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**26 February 2021**

### **Beowulf Mining plc**

("Beowulf" or the "Company")

Unaudited Preliminary Financial Results for the year ended 31 December 2020

Beowulf (AIM: BEM; Spotlight: BEO), the mineral exploration and development company, announces its unaudited preliminary financial results for the year ended 31 December 2020.

#### **Overview of Activities in the Period**

##### **Kosovo**

- On 17 February 2020, the Company announced that Vardar Minerals Limited ("Vardar") had identified a copper-zinc exploration target at Mitrovica and that the Company had invested a further £50,000 in Vardar, increasing the Company's ownership from 41.5 per cent to 42.2 per cent.
- On 25 March 2020, the Company invested a further £30,000 in Vardar, alongside founders and existing shareholders in Vardar, to fund a soil sampling programme across the Majdan Peak gold target at Mitrovica. The resulting investment maintained the Company's ownership interest in Vardar at 42.2 per cent.
- On 1 June 2020, results from the soil sampling programme were announced. An extensive anomaly has been identified over an area approximately 1400 metres x 700 metres, with individual soil samples returning up to 0.36 grammes per tonne ("g/t") gold. Furthermore, a new lead-zinc-copper-gold target has been identified to the south of Majdan Peak, of significance given its proximity to the Stan Terg mine.
- On 6 July 2020, Beowulf announced results from the grab sampling programme completed across the Majdan Peak.
- On 13 August 2020, the Company announced that it had invested £300,000 in Vardar, increasing the Company's ownership of Vardar from 42.2 per cent to 46.1 per cent, with the funds being used for geophysical surveys.
- Over the period from October 2020 to December 2020, the Company announced results from Induced Polarisation ("IP") and resistivity surveys over the Mitrovica and Viti licences.

##### **Sweden**

- On 4 February 2020, the Company announced that in response to the CEO's letter sent to Minister Ibrahim Baylan, Minister for Business, Industry and Innovation, in December 2019, the Government stated it was not able to comment on when a decision, in respect of the Concession for Kallak, is expected to be taken, however, the Government had taken careful note of the information provided by the Company.

- The Company stated, on 13 February 2020, that contrary to media reports, no legal action had been taken against the Government, but that all options with regard to taking legal action remain under active consideration.
- On 26 May 2020, the Company announced that a Parliamentary Question regarding Kallak had been put to Minister Baylan by Mr Lars Hjalmered, a Moderate Party Member in the Swedish Parliament. Mr Hjalmered had asked a similar question of Minister Baylan in late 2019.
- In advance of Minister Baylan's response, on 2 June 2020, Kurt Budge, CEO sent a letter to him, informing him that Beowulf shareholders demand that the Government be fully transparent now and remove all uncertainty as to when a decision on Kallak will be taken.

In addition, the CEO wrote that the Company is ready to play its part in Sweden's post COVID-19 economic recovery, to advance Kallak in partnership with the community in Jokkmokk, which includes Sami reindeer herders.

- Also on 2 June 2020, Minister Baylan provided his answer to Mr Hjalmered, explaining that the Kallak case contains extensive data with several complex issues, such as trade-offs according to the Environmental Code between several different national interests, which he said obviously affects the processing time for handling the application.

Minister Baylan continued, saying that the starting point for the Government's process is always that it should take place quickly, efficiently and without compromising legal certainty. He was not prepared to comment further on when the Kallak case would be sufficiently prepared, such that a decision could be made.

- On 27 May 2020, the Company announced that it had awarded a drilling contract for Kallak to Kati Oy. The work programme, scheduled for Autumn 2020, now postponed until later in 2021, 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 help define additional iron ore resource.
- On 17 September 2020, Beowulf released the findings of an expert market assessment by Dr. Bo Arvidson based on the results of laboratory and pilot plant testwork, which identified Kallak's 71.5 per cent magnetite concentrate to be market leading among known current and planned future producers.
- On 17 December 2020, Beowulf announced that Kurt Budge, CEO had written to the Swedish Government regarding the Kallak and UNESCO Consultation.
- The CEO's letter followed an announcement on the 27 November 2020, in which the Company published the statement of The Constitutional Committee ("KU") detailing its review findings of the Swedish Government's handling of the Company's application for an Exploitation Concession for Kallak.

## **Finland**

- On 18 May 2020, the Company provided an update on Oy Fennoscandian Resources AB ("Fennoscandian"), the Company's graphite business, which is pursuing a strategy to develop a resource/production base 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.

## **Corporate**

- On 13 August 2020, the Company announced it had secured bridge loan financing in Sweden of SEK 12 million (approximately £1.0 million) from Nordic investors, with £300,000 invested in Vardar's geophysics programme.
- On 6 November 2020, the Company announced that it would conduct an Open Offer of up to 225,841,752 new Ordinary Shares to Qualifying Shareholders at 3.16 pence per Share (the "Offer Price") on a pre-emptive basis to raise up to approximately £7.3 million (gross) (the "Open Offer").

- On 10 November 2020, the Company announced that Göran Färm was stepping down from the Board and as Non-Executive Chairman, and that Mr Sven Otto Littorin had been appointed as Non-Executive Chairman and a Director of the Company.
- On 21 December 2020, the Company closed a fully subscribed Capital Raising of approximately £7.4 million before expenses (approx. SEK 83 million).
- At 31 December 2020 there were 592,321,687 Swedish Depository Receipts representing 71.52 per cent of the issued share capital of the Company. The remaining issued share capital of the Company is held in the UK.

#### **Post Period**

- On 8 February 2021, Beowulf announced a further £200,000 investment in Vardar, increasing its ownership from 46.1 per cent to 48.4 per cent.

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

*"Despite the challenges of 2020, Beowulf finished the year with a fully subscribed Capital Raising.*

*"Beowulf has started 2021 with focus and the cash to fund investment plans across its diversified and attractive portfolio, with growth options in all business areas.*

*"In Kosovo, we are finalising plans to drill the plethora of exploration targets identified at Mitrovica and Viti, and will be providing a more detailed update in the coming weeks.*

*"We have seen market values for natural flake graphite producers increase significantly and, as batteries are centre-stage of the Green Transition, in Finland we are accelerating development plans for Fennoscandian Resources, focusing on both natural flake graphite production and a Circular Economy/recycling strategy to produce high-value graphite products.*

*"In Sweden, on Tuesday this week, Minister Baylan spoke at the Future Mine & Mineral 2021 Conference. He acknowledged the need for more raw materials and put Sweden at the forefront of electrification, digitalisation and automation.*

*"Also, H2 Green Steel, situated in Norrbotten County, announced a €2.5 billion investment and plans to produce 5 million tonnes of green steel by 2030. It goes without saying, you need high-quality iron ore to manufacture high-quality steel.*

*"Norrbotten is Sweden's powerhouse, where mining, power, transport, manufacturing and innovation are coming together to deliver a sustainable economic future for the region and Europe. Kallak is part of that future.*

*"If you can expediently permit steel plants like H2 Green Steel and HYBRIT, you need to treat equally the companies and investors that are developing the mines that will feed them and ensure security of iron ore supply.*

*"Kallak can produce a 'market leading' concentrate of 71.5 per cent iron content and the Company has invested over SEK 80 million in the project. The investment in building a mine will be billions of SEK and Jokkmokk Municipality needs this economic stimulus.*

*"The Company has been in communication with UNESCO regarding its review of Kallak and we now wait on their comments to the Government. Since the Constitutional Committee statement last November, political parties outside of Government are taking a greater interest in our case and, with the support of our advisers, we continue to inform and educate on the facts about Kallak and dispel the perceptions that exist.*

*"Over the last three year, Beowulf has contributed to the OECD's studies on the mining industry in Sweden, including the inclusion of the Sami in regional development in Sweden. The Company is taking the OECD's findings and incorporating them into draft development frameworks for Kallak that we will share with interested parties.*

*"Since I have been involved with Kallak, the Company has shown nothing but respect to local reindeer herders and we remain committed to safeguarding their traditional livelihoods. We will continue to listen and to learn.*

*“Last Tuesday was a busy day. The Fraser Institute published its Annual Mining Survey 2020 with Sweden ranked 36<sup>th</sup> position on Investment Attractiveness, falling 26 places in one year.*

*“Sweden ranked 21<sup>st</sup> in 2018. The erosion of Sweden’s pre-eminent status continues unabated, despite ministerial changes, yet the discussion about a Green Transition to tackle Climate Emergency, achieved only with more mines, is louder than ever before.*

*“The Minister suggested that, in the coming weeks, he would present findings of reviews undertaken to develop more robust legislation. He wants Sweden to be the role model for sustainability. The Swedish mining sector will be anticipating his words.*

*“Beowulf has a busy year ahead and our intent is to make significant progress.*

*“I want to again thank our shareholders for their support in last year’s Capital Raising, many of whom are longstanding and have stuck with the Company. The Company does not take your support for granted.*

*“We look forward to updating the market on further developments as they happen.”*

### **Kurt Budge, VD Beowulf, kommenterade:**

*”Trots de utmaningar som 2020 inneburit avslutade Beowulf året med en fulltecknad kapitalanskaffning.*

*”Beowulf har inlett 2021 med fokus och kassa att finansiera investeringsplaner i sin diversifierade och attraktiva portfölj, med tillväxtalternativ inom alla affärsområden.*

*”I Kosovo färdigställer vi planer för att borra en rad prospekteringsmål som identifierats vid Mitrovica och Viti, och vi kommer att ge en mer detaljerad uppdatering under de kommande veckorna.*

*”Vi har sett marknadsvärden för producenter av naturlig flinggrafit öka avsevärt och eftersom batterier är centrala för den gröna omställningen accelererar vi utvecklingsplanerna i Finland genom Fennoscandian Resources, med fokus på både produktion av naturlig flinggrafit och en strategi för cirkulär ekonomi/återvinning, för att producera högvärdiga grafitprodukter.*

*”Under tisdagen den här veckan talade näringsminister Baylan vid konferensen Future Mine & Mineral 2021 i Sverige. Han bekräftade behovet av mer råvaror och satte Sverige i spetsen för elektrifiering, digitalisering och automatisering.*

*”H2 Green Steel, i Norrbottens län, tillkännagav också en investering på 2,5 miljarder euro och planer på att producera 5 miljoner ton grönt stål till 2030. Det är uppenbart att det kommer behövas järnmalm av hög kvalitet för att tillverka högkvalitativt stål.*

*”Norrbotten är Sveriges kraftcentrum, där gruvsdrift, energi, transport, tillverkning och innovation samlas för att leverera en hållbar ekonomisk framtid för regionen och Europa. Kallak är en del av den framtiden.*

*”Om man på ett ändamålsenligt sätt kan tillåta stålverk som H2 Green Steel och HYBRIT måste man också säkerställa lika behandling av de företag och investerare som utvecklar de gruvor som kommer att mata stålverken och därmed säkra tillförlitlig leverans av järnmalm.*

*”Kallak kan producera ett marknadsledande koncentrat på 71,5 procent järninnehåll och Bolaget har investerat över 80 miljoner SEK i projektet. Investeringen för att bygga en gruva kommer att uppgå till flera miljarder SEK och Jokkmokks kommun behöver denna ekonomiska stimulans.*

*”Bolaget har varit i kontakt med UNESCO angående deras granskning av Kallak och vi väntar nu på deras kommentarer till regeringen. Sedan uttalandet från konstitutionskommittén i november förra året fattar politiska partier utanför regeringen ett större intresse för vårt ärende och med stöd av våra rådgivare fortsätter vi att informera och utbilda om fakta kring Kallak och ändra de uppfattningar som finns.*

*”Under de senaste tre åren har Beowulf deltagit i OECD:s studier om gruvindustrin i Sverige, inklusive inkluderingen av samerna i regional utveckling i landet. Bolaget tar OECD:s resultat och införlivar dem i utkast till utvecklingsramar för Kallak som vi kommer att dela med intresserade parter.*

*”Sedan jag har varit inblandad i Kallak har Bolaget inte visat något annat än respekt för lokala renskötare och vi fortsätter att vara engagerade i att skydda deras traditionella försörjning. Vi kommer att fortsätta att lyssna och lära.*

*"Förra tisdagen var en hektisk dag. The Fraser Institute publicerade sin årliga gruvundersökning för 2020 med Sverige rankat på plats 36 för investeringsattraktivitet, ett tapp på 26 platser på ett år."*

*"Sverige rankades på plats 21 år 2018. Förlusten av Sveriges framträdande status fortsätter i oförminskad takt, trots ministerförändringar, men diskussionen om en grön omställning för att hantera klimatnödläget, möjligt enbart med fler gruvor, är mer högljudd än någonsin."*

*"Näringsministern föreslog att han under de närmaste veckorna skulle presentera resultaten av de granskningar som gjorts för att utveckla mer robust lagstiftning. Han vill att Sverige ska vara förebilden för hållbarhet. Den svenska gruvsektorn kommer att invänta hans ord."*

*"Beowulf har ett hektiskt år framför oss och vi avser att göra betydande framsteg."*

*"Jag vill än en gång tacka våra aktieägare för deras stöd i förra årets kapitalanskaffning, varav många varit med länge och stått fast vid Bolaget. Bolaget tar inte ert stöd för givet."*

*"Vi ser fram emot att löpande uppdatera marknaden om den fortsatta utvecklingen."*

## **Financial**

- On 13 August 2020, further investment was made in Vardar which increased the holding in Vardar to approximately 46.1 per cent. On the 8 February 2021, another investment was made in Vardar for £200,000 to increase the holding in Vardar to 48.4 per cent.
- The consolidated loss increased in the year from £428,707 in 2019 to £1,294,691 in 2020. This increase is in part attributable to a higher impairment charge on Ågåsjegge, Joutsijärvi, Polvela and Tammijärvi (£98,799) compared to the impairment charge in the prior year on Sala (£10,270). Further contributions to the increase include a £563,431 fair value gain on further investments in Vardar in the prior year compared to no fair value gain in the current year now the entity is considered a subsidiary for accounts purposes and a finance charge of £203,321 in relation to the Bridging Loan which was issued in the year.
- The administration expenses increased in the year from £904,667 to £1,005,547, due mostly to more corporate time being devoted to the Capital Raising and less time being spent on projects, the result of which was that a lower level of underlying exploration cost was capitalised.
- Consolidated basic and diluted loss per share for the 12 months ended 31 December 2020 was 0.19 pence (2019: loss of 0.04 pence).
- £4,329,414 in cash was held at the year end (2019: £1,124,062).
- At 31 December 2020 trade and other receivables of the Group included an amount of £1,392,081 relating to proceeds received in January 2021 from issues of shares before the year end (2019: £nil).
- The translation reserve losses attributable to the owners of the parent decreased from £1,291,068 at 31 December 2019 to £457,813 at 31 December 2020. Much of the Company's exploration costs are in Swedish Krona which has strengthened against the pound since 31 December 2019.
- At 31 December 2020, there were 592,321,687 Swedish Depository Receipts representing 71.52 per cent of the issued share capital of the Company. The remaining issued share capital of the Company is held in the UK.

## **Operational**

### **Kosovo**

#### **Overview**

- Vardar gives Beowulf strategic investment exposure to the highly prospective Tethyan Belt. Vardar has two exploration licence areas, Mitrovica and Viti.
- During 2020, Vardar made significant progress, with exploration results developing the Company's understanding of the porphyry potential at both projects.

- 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).

### ***Investments during the period***

- On 13 August 2020, the Company announced that it had secured bridge loan financing in Sweden of SEK 12 million (approximately £1.0 million) from Nordic investors, with £300,000 invested in Vardar increasing the Company's ownership of Vardar from 42.2 per cent to 46.1 per cent.

### ***Mitrovica Licence***

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 million tonnes ("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 - Gold Target - Overview***

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.

### ***Mitrovica South – Lead-Zinc-Copper-Gold - Overview***

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 Stan Terg. 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.

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.

### ***1 June 2020 - Majdan Peak Shows Epithermal Gold Potential***

- Extensive gold anomaly identified over an area approximately 1400 metres x 700 metres, with individual soil samples returning up to 0.36 g/t.
- The gold anomaly correlates well with anomalous Arsenic, Copper, Lead, Mercury, Strontium and Antimony, and geological mapping has shown the presence of extensive argillic alteration.

- 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.
- Furthermore, a new lead-zinc-copper-gold target has been identified to the south of Majdan Peak, of particular significance given its situation, approximately 3 kilometres from Stan Terg.

#### **6 July 2020 - Majdan Peak Gold Target - Grab Sample Results**

- 42 samples have assayed in excess of 0.1 g/t out of a total of 96 samples collected from available outcrop and subcrop.
- Anomalous results correlate well with gold in soils and alteration intensity and confirm the significant scale of the Majdan Peak gold anomaly, an area 1400 x 700 metres, which remains open to the east.
- Sample results over 1 g/t gold include: 7.2 g/t; 4.6 g/t; 2.8 g/t; 2.0 g/t; 1.5 g/t; 1.3 g/t; 1.3 g/t; and 1.1 g/t.
- In addition to the primary gold target, a new multi-element anomaly has been delineated to the south of the main peak. This anomaly correlates well with anomalous rock grab samples (including individual samples with 0.79 g/t gold), with galena (lead sulphide) veins apparent in some of the outcropping gossans.

#### **5 November 2020 - Majdan Peak Gold Target Shows IP Anomalies For Drill Testing**

- Highly anomalous IP chargeability targets have been mapped for both Majdan Peak and the target area directly south, Majdan Peak South.
- Chargeability targets correlate well with anomalous rock and soil samples, mapped alteration and zones of demagnetisation identified in the recent high-resolution drone magnetic survey.
- Importantly, the IP anomalies demonstrate depth extent suggesting that the mapped surficial gold mineralisation is related to a potentially large underlying source (over 700 metres in strike length with significant width and thickness).
- Zones of high resistivity correlate well with mapped silicification and advanced argillic alteration which appear to overlay the main IP chargeability target, as would be expected in a typical high-sulphidation gold deposit.
- Shallow IP anomalies follow structural trends mapped in the magnetic data suggesting a structural control to the distribution of mineralisation which may link up to the carbonate replacement lead-zinc ore bodies of the neighbouring Stan Terg deposit.

#### **Wolf Mountain - Lead/Zinc/Silver Target - Overview**

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.

#### **23 October 2020 - Geophysics Results Define High Priority Drill Targets**

- Highly anomalous IP chargeability zones, considered high priority targets for drill testing, have been defined beneath areas of laterally extensive Pb-Zn gossans and hydrothermal alteration.

- The IP anomalies are located below, often straddling, the contact between younger Oligo-Miocene ("O-M") volcanoclastic rocks and ultramafic ("UM") basement, in agreement with mapped and drill tested mineralisation, adding further support for a source of the observed mineralisation.
- Importantly, anomalies follow established regional structural trends suggesting they may be representative of high-grade Pb-Zn-Ag feeder structures, often a characteristic of the deposit type.
- Resistivity results correlate very well with geological mapping, drilling and trenching, delineating the lateral and vertical extent of the low resistivity volcanoclastic units over the higher resistivity UM basement.

#### ***1 December 2020 - Geophysical Anomaly Identified at Wolf Mountain East Provides More Drill Targets***

- An exceptional high chargeability anomaly identified to the east of the main Wolf Mountain prospect, correlating with anomalous soil samples (up to 1.0 per cent zinc ("Zn") and 0.5 per cent lead ("Pb")) and rock samples from gossans (including 3.5 per cent Zn, 1.8 per cent Pb, 93 grammes per tonne ("g/t") silver ("Ag"));
- The chargeable source follows a prominent northwest trending structure which connects to the Zijaca deposit (non-JORC compliant 5.2 million tonnes ("Mt") containing 2.83 per cent Zn, 2.83 per cent Pb and 16 g/t Ag) located just two kilometres ("km") to the southeast and it remains open ended to the northwest; and
- Results to date suggest that the Wolf Mountain prospect consists of several structurally controlled targets, often occurring along geological contacts in the basement rocks and covering a larger area than previously considered.

#### ***Viti Licence***

The Viti project is situated in south-eastern Kosovo and encompasses 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 Jadar 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 and 10 m at 0.12 g/t.

#### ***26 November 2020 - Geophysical Anomalies Identified at Viti Project Present Compelling Drill Targets***

- A detailed 3D IP-DC survey has delineated high chargeability anomalies associated with an extensive NNW trending zone of alteration and anomalous multi-element soil sample and rock grab sample results.
- The newly defined high chargeability anomalies sit in close proximity to gold and copper mineralisation, associated with altered porphyritic trachyte dykes, intersected by stratigraphic drilling in 2019.
- The anomalies could represent higher grade mineralised zones and Vardar is now planning to drill two short holes to test chargeability 'hot spots'.

#### ***Plans for 2021***

- Beowulf announced on 8 February 2021, that the Company had invested £200,000 to fund preparatory works, building access roads and drilling platforms, across the Mitrovica licence in northern Kosovo, lead-zinc targets at Wolf Mountain and gold targets at Majdan Peak. It is hoped that drilling can commence in early Spring 2021.
- For Viti, a plan is being worked to drill two diamond holes into Viti SE, for drone magnetics at Viti North and to carry out geophysical surveys. This work would follow drilling at Mitrovica and be carried out later in 2021.



- With continued exploration success, the Company will continue to fund work at Mitrovica and Viti, the goal being to focus on discovering a deposit(s) and thereafter define a mineral resource(s).

### **Sweden**

- During the year, the Company's focus remained on Kallak and the application for an Exploitation Concession (the "Concession") for Kallak North. Beowulf continued to engage with the authorities in Sweden, but progress was hampered by the COVID-19 and the Swedish Government's focus diverted to fighting the pandemic.
- The Company's application remained with the Government through 2020, and as such, Swedish authorities other than the Government were not actively engaged in the permitting process.
- The Constitutional Committee ("KU"), which has been reviewing the Swedish Government's handling of the Company's application for an Exploitation Concession for Kallak North met 26 November 2020 and made the following statement (translation):

*"KU has examined the application for a processing concession for Kallak. In the Government case, no visible administrative measures were implemented for almost three years. This means a delay that is not acceptable, according to KU.*

*It also appears that the applicant has on several occasions asked the Ministry of Trade and Industry for a meeting. The Ministry has then stated that this is not possible because the issue concerns a forthcoming Government decision and is a matter under consideration.*

*KU notes that the Ministry management's statement does not seem to be in line with what the Prime Minister has stated. The Government Offices thus seem to lack a common approach to the possibility for parties in administrative matters to have a meeting with the responsible ministry."*

While the KU's statement will have no bearing on the final decision, the Company now hopes that a decision will be 'forthcoming' as previously stated by the Government.

- The Company announced, on 17 September 2020, the findings of an expert market assessment by Dr. Bo Arvidson, which investigated the market potential of future products from the Kallak, based on the results of laboratory and pilot plant testwork conducted to date.

Highlights included:

- Exceptionally high-grade magnetite concentrate at 71.5 per cent iron content with minimal detrimental components, which would make Kallak the market leading high-grade product among known current and planned future producers, as demand for high-quality feedstock and therefore magnetite increases as producers look to protect the environment by improving energy efficiency, minimising waste and the impact of waste disposal.
- The next best magnetite product was shown to be LKAB's (the state-owned Swedish iron ore company), whose production of magnetite fines with a target specification of 70.7 per cent iron had been regarded as unique, until now, due to its exceptionally high iron content.
- Kallak magnetite concentrate was shown to be able to reduce the carbon footprint of traditional steel making, improve energy efficiency in any downstream process and reduce waste, due to magnetite's inherent energy content, resulting in lower energy demand for steel manufacturing than current common practice using feedstock of 80 per cent hematite and 20 per cent magnetite.

### **Finland**

- On 18 May 2020, the Company provided an update on the activities of Fennoscandian. Since Fennoscandian was acquired in January 2016, Beowulf has invested over Euros 1.56 million in graphite exploration, resource development, metallurgical testwork and the assessment of market applications for graphite from its Aitolampi project, including Lithium Ion Battery ("LIB") applications.
- Fennoscandian continues to develop a 'resource footprint' of natural flake graphite to provide 'security of supply' to Finland's emerging battery sector and to benefit from Business Finland funding, as the Company seeks to move downstream and develop its knowledge in processing and manufacturing battery grade and value-added graphite products.

- Test work on a composite sample for Karhunmäki, a new graphite prospect, was found by Fennoscandian to produce a concentrate grade of 96.4 per cent Total Graphitic Carbon ("TGC"), with 51.3 per cent large/jumbo flakes (+180 micron). The company has applied for an Exploration Permit for the project.

### **Competent Person Review**

The information in this announcement has been reviewed by Mr. Chris Davies, a Competent Person ("CP"), who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Davies has conducted a desktop review of source documents and data which underpin the technical statements disclosed herein and approves the disclosure of technical information in the form and context in which it appears in this announcement, in his capacity as a CP as required under the AIM rules. Mr. Davies has visited Vardar's Mitrovica and Viti projects in Kosovo.

Mr. Davies has sufficient experience, that is relevant to the content of this announcement, to qualify as a CP as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Mr. Davies BSc (Hons) Geology, MSc DIC Mineral Exploration, FAusIMM, is a Non-executive Director of Beowulf and is an exploration/economic geologist with more than 35 years' experience in the mining sector.

### **About Beowulf Mining plc**

Beowulf Mining plc ("Beowulf" or the "Company") is an exploration and development company, listed on the AIM of the London Stock Exchange and the Spotlight Exchange in Sweden. The Company listed in Sweden in 2008 and is approximately 71.5 per cent owned by Swedish shareholders.

Beowulf's vision is to build a sustainable and innovative mining company, which creates value by developing mining assets in partnership with communities, delivering production and generating cash flow, and in so doing meets society's ongoing need for metals.

The Company's most advanced project is the Kallak iron ore asset in northern Sweden. A potential 250 million tonne resource which can produce a 'market leading' concentrate of 71.5 per cent iron content and is a potential source of supply for Sweden's fossil-free mining and steel making industries.

Fennoscandian Resources ("Fennoscandian"), the Company's graphite business, is pursuing a strategy to develop a resource/production base 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 is developing the Aitolampi graphite asset, which has a contained graphite resource of 1,275,000 million tonnes, possessing almost perfect crystallinity, an important prerequisite for high tech applications, such as lithium ion batteries.

In Kosovo, the Company owns approximately 48.4 per cent of Vardar Minerals (as at 31 December 2020 – 46.1%) ("Vardar"), which is focussed on exploration in the Tethyan Belt, a major orogenic metallogenic province for gold and base metals. Vardar is delivering exciting results for its Mitrovica licence which has several exploration targets, including lead, zinc, copper and gold. It also has the Viti licence which is showing potential for copper-gold porphyry mineralisation. With Beowulf's support, Vardar is focused on making a discovery.

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

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

## **Enquiries**

### **Beowulf Mining plc**

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(Nominated Adviser & Broker)

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## **Cautionary Statement**

Statements and assumptions made in this document with respect to the Company's current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of Beowulf. Forward-looking statements include, but are not limited to, those using words such as "may", "might", "seeks", "expects", "anticipates", "estimates", "believes", "projects", "plans", "strategy", "forecast" and similar expressions. These statements reflect management's expectations and assumptions in light of currently available information. They are subject to a number of risks and uncertainties, including, but not limited to , (i) changes in the economic, regulatory and political environments in the countries where Beowulf operates; (ii) changes relating to the geological information available in respect of the various projects undertaken; (iii) Beowulf's continued ability to secure enough financing to carry on its operations as a going concern; (iv) the success of its potential joint ventures and alliances, if any; (v) metal prices, particularly as regards iron ore. In the light of the many risks and uncertainties surrounding any mineral project at an early stage of its development, the actual results could differ materially from those presented and forecast in this document. Beowulf assumes no unconditional obligation to immediately update any such statements and/or forecast.

**BEOWULF MINING PLC**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE TWELVE MONTHS TO 31 DECEMBER 2020 AND THE THREE MONTHS TO 31 DECEMBER**  
**2020**

		(Unaudited) 3 months ended 31 December 2020	(Unaudited) 3 months ended 31 December 2019	(Unaudited) 12 months ended 31 December 2020	(Audited) 12 months ended 31 December 2019
	Notes	£	£	£	£
<b>Continuing operations</b>					
Administrative expenses		(349,873)	(167,585)	(1,005,547)	(904,666)
Impairment of exploration costs		(80,149)	(10,720)	(98,799)	(10,720)
Share based payment expense		-	(26,566)	-	(119,720)
Gain on step acquisition		-	-	-	563,431
<b>Operating loss</b>		<b>(430,022)</b>	<b>(204,871)</b>	<b>(1,104,346)</b>	<b>(471,675)</b>
Finance costs		(163,236)	(410)	(203,576)	(410)
Finance income		3	583	594	6,298
Grant income		4,938	37,080	12,637	37,080
<b>Loss before and after taxation</b>		<b>(588,317)</b>	<b>(167,618)</b>	<b>(1,294,691)</b>	<b>(428,707)</b>
Loss attributable to:					
Owners of the parent		(505,448)	(113,025)	(1,128,512)	(267,000)
Non-controlling interests		(82,869)	(54,593)	(166,179)	(161,707)
		<b>(588,317)</b>	<b>(167,618)</b>	<b>(1,294,691)</b>	<b>(428,707)</b>
Loss per share attributable to the owners of the parent:					
Basic and diluted (pence)	3	(0.08)	(0.02)	(0.19)	(0.04)

**BEOWULF MINING PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS**  
**FOR THE TWELVE MONTHS TO 31 DECEMBER 2020 AND THE THREE MONTHS TO 31 DECEMBER**  
**2020**

	(Unaudited) 3 months ended 31 December 2020	(Unaudited) 3 months ended 31 December 2019	(Unaudited) 12 months ended 31 December 2020	(Audited) 12 months ended 31 December 2019
	£	£	£	£
<b>Loss for the year</b>	(588,317)	(167,618)	(1,294,691)	(428,707)
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Exchange gains/(losses) arising on translation of foreign operations	233,660	(203,018)	854,020	(794,299)
<b>Total comprehensive loss</b>	<b>(354,657)</b>	<b>(370,636)</b>	<b>(440,671)</b>	<b>(1,223,006)</b>
Total comprehensive income loss attributable to:				
Owners of the parent	(222,242)	(321,323)	(295,258)	(1,037,811)
Non-controlling interests	(132,415)	(49,313)	(145,413)	(185,195)
	<b>(354,657)</b>	<b>(370,636)</b>	<b>(440,671)</b>	<b>(1,223,006)</b>

**BEOWULF MINING PLC**  
**CONDENSED COMPANY STATEMENT OF COMPREHENSIVE LOSS**  
**FOR THE TWELVE MONTHS TO 31 DECEMBER 2020 AND THE THREE MONTHS TO 31 DECEMBER**  
**2020**

		(Unaudited) 3 months ended 31 December 2020	(Unaudited) 3 months ended 31 December 2019	(Unaudited) 12 months ended 31 December 2020	(Audited) 12 months ended 31 December 2019
	Notes	£	£	£	£
<b>Continuing operations</b>					
Administrative expenses		(355,053)	(87,573)	(869,853)	(651,434)
Share based payment expense		-	(26,566)	-	(119,719)
<b>Operating Loss</b>		<b>(355,053)</b>	<b>(114,139)</b>	<b>(869,853)</b>	<b>(771,153)</b>
Finance income		3	583	594	6,298
Grant income		-	1,425	-	1,425
<b>Loss before and after taxation and total comprehensive loss</b>		<b>(355,050)</b>	<b>(112,131)</b>	<b>(869,259)</b>	<b>(763,430)</b>
Loss per share attributable to the owners of the parent: Basic and diluted (pence)	3	(0.06)	(0.02)	(0.14)	(0.13)

**BEOWULF MINING PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

		(Unaudited) As at 31 December 2020 £	(Audited) As at 31 December 2019 £
<b>ASSETS</b>	Notes		
<b>Non-current assets</b>			
Intangible assets	5	11,371,916	10,011,494
Property, plant and equipment		145,094	86,998
Loans and other financial assets		5,468	5,212
Right of use asset		1,937	7,324
		<u>11,524,415</u>	<u>10,111,028</u>
<b>Current assets</b>			
Trade and other receivables		1,566,848	167,261
Cash and cash equivalents		4,329,414	1,124,062
		<u>5,896,262</u>	<u>1,291,323</u>
<b>TOTAL ASSETS</b>		<u>17,420,677</u>	<u>11,402,351</u>
<b>EQUITY</b>			
<b>Shareholders' equity</b>			
Share capital	4	8,281,751	6,022,446
Share premium		24,722,362	20,824,009
Capital contribution reserve		46,451	46,451
Share based payment reserve		732,185	732,185
Merger reserve		137,700	137,700
Translation reserve		(457,813)	(1,291,068)
Accumulated losses		(17,083,185)	(15,781,161)
<b>Total Equity</b>		<u>16,379,451</u>	<u>10,690,562</u>
Non-controlling interests		394,654	326,555
<b>TOTAL EQUITY</b>		<u>16,774,105</u>	<u>11,017,117</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		501,147	242,885
Grant income		143,399	134,877
Lease liability		2,026	7,472
<b>TOTAL LIABILITIES</b>		<u>646,572</u>	<u>385,234</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>17,420,677</u>	<u>11,402,351</u>

**BEOWULF MINING PLC**  
**CONDENSED COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Notes	(Unaudited) As at 31 December 2020 £	(Audited) As at 31 December 2019 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments		2,077,988	1,697,988
Loans and other financial assets		9,341,315	8,989,451
Property, plant and equipment		1,483	-
		<u>11,420,786</u>	<u>10,687,439</u>
<b>Current assets</b>			
Trade and other receivables		1,476,755	23,260
Cash and cash equivalents		4,241,426	978,514
		<u>5,718,181</u>	<u>1,001,774</u>
<b>TOTAL ASSETS</b>		<u>17,138,967</u>	<u>11,689,213</u>
<b>EQUITY</b>			
<b>Shareholders' equity</b>			
Share capital	4	8,281,751	6,022,446
Share premium		24,722,362	20,824,009
Capital contribution reserve		46,451	46,451
Share option reserve		732,185	732,185
Merger reserve		137,700	137,700
Accumulated losses		<u>(17,168,118)</u>	<u>(16,298,859)</u>
<b>TOTAL EQUITY</b>		<u>16,752,331</u>	<u>11,463,932</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		243,237	90,404
Grant income		143,399	134,877
<b>TOTAL LIABILITIES</b>		<u>386,636</u>	<u>225,281</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>17,138,967</u>	<u>11,689,213</u>



**BEOWULF MINING PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE TWELVE MONTHS TO 31 DECEMBER 2020**

	Share capital	Share premium	Capital contribution reserve	Share-based payment reserve	Merger reserve	Translation reserve	Accumulated losses	Total	Non-controlling interest	Total equity
	£	£	£	£	£	£	£	£	£	£
<b>At 1 January 2019</b>	5,663,072	19,266,271	46,451	612,465	137,700	(520,257)	(15,311,933)	9,893,769	(160,587)	9,733,182
Loss for the year	-	-	-	-	-	-	(267,000)	(267,000)	(161,707)	(428,707)
Foreign exchange translation	-	-	-	-	-	(770,811)	-	(770,811)	(23,488)	(794,299)
Total comprehensive loss	-	-	-	-	-	(770,811)	(267,000)	(1,037,811)	(185,195)	(1,223,006)
<i>Transactions with owners</i>										
Issue of share capital	357,707	1,642,293	-	-	-	-	-	2,000,000	-	2,000,000
Costs associated with the issue of new shares	-	(93,305)	-	-	-	-	-	(93,305)	-	(93,305)
Equity-settled share-based payment transactions	1,667	8,750	-	119,720	-	-	-	130,137	-	130,137
Acquisition of subsidiary	-	-	-	-	-	-	(202,228)	(202,228)	672,337	470,109
<b>At 31 December 2019 (Audited)</b>	<b>6,022,446</b>	<b>20,824,009</b>	<b>46,451</b>	<b>732,185</b>	<b>137,700</b>	<b>(1,291,068)</b>	<b>(15,781,161)</b>	<b>10,690,562</b>	<b>326,555</b>	<b>11,017,117</b>
Loss for the year	-	-	-	-	-	-	(1,128,512)	(1,128,512)	(166,179)	(1,294,691)
Foreign exchange translation	-	-	-	-	-	833,255	-	833,255	20,765	854,020
Total comprehensive income	-	-	-	-	-	833,255	(1,128,512)	(295,257)	(145,414)	(440,671)
<i>Transactions with owners</i>										
Issue of share capital	2,259,305	5,165,060	-	-	-	-	-	7,424,365	-	7,424,365
Costs associated with the issue of new shares	-	(1,266,707)	-	-	-	-	-	(1,266,707)	-	(1,266,707)
Step up interest in subsidiary	-	-	-	-	-	-	(173,512)	(173,512)	213,513	40,001
<b>At 31 December 2020 (Unaudited)</b>	<b>8,281,751</b>	<b>24,722,362</b>	<b>46,451</b>	<b>732,185</b>	<b>137,700</b>	<b>(457,813)</b>	<b>(17,083,185)</b>	<b>16,379,451</b>	<b>394,654</b>	<b>16,774,105</b>

**BEOWULF MINING PLC**  
**CONDENSED COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE TWELVE MONTHS TO 31 DECEMBER 2020**

	Share capital	Share premium	Merger reserve	Capital contribution reserve	Share-based payment reserve	Accumulated losses	Total
	£	£	£	£	£	£	£
<b>At 1 January 2019</b>	5,663,072	19,266,271	137,700	46,451	612,465	(15,535,429)	10,190,530
Loss for the year	-	-	-	-	-	(763,430)	(763,430)
Total comprehensive loss	-	-	-	-	-	(763,430)	(763,430)
<i>Transactions with owners</i>							
Issue of share capital	357,707	1,642,293	-	-	-	-	2,000,000
Costs associated with the issue of new shares	-	(93,305)	-	-	-	-	(93,305)
Equity-settled share-based payment transactions	1,667	8,750	-	-	119,720	-	130,137
<b>At 31 December 2019 (Audited)</b>	6,022,446	20,824,009	137,700	46,451	732,185	(16,298,859)	11,463,932
Loss for the year	-	-	-	-	-	(869,259)	(869,259)
Total comprehensive loss	-	-	-	-	-	(869,259)	(869,259)
<i>Transactions with owners</i>							
Issue of share capital	2,259,305	5,165,060	-	-	-	-	7,424,365
Costs associated with the issue of new shares	-	(1,266,707)	-	-	-	-	(1,266,707)
<b>At 31 December 2020 (Unaudited)</b>	8,281,751	24,722,362	137,700	46,451	732,185	(17,168,118)	16,752,331

**BEOWULF MINING PLC**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**AS AT 31 DECEMBER 2020**

	(Unaudited) 31 December 2020 £	(Audited) 31 December 2019 £
<b>Cash flows from operating activities</b>		
Loss before income tax	(1,294,691)	(428,707)
Depreciation charges	35,608	20,971
Equity-settled share-based transactions	-	130,137
Impairment of exploration costs	98,799	10,720
Finance income	(594)	(6,298)
Finance expense	203,576	410
Grant income	(12,637)	(37,080)
Fair value gain	-	(563,431)
Amortisation	5,777	4,615
Unrealised foreign exchange (gains)/losses	(12,590)	2,121
	<u>(976,752)</u>	<u>(866,542)</u>
Decrease/(increase) in trade and other receivables	(2,203)	(106,009)
Decrease/(increase) in trade and other payables	97,623	14,930
Net cash used in operating activities	<u>(881,332)</u>	<u>(957,621)</u>
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	(622,501)	(1,304,896)
Purchase of property, plant and equipment	(89,436)	(77,615)
Acquisition of associate	-	(500,000)
Investment by minority interest	40,000	-
Cash acquired with subsidiary	-	530,031
Sale of investments	-	7
Interest received	594	6,298
Grant receipt	25,796	-
Net cash used in investing activities	<u>(645,547)</u>	<u>(1,346,175)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	6,006,368	2,000,000
Payment of share issue costs	(1,113,348)	(93,305)
Lease principal paid	(5,840)	(4,467)
Lease interest paid	(255)	(410)
Interest paid	(203,321)	-
Proceeds from borrowings	932,309	-
Repayment of borrowings	(953,111)	-
Net cash from financing activities	<u>4,662,802</u>	<u>1,901,818</u>
<b>Increase/(decrease) in cash and cash equivalents</b>	3,135,923	(401,978)
Cash and cash equivalents at beginning of year	1,124,062	1,533,232
Effect of foreign exchange rate changes	69,429	(7,192)
<b>Cash and cash equivalents at end of year</b>	<u><u>4,329,414</u></u>	<u><u>1,124,062</u></u>

**BEOWULF MINING PLC**  
**CONDENSED COMPANY CASH FLOW STATEMENT**  
**AS AT 31 DECEMBER 2020**

	(Unaudited) 31 December 2020 £	(Audited) 31 December 2019 £
<b>Cash flows from operating activities</b>		
Loss before income tax	(869,259)	(763,430)
Expected credit loss	72,069	158,005
Equity-settled share-based transactions	-	130,137
Finance income	(594)	(6,298)
Finance costs	203,321	-
Grant income	-	(1,425)
Unrealised foreign exchange (gains)/losses	(16,865)	2,121
	<u>(611,328)</u>	<u>(480,890)</u>
 (Increase)/decrease in trade and other receivables	 (61,415)	 1,141
Decrease in trade and other payables	(524)	23,443
	<u>(673,267)</u>	<u>(456,306)</u>
 <b>Cash flows from investing activities</b>		
Loans to subsidiaries	(448,151)	(989,434)
Interest received	594	6,298
Acquisition of subsidiary	-	(500,000)
Grant receipt	25,796	-
Purchase of property, plant and equipment	(1,483)	-
	<u>(803,244)</u>	<u>(1,483,146)</u>
 <b>Cash flows from financing activities</b>		
Proceeds from issue of shares	6,006,368	2,000,000
Payment of share issue costs	(1,113,348)	(93,305)
Financing of subsidiary	(380,000)	(465,000)
Proceeds from borrowings	932,309	-
Repayment of loan principal	(953,111)	-
Interest paid	(203,321)	-
	<u>4,668,897</u>	<u>1,441,695</u>
 <b>Increase/(decrease) in cash and cash equivalents</b>	 3,192,386	 (497,747)
Cash and cash equivalents at beginning of year	978,514	1,470,087
Effect of foreign exchange rate changes	70,526	6,174
	<u>4,241,426</u>	<u>978,514</u>
 <b>Cash and cash equivalents at end of year</b>		

## **NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FOR THE TWELVE MONTHS TO 31 DECEMBER 2020**

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

Beowulf Mining plc (the "Company") is domiciled in England and Wales. The Company's registered office is 201 Temple Chambers, 3-7 Temple Avenue, London, EC4Y 0DT. This consolidated financial information comprises that of the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group is engaged in the acquisition, exploration and evaluation of natural resources assets and has not yet generated revenues.

### **2. Basis of preparation**

The condensed consolidated financial information has been prepared on the basis of the recognition and measurement requirements of international accounting standards in conformity with the requirements of the Companies Act 2006. The accounting policies, methods of computation and presentation used in the preparation of the interim financial information are the same as those used in the Group's audited financial statements for the year ended 31 December 2019 except as noted below.

The financial information in this statement does not constitute full statutory accounts within the meaning of Section 434 of the UK Companies Act 2006. The financial information for the twelve months ended 31 December 2019 is audited. The audit of the financial information for the year ended 31 December 2019 has been completed. The auditor's report on the statutory financial statements for the year ended 31 December 2019 was unqualified and did not contain any statement under sections 498 (2) or (3) of the Companies Act 2006. The audit report did contain a material uncertainty with respect of going concern, however following additional audit procedures and noting it as key audit matter, it was concluded the going concern basis was appropriate.

The going concern assumption has been assessed by the Directors in light of the impact of COVID-19, taking into consideration the entities current financial position, ability to raise new funds and carry out its operations for the year. The Directors are confident that there is no immediate need for funding following a round of successful capital raisings that generated £7.4m before expenses.

The financial statements are presented in GB Pounds Sterling. They are prepared on the historical cost basis or the fair value basis where the fair valuing of relevant assets and liabilities has been applied.

### 3. Group and Company loss per share

	(Unaudited) 3 months ended 31 December 2020	(Unaudited) 3 months ended 31 December 2019	(Unaudited) 12 months ended 31 December 2020	(Audited) 12 months ended 31 December 2019
<b>Group</b>				
Loss for the period/year attributable to shareholders of the Company (£'s)	(505,448)	(113,025)	(1,128,512)	(267,000)
Weighted average number of ordinary shares	624,589,452	591,944,747	607,815,562	585,102,740
Diluted weighted average number of ordinary shares	<u>624,589,452</u>	<u>591,944,747</u>	<u>607,815,562</u>	<u>585,102,740</u>
Loss per share (p)	<u>(0.08)</u>	<u>(0.02)</u>	<u>(0.19)</u>	<u>(0.04)</u>

#### Parent

Loss for the period/year attributable to shareholders of the Company (£'s)	(335,050)	(112,131)	(869,259)	(763,430)
Weighted average number of ordinary shares	624,589,542	597,824,737	607,815,562	585,102,740
Diluted weighted average number of ordinary shares	<u>624,589,542</u>	<u>597,824,737</u>	<u>607,815,562</u>	<u>585,102,740</u>
Loss per share (p)	<u>(0.06)</u>	<u>(0.02)</u>	<u>(0.14)</u>	<u>(0.13)</u>

### 4. Share Capital

	(Unaudited) 31 December 2020 £	(Audited) 31 December 2019 £
<b>Allotted, issued and fully paid</b>		
Ordinary shares of 1p each	<u>8,281,752</u>	<u>6,022,446</u>

The number of shares in issue was as follows:

	Number of shares
<b>Balance at 1 January 2019</b>	566,307,254
Issued during the year	<u>35,937,418</u>
<b>Balance at 31 December 2019</b>	602,244,672
Issued during the year	<u>225,930,552</u>
<b>Balance at 31 December 2020</b>	<u>828,175,224</u>

## 5. Intangible Assets: Group

<b>Exploration costs</b>	As at 31 December 2020 (Unaudited) £	As at 31 December 2019 (Audited) £
<b>Cost</b>		
At 1 January	10,011,256	8,285,547
Additions for the year	612,062	1,304,896
Additions arising from the step-up in interest in Vardar	-	1,203,685
Foreign exchange movements	847,397	(771,914)
Impairment	(98,799)	(10,720)
	<u>11,371,916</u>	<u>10,011,494</u>

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

<b>Project</b>	<b>Country</b>	As at 31 December 2020 (Unaudited) £	As at 31 December 2019 (Audited) £
Kallak	Sweden	7,533,388	6,675,124
Åtvidaberg	Sweden	393,303	345,978
Ågåsjegge	Sweden	-	15,568
Pitkäjärvi	Finland	1,333,114	1,058,078
Joutsijärvi	Finland	-	19,095
Rääpysjärvi	Finland	47,053	39,905
Karhunmäki	Finland	41,017	24,078
Merivaara	Finland	36,965	17,846
Polvela	Finland	-	31,316
Tammijärvi	Finland	-	24,278
Mitrovica	Kosovo	1,387,030	1,243,194
Viti	Kosovo	600,046	517,034
		<u>11,371,916</u>	<u>10,011,494</u>

Total Group exploration costs of £11,371,916 are currently carried at cost in the financial statements. During the period Ågåsjegge, Joutsijärvi, Polvela and Tammijärvi were identified as projects to be discontinued. The impairment charge arising from the impairment of the projects was £98,799 (31 December 2019: Sala £10,270).

Accounting estimates and judgements are continually evaluated and are based on a number of factors, including expectations of future events that are believed to be reasonable under the circumstances. Management are required to consider whether there are events or changes in circumstances that indicate that the carrying value of this asset may not be recoverable.

The most significant risk currently facing the Group is that it does not receive an Exploitation Concession for Kallak. The Company originally applied for the Exploitation Concession in April 2013 and throughout 2017, and since the year-end, management have actively sought to progress the application, engaging with the various government bodies and other stakeholders. These activities are summarised above.

Kallak is included in the condensed financial statements as at 31 December 2020 as an intangible exploration licence with a carrying value of £7,533,388. Management have considered the status of the application for the Exploitation Concession and in their judgement, they believe it is appropriate to be optimistic about the chances of being awarded the Exploitation Concession and thus have not impaired the project.

## **6. Availability of interim report**

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

**\*\* Ends \*\***