



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.

31 May 2023

Beowulf Mining plc

("Beowulf" or the "Company")

Unaudited Financial Results for the Period Ended 31 March 2023

Beowulf (AIM: BEM; Spotlight: BEO), the mineral exploration and development company, announces its unaudited financial results for the three months ended 31 March 2023 (the "Quarter").

Activities in the Quarter

Corporate

- On 28 February 2023, Beowulf announced the outcome of the Company's Capital Raise. In total, Beowulf received approximately SEK 80.8 million (approximately £6.4 million) (gross). The main purpose of the Capital Raise is to finance the continued development of Kallak North, the start of Pre-feasibility workstreams, and to progress at pace with the preparation of an environmental permit application. Net proceeds from the Capital Raise will also be used to repay bridge loan financing and fund the advancement of Grafintec and Vardar Minerals Ltd ("Vardar").

Sweden

- In January 2023, Beowulf announced positive economic results from the Scoping Study (the "Study") for Kallak North. It was initiated last summer following the award of the Kallak North Exploitation Concession on 22 March 2022. The Study gives confidence in the underlying value of the Kallak North project, providing appropriate analyses and interpretations to support the Company's key project decisions and development strategies, optimising the project development plan while minimising risks.
- The Study incorporates a Mineral Resource Estimate ("MRE") with effective date of 9 May 2021 and an economic assessment for a mining operation producing up to 2.7 million tonnes per annum ("Mtpa") of high-grade iron concentrate over a production life of 14 years. The Study also includes design considerations to minimise negative environmental and social impacts.
- Jokkmokks Iron's CEO, Ulla Sandborgh, invited different stakeholders to a workshop regarding solutions for transportation from the mine. Long-term sustainable transport options are a prerequisite for success with the green transition. In this context, the upgrading of the Inlandsbanan – which runs through Jokkmokk – is of central importance for future mining operations in Kallak and for the region.
- A request for proposal (RFQ) for a Pre-feasibility Study ("PFS") was sent out and asked for by the 11 May 2023. The technical results from the PFS will be an important part of the application for the environmental permit.

Finland

- In January 2023, Grafintec awarded a 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 to be built in the GigaVaasa industrial area.

- In January 2023, Grafintec was awarded the claim reservation EMAS 1 in the Kronoby and Evijärvi municipalities in the Ostrobothnia region in Western Finland. The claim reservation covers an area of approximately 26 square kilometres and is valid until December 2024. The claim reservation gives Grafintec the exclusive right to apply for an Exploration permit within the reservation area within the period of validation. The area covers highly prospective ground for nickel, cobalt, lithium, gold, and natural graphite.
- Grafintec has signed a site reservation agreement with the municipality of Korsholm, securing Plot 1, Block 3017 in the GigaVaasa area, for the establishment of a Graphite Anode Materials Plant ("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.

Kosovo

- On 12 January 2023, Beowulf invested £250,000 in Vardar. 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.
- Assay and IR terraspec results were received from ALS laboratories in January for drill holes MP015 and MP016. While both holes were unable to meet the planned target depths due to difficult drilling conditions, MP015 demonstrated that the advanced argillic cap extends further north of the main Madjan Peak ridge than previously anticipated and high temperature alteration minerals intersected in the drill hole indicate proximity to a mineralised source. 3D alteration, structure and lithology models were updated incorporating both holes.
- Targets for the Mitrovica Project were reviewed with follow-up exploration programmes designed. In addition, results from geological mapping completed in December 2022 over the Red Lead Prospect were compiled and new target drill hole collar positions were identified for future drilling.
- Soil sampling resumed at the Shala Prospect.
- Three soil sampling traverses were completed over the Miocene basin margin at the Viti project with a view to identifying an anomalous lithium response associated with the Miocene sedimentary rocks and potentially basin margin structures.
- All necessary forestry permission permits were obtained for the next round of drilling at Mitrovica.

Activities – Post Period

- On 3 May 2023, CEO Kurt Budge stepped down from the Company and ceased to be a director with immediate effect to pursue other business interests. Kurt Budge has been with the Company for nine years and has been instrumental in its growth, including the award of the Exploitation Concession for Kallak North. Kurt Budge was replaced by Johan Röstin who will serve as Executive Chairman and interim CEO until a permanent successor is appointed.
- On 18 April 2023, Grafintec signed a Memorandum of Understanding with Thermal & Material Engineering Centre ("TMEC") from Ukraine to establish a joint venture technology company. TMEC has developed proprietary state-of-the-art purification technology, a continuous thermal process which consumes significantly less energy than conventional commercially available thermal solutions and eliminates the need of hazardous chemicals when purifying graphite. Grafintec and TMEC are seeking to apply the technology to both natural flake and secondary sources of graphite, in conjunction with Grafintec's development of the GAMP in the GigaVaasa industrial area.
- The first stage of process design work for the GAMP being undertaken by RB Plant has progressed well and will be concluded in May 2023.
- Grafintec has advanced the discussions with the municipality of Korsholm to extend the site reservation for Plot 1, Block 3017 in the GigaVaasa industrial area before the current reservation expires end of July 2023.
- Grafintec has initiated a desktop study to review historical exploration data for the EMAS 1 claim reservation with the aim to get better understanding of the geological settings in the area and prospectivity for nickel, cobalt, lithium, gold, and natural graphite mineralisation.

ESG

- A second meeting regarding reindeer herding was held on the 27 March 2023. All three Sami villages involved in the appeal participated in the meeting.
- Hydrogeological investigations have been carried out in the area around Kallak. The investigations shall ensure that the planned mining operations can be carried out within the requirements and limit values that apply to protect, among other things, the environment. The investigations included drilling several wells in both soil and rock and sampling water in existing wells. As part of the investigation, a groundwater model has also been developed.
- Environmental baseline studies are on-going in the area around Kallak. Biological investigations with inventory of nature values continues until the autumn. The work to monitor background noise and air quality has also started. The studies will be used for further planning and impact assessments.
- Environmental baseline studies are on-going in the Aitolampi and Rääpysjärvi natural graphite exploration projects. The work includes baseline water quality monitoring at Aitolampi, using EHP-QMS monitoring stations to enable 24/7 monitoring of pH and conductivity of surface water, ground water levels, as well as precipitation, wind direction and air temperature data. Surface water samples for chemical analysis are also being collected at different locations at both Aitolampi and Rääpysjärvi.

Financial

- The underlying administration expenses of £593,795 exceeded the previous year of £334,734. This increase is due to share-based payment expenses of £80,723 (Q1 2022: £Nil), professional fees of £175,973 (Q1: £79,716), Director Salaries of £92,477 (Q1 £63,176) and a foreign currency loss of £58,817 (Q1: £32,372).
- The consolidated loss before tax increased in the quarter to £764,057 (Q1 2022: £318,007). This increase is primarily due to expenses outlined in the preceding point combined with finance costs in relation to the bridging loan of £195,304 (Q1 2022: £Nil).
- Consolidated basic and diluted loss per share for the quarter ended 31 March 2023 was 0.09 pence (Q1 2022: loss of 0.04 pence).
- The Company raised SEK 80.8 million (approximately £6.4 million) before expenses as part of the Capital Raise, of which, the net proceeds have been used to repay the bridging loan principal and interest of SEK 24.8 million (approximately £2.04 million).
- £4,337,137 in cash was held at 31 March 2023 (31 March 2022: £2,884,642).
- Exploration assets increased to £13,517,973 at 31 March 2023 compared to £11,288,995 at 31 March 2022.
- The cumulative translation losses held in equity increased by £136,587 in the quarter ended 31 March 2023 to £1,426,002 (31 December 2022: loss of £1,289,415). Much of the Company's exploration costs are in Swedish Krona which has weakened against the pound since 31 December 2022.
- At 31 March 2023, there were 889,582,231 Swedish Depository Receipts representing 76.87 per cent of the issued share capital of the Company. The remaining issued share capital of the Company is held in the UK.

Johan Röstin, Acting Chief Executive Officer of Beowulf, comments:

"As Acting CEO of Beowulf Mining, an immediate focus is to actively look to strengthen the Board and Executive team. We are also currently reassessing our timelines for advancing our projects and look forward to a busy schedule ahead. In the short term, we will ensure the continuing advancement of the Company's key projects, Kallak, Mitrovica, and GigaVaasa.

"I am looking to drive the Company forward in alignment with its strategy of being a responsible and innovative company that creates value for our shareholders, wider society and the environment through its diversified asset portfolio by commodity, geography and the development stage of its various projects."

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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.

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, at 31 March 2023, was 76.87 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, which includes iron ore, graphite and base metals, needed for the transition to a Green Economy.

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

The Company's most advanced project is the Kallak iron ore asset in northern Sweden from which testwork has produced a 'market leading' magnetite concentrate of 71.5 per cent iron content. In the Kallak area, the Mineral Resources of the deposits have been classified according to the PERC Standards 2017, as was reported by the Company via RNS on 25 May 2021, based on a revised resource estimation by Baker Geological Services. The total Measured and Indicated resource reports at 132 million tonnes ("Mt") grading 28.3 per cent iron ("Fe"), with an Inferred Mineral Resource of 39 Mt grading 27.1 per cent Fe.

In Finland, Grafintec, a wholly-owned subsidiary, is developing a resource footprint of natural flake graphite and the capability to serve the anode manufacturing. 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 CO₂ emissions across the supply chain.

In Kosovo, the Company owns approximately 61.1 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. With Beowulf's support, Vardar is focused on making a discovery.

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 THREE MONTHS TO 31 MARCH 2023

		(Unaudited) 3 months ended 31 March 2023	(Unaudited) 3 months ended 31 March 2022	(Unaudited) 12 months ended 31 December 2022
	Notes	£	£	£
Continuing operations				
Administrative expenses		(593,735)	(334,734)	(1,806,582)
Impairment of exploration assets		-	-	(36,988)
Operating loss		(593,735)	(334,734)	(1,843,570)
Gain on disposal of investment		-	-	21,951
Finance costs	3	(195,536)	(65)	(304,806)
Finance income		458	6	176
Grant income		24,756	16,786	84,797
Loss before and after taxation		(764,057)	(318,007)	(2,041,452)
Loss attributable to:				
Owners of the parent		(743,435)	(292,943)	(1,948,459)
Non-controlling interests		(20,622)	(25,064)	(92,993)
		(764,057)	(318,007)	(2,041,452)
Loss per share attributable to the owners of the parent:				
Basic and diluted (pence)	4	(0.09)	(0.04)	(0.23)

BOWULF MINING PLC
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
FOR THE THREE MONTHS TO 31 MARCH 2023

	(Unaudited) 3 months ended 31 March 2023 £	(Unaudited) 3 months ended 31 March 2022 £	(Unaudited) 12 months ended 31 December 2022 £
Loss for the period/year	(764,057)	(318,007)	(2,041,452)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Exchange losses arising on translation of foreign operations	<u>(144,847)</u>	<u>(47,965)</u>	<u>(32,945)</u>
Total comprehensive loss	<u>(908,904)</u>	<u>(365,972)</u>	<u>(2,074,397)</u>
Total comprehensive loss attributable to:			
Owners of the parent	(880,022)	(342,750)	(2,020,889)
Non-controlling interests	<u>(28,882)</u>	<u>(23,222)</u>	<u>(53,508)</u>
	<u>(908,904)</u>	<u>(365,972)</u>	<u>(2,074,397)</u>

BOWULF MINING PLC
CONDENSED COMPANY STATEMENT OF COMPREHENSIVE LOSS
FOR THE THREE MONTHS TO 31 MARCH 2023

		(Unaudited) 3 months ended 31 March 2023	(Unaudited) 3 months ended 31 March 2022	(Unaudited) 12 months ended 31 December 2022
	Notes	£	£	£
Continuing operations				
Administrative expenses		(405,557)	(225,913)	(1,090,254)
Operating loss		(405,557)	(225,913)	(1,090,254)
Gain on disposal of investments		-	-	21,951
Finance costs	3	(195,304)	-	(304,529)
Finance income		424	6	170
Loss before and after taxation and total comprehensive loss		<u>(600,437)</u>	<u>(225,907)</u>	<u>(1,372,662)</u>
Loss per share attributable to the owners of the parent:				
Basic and diluted (pence)	4	(0.07)	(0.03)	(0.17)

BEOWULF MINING PLC
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

		(Unaudited) As at 31 March 2023 £	(Unaudited) As at 31 March 2022 £	(Unaudited) As at 31 December 2022 £
ASSETS	Notes			
Non-current assets				
Intangible assets	7	13,517,973	11,288,995	13,002,465
Property, plant and equipment		122,533	119,968	129,715
Loans and other financial assets		5,158	5,230	5,181
Right of use asset		14,950	6,033	19,279
		<u>13,660,614</u>	<u>11,420,226</u>	<u>13,156,640</u>
Current assets				
Trade and other receivables		223,467	179,725	220,427
Cash and cash equivalents		4,337,137	2,884,642	1,776,556
		<u>4,560,604</u>	<u>3,064,367</u>	<u>1,996,983</u>
TOTAL ASSETS		<u>18,221,218</u>	<u>14,484,593</u>	<u>15,153,623</u>
EQUITY				
Shareholders' equity				
Share capital	5	11,571,875	8,317,106	8,317,106
Share premium		27,183,685	24,689,311	24,689,311
Capital contribution reserve		46,451	46,451	46,451
Share-based payment reserve		596,821	668,482	516,098
Merger reserve		137,700	137,700	137,700
Translation reserve		(1,426,002)	(1,266,792)	(1,289,415)
Accumulated losses		(21,114,990)	(19,060,819)	(20,323,414)
Total equity		<u>16,995,540</u>	<u>13,531,439</u>	<u>12,093,837</u>
Non-controlling interests		587,991	599,018	568,732
TOTAL EQUITY		<u>17,583,531</u>	<u>14,130,457</u>	<u>12,662,569</u>
LIABILITIES				
Current liabilities				
Trade and other payables		622,599	308,244	625,730
Deferred income		-	39,759	-
Lease liability		8,884	6,133	10,840
Borrowings	8	-	-	1,845,947
		<u>631,483</u>	<u>354,136</u>	<u>2,482,517</u>
Non-current liabilities				
Lease liability		6,204	-	8,537
		<u>6,204</u>	<u>-</u>	<u>8,537</u>
TOTAL LIABILITIES		<u>637,687</u>	<u>354,136</u>	<u>2,491,054</u>
TOTAL EQUITY AND LIABILITIES		<u>18,221,218</u>	<u>14,484,593</u>	<u>15,153,623</u>

BEOWULF MINING PLC
CONDENSED COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

		(Unaudited) As at 31 March 2023 £	(Unaudited) As at 31 March 2022 £	(Unaudited) As at 31 December 2022 £
ASSETS				
	Notes			
Non-current assets				
Investments		3,931,165	3,577,988	3,645,181
Loans and other financial assets		11,674,430	10,205,707	11,084,289
Property, plant and equipment		782	1,043	834
		<u>15,606,377</u>	<u>13,784,738</u>	<u>14,730,304</u>
Current assets				
Trade and other receivables		57,560	37,020	53,284
Cash and cash equivalents		4,044,888	2,598,356	1,667,840
		<u>4,102,448</u>	<u>2,635,376</u>	<u>1,721,124</u>
TOTAL ASSETS		<u>19,708,825</u>	<u>16,420,114</u>	<u>16,451,428</u>
EQUITY				
Shareholders' equity				
Share capital	5	11,571,875	8,317,106	8,317,106
Share premium		27,183,685	24,689,311	24,689,311
Capital contribution reserve		46,451	46,451	46,451
Share-based payment reserve		596,821	668,482	516,098
Merger reserve		137,700	137,700	137,700
Accumulated losses		(19,917,892)	(18,563,621)	(19,317,455)
TOTAL EQUITY		<u>19,618,640</u>	<u>15,295,429</u>	<u>14,389,211</u>
LIABILITIES				
Current liabilities				
Trade and other payables		90,185	1,084,926	216,270
Deferred income		-	39,759	-
Borrowings	8	-	-	1,845,947
TOTAL LIABILITIES		<u>90,185</u>	<u>1,124,685</u>	<u>2,062,217</u>
TOTAL EQUITY AND LIABILITIES		<u>19,708,825</u>	<u>16,420,114</u>	<u>16,451,428</u>

BEOWULF MINING PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS TO 31 MARCH 2023

	Share capital	Share premium	Capital contribution reserve	Share-based payment reserve	Merger reserve	Translation reserve	Accumulated losses	Total	Non-controlling interest	Total equity
	£	£	£	£	£	£	£	£	£	£
At 1 January 2022	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 period	-	-	-	-	-	-	(292,943)	(292,943)	(25,064)	(318,007)
Foreign exchange translation	-	-	-	-	-	(49,807)	-	(49,807)	1,842	(47,965)
Total comprehensive loss	-	-	-	-	-	(49,807)	(292,943)	(342,750)	(23,222)	(365,972)
<i>Transactions with owners</i>										
Step acquisition of subsidiary	-	-	-	-	-	-	(297,201)	(297,201)	297,201	-
At 31 March 2022 (Unaudited)	8,317,106	24,689,311	46,451	668,482	137,700	(1,266,792)	(19,060,819)	13,531,439	599,018	14,130,457
Loss for the period	-	-	-	-	-	-	(1,655,516)	(1,655,516)	(67,929)	(1,723,445)
Foreign exchange translation	-	-	-	-	-	(22,623)	-	(22,623)	37,643	15,020
Total comprehensive loss	-	-	-	-	-	(22,623)	(1,655,516)	(1,678,139)	(30,286)	(1,708,425)
<i>Transactions with owners</i>										
Equity-settled share-based payment transactions	-	-	-	240,537	-	-	-	240,537	-	240,537
Transfer of reserve on lapse of options	-	-	-	(392,921)	-	-	392,921	-	-	-
At 31 December 2022 (Unaudited)	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
Loss for the period	-	-	-	-	-	-	(743,435)	(743,435)	(20,622)	(764,057)
Foreign exchange translation	-	-	-	-	-	(136,587)	-	(136,587)	(8,260)	(144,847)
Total comprehensive loss	-	-	-	-	-	(136,587)	(743,435)	(880,022)	(28,882)	(908,904)
<i>Transactions with owners</i>										
Issue of share capital	3,254,769	3,654,829	-	-	-	-	-	6,909,598	-	6,909,598
Cost of issue	-	(1,160,455)	-	-	-	-	-	(1,160,455)	-	(1,160,455)
Equity-settled share-based payment transactions	-	-	-	80,723	-	-	-	80,723	-	80,723
Step up interest in subsidiary	-	-	-	-	-	-	(48,141)	(48,141)	48,141	-
At 31 March 2023 (Unaudited)	11,571,875	27,183,685	46,451	596,821	137,700	(1,426,002)	(21,114,990)	16,995,540	587,991	17,583,531

BEOWULF MINING PLC
CONDENSED COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS TO 31 MARCH 2023

	Share capital	Share premium	Capital contribution reserve	Share-based payment reserve	Merger reserve	Accumulated losses	Total
	£	£	£	£	£	£	£
At 1 January 2022	8,317,106	24,689,311	46,451	668,482	137,700	(18,337,714)	15,521,336
Loss for the period	-	-	-	-	-	(225,907)	(225,907)
Total comprehensive loss	-	-	-	-	-	(225,907)	(225,907)
At 31 March 2022 (Unaudited)	8,317,106	24,689,311	46,451	668,482	137,700	(18,563,621)	15,295,429
Loss for the period	-	-	-	-	-	(1,146,755)	(1,146,755)
Total comprehensive loss	-	-	-	-	-	(1,146,755)	(1,146,755)
<i>Transactions with owners</i>							
Equity-settled share-based payment transactions	-	-	-	240,537	-	-	240,537
Transfer of reserve on lapse of option	-	-	-	(392,921)	-	392,921	-
At 31 December 2022 (Unaudited)	8,317,106	24,689,311	46,451	516,098	137,700	(19,317,455)	14,389,211
Loss for the period	-	-	-	-	-	(600,437)	(600,437)
Total comprehensive loss	-	-	-	-	-	(600,437)	(600,437)
<i>Transactions with owners</i>							
Issue of share capital	3,254,769	3,654,829	-	-	-	-	6,909,598
Cost of issue	-	(1,160,455)	-	-	-	-	(1,160,455)
Equity-settled share-based payment transactions	-	-	-	80,723	-	-	80,723
At 31 March 2023 (Unaudited)	11,571,875	27,183,685	46,451	596,821	137,700	(19,917,892)	19,618,640

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FOR THE THREE MONTHS TO 31 MARCH 2023

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 (“IFRS”). 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 quarter ended 31 March 2023 is unaudited and has not been reviewed by the auditors.

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.

In the period, the Group have completed the Rights Issue raising SEK 62.8 million (approximately £5 million) before expenses and the PrimaryBid Offer and Placing raising an aggregate of £1.4 million before expenses. As a result, the underwriting commitments were not activated.

During the period, it became apparent that due to the timing of the receipt of the funds from the 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 enforced the penalty interest for entering another 30-day period, which was circa 1 million SEK. The loan principal and interest totalling £2.13m was repaid via a deduction to the gross proceeds from the Rights Issue.

The net funds raised after the loan repayment and share issue transaction costs are £3.72 million.

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

The Directors are confident they are taking all necessary steps to ensure that the required finance will be available, and they have successfully raised equity finance in the past. They have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis. However, while they are confident of being able to raise the new funds as they are required, there are currently no agreements in place, and there can be no certainty that they will be successful in raising the required funds within the appropriate timeframe.

These conditions indicate the existence of a material uncertainty which may cast significant doubt over the Group’s and the Company’s ability to continue as a going concern and that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result if the Company was unable to continue as a going concern.

3. Finance costs

Group	(Unaudited)	(Unaudited)	(Unaudited)
	3 months ended 31 March 2023 £	3 months ended 31 March 2022 £	12 months ended 31 December 2022 £
Bridging loan amortised interest	195,304	-	304,529
Lease liability interest	232	65	267
Other interest paid	-	-	10
	<u>195,536</u>	<u>65</u>	<u>304,806</u>

Parent	(Unaudited)	(Unaudited)	(Unaudited)
	3 months ended 31 March 2023 £	3 months ended 31 March 2022 £	12 months ended 31 December 2022 £
Bridging loan amortised interest	195,304	-	304,529
	<u>195,304</u>	<u>-</u>	<u>304,529</u>

4. Loss per share

Group	(Unaudited)	(Unaudited)	(Unaudited)
	3 months ended 31 March 2023	3 months ended 31 March 2022	12 months ended 31 December 2022
Loss for the period/year attributable to shareholders of the Company (£'s)	(743,435)	(296,703)	(1,948,459)
Weighted average number of ordinary shares	<u>864,624,023</u>	<u>831,710,636</u>	<u>831,710,636</u>
Loss per share (p)	<u>(0.09)</u>	<u>(0.04)</u>	<u>(0.23)</u>
Parent			
Loss for the period/year attributable to shareholders of the Company (£'s)	(600,437)	(210,264)	(1,372,662)
Weighted average number of ordinary shares	<u>864,624,023</u>	<u>831,710,636</u>	<u>831,710,636</u>
Loss per share (p)	<u>(0.07)</u>	<u>(0.03)</u>	<u>(0.17)</u>

5. Share Capital

	(Unaudited) As at 31 March 2023 £	(Unaudited) As at 31 March 2022 £	(Unaudited) As at 31 December 2022 £
Allotted, issued and fully paid			
Ordinary shares of 1p each	<u>11,571,875</u>	<u>8,317,106</u>	<u>8,317,106</u>

The number of shares in issue was as follows:

	Number of shares
Balance at 1 January 2022	831,710,636
Issued during the period	-
Balance at 31 March 2022	<u>831,710,636</u>
Issued during the period	-
Balance at 31 December 2022	<u>831,710,636</u>
Issued during the period	<u>325,476,900</u>
Balance at 31 March 2023	<u>1,157,187,527</u>

6. Share based payments

During the period, Nil options were granted (Q1 2022: Nil; year ended 31 December 2022: 23,250,000). The options outstanding as at 31 March 2023 have an exercise price in the range of 1.00 pence to 7.35 pence (31 December 2022: 1.00 pence to 7.35 pence) and a weighted average remaining contractual life of 7 years, 8 days (31 December 2022: 7 years, 98 days).

The share-based payment expense for the options for the period ended 31 March 2023 was £80,723 (Q1 2022: £Nil; year ended 31 December 2022: £240,537).

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	Number	Weighted average exercise price (£'s)
Outstanding at 1 January 2022 and 31 March 2022	13,750,000	0.089
Granted during the period	23,250,000	0.048
Lapsed during the period	(4,500,000)	0.120
Outstanding at 31 December 2022 and 31 March 2023	<u>32,500,000</u>	<u>0.055</u>
Exercisable at 31 December 2022 and 31 March 2023	<u>11,750,000</u>	<u>0.060</u>

No warrants were granted during the period (2022: Nil).

7. Intangible Assets: Group

Exploration costs	(Unaudited) As at 31 March 2023 £	(Unaudited) As at 31 December 2022 £
Cost		
Opening balance	13,002,465	11,235,656
Additions for the year	666,073	1,850,946
Foreign exchange movements	(150,565)	(47,149)
Impairment	-	(36,988)
Closing balance	<u>13,517,973</u>	<u>13,002,465</u>

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

Project	Country	(Unaudited) As at 31 March 2023 £	(Unaudited) As at 31 December 2022 £
Kallak	Sweden	8,082,222	7,666,563
Åtvidaberg	Sweden	360,789	358,694
Ågåsjegge	Sweden	7,605	7,718
Pitkäjärvi	Finland	1,664,922	1,641,836
Karhunmäki	Finland	56,063	56,089
Rääpysjärvi	Finland	150,417	148,430
Luopioinen	Finland	4,370	4,257
Emas	Finland	8,488	1,663
Mitrovica	Kosovo	2,498,463	2,430,150
Viti	Kosovo	684,634	687,065
		<u>13,517,973</u>	<u>13,002,465</u>

Total Group exploration costs of £13,517,973 are currently carried at cost in the financial statements. No impairment has been recognised during the period (2022: £36,988).

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 originally applied for the Exploitation Concession in April 2013 and throughout 2017, management have actively sought to progress the application, engaging with the various government bodies and other stakeholders. The Exploitation Concession was finally awarded in March 2022.

Kallak is included in the condensed financial statements as at 31 March 2023 as an intangible exploration licence with a carrying value of £8,082,222. Given the Exploitation Concession was awarded, Management have considered there is no current risk associated with Kallak and thus have not impaired the project.

8. Borrowings

	(Unaudited) As at 31 March 2023 £	(Unaudited) As at 31 December 2022 £
Opening balance	1,845,947	-
Funds advanced	-	1,554,381
Finance costs	195,304	304,529
Effect of FX	(2,818)	(12,963)
Funds repaid	(2,038,433)	-
	<u>-</u>	<u>1,845,947</u>

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

The Loan was accounted for using an amortised cost using an effective rate of interest.

In the period end, it became apparent that due to the timing of the receipt of the funds from the 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 enforced the penalty interest for entering another 30-day period, which was circa 1 million SEK. The loan principal and interest totalling £2.04m was repaid via a deduction to the gross proceeds from the Capital Raise during the period.

9. Post balance sheet events

On 3 May 2023, Mr Kurt Budge resigned as Chief Executive Officer (“CEO”) and director of the Plc and its subsidiaries. Mr Johan Röstin assumed the role of Executive Chairman and acting CEO on the same date.

10. 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. Beowulf Mining plc is registered in England and Wales with registered number 02330496.

** Ends **