



The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation ("MAR") (EU) No. 596/2014, as incorporated into UK law by the European Union (Withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

28 February 2023

## Beowulf Mining plc

("Beowulf" or the "Company")

### Unaudited Preliminary Financial Results for the year ended 31 December 2022

Beowulf (AIM: BEM; Spotlight: BEO), the mineral exploration and development company, announces its unaudited preliminary financial results for the year ended 31 December 2022.

#### Overview of Activities in the Year

##### Sweden

- After the award of the Exploitation Concession for Kallak North in March 2022, the Company continued conversations with engineering consultants, to support the completion of a Scoping Study and roadmap to Pre-feasibility, infrastructure operators (rail and power), technical experts, potential customers, and strategic partners.
- On 13 May 2022, Beowulf's Chief Executive Officer ("CEO"), Kurt Budge, provided a brief update on the future development of Kallak at the Swedish Mining Innovation and Research Day in Luleå.
- On 13 June 2022, Beowulf announced the appointment of Ulla Sandborgh as CEO of Jokkmokk Iron.
- On 16 November 2022, Jokkmokk Iron provided a progress update for workstreams associated with Kallak, the Scoping Study and Environmental Permit application.

##### Finland

- During the period, Grafintec Oy ("Grafintec"), the Company's wholly-owned subsidiary operating in Finland, started exploration for more natural flake graphite, contracting the Geological Survey of Finland ("GTK") to carry out an electromagnetic ("EM") survey over the Rääpysjärvi exploration permit.
- Grafintec also entered into a Memorandum of Understanding ("MoU") with GTK, providing Grafintec and GTK with a framework and platform to promote and foster cooperation in the fields of circular economy, mineral processing and exploration of graphite as pertaining to anode materials for the lithium-ion battery market and other markets from different raw material sources.
- On 26 September 2022, Grafintec entered a partnership with Qingdao Hensen Graphite Ltd ("Hensen"), a company that has been operating in the graphite industry for 37 years and has been producing graphite-

based anode materials since 2003. This partnership will provide an integrated solution for producing graphite-based anode materials in Finland.

- On 7 October 2022, the Company announced the results from the EM survey and assays for Grafintec's Rääpysjärvi flake graphite prospect. The survey indicated extensive EM anomalies, significant potential for a larger tonnage of high-grade graphite mineralisation than that defined at Aitolampi and for localised very high-grade mineralization.
- On 22 December 2022, the Company provided a progress update for Grafintec, including the results and assays of a trenching programme for Rääpysjärvi.

### **Kosovo**

- On 22 August 2022, the Company announced the discovery of a large Polymetallic Epithermal System (copper, gold and lead-zinc) at Majdan Peak ("MP"), part of Vardar Minerals' ("Vardar") Mitrovica licence in Kosovo, with drilling results both supporting the potential for epithermal mineralisation of economic grades to be present and for comparisons to be drawn with the Chelopech copper-gold deposit in Bulgaria.
- On 8 September 2022, new exploration targets were announced after additional analysis of drilling and exploration activities were conducted at MP.
- On 21 November 2022, Beowulf began drilling at MP with a short campaign of five diamond holes.
- On 14 December 2022, the Company announced new results from detailed geological mapping over the Red Lead target, located within the Mitrovica Licence.
- On 16 December 2022, the Company announced an update regarding two new licences added to the Vardar's exploration profile.

### **Corporate**

- On 4 July 2022, the Company announced a loan financing from a Nordic Institutional Investor of SEK 22 million (approximately £1.76 million) before expenses. The funds were allocated to advance the Company's projects and achieve key milestones, with the focus being on Kallak.
- On 8 July 2022, the Board approved the implementation of a new Long-Term Incentive Plan ("LTIP") available to eligible employees of the Company.
- On 7 November 2022, Johan Röstin was appointed as Non-Executive Chairman of the Board.
- On 20 December 2022, Beowulf announced its intention to conduct a preferential rights issue of SDRs in Sweden and a UK retail offer of ordinary shares and partially secured capital raise up to approximately SEK 112 million (approximately £8.8 million) to progress at pace the development of Kallak.

### **Post Period**

- Grafintec announced on 9 January 2023 that it had awarded a Pre-feasibility Study ("PFS") contract to the UK based RB Plant Construction Ltd. ("RB Plant") to assess the technical, economic, statutory, regulatory and commercial options for a natural flake graphite micronisation, spheronisation, purification, and coating plant in Finland, as part of its plan to establish a Graphite Anode Materials Plant ("GAMP").
- On 24 January 2023, the Company announced positive economic results from the Scoping Study for Kallak North, part of the Kallak Iron Ore Project ("KIOP") being developed by the Company's 100 per cent owned subsidiary Jokkmokk Iron Mines AB ("Jokkmokk Iron"), which boost the Company's plans to begin producing high-grade iron concentrate in 2026.

- On 25 January 2023, Beowulf launched a preferential rights issue of SDRs in Sweden and a UK retail offer of ordinary shares - Partially secured capital raise up to approximately SEK 115 million (approximately £9.1 million) - Funding to progress at pace the development of Kallak. The start of the subscription period was announced on 9 February 2023.
- On 21 February 2023, Grafintec announced that it had signed a site reservation agreement with the municipality of Korsholm, securing Plot 1, Block 3017 in the GigaVaasa area, for the establishment of GAMP. The agreement was signed on 13 February 2023 and the reservation is valid for an initial six-month period from signing, with the option to extend.
- On 22 February 2023, Jokkmokk Iron provided a progress report for Kallak.

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

*“Beowulf has transformed itself in the last year, with the award of Exploitation Concession for the Kallak North Iron Ore Project and, post-period, positive economics results from the Kallak North ‘Only’ Base Case.*

*“The preliminary economic assessment for Kallak North is only part of the bigger Kallak story, and we have many levers to increase value, which will be investigated as we proceed with Pre-feasibility. These include resource expansion, a longer life mining operation, increased production capacity, and higher proportion of high-grade concentrate sales to decarbonising steelmakers in the Nordics and Europe, of which there are many.*

*“During the year, we strengthened the leadership team in Sweden with competence and experience, with firstly the appointment of Ulla Sandborgh as CEO Jokkmokk Iron and then Johan Röstin as Chairman of Beowulf.*

*“We built new partnerships in Finland, firstly collaborating with Hensen, an established graphite and anode materials company, and then, post period, signing a new site agreement with the municipality of Korsholm for establishing an anode materials production facility in the GigaVaasa area.*

*“Grafintec continued its efforts to expand its natural flake graphite resource inventory, with really promising exploration findings for the Rääpysjärvi prospect, which in the future, could potentially add to the Company’s resources already defined at Aitolampi, offering sustainable and secure primary raw materials supply to a Finnish anode materials value chain.*

*“With Vardar, we had a year of tremendous exploration success in Kosovo, discovering a large polymetallic epithermal system, drawing close comparisons between our findings at Mitrovica and known deposits and mines in operation, with the same geology and geometry, adding new gold and base metal targets, priorities for the next drilling programme, and new highly prospective exploration licences surrounding the existing Stan Terg mine.*

*“As momentum continues to build with Kallak, Beowulf is considering its options for the further development of Vardar. With the success achieved last year, the Company sees the realistic possibility of spinning out Vardar as a standalone listed company.*

*“With Jokkmokk Iron and Grafintec, we have distinct businesses positioned to benefit from the Green Transition and the demand for sustainable and secure supply of primary raw materials. The status of our iron ore and natural flake graphite resources can only be enhanced, as geopolitical uncertainties remain, and Europe seeks to be sustainable and self-sufficient.*

*“With the goal of bringing Kallak into production in 2026 and opportunities with Grafintec to get into anode materials production, we are excited about what we can deliver in 2023 and the progress we can make towards achieving our goals.”*

## Financial

- The consolidated loss increased in the year before tax from £1,485,611 in 2021 to £2,041,452 in 2022. This increase is primarily due to finance costs in relation to the bridging loan of £304,529 and share based payment expenses of £240,537.
- The underlying administration expenses of £1,566,055 were in line with the previous year of £1,503,049.
- Consolidated basic and diluted loss per share for the 12 months ended 31 December 2022 was 0.23 pence (2021: loss of 0.16 pence).
- The Company received loan financing from a Nordic Institutional Investor of SEK 22 million, which generated £1,554,381 of net proceeds to fund working capital.
- £1,776,556 in cash was held at the year-end (2021: £3,336,134).
- Exploration assets increased to £13,002,465 at 31 December 2022 compared to £11,235,656 at 31 December 2021.
- The translation reserve losses attributable to the owners of the parent increased from £1,216,985 at 31 December 2021 to £1,289,415 at 31 December 2022. Much of the Company's exploration costs are in Swedish Krona which has weakened against the pound since 31 December 2021.
- At 31 December 2022, there were 632,863,876 Swedish Depository Receipts representing 76.09 per cent of the issued share capital of the Company. The remaining issued share capital of the Company is held in the UK.

## Operational

### Sweden

- Further to the award of the Exploitation Concession for Kallak North in March 2022, on 27 April 2022, the Company announced that discussions were underway with engineering consultants, who will support the completion of a Scoping Study and roadmap to Pre-feasibility, infrastructure operators (rail and power), technical experts, regarding the Kallak resource and ore processing, potential customers, and strategic partners.
- On 13 May 2022, the Company announced that Kurt Budge, CEO, had visited Sweden and provided a brief update on the future development of Kallak at the Swedish Mining Innovation and Research Day in Luleå. During his week-long visit to Sweden, he met with legal advisers to discuss environmental permitting and its place in the overall development timeline for Kallak and engaged in discussions with authorities and potential partners in the future development of Kallak.
- On 10 June 2022, the Company shared that it had learnt that Jåhkågasska tjiellde, a Sami village, through its lawyers, had issued a press release announcing that it will take legal action against the Government of Sweden following the Government's decision, on 22 March 2022, to award an Exploitation Concession for Gállok / Kallak.
- On 13 June 2022, Beowulf announced the appointment of Ulla Sandborgh as CEO of Jokkmokk Iron, Beowulf's wholly-owned Swedish subsidiary and the developer of the Kallak Project.

Ulla has held senior positions in private enterprise and public institutions, in sectors including infrastructure, electricity and water. Her most recent role was a Director General in the Ministry of Enterprise of The Government of Sweden, in which role she was responsible for issues affecting the limestone and cement industries and accountable for the development of a strategy to promote the efficient and sustainable usage of water. Ulla has extensive experience in managing permitting processes and, as part of this, engaging with stakeholders, to ensure interests are safeguarded, and benefits shared.

- On 16 November 2022, Jokkmokk Iron provided a progress update for workstreams associated with Kallak, the Scoping Study and Environmental Permit application.
  - The Scoping Study includes analysis of options and trade-offs for different aspects of the project, for delivering on 'Net Zero' ambitions and developing a sustainable mine.
  - In support of the Scoping Study, the Company engaged Vulcan Technologies Pty Ltd ("VulcanTech"), an Australian company, to complete a Marketing Study to consider traditional and non-traditional market opportunities that might be served by Kallak concentrates. VulcanTech specialises in the modelling of iron and steel making processes.
  - Workstreams associated with the Environmental Permit application are progressing, including updating investigations regarding nature values, water management and options for transporting production from the mine.

### **Finland**

- On 4 July 2022, the Company provided an update on Grafintec. The Company had been exploring for more natural flake graphite, contracting GTK to do an EM survey over the Rääpysjärvi exploration permit, which is located in the municipality of Tuusniemi in Eastern Finland, eight kilometres north-northwest of the Aitolampi graphite project.

Also, Grafintec entered into a MoU with GTK, which provides a framework and a platform to promote and foster cooperation in the fields of circular economy, mineral processing and exploration of graphite as pertaining to anode materials for the lithium-ion battery market and other markets from different raw material sources (Primary, Recycled and Circular) including beneficiation testing and mineralogical research.

- On 25 August 2022, Beowulf notified that the MoU signed between Grafintec and Epsilon Advanced Materials Private Limited had been terminated.
- On 26 September 2022, Grafintec signed a new MoU with Hensen, which includes an agreed framework and key terms on which both companies are collaborating with regards to establishing an anode materials hub in Finland.
- On 7 October 2022, the Company announced the results from the EM survey and assays for Grafintec's Rääpysjärvi flake graphite prospect. The EM survey indicated extensive EM anomalies, significant potential for a larger tonnage of high-grade graphite mineralisation than that defined at Aitolampi and for localised very high-grade mineralisation. Highlights included:
  - 13 highly conductive EM zones were identified, with isolated zones extending for up to 850 metres ("m") strike length and 250m width.
  - Analysis of eight grab samples from outcrops in the area range from 0.52 to >50 per cent total graphitic carbon ("TGC"). The sample assaying more than 50 per cent TGC (limit of the analysing methodology) was taken from a historic graphite quarry situated close to the north-western limit of one of the largest EM conductive zones.
  - Six holes drilled in the 1980s have also been re-sampled and re-assayed for TGC. Two of the drill holes intersected significant graphite mineralisation:
    - TN/SM-2: 19.29m at 5.62 per cent TGC (from 177.11m); and
    - TN/SM-3: 9.84m at 6.70 per cent TGC (from 226.16m) and 35.55m at 4.98 per cent TGC (from 266.45m).

- Previous metallurgical testwork on a 10kg composite grab sample has produced a concentrate grade of 97.4 per cent TGC.
- The encouraging exploration data set indicates significant potential for natural flake graphite mineralisation suitable for graphite-based anodes across Rääpysjärvi.

In the release, the Company reaffirmed that the development of downstream capabilities is a key part of Grafintec's strategy and to support a sustainable graphite anode value chain in Finland, Grafintec is focused on expanding its resource footprint and increasing its raw materials' inventory, primary and recycled, feeding downstream processing, leveraging renewable power, targeting net zero CO<sub>2</sub> emissions ("Net Zero") across the supply chain.

While projects in Finland are still in development, the Company has other initiatives to secure raw materials supply, natural flake graphite and recycled graphite, to feed downstream processing. In May 2022, Grafintec signed an MoU with Dominik Georg Luh Technogرافit GmbH ("Technogرافit"), establishing the basis for a commercial partnership for securing sustainable supply of natural flake graphite for Grafintec's planned graphite anode materials plant; samples are being tested by Hensen and processed to anode material. Also, the Company has testwork programmes on recycled graphite containing waste to assess whether it can be processed to suitable feedstock for anode materials production.

- On 22 December 2022, the Company provided an progress update for Grafintec, including the results and assays of a trenching programme for Rääpysjärvi. Samples were taken from four trenches in different locations within the identified EM conductive Zone 1, with assays confirming the existence of significant flake graphite mineralisation grade and intersected width.

Flake graphite mineralisation discovered in all four trenches sampled, including:

- RAA-TR1-22: 10.6 m at 4.33 per cent total graphitic carbon ("TGC") and 3.8m at 5.77 per cent TGC;
- RAA-TR2-22: 9.96 per cent TGC from grab sample;
- RAA-TR3-22: 5.8m at 7.25 per cent TGC and 7.1 m at 7.43 per cent TGC; and
- RAA-TR4-22: 1.0m at 26.00 per cent TGC.

Rääpysjärvi EM conductive area covers 1.1 square kilometres, including 13 highly conductive EM zones which adds to the potential for a new major flake graphite discovery.

## **Kosovo**

- On 4 July 2022, the Company shared that the latest drilling programme in Kosovo had finished. The focus of drilling had been the Majdan Peak gold target, part of the Mitrovica licence.
- On 22 August 2022, the Company announced the discovery of a large Polymetallic Epithermal System (copper, gold and lead-zinc) at MP, part of Vardar's Mitrovica licence, with drilling results both supporting the potential for epithermal mineralisation of economic grades to be present and for comparisons to be drawn with the Chelopech copper-gold deposit in Bulgaria.
- The exploration programme consisted of 11 widely spaced diamond drillholes covering an area 1,400m by 700m. All drillholes intersected abundant sulphides, intense alteration, and multiple generations of veining which are all factors indicative of a large polymetallic epithermal system. Significant gold-copper-silver, lead-zinc-silver and gold intersections include:
  - Drillhole MP006: 10.8m at 0.48 grammes per tonne ("g/t") gold ("Au"), 0.1 per cent copper ("Cu") and 18 g/t silver ("Ag"), including 3.2m at 1.1 g/t Au, 0.2 per cent Cu and 50 g/t Ag;

- Drillhole MP006: 6.8m at 4.1 per cent lead ("Pb"), 0.6 per cent zinc ("Zn") and 15 g/t Ag; and
- Drillhole MP013: 16.1m at 0.21 g/t Au.
- Following this, on 8 September 2022, the Company announced additional analysis of drilling and exploration activities in and around the Majdan Peak South ("MPS") area. This analysis generated additional exploration targets effectively increasing the significant district potential. The additional targets include Gold Ridge and Red Lead.
- The main objective of exploration is to discover an economic deposit of base and precious metals, and recent drilling has shown this potential. Drilling at MPS intercepted several noteworthy precious metals intersections, including:
  - Drillhole MP002: 8.8 m at 0.34 g/t Au, including 0.9m at 1.52 g/t Au and 20 g/t Ag; and
  - Drillhole MP003: 36.4m at 19 g/t Ag, 0.5 per cent Pb and 0.2 per cent Zn, including:
    - 1.5m at 128 g/t Ag, 0.35 per cent Cu, 1.5 per cent Pb and 0.3 per cent Zn;
    - 1.1m at 71 g/t Ag, 0.1 per cent Cu, 0.7 per cent Pb and 0.3 per cent Zn;
    - 1.0m at 50 g/t Ag, 0.2 per cent Cu, 0.5 per cent Pb and 0.3 per cent Zn;
    - 4.8m at 44 g/t Ag and 0.7 per cent Pb; and
    - 1.1m at 46 g/t Ag, 2.7 per cent Pb and 0.6 per cent Zn.
- On 21 November 2022, Vardar began drilling into Majdan Peak with a short campaign of five diamond holes, the main objective to discover an economic deposit of base and precious metals.
- On 14 December 2022, the Company announced new results from detailed geological mapping over the Red Lead target, located within the Mitrovica Licence. The Red Lead target shares similarities observed at the neighbouring world-class Stan Terg deposit.

The Red Lead target is defined by a two kilometres East-Northeast trending lead-zinc-copper-gold soil sample anomaly along with:

- Mineralised trachyte bodies (with up to three per cent zinc from rock sampling);
- Prominent induced polarisation ("IP") anomalies indicative of potential sulphide metal sources; and
- Hydrothermal breccias and gossanous outcrops.

Detailed mapping has identified marble units along with gossans, trachyte bodies and carbonate alteration, further highlighting the potential for carbonate-replacement style lead-zinc-silver mineralisation.

Several outcrops of marble in the basement host rocks could provide an ideal trap-site for metal-rich hydrothermal fluids.

This important target shares the same host rocks, trachyte heat source, hydrothermal breccias and hydrothermal alteration pattern as the neighbouring Stan Terg deposit which is located equidistant from the Majdan Peak high-sulphidation epithermal target.

- On 16 December 2022, the Company announced an update regarding two new licences added to Vardar's exploration profile.

The licences are situated in the prospective Vardar lead-zinc-silver belt in northern Kosovo along trend from historical mining districts and cover 115 square kilometres. The new licences extend the coverage of Vardar's Mitrovica and Shala exploration projects, both of which display abundant evidence of active epithermal systems with associated lead-zinc-silver and gold-silver-copper mineralisation.

The new licences include prospective carbonate host rocks along with Oligocene magmatic rocks which provide the heat and metal source in the surrounding lead-zinc ore districts, and the alteration and gossan outcrops have been noted in early reconnaissance visits further demonstrating the potential for lead-zinc-silver mineralisation in both of the licences.

### **Corporate**

- On 8 July 2022, the Board approved the implementation of the LTIP for senior and executive management and other eligible employees; the grant of share awards in the form of share options at the discretion of the Company's Remuneration Committee. The Remuneration Committee may determine the specific vesting conditions of individual awards, including vesting period, strike price, expiry date and any performance conditions as it determines reasonable. Total number of options under award will not exceed 10 per cent of the Company's issued ordinary share capital.
- On 4 July 2022, the Company agreed to loan financing from a Nordic Institutional Investor of SEK 22 million (approximately £1.76 million) before expenses, to be used to advance the Company's projects and achieve key milestones, with the focus on Kallak.
- On 7 November 2022, Johan Röstin was appointed as Non-Executive Chairman of the Board following Sven Otto Littorin's resignation.

Mr Röstin was the CEO of ferry operator ForSea for three years, 2017-2020, and before that the CEO of Copenhagen Malmo Port AB, 2009-2017. He has significant experience in infrastructure, logistics, capital investments and permitting processes, and has held Board, executive and senior management positions during his career. In his role at ForSea, Mr Röstin led the company to create a new brand, a stronger organisation and set the company on its sustainability journey.

- On 20 December 2022, Beowulf announced its intention to undertake, in the first quarter of 2023, a preferential rights issue of SDRs with a PrimaryBid retail offer of ordinary shares of 1 pence each in the capital of the Company ("Ordinary Shares") in the UK. The SDRs represent interests in Ordinary Shares and the preferential rights issue of SDRs will amount to approximately SEK 85 million (approximately £6.7 million) before deduction for transaction related costs (the "Rights Issue"). The PrimaryBid retail offer of Ordinary Shares in the UK, will amount to a maximum of approximately SEK 27 million (approximately £2.1 million) before deduction for transaction related costs (the "UK Issue" and, together with the Rights Issue, the "Capital Raise").

### **Post Period**

- Grafintec announced, on 9 January 2023, that it had awarded a PFS contract to RB Plant to assess the technical, economic, statutory, regulatory and commercial options for a natural flake graphite micronisation, spheronisation, purification, and coating plant in Finland.

The study will investigate the Best Available Technology ("BAT") with consideration for environmental, operational and financial factors and performance, for transforming a high-grade natural flake graphite concentrate to graphite anode material suitable for the European Lithium-Ion Battery ("LIB") market opportunities.

The PFS is a key part of Grafintec's strategy to develop a Finnish value chain for anode materials production, aligned with the objectives of the funding received from Business Finland as part of the



BATCircle2.0 (Finland-based Circular Ecosystem of Battery Metals) consortium. BATCircle2.0 is a key project in Business Finland's Smart Mobility and Batteries from Finland programmes.

- On 24 January 2023, the Company announced positive economic results from the Scoping Study for Kallak North, part of the Kallak Iron Ore Project, which boost the Company's plans to begin producing high-grade iron concentrate in 2026. The complete announcement can read at:

[https://polaris.brighterir.com/public/beowulf\\_mining\\_plc/news/rns/story/x5z928x](https://polaris.brighterir.com/public/beowulf_mining_plc/news/rns/story/x5z928x)

- On 21 February 2023, Grafintec announced that it had signed a site reservation agreement with the municipality of Korsholm, securing Plot 1, Block 3017 in the GigaVaasa area, for the establishment of a GAMP. The agreement was signed on 13 February 2023 and the reservation is valid for an initial six-month period from signing, with the option to extend.

Over the coming months, Grafintec will work closely with the municipality of Korsholm and other important stakeholders, continue with its PFS announced on 9 January 2023, and in addition parallel workstreams as part of an Environmental Assessment Impact ("EIA") programme. Grafintec intends to apply for a long-term site reservation for Plot 1 before the end of July 2023.

Plot 1 covers an area of approximately 47 hectares and is located immediately to the south-southeast of the area where FREYR, the battery cell manufacturing company, has secured land to develop industrial scale battery technology and production.

- On 22 February 2023, Jokkmokk Iron provided a progress report for Kallak. Since the positive economic results from the Scoping Study for the Kallak North 'Only' Base Case, Jokkmokk Iron continues to make rapid progress with workstreams supporting the Environmental Permit application for Kallak North.

Ulla Sandborgh, CEO of Jokkmokk Iron, has been building the expertise within the Jokkmokk Iron team. When the Capital Raise has been completed, plans and budgets will be finalised that will support the application of the Environmental Permit in Q4 2023 and the start of the PFS.

## **ESG**

- On 27 April 2022, in its update on the plans for Kallak's development, the Company shared that it had been reviewing workstreams and timelines that would open up the potential for the initially proposed timeframe of 4-5 years to be shortened through local partnerships, greater collaboration, and efficient development, application and permitting processes.
- On 13 May 2022, regarding Community Initiatives, the Company announced that discussions were taking place with the responsible local agency in Jokkmokk about conducting surveys to map the current workforce and future workforce, school leavers and university students in the region, to determine what initiatives need to be started to ensure sufficient locally based skilled persons are available for work at the mine or in other businesses established by the economic stimulus created by the mine.

The Company wants to be recognised for living its values of Respect, Partnership and Responsibility. Our recent ESG work has identified, as material to the Company's activities, the following main Sustainable Development Goals and relevant actions under each goal which the Company will be focusing on:

- Goal 6: Ensure availability and sustainable management of water and sanitation for all
  - Target 6.1 - By 2030, achieve universal and equitable access to safe and affordable drinking water for all
  - Target 6.4 - By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity

- Goal 8: Decent work and economic growth
  - Target 8.2 - Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors
  - Target 8.4 - Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead
  - Target 8.5 - By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value
- Goal 9: Industry, innovation and infrastructure
  - Target 9.1 - Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all
  - Target 9.4 - By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
- Goal 12: Responsible production and consumption
  - Target 12.2 - By 2030, achieve the sustainable management and efficient use of natural resources
  - Target 12.5 - By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
  - Target 12.6 - Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
- Goal 13: Climate Action
  - Target 13.2 - Integrate climate change measures into national policies, strategies and planning
- When it comes to the development of the Company's projects and with Kallak as the frontrunner, the above goals and our future compliance with The Equator Principles are being factored into our thinking, design, engineering, and planning of our operations and management systems.

The Company's ESG Policy is available on the website following the link below:

<https://beowulfmining.com/about-us/esg-policy/>

### ***Kallak North Scoping Study - ESG***

Jokkmokk Iron's vision for the Kallak Iron Ore Project ("KIOP") is to provide iron concentrates to feed the burgeoning low-carbon steel industry in Sweden and Europe. The energy transition currently underway requires a step-change in raw material production - both primary (mining) and secondary (recycling). Wind turbines, solar panels, electric vehicles, along with the electrical infrastructure required to allow these low-carbon technologies to function, are reliant on high-quality steel.

Beowulf and Jokkmokk Iron understand that developing Kallak North will come with environmental and social challenges. The land on which the deposit sits is used by indigenous reindeer herding communities of the Jåhkågasska tjielde Sámi village (sameby). The Sámi community - including the Sámi council (Sámiráđđi) - have objections to a mining development, being concerned that Kallak will affect reindeer herding in terms of a loss of grazing lands, creating a barrier to free movement and other social and environmental impacts.

As part of the Scoping Study, SRK and the Company have made a preliminary identification of the bio-physical, socio-economic and cultural issues potentially arising from the Project and how this may affect the reindeer herding communities. Definition of the associated impacts will be the subject of ongoing dialogue with potentially affected stakeholders, including the Sami villages, as part of the updated environmental and social impact assessment (ESIA, or miljökonsekvensbeskrivning [MKB]) that is currently being planned to update the

preliminary MKB produced as part of the Kallak K nr 1 Exploitation Concession (Bearbetningskoncession) application in 2013.

At this stage of study, during early Project planning, the focus is on avoiding potential impacts as far as practicable and starting to identify the design and operational controls that can mitigate impacts, which cannot be avoided.

The Scoping Study has included the following design considerations to minimise negative environmental and social impacts:

- Assessment of alternative tailings storage facility locations to reduce surface footprint and potential community health risks.
- Fully electric mining and concentrate transport fleet from start-up of operations, including trolley-assisted charging. This will take advantage of the low-intensity greenhouse gas emissions of the Swedish national grid, dominated by hydroelectric power and wind.
- Optimisation of the pit to balance value from extracted ore with waste rock production, not simply focussed on maximising profitability. This has minimised the surface footprint of the planned waste rock dumps along with post-processed tailings waste.
- Concentrate transport route planned to avoid the Lapponia World Heritage site to the north.
- Concentrate transport using battery electric heavy good's vehicles and existing rail infrastructure.
- Abatements around the pit crest to reduce noise, dust and visual impacts.

As part of the Pre-feasibility Study, planned to begin in Q2 2023, these concepts will be developed further along with other innovations to maximise the value of the mined material, such as producing construction materials as by-products.

It is the Company's aim to operate the Kallak North mine alongside Sámi reindeer husbandry and local landowners, and the Company is committed to ensuring land is restored and rehabilitated on closure suitable for those that will use it. This requires close communication and sharing of ideas, which has been achieved for other projects across the Sápmi area of Sweden, Finland and Norway. Jokkmokk Iron has re-initiated the stakeholder engagement process with local Sámi communities through consultation and held meetings in Jokkmokk, with both the Sámi communities and other local stakeholders.

### ***Stakeholder Engagement***

Recognising the historical and current opposition to the Project, the presence of indigenous people and the risk to the permitting processes, the Company intends to undertake close communication and sharing of ideas with key stakeholders. Jokkmokk Iron has re-initiated the stakeholder engagement process with local Sámi communities and held meetings in Jokkmokk with both the Sámi communities and other local stakeholders. Since the Kallak North Exploitation Concession was awarded, there has been one information meeting in Jokkmokk held in December 2022, with more meetings planned before formal consultation on the draft Environmental Permit begins. An initial meeting with reindeer herders took place in autumn 2022, though the most impacted Sami village abstained from attendance, and four meetings per year are planned in the future. Meetings with authorities are ongoing.

## Enquiries:

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## Cautionary Statement

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

## About Beowulf Mining plc

Beowulf Mining plc ("Beowulf" or the "Company") is an exploration and development company, listed on the AIM market of the London Stock Exchange and the Spotlight Exchange in Sweden. The Company listed in Sweden in 2008 and, 31 December 2022, was 76.04 per cent owned by Swedish shareholders.

Beowulf's purpose is to be a responsible and innovative company that creates value for our shareholders, wider society and the environment, through sustainably producing critical raw materials needed for the transition to a Green Economy.

The Company has an attractive portfolio of assets, including commodities such as iron ore, graphite, base and precious metals, with activities in exploration, the development of mines and downstream production in Sweden, Finland and Kosovo.

In Sweden, Jokkmokk Iron, a wholly-owned subsidiary, is developing the Company's most advanced project Kallak, from which testwork has produced a 'market leading' magnetite concentrate of 71.5 per cent iron content. In the Kallak area, 389 million tonnes of iron mineralisation has been estimated, a potential source of high quality iron ore for fossil-free steel making in the Nordic region for decades to come.

In Finland, Grafintec, a wholly-owned subsidiary, is developing a natural flake graphite inventory (defined resources at the Aitolampi project indicate 1.275 million tonnes contained graphite). Grafintec is working towards creating a sustainable value chain in Finland from high quality natural flake graphite resources to anode material production, leveraging renewable power, targeting Net Zero CO<sub>2</sub> emissions across the supply chain.

In Kosovo, the Company owns approximately 61 per cent of Vardar Minerals ("Vardar"), which is focused 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.

Kallak is the foundation asset of the Company, and, with Grafintec and Vardar, each business area displays strong prospects, presents opportunities to grow, with near-term and longer-term value-inflection points.

Beowulf wants to be recognised for living its values of Respect, Partnership and Responsibility. The Company's ESG Policy is available on the website following the link below:

<https://beowulfmining.com/about-us/esg-policy/>

**BEOWULF MINING PLC**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE TWELVE MONTHS TO 31 DECEMBER 2022 AND THE THREE MONTHS TO 31 DECEMBER**  
**2022**

		(Unaudited) 3 months ended 31 December 2022	(Unaudited) 3 months ended 31 December 2021	(Unaudited) 12 months ended 31 December 2022	(Audited) 12 months ended 31 December 2021
	Notes	£	£	£	£
<b>Continuing operations</b>					
Administrative expenses		(492,731)	(384,099)	(1,566,055)	(1,503,049)
Impairment of exploration assets	7	(36,988)	-	(36,988)	-
Impairment of property, plant and equipment		-	-	-	(48,966)
Share based payment expense	6	(113,046)	-	(240,537)	-
<b>Operating loss</b>		<b>(642,765)</b>	<b>(384,099)</b>	<b>(1,843,580)</b>	<b>(1,552,015)</b>
Finance costs	3	(158,559)	(77)	(304,796)	(256)
Finance income		127	12	176	71
Grant income		14,579	52,385	84,797	66,589
Gain on disposal of investment		21,951	-	21,951	-
<b>Loss before and after taxation</b>		<b>(764,667)</b>	<b>(331,779)</b>	<b>(2,041,452)</b>	<b>(1,485,611)</b>
Loss attributable to:					
Owners of the parent		(723,801)	(296,703)	(1,948,459)	(1,351,179)
Non-controlling interests		(40,866)	(35,076)	(92,993)	(134,423)
		<b>(764,667)</b>	<b>(331,779)</b>	<b>(2,041,452)</b>	<b>(1,485,611)</b>
Loss per share attributable to the owners of the parent:					
Basic and diluted (pence)	4	(0.09)	(0.04)	(0.23)	(0.16)

**BEOWULF MINING PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS**  
**FOR THE TWELVE MONTHS TO 31 DECEMBER 2022 AND THE THREE MONTHS TO 31 DECEMBER**  
**2022**

	(Unaudited) 3 months ended 31 December 2022	(Unaudited) 3 months ended 31 December 2021	(Unaudited) 12 months ended 31 December 2022	(Audited) 12 months ended 31 December 2021
	£	£	£	£
<b>Loss for the year</b>	(764,667)	(331,779)	(2,041,452)	(1,485,611)
<b>Other comprehensive income</b>				
<b>Items that may be reclassified</b> <b>subsequently to profit or loss:</b>				
Exchange losses arising on translation of foreign operations	(96,142)	(319,765)	(32,945)	(794,368)
<b>Total comprehensive loss</b>	<u>(860,809)</u>	<u>(651,544)</u>	<u>(2,074,397)</u>	<u>(2,279,979)</u>
Total comprehensive income loss attributable to:				
Owners of the parent	(827,485)	(601,942)	(2,020,889)	(2,110,892)
Non-controlling interests	(33,324)	(49,602)	(53,508)	(169,087)
	<u>(860,809)</u>	<u>(651,544)</u>	<u>(2,074,397)</u>	<u>(2,279,979)</u>

**BEOWULF MINING PLC**  
**CONDENSED COMPANY STATEMENT OF COMPREHENSIVE LOSS**  
**FOR THE TWELVE MONTHS TO 31 DECEMBER 2022 AND THE THREE MONTHS TO 31 DECEMBER**  
**2022**

		(Unaudited) 3 months ended 31 December 2022	(Unaudited) 3 months ended 31 December 2021	(Unaudited) 12 months ended 31 December 2022	(Audited) 12 months ended 31 December 2021
	Notes	£	£	£	£
<b>Continuing operations</b>					
Administrative expenses		(191,173)	(210,276)	(916,909)	(1,233,369)
Share based payment expense	6	(62,652)	-	(173,345)	-
<b>Operating loss</b>		<b>(253,825)</b>	<b>(210,276)</b>	<b>(1,090,254)</b>	<b>(1,233,369)</b>
Finance costs	3	(158,449)	-	(304,529)	-
Finance income		122	12	170	71
Gain on disposal of investments		21,951	-	21,951	-
<b>Loss before and after taxation and total comprehensive loss</b>		<b>(390,201)</b>	<b>(210,264)</b>	<b>(1,372,662)</b>	<b>(1,233,298)</b>
Loss per share attributable to the owners of the parent: Basic and diluted (pence)	4	(0.05)	(0.03)	(0.17)	(0.15)



**BEOWULF MINING PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

		(Unaudited) As at 31 December 2022 £	(Audited) As at 31 December 2021 £
<b>ASSETS</b>	Notes		
<b>Non-current assets</b>			
Intangible assets	7	13,002,465	11,235,656
Property, plant and equipment		129,715	133,428
Loans and other financial assets		5,181	5,247
Right of use asset		19,279	7,401
		<u>13,156,640</u>	<u>11,381,732</u>
<b>Current assets</b>			
Trade and other receivables		220,427	183,139
Cash and cash equivalents		1,776,556	3,336,134
		<u>1,996,983</u>	<u>3,519,273</u>
<b>TOTAL ASSETS</b>		<u>15,153,623</u>	<u>14,901,005</u>
<b>EQUITY</b>			
<b>Shareholders' equity</b>			
Share capital	5	8,317,106	8,317,106
Share premium		24,689,311	24,689,311
Capital contribution reserve		46,451	46,451
Share based payment reserve		516,098	668,482
Merger reserve		137,700	137,700
Translation reserve		(1,289,415)	(1,216,985)
Accumulated losses		(20,323,414)	(18,470,675)
<b>Total equity</b>		<u>12,093,837</u>	<u>14,171,390</u>
Non-controlling interests		568,732	325,039
<b>TOTAL EQUITY</b>		<u>12,662,569</u>	<u>14,496,429</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		625,730	357,236
Grant income		-	39,849
Lease liability		19,377	7,491
Borrowings	8	1,845,947	-
<b>TOTAL LIABILITIES</b>		<u>2,491,054</u>	<u>404,576</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>15,153,623</u>	<u>14,901,005</u>

**BEOWULF MINING PLC**  
**CONDENSED COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

		(Unaudited) As at 31 December 2022 £	(Audited) As at 31 December 2021 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments		3,645,181	2,377,988
Loans and other financial assets		11,084,289	10,179,650
Property, plant and equipment		834	1,112
		<u>14,730,304</u>	<u>12,558,750</u>
<b>Current assets</b>			
Trade and other receivables		53,284	41,185
Cash and cash equivalents		1,667,840	3,075,741
		<u>1,721,124</u>	<u>3,116,926</u>
<b>TOTAL ASSETS</b>		<u>16,451,428</u>	<u>15,675,676</u>
<b>EQUITY</b>			
<b>Shareholders' equity</b>			
Share capital	5	8,317,106	8,317,106
Share premium		24,689,311	24,689,311
Capital contribution reserve		46,451	46,451
Share option reserve		516,098	668,482
Merger reserve		137,700	137,700
Accumulated losses		<u>(19,317,455)</u>	<u>(18,337,714)</u>
<b>TOTAL EQUITY</b>		<u>14,389,211</u>	<u>15,521,336</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		216,270	114,491
Grant income		-	39,849
Borrowings	8	<u>1,845,947</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>2,062,217</u>	<u>154,340</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>16,451,428</u>	<u>15,675,676</u>

**BEOWULF MINING PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE TWELVE MONTHS TO 31 DECEMBER 2022**

	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 2021</b>	8,281,752	24,684,737	46,451	732,185	137,700	(457,272)	(17,083,186)	16,342,367	394,113	16,736,480
Loss for the year	-	-	-	-	-	-	(1,351,179)	(1,351,179)	(134,432)	(1,485,611)
Foreign exchange translation	-	-	-	-	-	(759,713)	-	(759,713)	(34,655)	(794,368)
Total comprehensive loss	-	-	-	-	-	(759,713)	(1,351,179)	(2,110,892)	(169,087)	(2,279,979)
<i>Transactions with owners</i>										
Issue of share capital	35,354	23,334	-	-	-	-	-	58,688	-	58,688
Costs associated with the issue of new shares	-	(18,760)	-	-	-	-	-	(18,760)	-	(18,760)
Step up interest in subsidiary	-	-	-	-	-	-	(100,013)	(100,013)	100,013	-
Transfer of reserve on option exercised	-	-	-	(63,703)	-	-	63,703	-	-	-
<b>At 31 December 2021 (Audited)</b>	8,317,106	24,689,311	46,451	668,482	137,700	(1,216,985)	(18,470,675)	14,171,390	325,039	14,496,429
Loss for the year	-	-	-	-	-	-	(1,948,459)	(1,948,459)	(92,993)	(2,041,452)
Foreign exchange translation	-	-	-	-	-	(72,430)	-	(72,430)	39,485	(32,945)
Total comprehensive loss	-	-	-	-	-	(72,430)	(1,948,459)	(2,020,889)	(53,508)	(2,074,397)
<i>Transactions with owners</i>										
Equity-settled share-based payment transactions	-	-	-	240,537	-	-	-	240,537	-	240,537
Step up interest in subsidiary	-	-	-	-	-	-	(297,201)	(297,201)	297,201	-
Transfer on lapse of options	-	-	-	(392,921)	-	-	392,921	-	-	-
<b>At 31 December 2022 (Unaudited)</b>	8,317,106	24,689,311	46,451	516,098	137,700	(1,289,415)	(20,323,414)	12,093,837	568,732	12,662,569

**BEOWULF MINING PLC**  
**CONDENSED COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE TWELVE MONTHS TO 31 DECEMBER 2022**

	Share capital	Share premium	Merger reserve	Capital contribution reserve	Share-based payment reserve	Accumulated losses	Total
	£	£	£	£	£	£	£
<b>At 1 January 2021</b>	8,281,752	24,684,737	137,700	46,451	732,185	(17,168,119)	16,714,706
Loss for the year	-	-	-	-	-	(1,233,298)	(1,233,298)
Total comprehensive loss	-	-	-	-	-	(1,233,298)	(1,233,298)
<i>Transactions with owners</i>							
Issue of share capital	35,354	23,334	-	-	-	-	58,688
Costs associated with the issue of new shares	-	(18,760)	-	-	-	-	(18,760)
Transfer of reserve on option exercised	-	-	-	-	(63,703)	63,703	-
<b>At 31 December 2021 (Audited)</b>	<b>8,317,106</b>	<b>24,689,311</b>	<b>137,700</b>	<b>46,451</b>	<b>668,482</b>	<b>(18,337,714)</b>	<b>15,521,336</b>
Loss for the year	-	-	-	-	-	(1,372,662)	(1,372,662)
Total comprehensive loss	-	-	-	-	-	(1,372,662)	(1,372,662)
<i>Transactions with owners</i>							
Equity-settled share-based payment transactions	-	-	-	-	240,537	-	240,537
Transfer on lapse of options	-	-	-	-	(392,921)	392,921	-
<b>At 31 December 2022 (Unaudited)</b>	<b>8,317,106</b>	<b>24,689,311</b>	<b>137,700</b>	<b>46,451</b>	<b>516,098</b>	<b>(19,317,455)</b>	<b>14,389,211</b>

**BEOWULF MINING PLC**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**AS AT 31 DECEMBER 2022**

	(Unaudited) 31 December 2022 £	(Audited) 31 December 2021 £
<b>Cash flows from operating activities</b>		
Loss before income tax	(2,041,452)	(1,485,611)
Depreciation charges	46,388	36,790
Equity-settled share-based transactions	240,537	23,334
Impairment of exploration costs	36,988	-
Impairment of PPE	-	48,966
Finance income	(176)	(71)
Finance expense	304,796	256
Grant income	(84,797)	(66,589)
Gain on sale of fixed asset	-	(17,414)
Gain on sale of investment	(21,951)	-
Amortisation	6,384	5,630
Unrealised foreign exchange losses	55,335	292,452
	<u>(1,457,948)</u>	<u>(1,162,257)</u>
Increase in trade and other receivables	(36,535)	(12,796)
Decrease in trade and other payables	(43,828)	(174,732)
Net cash used in operating activities	<u>(1,538,311)</u>	<u>(1,349,785)</u>
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	(1,536,674)	(735,847)
Purchase of property, plant and equipment	(34,397)	(86,219)
Proceeds from sale of investments	21,951	-
Proceeds from sale of fixed assets	-	24,806
Interest received	176	71
Net grant receipt	44,948	24,031
Net cash used in investing activities	<u>(1,503,996)</u>	<u>(773,158)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares in prior year	-	1,392,081
Proceeds from issue of shares	-	35,354
Payment of share issue costs	-	(18,760)
Lease principal paid	(6,347)	(5,594)
Lease interest paid	(264)	(256)
Proceeds from borrowings, net of costs	1,554,381	-
Net cash from financing activities	<u>1,547,770</u>	<u>1,402,825</u>
<b>Decrease in cash and cash equivalents</b>	(1,494,537)	(720,118)
Cash and cash equivalents at beginning of year	3,336,134	4,329,414
Effect of foreign exchange rate changes	(65,041)	(273,162)
<b>Cash and cash equivalents at end of year</b>	<u>1,776,556</u>	<u>3,336,134</u>

**BEOWULF MINING PLC**  
**CONDENSED COMPANY CASH FLOW STATEMENT**  
**AS AT 31 DECEMBER 2022**

	(Unaudited) 31 December 2022 £	(Audited) 31 December 2021 £
<b>Cash flows from operating activities</b>		
Loss before income tax	(1,372,662)	(1,233,298)
Expected credit loss	5,336	187,340
Equity-settled share-based transactions	173,345	23,334
Depreciation	278	371
Finance income	(170)	(71)
Finance costs	304,529	-
Gain on disposal of investment	(21,951)	-
Unrealised foreign exchange losses	55,336	293,304
	<u>(855,959)</u>	<u>(729,020)</u>
(Increase)/decrease in trade and other receivables	(12,099)	43,490
Increase /(decrease) in trade and other payables	101,779	(166,371)
	<u>(766,280)</u>	<u>(851,901)</u>
<b>Cash flows from investing activities</b>		
Loans to subsidiaries	(909,975)	(1,122,845)
Interest received	170	71
Financing of subsidiary	(1,200,000)	(300,000)
Grant repayment	(39,848)	-
Proceeds from sale of investments	21,951	-
	<u>(2,127,701)</u>	<u>(1,422,774)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares in prior year	-	1,392,081
Proceeds from issue of shares	-	35,354
Payment of share issue costs	-	(18,760)
Proceeds from borrowings, net of costs	1,554,381	-
	<u>1,554,381</u>	<u>1,408,675</u>
<b>Decrease in cash and cash equivalents</b>	(1,339,600)	(866,000)
Cash and cash equivalents at beginning of year	3,075,741	4,241,426
Effect of foreign exchange rate changes	(68,301)	(299,685)
	<u>1,667,840</u>	<u>3,075,741</u>
<b>Cash and cash equivalents at end of year</b>	<u>1,667,840</u>	<u>3,075,741</u>

## **NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FOR THE TWELVE MONTHS TO 31 DECEMBER 2022**

### **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 UK-adopted 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 2021 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 2021 is audited. The audit of the financial information for the year ended 31 December 2022 is currently being completed. The auditor’s report on the statutory financial statements for the year ended 31 December 2021 was unqualified and did not contain any statement under sections 498 (2) or (3) of the Companies Act 2006.

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

Management have prepared cash flow forecasts which indicate that although there is no immediate funding requirement, the Group will need to raise further funds in the next 12 months for corporate overheads and to advance its key projects and investments.

The Group are currently undertaking a preferential rights issue which is due to complete on 28 February 2023 and the Directors are confident of being able to raise the funds required, given the rights issue is being underwritten. They have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis.

### 3. Finance costs

<b>Group</b>	(Unaudited) 3 months ended 31 December 2022	(Unaudited) 3 months ended 31 December 2021	(Unaudited) 12 months ended 31 December 2022	(Audited) 12 months ended 31 December 2021
Bridging loan amortised interest	158,499	-	304,529	-
Lease liability interest	60	77	267	256
	<u>158,559</u>	<u>77</u>	<u>304,796</u>	<u>256</u>
<b>Parent</b>	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Bridging loan amortised interest	158,499	-	304,529	-
	<u>158,499</u>	<u>-</u>	<u>304,529</u>	<u>-</u>

### 4. Loss per share

<b>Group</b>	(Unaudited) 3 months ended 31 December 2022	(Unaudited) 3 months ended 31 December 2021	(Unaudited) 12 months ended 31 December 2022	(Audited) 12 months ended 31 December 2021
Loss for the period/year attributable to shareholders of the Company (£'s)	(723,801)	(296,703)	(1,948,459)	(1,351,188)
Weighted average number of ordinary shares	831,710,636	831,710,636	831,710,636	829,879,971
Loss per share (p)	<u>(0.09)</u>	<u>(0.04)</u>	<u>(0.23)</u>	<u>(0.16)</u>
<b>Parent</b>				
Loss for the period/year attributable to shareholders of the Company (£'s)	(390,201)	(210,264)	(1,372,662)	(1,233,298)
Weighted average number of ordinary shares	831,710,636	831,710,636	831,710,636	829,879,971
Loss per share (p)	<u>(0.05)</u>	<u>(0.03)</u>	<u>(0.17)</u>	<u>(0.15)</u>



## 5. Share capital

	(Unaudited) 31 December 2022 £	(Audited) 31 December 2021 £
<b>Allotted, issued and fully paid</b>		
Ordinary shares of 1p each	<u>8,317,106</u>	<u>8,317,106</u>

The number of shares in issue was as follows:

	Number of shares
<b>Balance at 1 January 2021</b>	828,175,224
Issued during the year	<u>3,535,412</u>
<b>Balance at 31 December 2021</b>	831,710,636
Issued during the year	-
<b>Balance at 31 December 2022</b>	<u><u>831,710,636</u></u>

## 6. Share based payments

During the year ended 31 December 2022, 23,250,000 options were granted (2021: Nil). The options outstanding as at 31 December 2022 have an exercise price in the range of 1.00 pence to 7.35 pence (2021: 7.35 pence to 12.00 pence) and a weighted average remaining contractual life of 7 years, 98 days (2021: 1 year, 234 days).

The share-based payments expense for the options for the year ended 31 December 2022 was £240,537 (2021: £Nil).

The fair value of share options granted and outstanding were measured using the Black-Scholes model, with the following inputs:

	2022		2019
Number of options	20,750,000	2,500,000	9,250,000
Fair value at grant date	3.12p	3.59p	1.15p
Share price	4.00p	4.00p	5.65p
Exercise price	5.25p	1.00p	7.35p
Expected volatility	100%	100%	51.89%
Option life	10 years	10 years	5 years
Risk free interest rate	4.480%	4.520%	0.718%

The options issued will be settled in the equity of the Company when exercised and have a vesting period of one year from date of grant.

Reconciliation of options in issue	Weighted average exercise price (£'s)		Weighted average exercise price (£'s)	
	Number 2022	2022	Number 2021	2021
Outstanding at 1 January	13,750,000	0.089	22,750,000	0.060
Granted during the year	23,250,000	0.048	-	-
Exercised during the year	-	-	(9,000,000)	0.017
Lapsed during the year	(4,500,000)	0.120	-	-
Outstanding at 31 December	<u>32,500,000</u>	<u>0.055</u>	<u>13,750,000</u>	<u>0.089</u>
Exercisable at 31 December	<u>11,750,000</u>	<u>0.060</u>	<u>13,750,000</u>	<u>0.089</u>

## 7. Intangible assets: Group

<b>Exploration costs</b>	As at 31 December 2022 (Unaudited) £	As at 31 December 2021 (Audited) £
<b>Cost</b>		
At 1 January	11,235,656	11,371,916
Additions for the year	1,850,946	682,367
Foreign exchange movements	(47,149)	(818,627)
Impairment	(36,988)	-
	<u>13,002,465</u>	<u>11,235,656</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 2022 (Unaudited) £	As at 31 December 2021 (Audited) £
Kallak	Sweden	7,666,563	7,210,380
Åtvidaberg	Sweden	358,694	363,131
Ågåsziejegge	Sweden	7,718	6,482
Pitkäjärvi	Finland	1,641,836	1,457,826
Rääpysjärvi	Finland	148,430	73,859
Karhunmäki	Finland	56,089	51,622
Merivaara	Finland	-	36,096
Mitrovica	Kosovo	2,430,150	1,376,598
Viti	Kosovo	687,065	659,662
Emas	Finland	1,663	-
Luopioinen	Finland	4,257	-
		<u>13,002,465</u>	<u>11,235,656</u>

Total Group exploration costs of £13,002,465 are currently carried at cost in the financial statements. The impairment charge arising from the impairment of the project Merivaara was £36,988 (31 December 2021: £nil).

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

The most significant exploration asset within the Group is Kallak. The Company applied for an Exploitation Concession for Kallak North in April 2013 and this was finally awarded in March 2022.

Kallak is included in the condensed financial statements as at 30 December 2022 as an intangible exploration licence with a carrying value of £7,666,563. Given the Exploitation Concession was awarded, Management have considered that there is no current risk associated with Kallak and thus have not impaired the project.

## 8. Borrowings

	(Unaudited) 31 December 2022 £	(Audited) 31 December 2021 £
<b>Current</b>		
Bridging loan	1,845,947	-
Total	<u>1,845,947</u>	<u>-</u>

On 3 July 2022, the Company secured a bridging loan from a Nordic investor of SEK 22 million (approximately £1.76 million) before expenses. The Loan has a fixed interest rate of 1.5 percent per stated 30-day period during the duration. Accrued interest is compounding. The Loan has a commitment fee of 5 per cent and a Maturity Date of 28 February 2023.

Beowulf can repay the Loan and accrued interest at any time prior to the Maturity Date. If the Loan and accrued interest is not repaid by 28 February 2023, at the latest, the Creditors have the right to offset a minimum of SEK 1 million at a time of the Loan and accrued interest into Swedish Depository Receipts ("SDR") at a price per SDR calculated with a 15 per cent discount on the volume weighted average price of the SDR during the preceding 5 trading days to the conversion decision.

## 9. Post balance sheet events

On 12 January 2023, the Company announced further investment in Vardar Minerals Limited of £250,000. The investment increases the Company's ownership in Vardar from 59.5 per cent to 61.1 per cent approximately. This funding will be used to start preparations for the 2023 exploration programme.

On 25 January 2023 the Company announced the launch of a preferential rights issue of up to 316,681,938 Swedish Depository Receipts ("SDRs") and a PrimaryBid retail offer of up to 104,000,000 ordinary shares of 1 pence each in the capital of the Company in the UK. In addition, members of the Board and executive management have agreed to subscribe for a total of 8,800,481 New Ordinary Shares, equivalent of approximately £181,000. The SDRs represent interests in Ordinary Shares and the preferential rights issue of SDRs will amount to approximately SEK 85.5 million (approximately £6.8 million) before deduction for transaction related costs. The PrimaryBid retail offer of Ordinary Shares in the UK, will amount to a maximum of approximately SEK 27.1 million (approximately £2.1 million) before deduction for transaction related costs.

Following the year end it became apparent that due to the timing of the receipt of the funds from the preferential rights issue, the Company will not be in a position to pay back the bridging loan facility at its maturity. The outcome of this is that the holder of the loan will enforce the penalty interest for entering another 30-day period, which is expected to be circa 1 million SEK.

On 31 January 2023 there were 633,363,876 Swedish Depository Receipts representing 76.15 per cent of the issued share capital of the Company. The remaining issued share capital of the Company is held in the UK.

## 10. Availability of Unaudited Preliminary Financial Results

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 \*\*