvist, Exploration Manager, is the sole senior manager of the Company. Mr. Blomqvist, the founder of Fennoscandian, was appointed Exploration Manager in January 2016. Mr. Blomqvist has been working in exploration and mining geology for over 11 years and holds a MSc in Geology and Mineralogy from Åbo Akademi University, Turku, Finland.

Since 2012, Mr. Blomqvist has been exploring for flake graphite within the Fennoscandian shield and is one of the most experienced graphite geologists in the Nordic region. Prior to Fennoscandian, Mr. Blomqvist was Chief Geologist for Nussir ASA, managing its exploration team and achieving significant exploration success for the company. Prior to Nussir, Mr. Blomqvist worked as an independent consultant for several international mining companies including Mawson Resources, Tasman Metals and Agnico Eagle and has experience in graphite, gold, base metals and iron ore, within the Nordic region. Mr Blomqvist is a member of the Australasian Institute of Mining and Metallurgy.

## 10 DIRECTORSHIPS AND PARTNERSHIPS OUTSIDE OF THE GROUP

The details of those companies and partnerships outside the Group of which the Directors and Senior Manager are currently directors or partners, or have been directors or partners at any time during the five years prior to the publication of this document, are as follows:

<i>Name</i>	<i>Current directorship/partnership</i>	<i>Previous directorship/partnership</i>
<b>Directors</b>		
Sven Otto Littorin	Gibran Associates Ltd	Afripods AB
	Gibran Management FZ-LLC	Reinhold Europe AB
	N Home D Sweden AB	Serio Samhällsbyggnad AB
	N Home D1 Sweden AB	Serio Real Estate Developments AB
	Nordic Sustainability Trade Organisation	Serio Government Affairs AB
	The Labyrinth Public Affairs	Serio Danmark ApS
		Serio Care AB
Kurt Budge	Wayland Copper Ltd	Iustum Limited
Christopher Davies	Wayland Copper Ltd	Celtic Dragon Resources Ltd
<b>Senior Manager</b>		
Rasmus Blomqvist	Oy Fennoscandian Investment Group Ab	
	Oy Atlas Geoconsulting Ab	
	Precambrian Resources AS	

## 11 DIRECTOR AND SENIOR MANAGER CONFIRMATIONS

11.1 As at the date of this document, no Director or Senior Manager has during the last five years:

- (a) had any convictions in relation to fraudulent offences;
- (b) been associated with any bankruptcy, receivership, liquidation or companies put into administration while acting in the capacity of a member of the administrative, management or supervisory body or of a senior manager of any company;
- (c) been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority (including any designated professional body); or
- (d) ever been disqualified by a court from acting as a director or other officer of any company or from acting in the management or conduct of the affairs of any company.

11.2 No Director or Senior Manager was selected to act in such capacity pursuant to any arrangement or understanding with any major Shareholder, consumer, supplier or any other person having a business connection with the Group.

11.3 There are no family relationships between any of the Directors and/or the Senior Manager.

11.4 There are no outstanding loans or guarantees granted or provided by any member of the Group for the benefit of any of the Directors or Senior Manager.

## 12 CONFLICTS OF INTEREST

12.1 Save for being persons legally and beneficially interested in Ordinary Shares there are:

- (a) no actual or potential conflicts of interest between the duties carried out on behalf of the Company by the Directors or the Senior Manager and their private interests and/or other duties that they may also have; and
- (b) no arrangements or understandings with major Shareholders, customers, suppliers or others, pursuant to which any Director or Senior Manager was selected as a member of any administrative, management or supervisory body or as a Senior Manager.

12.2 Each of the Directors has a statutory duty under the Companies Act to avoid conflicts of interests with the Company and to disclose the nature and extent of any such interest to the Company's board of directors. Under the Articles of Association and, as permitted by the Companies Act, the Company's board of directors may authorise any matter which would otherwise involve a director breaching this duty to avoid conflicts of interest and may attach to any such authorisation such conditions and/or restrictions as the Company's board of directors deems appropriate (including in respect of the receipt of information or restrictions on participation at certain board meetings), in accordance with the Articles of Association.

## 13 RELATED PARTY TRANSACTIONS

Save as disclosed in this document, no member of the Group entered into any Related Party Transactions (which for these purposes are those set out in the standards adopted according to the Regulation (EC) No 1606/2002) between 31 December 2019 (being the date to which the Company's latest audited year-end financial information was published) and the date of this document.

## 14 MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) are all the contracts which have been entered into by members of the Group within the two years immediately preceding the date of this document, which are, or may be, material to the Group or are contracts (not being contracts entered into in the ordinary course of business) which have been entered into at any time by any member of the Group and which contain any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document:

### 14.1 *Guarantee Commitment Agreements*

On 5 November 2020 the Company entered into the Guarantee Commitment Agreements which contain underwriting commitments concerning the SDR Rights Issue by the Guarantors. The commitments are for up to 80 per cent. of the issue volume in the SDR Rights Issue corresponding to approximately SEK 45.3 million. The Guarantors have committed to the Company, to the extent that New SDRs in the SDR Rights Issue are not subscribed up to 80 per cent., to subscribe for the amount of New SDRs required for the SDR Rights Issue to be subscribed up to 80 per cent provided that the total underwritten amount shall not exceed approximately SEK 45.3 million. Subscription of New SDRs pursuant to the Guarantee Commitments Agreements will be at the SDR Offer Price. A total cash compensation of 12 per cent. of the underwritten amount is payable to the Guarantors. The underwriting commitments has not been secured via a pre-transaction, bank guarantee or the like.

Provided that the SDR Rights Issue is not subscribed up to 80 per cent. when the subscription period for the SDR Rights Issue ends, part of the issue volume allocated for the Guarantors for the SDR Rights Issue will be distributed equally (*pro rata*) between the Guarantors in relation to their respective underwriting commitments.

The Guarantors that have entered into underwriting commitments concerning the SDR Rights Issue are:

- (a) Formue Nord Markedsneutral A/S, with corporate ID number 37272035 of Østre Alle 102, 4th floor, 9000 Aalborg, Denmark;
- (b) Modelio Equity AB (publ), with corporate ID number 559078-4848 of Riddargatan 35, 114 57 Stockholm, Sweden; and

(c) Oscar Molse of Sankt Sigfridsgatan 35, 412 66 Göteborg, Sweden.

## 14.2 Bridge Loan

On 13 August 2020, the Company announced that loan financing of SEK 12 million before expenses had been secured from two of the Guarantors, Formue Nord Markedsneutral A/S and Modelio Equity AB (the “**Creditors**”). The Bridge Loan has a fixed interest rate of 1.5 per cent. per started 30-day period during the duration period. Accrued interest is non-compounding. The Bridge Loan has a commitment fee of 5 per cent. and a maturity date of 15 January 2021.

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

## 15 MINING LICENCES AND PERMITS

The Group’s mining licences and permits (all of which are, unless otherwise stated, exploration licences and permits) are summarised in the following tables:

<i>Name</i>	<i>Licence no.</i>	<i>Area (hectares)</i>	<i>Valid from</i>	<i>Valid to</i>	<i>Notes</i>
<b>Sweden</b>					
Åtvidaberg nr 1	2016:51	12,533	30/05/2016	30/05/2022	–
Kallak nr 1	2006:197	500	28/06/2006	28/06/2022	Kallak iron ore project
Parkijaure nr 6	2019:81	999	10/10/2019	10/10/2022	Exploration ground to the south of Kallak
Parkijaure nr 2	2008:20	285	18/01/2008	18/01/2023	Kallak iron ore project
<b>Finland</b>					
Merivaara 1	VA2019:0014	38,076	07/02/2019	21/01/2021	Claim reservation (the permit which precedes an application for an exploration permit)
Tammijärvi 1	VA2019:0012	12,824	20/03/2019	17/01/2021	Claim reservation (the permit which precedes an application for an exploration permit)
Polvela 1	VA2019:0015	23,876	20/03/2019	21/01/2021	Claim reservation (the permit which precedes an application for an exploration permit)
Pitkäjärvi 1	ML2016:0040	999.70	07/12/2016	10/01/2021	Aitolampi Project
Rääpysjärvi 1	ML2017:0104	716.25	–	–	Permit awarded, but appealed. Ongoing court procedure.
Karhunmäki 1	ML2019:0113	964.99	–	–	Application submitted

Name	Licence no.	Area (hectares)	Valid from	Valid to	Notes
<b>Vardar</b>					
Mitrovica (2231)	2231	2713.51	–	Renewal	Renewal application accepted, awaiting approval by new ICCM board. Two year renewal.
Mitrovica (2541)	2541	130.20	26/12/2018	06/12/2021	Renewals due 6 December 2021
Viti North (2230)	2230	3546.74	–	Renewal	Renewal application accepted, awaiting approval by new ICCM board. Two year renewal.
Viti West (2345)	2345	5207.78	23/11/2017	12/11/2020	Renewals due 12 November 2020
Viti SE (2344)	2344	8829.91	23/11/2017	12/11/2020	Renewals due 12 November 2020

## 16 GOVERNMENTAL, LEGAL AND ARBITRATION PROCEEDINGS

There have been no governmental, legal or arbitration proceedings (and there are no such proceedings which are pending or threatened of which the Company is aware) during the period covering the 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company and/or the Group.

## 17 WORKING CAPITAL

The Company is of the opinion that, taking into account the Minimum Net Proceeds of the Capital Raising, the working capital available to the Group is sufficient for its present requirements, that is, for at least the next 12 months following the date of this document.

## 18 INVESTMENTS

18.1 On 13 August 2020, the Company announced that it had invested a further £300,000 in Vardar. Funds are being used for exploration works in Kosovo, with the initial focus being geophysical surveys across the emerging Majdan Peak epithermal gold target, the objective being to define drill targets. Plans have also been made for geophysics surveys over the remainder of the Mitrovica licence and the Viti licence, prospective for copper-gold porphyry mineralisation. The investment has increased the Company's ownership of Vardar from 42.2 per cent. to 46.1 per cent.

18.2 Save as referred to in section 18.1 of this Part XV (*Additional Information*) of this document, the Company has not made any other material investments since 31 December 2019, the date to which the Company's latest audited year-end financial information was published or which are in progress and/or for which firm commitments have been made together with anticipated source of funds.

## 19 NO SIGNIFICANT CHANGE OR TRENDS

19.1 Save as disclosed in sections 2 and 5 of Part VII (*Letter from the Chairman*) of this document and in the 2020 Nine Months Interim Financial Statements:

- (a) there have been no significant changes impacting the Company's operations and principal activities; and
- (b) there have been no significant trends in the Company's production, sales and inventory, and costs and selling prices,

in each case, since 31 December 2019, the date to which the Company's latest audited year-end financial information was published.

19.2 There has been no significant change in the financial performance or the financial position of the Group since 30 September 2020, the date to which the 2020 Nine Months Interim Financial Statements are made up.

19.3 Save as disclosed in this document, the Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects of the Company for the current financial year to 31 December 2020.

## **20 REGULATORY DISCLOSURES**

The Company regularly publishes announcements via the RNS system and its website. Below is a summary of the information disclosed in accordance with the Company's obligations under the Market Abuse Regulation over the 12 months prior to the date of this document which are relevant as at the date of this document. In addition to the RNS system, full announcements can be accessed on the webpage of the Company at <https://beowulfmining.com/investors/announcements>.

### **20.1 Inside Information**

On 2 December 2019, the Company announced its unaudited financial results for the nine months ended 30 September 2019 and provided a quarterly management update of the Company's activities. An audio interview with the CEO, Kurt Budge, was also published on 2 December 2019, providing updates on the Company's activities in each of its three distinct business units.

On 19 December 2019, the Company provided a further update on its application for an Exploitation Concession for Kallak and set out the points made in a further letter from the CEO to Mr Baylan, Minister for Enterprise and Innovation in Sweden.

On 3 February 2020, the Company provided another management update, confirming that no response had been received to the CEO's letter of 19 December and setting out details of Phase 2 work at Kallak South due to take place in Autumn 2020.

On 4 February 2020, the Company announced that it had now received a response to its letter of 19 December 2019, which stated that no comment could be made on when a decision is expected to be taken.

On 13 February 2020, the Company provided a further management update relating to Kallak. Following a meeting of the Board on 12 February and an update from the Company's legal advisers, it was confirmed that no decision on legal action against the Swedish government had been taken but that all options remain under consideration. An audio interview with the CEO, Kurt Budge, was also published on 13 February 2020 that gave updates on the Kallak application.

On 17 February 2020, the Company announced that Vardar had identified an additional copper-zinc exploration target at its Mitrovica licence in northern Kosovo and that the Company had invested a further £50,000 in Vardar, increasing the Company's ownership to 42.2 per cent.

On 2 March 2020, the Company announced its unaudited preliminary financial results for the year ended 31 December 2019 and provided an overview of the Company's activities during 2019 in its three business units along with a summary of the share subscriptions and options granted during 2019.

On 25 March 2020, the Company announced that it had co-invested, alongside founders and existing shareholders in Vardar to fund a soil sampling programme across the Majdan Peak gold target at Vardar's Mitrovica licence in northern Kosovo.

On 18 May 2020, the Company provided an update on the activities of Fennoscandian, including test work on a new graphite prospect, a report on the test work undertaken on Aitolampi graphite and the support of a study into the supply chain for lithium-ion batteries in Finland.

On 26 May 2020 the Company announced that a parliamentary question re Kallak had been put to Mr Baylan about the continued delays to the decision on the Exploitation Concession.

On 27 May 2020 the Company announced the award of a drilling contract for Kallak to Kati Oy. The relevant work programme, scheduled for Autumn 2020, will determine if a 3D seismic model can be constructed and whether such a model can be used to identify additional iron ore mineralisation for the exploration target at Kallak.

On 29 May 2020 the Company announced its unaudited financial results for the three months ended 31 March 2020 and provided an overview of the Company's activities during that period.

On 1 June 2020 the Company announced results from the soil sampling programme completed across the Majdan Peak gold target at Vardar Mitrovica licence in northern Kosovo. The results included an extensive gold anomaly over an area of approximately 1,400 metres x 700 metres.

On 3 June 2020 the Company announced that the CEO, Kurt Budge, had sent a further letter to Mr Baylan, Swedish Minister for Business, Industry and Innovation regarding the ongoing delays relating to Kallak.

On 29 June 2020, the Company announced a delay in the publication of the Company's audited financial results for the year ended 31 December 2019. It was stated that the delay was occasioned at the request of the Company and its auditors, BDO LLP, and to reflect the additional time needed to complete the audit given the COVID-19 pandemic and associated delays in fulfilling audit requests as a result of the finance function operating remotely. It was further confirmed that the Company had received an extension to its filing deadline for its results from 30 June 2020 to 30 September 2020.

On 6 July 2020, the Company announced results from the grab sampling programme completed across the Majdan Peak gold target at Vardar's Mitrovica licence in northern Kosovo, which provided further confirmation of the extent of the gold anomaly. An audio interview with the CEO, Kurt Budge, was also published on 6 July 2020 that gave updates on the grab sample results.

On 14 July 2020, the Company announced that drilling at Kallak, scheduled for Autumn 2020, has been postponed because of COVID-19 and until such time that resources can be fully mobilised and deployed safely.

On 30 July 2020, the Company announced its audited financial results for the financial year ended 31 December 2019. It further confirmed the time, date and location of the Company's AGM and extracted the chairman's statement, review of operations and activities, and financial information from the Company's 2019 annual report.

On 13 August 2020, the Company announced that it had secured loan financing in Sweden of SEK 12 million (approximately £1.0 million) before expenses by way of the Bridge Loan. It was stated that the funds would be used to restart exploration works in Kosovo pursuant to a £300,000 investment in Vardar, with the initial focus being geophysical surveys across the emerging Majdan Peak epithermal gold target, the objective being to define drill targets. The Company's investment in Vardar increased its ownership from 42.2 per cent. to 46.1 per cent.

On 28 August 2020, the Company announced its unaudited financial results for the six months ended 30 June 2020 and provided an overview of the Company's activities during the previous quarter and since 30 June 2020. An audio interview with the CEO, Kurt Budge, was thereafter published on 1 September in which the highlights from the past 6 months were discussed.

On 10 September 2020, the Company announced the result of its Annual General Meeting and confirmed that all six resolutions proposed at the meeting had been passed on a poll.

On 17 September 2020, the Company announced the findings of an expert market assessment on the market potential of future products from the Kallak North deposit. Highlights of the assessment included that Kallak ore produced high grade magnetite concentrate at 71.5 per cent. iron content, which would make Kallak the 'market leading' product among known current and planned future producers.

On 9 October 2020, the Company announced that, in light of recent share price movement, that it wished to clarify that the Constitutional Committee meeting on 13 October is reviewing the Swedish Government's handling of the Company's application for an Exploitation Concession at Kallak, but not, it understands, advising on the Swedish Government's final decision.

On 23 October 2020, the Company announced results from an IP and resistivity survey undertaken by Vardar at its Wolf Mountain target. The results defined highly anomalous IP chargeability zones, which the Company considers high priority targets for drill testing, beneath areas of laterally extensive lead-zinc gossans and hydrothermal alteration. The anomalies follow established regional structural trends suggesting they may be representative of high grade lead-zinc-silver feeder structures, often a characteristic of the deposit type.

On 26 October 2020, the Company announced its unaudited financial results for the nine months ended 30 September 2020 and provided an overview of the Company's activities during the previous quarter and since 30 September 2020.

On 26 October 2020, the Company announced it had learnt that the Ministry of Enterprise and Innovation (the "Ministry"), in a submission to the Constitutional Committee, which is reviewing the Swedish Government's handling of the Company's application for the Exploitation Concession, has suggested that the 'the United Nations Educational, Scientific and Cultural Organization ("UNESCO") should be given the opportunity to assess whether the activities in question (the Kallak Iron Ore Project) have an impact on the world heritage of Lapland'. The Company reported that in response it had written to the Ministry to make a number of points regarding UNESCO's assessment of World Heritage sites, the Heritage Impact Assessment and related work it had undertaken and the support by the CAB and the Mining Inspectorate for the application. The Company was pleased that its application appears to be being progressed by the Government and its view was that, by consulting UNESCO, the Ministry is satisfying all partners in Government that the Company's application is good. The Company did not believe the matter was a material cause for concern. There have only been two examples where World Heritage status has been lost and the development of the Kallak project does not even begin to compare to the circumstances in these cases. Kallak's proximity to Lapland, its comparative scale, 0.15 per cent. the size of Lapland, the fact that both Boliden and state-owned LKAB have mining operations closer than Kallak to Lapland, and in the case of Aitik, the mine was established thirty years before Lapland gained its World Heritage status, would lead any reasonable assessor to conclude that a mine at Kallak poses no threat to Lapland; which, throughout 7.5 year application process, is something the Company has been arguing and supporting its arguments.

On 5 November 2020, the Company announced results from an IP and resistivity survey completed across the Majdan Peak gold target at Vardar's Mitrovica licence in Northern Kosovo. Highly anomalous IP chargeability targets have been mapped for both Majdan Peak and the target area directly south, Madjan Peak South. The IP anomalies demonstrate depth extent suggesting that the mapped surficial gold mineralisation is related to a potentially large underlying source (over 700 m in strike length with significant width and thickness).

On 10 November 2020, the Company announced that Göran Färm had stepped down as Non-Executive Chairman of the Company and that Mr Sven Littorin had been appointed to the Board as Non-Executive Chairman of the Company effective immediately.

## **20.2 Dealings by persons discharging managerial responsibilities and their persons closely associated**

At 5.30 p.m. on 31 October 2019, the Company advised that it had issued 166,667 fully paid new Ordinary Shares to Kurt Budge, CEO of the Company, at a deemed price of 6.25p per share. It was explained that the share issue was to compensate the CEO for the lapse of 500,000 share options granted to him on 10 October 2014, which he was unable to exercise due to a closed period related to the subscription announced on 24 October 2019.

On 14 July 2020 the Company announced that the Board had approved an extension to the exercise period of the share options granted to the Company's CEO, Kurt Budge, over 9,000,000 Ordinary Shares of the Company on 17 July 2015 exercisable at £0.0166 per share. The options were due to

be exercised no later than 17 July 2020 and the announcement confirmation that the exercise period had been extended to 17 July 2021.

On 6 November the Company announced that certain of the Directors and Rasmus Blomqvist, the only senior manager of the Company, had agreed to subscribe for a total 2,738,709 Open Offer Shares and Additional Subscription Shares for an amount totalling approximately £87,000, corresponding to approximately 1.2 per cent. of the Capital Raising (assuming take-up in full of the Open Offer and SDR Rights Issue). Further details are set out in section 11 of Part VII (*Letter from the Chairman of Beowulf Mining plc*) of this document.

## **21 DIVIDEND POLICY**

It is the intention of the Directors to achieve capital growth by maximising the value of the Company's exploration projects and not to pay dividends until such time that the Company's assets have been brought into profitable production or sold. No dividends will be distributed for the year ended 31 December 2019.

## **22 MANDATORY BIDS AND COMPULSORY ACQUISITION**

The City Code is issued and administered by the Panel. The Company is subject to the City Code and therefore shareholders are entitled to the protection afforded by the City Code.

### **22.1 Mandatory bids**

Under Rule 9 of the City Code when (i) a person acquires an interest in shares which (taken together with shares he and persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company subject to the City Code or (ii) a person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company, but does not hold shares carrying more than 50 per cent. of the voting rights of the company subject to the City Code, and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in which he is interested, then in either case, that person together with the person acting in concert with him, is required (except with the consent of the Panel) to extend a cash offer for the outstanding shares in the Company, at a price not less than the highest price paid by him (or any persons acting in concert with him) for shares in the company within the preceding 12 months, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class or transferable securities carrying voting rights.

Based on notifications to the Company in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules the shareholder noted in section 7 of this Part XV (*Additional Information*) of this document (except HSBC Global Custody Nominee (UK) Limited on behalf of the Custodian) was interested in an aggregate of approximately 3.87 per cent. of the issued share capital of the Company as at the Latest Practicable Date). Any buy back by the Company of Shares may give rise to an increase in the percentage ownership of the Company's issued Shares by these major shareholders.

### **22.2 Squeeze out and sell-out**

Under sections 974 to 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares in the Company (in value and by voting rights) to which such offer relates, it may then, within three months of the last day on which its takeover offer can be accepted, compulsorily acquire the outstanding shares not assented to the offer. The offeror would do so by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares in the Company (in value and by voting rights) to which the

offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his or her shares on the same terms as the takeover offer. The offeror would be required to give any holder of shares notice of his or her right to be bought out within one month of that right arising. These sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying him/her of their sell-out rights. If a holder of shares exercises his or her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

## **23 FRUSTRATING ACTIONS**

23.1 The Company is subject to the City Code. Other than as provided by the City Code and Chapter 3 of Part 28 of the Companies Act, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules relating to the Ordinary Shares.

23.2 There have been no public takeover bids by third parties in respect of the Company's equity which have occurred during the Company's financial year ending 31 December 2019 or the Company's current financial year.

## **24 GENERAL**

24.1 The total estimated costs and expenses of the Capital Raising payable by the Company are approximately £1.2 million (approximately SEK 14 million) assuming full take-up under the Open Offer and SDR Rights Issue. Of the total estimated issuing costs, approximately £0.48 million (approximately SEK 5.4 million) are attributable to cash compensation to the Guarantors as underwriters of the SDR Rights Issue. The Company's net proceeds from the Capital Raising is expected to be approximately £6.0 million (approximately SEK 68.8 million) assuming full take-up under the Open Offer and SDR Rights Issue. Shareholders and SDR Holders will not be charged expenses by the Company in respect of the Capital Raising.

24.2 A maximum of 225,930,552 New Ordinary Shares (including in relation to the SDR Rights Issue) may be issued pursuant to the Capital Raising, increasing the number of Ordinary Shares in issue from 602,244,672 to up to 828,175,224, corresponding to a £2,259,305.52 increase in the issued share capital of the Company from £6,022,446.72 to £8,281,752.24. If Qualifying Shareholders or Qualifying SDR Holders do not participate in the Open Offer or SDR Rights Issue and do not take up any of their Open Offer Entitlements or Excess Open Offer Entitlements, such Qualifying Shareholders' holdings, as a percentage of the Enlarged Share Capital, will be diluted by approximately 27.3 per cent. of votes and share capital (assuming full take-up under the Open Offer and SDR Rights Issue) as a result of the Capital Raising.

24.3 The net asset value per Ordinary Share as at 30 September 2020 as derived from the consolidated statement of financial position of the Group in the 2020 Nine Months Interim Financial Statements is 1.828p which is approximately 42 per cent. lower than the Offer Price of 3.16 per New Ordinary Share.

24.4 Save for the possible subscription for New SDRs by the Guarantors pursuant to their underwriting commitments in the Guarantee Commitment Agreements, the Company is not aware of any major shareholders, Directors or Senior Manager who intend to subscribe in the SDR Rights Issue or any person intending to subscribe or purchase for more than 5 per cent. of the SDR Rights Issue.

24.5 The auditors of the Company are BDO LLP, 55 Baker Street, Marylebone, London W1U 7EU, who have audited the consolidated financial statements of the Group for the financial year ended 31 December 2019. BDO LLP issued an unqualified report on the consolidated financial statements of the Group for the financial year ended 31 December 2019. BDO LLP is registered to carry out audit work by the Institute of Chartered Accountants of England and Wales.

24.6 SP Angel has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they are included.

24.7 Sedermera has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they are included.

- 24.8 The Existing Ordinary Shares are, and the New Ordinary Shares will, when issued, be, in registered form and the Existing Ordinary Shares are, and the New Ordinary Shares will be, capable of being held in certificated and uncertificated form. The Registrar is Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, UK.
- 24.9 Title to the certificated Existing Ordinary Shares are, and the New Ordinary Shares will be, evidenced by entry in the register of members of the Company and title to uncertificated Existing Ordinary Shares are, and New Ordinary Shares will be, evidenced by entry in the operator register maintained by Euroclear UK (which forms part of the register of members of the Company). No share certificates will be issued in respect of the New Ordinary Shares in uncertificated form. If any such shares are converted to be held in certificated form, share certificates will be issued in respect of those shares in accordance with applicable legislation. The New Ordinary Shares will be denominated in pounds sterling.
- 24.10 The Existing SDRs are, and the Swedish Subscription Rights, the Paid Subscribed SDRs and the New SDRs will, when issued, be, in registered form and the Existing SDRs are, and the Swedish Subscription Rights, the Paid Subscribed SDRs and the New SDRs will be, capable of being held only in uncertificated form.
- 24.11 Title to the Existing SDRs are, and the Swedish Subscription Rights, the Paid Subscribed SDRs and the New SDRs will be, evidenced by entry in the Swedish CSD register maintained by Euroclear Sweden AB, PO Box 191, Klarabergsviadukten 63, SE-101 23 Stockholm, Sweden. The Swedish Subscription Rights, the Paid Subscribed SDRs and the New SDRs will be denominated in Swedish krona.
- 24.12 The Company will make the appropriate announcement(s) to a Regulatory Information Service and through the Cision newswire service (<https://news.cision.com/se/?n=beowulf>) in relation to the results of the Capital Raising, which is expected to be on or around 21 December 2020.

## **25 AVAILABILITY OF DOCUMENTS**

Copies of the following documents may be inspected on the Company's website at <https://beowulfmining.com> for a period of twelve months from the date of publication of this document:

- (i) this document;
- (ii) the memorandum of association of the Company and Articles of Association;
- (iii) the Custodian Agreement; and
- (iv) the documents incorporated by reference into this document, as described in Part XVI (*Information Incorporated by Reference*), being the 2019 Half-Yearly Financial Statements, the 2019 Financial Statements, the 2020 Half-Yearly Financial Statements and the 2020 Nine Months Interim Financial Statements.

## PART XVI

### INFORMATION INCORPORATED BY REFERENCE

The table below sets out the documents of which certain parts are incorporated by reference into, and form part of this document. Only the parts of the documents identified in the table below are incorporated into, and form part of, this document. The parts of the documents which are not being incorporated by reference are either not relevant for investors or are covered elsewhere in this document. To the extent that any information incorporated by reference itself incorporates any information by reference, either expressly or by implication, such information will not form part of this document for the purposes of the Prospectus Regulation, except where such information is stated within this document as specifically being incorporated by reference or where the documents are specifically defined as including such information. The documents incorporated by reference are available for inspection as set out in section 25 of Part XV (*Additional Information*).

<i>Document incorporated by reference</i>	<i>Information incorporated by reference</i>	<i>Pages</i>	
<b>2019 Half-Yearly Financial Statements</b>	Condensed Consolidated Income Statement	7	
	Condensed Consolidated and Company Statements of Comprehensive Income	8 – 9	
	Condensed Consolidated and Company Statements of Financial Position	10 – 11	
	Condensed Consolidated and Company Statements of Changes in Equity	12 – 13	
	Condensed Consolidated and Company Statements of Cash Flows	14 – 15	
	Notes to the Unaudited Condensed Consolidated Interim Financial Statements	16 – 18	
	<b>2019 Financial Statements</b>	Independent Auditor's Report	42
		Consolidated Income Statement	50
		Consolidated Statement of Comprehensive Income	51
Consolidated and Company Statements of Financial Position		52 – 53	
Consolidated and Company Statements of Changes in Equity		54 – 57	
Consolidated and Company Statements of Cash Flows		58 – 59	
Notes to the Consolidated and Company Financial Statements		60 – 95	
<b>2020 Half-Yearly Financial Statements</b>	Condensed Consolidated Income Statement	10	
	Condensed Consolidated and Company Statements of Comprehensive Loss	11 – 12	
	Condensed Consolidated and Company Statements of Financial Position	13 – 14	
	Condensed Consolidated and Company Statements of Changes in Equity	15 – 16	
	Condensed Consolidated and Company Statements of Cash Flows	17 – 18	
	Notes to the Unaudited Condensed Consolidated Interim Financial Statements	19 – 23	
	<b>2020 Nine Months Interim Financial Statements</b>	Condensed Consolidated Income Statement	6
Condensed Consolidated and Company Statements of Comprehensive Loss		7 – 8	
Condensed Consolidated and Company Statements of Financial Position		9 – 10	
Condensed Consolidated and Company Statements of Changes in Equity		11 – 12	
Notes to the Unaudited Condensed Consolidated Interim Financial Statements		13 – 17	

## PART XVII

### DEFINITIONS AND GLOSSARY

#### DEFINITIONS

<b>2019 Financial Statements</b>	the audited consolidated financial statements of the Group as at and for the year ended 31 December 2019, together with the notes thereto and auditor's report thereon
<b>2019 Half-Yearly Financial Statements</b>	the unaudited consolidated financial statements of the Group as at and for the six months ended 30 June 2019, together with the notes thereto
<b>2020 Half-Yearly Financial Statements</b>	the unaudited consolidated financial statements of the Group as at and for the six months ended 30 June 2020, together with the notes thereto
<b>2020 Nine Months Financial Statements</b>	the unaudited consolidated financial statements of the Group as at and for the nine months ended 30 September 2020, together with the notes thereto
<b>Additional Subscription</b>	the conditional subscription by Christopher Davies, Independent Non-Executive Director, for the Additional Subscription Shares
<b>Additional Subscription Shares</b>	the 88,800 New Ordinary Shares to be subscribed for pursuant to the Additional Subscription
<b>Admission</b>	the AIM Admission, Swedish Rights Admission and Swedish Admission
<b>Aggregate Limit</b>	a restriction on any Shareholder acquiring any New Ordinary Shares pursuant to the Open Offer which would, when aggregated with any existing interests in shares held by such Shareholder, result in such Shareholder holding an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of the Company
<b>AIM</b>	the market of that name operated by the London Stock Exchange
<b>AIM Admission</b>	the admission of the New Ordinary Shares to trading on AIM
<b>AIM Rules</b>	the AIM Rules for Companies published from time to time by the London Stock Exchange
<b>Aitolampi</b>	the Company's Aitolampi graphite project in Finland
<b>Aitolampi Mineral Resource Estimate</b>	the updated estimate of Mineral Resources for Aitolampi, following the guidelines of the JORC Code, published by the Company on 30 October 2019, details of which are set out in section 3(a) of Part VII ( <i>Letter from the Chairman of Beowulf Mining plc</i> ) of this document
<b>Application Form</b>	the personalised application form on which Qualifying Non-CREST Shareholders may apply for Open Offer Shares under the Open Offer
<b>Articles of Association</b>	the articles of association of the Company in force at the date of this document

<b>Board</b>	the board of directors of the Company (as at the date of this document, unless otherwise stated)
<b>Bridge Loan</b>	the bridge loan dated 13 August 2020 to the Company by Formue Nord Markedsneutral A/S and Modelio Equity AB of SEK 12 million before expenses, details of which are set out in section 14.2 of Part XV ( <i>Additional Information</i> ) of this document
<b>Brokers</b>	SP Angel and Sedermera
<b>CAB</b>	the County Administrative Board for the County of Norrbotten, Sweden
<b>Capital Raising</b>	the Open Offer, the SDR Rights Issue and the Additional Subscription, taken together
<b>CEO</b>	Kurt Budge, the Chief Executive Officer of the Company
<b>certificated or in certificated form</b>	refers to a share or other security which is not in uncertificated form (that is, not in CREST)
<b>City Code</b>	the City Code on Takeovers and Mergers
<b>Closing Price</b>	the closing middle market quotation of an Ordinary Share on AIM
<b>Companies Act</b>	the Companies Act 2006, as amended
<b>Company or Beowulf</b>	Beowulf Mining plc, a company incorporated in England and Wales with registered number 02330496 and with its registered office at 201 Temple Chambers, 3-7 Temple Avenue, London EC4Y 0DT
<b>COVID-19</b>	the Corona Virus Disease 2019 as designated by the World Health Organization
<b>CREST</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK is the operator (as defined in the CREST Regulations)
<b>CREST Manual</b>	the CREST manual issued by Euroclear UK, as amended
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended
<b>CSA Global</b>	CSA Global PTY Ltd of Australia
<b>Custodian</b>	Skandinaviska Enskilda Banken AB (publ), a company incorporated in Sweden and with its principal place of business at Kungstradgardsgatan 8 Stockholm, 106 40 Sweden, which is the depository for the issue of the SDRs
<b>Custodian Agreement</b>	the custodian agreement dated 25 April 2008 between the Company and the Custodian relating to the issue of the SDRs
<b>Directors</b>	the directors of the Company as at the date of this document (unless otherwise stated) whose names are set out in section 8 of Part XV ( <i>Additional Information</i> ) of this document
<b>Disclosure Guidance and Transparency Rules or DTR</b>	the disclosure guidance and transparency rules made under Part VI of FSMA (as set out in the FCA Handbook), as amended

this <b>document</b> or this <b>prospectus</b>	this document, comprising a simplified prospectus relating to the Company
<b>Enlarged Share Capital</b>	the expected issued ordinary share capital of the Company immediately following the issue of the New Ordinary Shares, assuming that no further Ordinary Shares are issued whether as a result of the exercise of any options or otherwise
<b>EU</b> or <b>European Union</b>	the European Union first established by the treaty made at Maastricht on 7 February 1992
<b>Euroclear Sweden</b>	Euroclear Sweden AB, the operator of the VPC system
<b>Euroclear UK</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>Excess Application Facility</b>	the arrangement pursuant to which Qualifying Shareholders may apply, subject to the Aggregate Limit, for any number of Open Offer Shares in excess of their Open Offer Entitlement, provided that they have agreed to take up their Open Offer Entitlement in full
<b>Excess CREST Open Offer Entitlements</b>	in respect of each Qualifying CREST Shareholder, the entitlement to apply for Open Offer Shares in addition to his or her Open Offer Entitlement credited to his or her stock account in CREST, pursuant to the Excess Application Facility which is conditional on him or her taking up his or her Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document
<b>Excess Open Offer Shares</b>	New Ordinary Shares in addition to their Open Offer Entitlement for which Qualifying Shareholders may apply under the Excess Application Facility
<b>Existing Ordinary Shares</b>	the 602,244,672 Ordinary Shares in issue as at the date of this document
<b>Existing SDRs</b>	the 408,460,129 SDRs in issue as at the date of this document
<b>Exploitation Concession</b>	an exploitation concession (Swedish: <i>bearbetningskoncession</i> ) which gives the holder the right to exploit a proven, extractable mineral deposit for a period of 25 years, which may be extended
<b>FCA</b>	the Financial Conduct Authority in the UK
<b>FCA Handbook</b>	the FCA's Handbook of Rules and Guidance, as amended
<b>Fennoscandian</b>	Oy Fennoscandian Resources AB, a wholly owned subsidiary of the Company
<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended
<b>Group</b>	the Company and each of its direct and indirect subsidiaries from time to time
<b>Guarantors</b>	Formue Nord Markedsneutral A/S, Modelio Equity AB (publ) and Oscar Molse, details of whom are set out in section 14.1 of Part XV ( <i>Additional Information</i> ) of this document

<b>Guarantee Commitment Agreements</b>	the guarantee commitment agreements dated 5 November 2020 between the Company and each of the Guarantors, details of which are set out in section 14.1 of Part XV ( <i>Additional Information</i> ) of this document
<b>Historical Financial Information</b>	the 2019 Financial Statements, the 2020 Half-Yearly Financial Statements and the 2020 Nine Months Interim Financial Statements
<b>HM Treasury</b>	Her Majesty's Treasury in the United Kingdom
<b>HMRC</b>	Her Majesty's Revenue and Customs in the United Kingdom
<b>ISIN</b>	the International Securities Identification Number which uniquely identifies a security
<b>Kallak</b>	the Company's Kallak iron ore project in Sweden made up of the Kallak North and Kallak South deposits
<b>Kallak Mineral Resource Estimate</b>	the estimate of Mineral Resources for Kallak North and Kallak South, following the guidelines of the JORC Code, finalised on 28 November 2014 and published by the Company on 4 December 2014, details of which are set out in section 3(b) of Part VII ( <i>Letter from the Chairman of Beowulf Mining plc</i> ) of this document
<b>Latest Practicable Date</b>	13 November 2020, being the latest practicable date prior to the publication of this document
<b>LEI</b>	legal entity identifier
<b>LKAB</b>	Luossavaara-Kiirunavaara AB (publ)
<b>London Stock Exchange</b>	London Stock Exchange Group plc
<b>Market Abuse Regulation</b>	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as amended
<b>MiFID II</b>	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended
<b>Mineral Resource Estimates</b>	the Aitolampi Mineral Resource Estimate and the Kallak Mineral Resource Estimate
<b>Minimum Net Proceeds</b>	£2,816,615.75, being the aggregate of the underwriting commitments as detailed in the Guarantee Commitment Agreements less expected transaction expenses
<b>Mitrovica</b>	Vardar's two exploration permits at Mitrovica in Kosovo which includes the Majdan Peak, Wolf Mountain and Mitrovica South targets
<b>Money Laundering Regulations</b>	the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017 (SI 2017 No. 692), as amended
<b>New Ordinary Shares</b>	up to approximately 225,930,552 new Ordinary Shares to be allotted and issued by the Company pursuant to the Capital Raising
<b>New SDRs</b>	up to approximately of 153,172,548 new SDRs to be issued by the Custodian pursuant to the SDR Rights Issue

<b>Offer Price</b>	3.16 pence per New Ordinary Share or the SDR Offer Price per New Ordinary Share in the case of Open Offer Shares applied for by the Custodian
<b>Open Offer</b>	the conditional invitation to Qualifying Shareholders to apply to subscribe for the Open Offer Shares and Excess Open Offer Shares at the Offer Price on the terms and subject to the conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Application Form
<b>Open Offer Entitlements</b>	entitlements to subscribe for Open Offer Shares allocated to a Qualifying Shareholder pursuant to the Open Offer
<b>Open Offer Record Time</b>	6.00 p.m. on 16 November 2020, being the date specified in the Expected Timetable of Principal Events on which a Shareholder must hold Ordinary Shares to be a Qualifying Shareholder
<b>Open Offer Shares</b>	up to 225,841,752 New Ordinary Shares which are to be issued by the Company pursuant to the Open Offer
<b>Ordinary Shares</b>	ordinary shares of 1 pence in the capital of the Company
<b>Overseas SDR Holders</b>	SDR Holders who are resident in or a citizen or national of any country outside the United Kingdom and Sweden
<b>Overseas Shareholders</b>	Shareholders who are resident in or a citizen or national of any country outside the United Kingdom and Sweden
<b>PACIFIC</b>	the EU funded PACIFIC research project aimed at developing new exploration techniques that respect the environment and incur relatively low costs
<b>Paid Subscribed SDR</b>	a financial interim instrument registered in the VPC system representing a subscribed and paid for New SDR which will be admitted to trading on Spotlight and which gives the holder the right to be credited with a New SDR following the record date for the conversion of the Paid Subscribed SDR into New SDRs pursuant to the terms and conditions of the SDR Rights Issue
<b>Panel</b>	the Panel on Takeovers and Mergers established under the City Code
<b>Parkijaure</b>	the Company's exploration licence for Parkijaure nr 6, a 1,000 hectare area to the south of Kallak
<b>Pre-Printed Issue Account Statement</b>	the personalised pre-printed issue account statement being sent to SDR Holders with direct registered holdings in the VPC system for use in connection with the SDR Rights Issue;
<b>Prospectus Regulation</b>	Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2018 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended
<b>Prospectus Regulation Rules</b>	the prospectus regulation rules made by the FCA pursuant to Part VI of FSMA (as set out in the FCA Handbook), as amended
<b>Qualifying CREST Shareholders</b>	Qualifying Shareholders holding Ordinary Shares in uncertificated form

<b>Qualifying Non-CREST Shareholders</b>	Qualifying Shareholders holding Ordinary Shares in certificated form
<b>Qualifying SDR Holders</b>	Qualifying Swedish Directly Registered SDR Holders and Qualifying Swedish Nominee Registered SDR Holders
<b>Qualifying Shareholders</b>	holders of Ordinary Shares on the register of members of the Company at the Open Offer Record Time with the exclusion of Restricted Shareholders
<b>Qualifying Swedish Directly Registered SDR Holders</b>	holders of Existing SDRs admitted to trading on Spotlight in VPC Accounts in their own name at the SDR Rights Issue Record Date with the exclusion of Restricted SDR Holders
<b>Qualifying Swedish Nominee Registered SDR Holders</b>	holders of Existing SDRs registered in the VPC system held with a bank or other nominee at the SDR Rights Issue Record Date with the exclusion of Restricted SDR Holders
<b>Receiving Agent, and Registrars</b>	Neville Registrars Limited of Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD, United Kingdom
<b>Regulation S</b>	Regulation S under the US Securities Act
<b>Regulatory Information Service</b>	a person approved by the FCA under section 89P of FSMA
<b>Related Party Transaction</b>	has the meaning ascribed to it in paragraph 9 of IAS 24, being the standard adopted according to Regulation (EC) No. 1606/2002
<b>Restricted Jurisdiction</b>	any jurisdiction, including but not limited to Australia, Canada, Hong Kong, Japan, New Zealand, the Republic of South Africa, Singapore, Switzerland and the United States of America, where the extension or availability of the Capital Raising (and any other transaction contemplated thereby) would (i) result in a requirement to comply with any governmental or other consent or any registration filing or other formality which the Company regards as unduly onerous, or (ii) otherwise breach any applicable law or regulation
<b>Restricted SDR Holders</b>	subject to certain exceptions, SDR Holders who have registered addresses in, who are incorporated in, registered in or otherwise resident or located in, any Restricted Jurisdiction or any other countries in which participation in the SDR Rights Issue requires the preparation of a prospectus, further registration or measurements other than those which are required by Swedish or UK legislation
<b>Restricted Shareholders</b>	subject to certain exceptions, Shareholders who have registered addresses in, who are incorporated in, registered in or otherwise resident or located in, any Restricted Jurisdiction
<b>RNS</b>	the Regulatory News Service of the London Stock Exchange
<b>SDRs</b>	Swedish depositary receipts representing interests in Ordinary Shares
<b>SDR Holders</b>	holders of SDRs from time to time
<b>SDR Offer Price</b>	SEK 0.370 per New SDR
<b>SDR Rights Issue</b>	the offer to the SDR Holders to apply for the New SDRs at the Offer Price on the terms and subject to the conditions set out in this document

<b>SDR Rights Issue Record Date</b>	18 November 2020, being the date specified in the Expected Timetable of Principal Events on which an SDR Holder must be registered in the VPC system to be a Qualifying SDR Holder
<b>SDRT</b>	UK Stamp Duty Reserve Tax
<b>SedermEra</b>	SedermEra Fondkommission, financial adviser and broker to the Company in Sweden
<b>Senior Manager</b>	the individual named in section 9 of Part XV ( <i>Additional Information</i> ) of this document
<b>Shareholders</b>	the holders of Ordinary Shares from time to time
<b>SP Angel</b>	SP Angel Corporate Finance LLP, nominated adviser and broker to the Company
<b>Spotlight</b>	the Spotlight Stock Market in Sweden which is a secondary business name of ATS Finans AB, a securities company under the supervision of the Swedish Financial Authority
<b>Subscription Form “subscription with preferential rights”</b>	the application form attached to the Pre-Printed Account Statement being sent to Qualifying Swedish Directly Registered SDR Holders for use in connection with the SDR Rights Issue
<b>Subscription Form “subscription without preferential rights”</b>	the application form to be used by both Qualifying SDR Holders and the general public in Sweden, applying for a subscription of New SDRs without preferential rights
<b>Subscription Forms</b>	the Subscription Form “subscription with preferential rights” and Subscription Form “subscription without preferential rights”
<b>Sub-Custodian</b>	HSBC Bank plc, a public company incorporated in England and Wales with registration number 00014259 with its registered office at 8 Canada Square, London E14 5HQ, United Kingdom
<b>subsidiary</b>	has the meaning given in section 1159 of the Companies Act, unless otherwise provided in this document
<b>Swedish Admission</b>	admission of the New SDRs to trading on Spotlight
<b>Swedish Rights Admission</b>	admission of the Swedish Subscription Rights and Paid Subscribed SDRs to trading on Spotlight
<b>Swedish Subscription Rights</b>	the right to subscribe for New SDRs in the SDR Rights Issue pursuant to the terms and conditions of the SDR Rights Issue
<b>TERP</b>	the theoretical ex-rights price of securities, being the market price that the securities will theoretically have following completion of a new preemptive offer of those securities
<b>uncertificated or in uncertificated form</b>	refers to a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>United States or US</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia

<b>US Securities Act</b>	the US Securities Act of 1933, as amended
<b>Vardar</b>	Vadar Minerals Limited, incorporated and registered in England and Wales with registered number 10474687, a subsidiary of the Company
<b>VAT</b>	value added tax
<b>Viti</b>	Vardar's three exploration permits at Viti in Kosovo
<b>VPC Account</b>	an account in the VPC system
<b>VPC system</b>	the accounts based system for clearing and settlement of securities maintained by Euroclear Sweden.

All references to legislation in this document are to the laws of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof. All references to times in this document are to London time unless the contrary is indicated.

## GLOSSARY

<b>AusIMM</b>	the Australasian Institute of Mining and Metallurgy
<b>Fe</b>	iron
<b>gossan</b>	intensely oxidised, weathered or decomposed rock, usually the upper and exposed part of an ore deposit or mineral vein
<b>g/t</b>	grammes per tonne
<b>HYBRIT</b>	Hydrogen Breakthrough Ironmaking Technology, a fossil free steel production method being piloted in Sweden
<b>Indicated Mineral Resource</b>	part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence
<b>Inferred Mineral Resource</b>	part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence
<b>IP</b>	induced polarisation geophysical method
<b>JORC Code</b>	the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
<b>km</b>	kilometres
<b>kt</b>	thousand tonnes
<b>m</b>	metres
<b>Mineral Reserve</b>	a mineral deposit that is potentially valuable and for which reasonable prospects exist for eventual economic extraction
<b>Mineral Resource</b>	a mineral deposit that is potentially valuable and for which reasonable prospects exist for eventual economic extraction
<b>Mt</b>	million tonnes
<b>P</b>	phosphorous
<b>S</b>	sulphur
<b>TGC</b>	total graphitic carbon
<b>tonne</b>	metric tonne
<b>t/m<sup>3</sup></b>	tonnes per cubic metre
<b>3D IP/DC</b>	three dimensional induced polarisation and direct current resistivity geophysical methods

