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Beowulf Mining plc
(“Beowulf” or the “Company”)

Study of Kallak’s Potential Economic Benefits

Beowulf (AIM: BEM; Aktietorget: BEO), the mineral exploration and development company, focused on the Kallak magnetite iron ore project and the Åtvidaberg polymetallic exploration licence in Sweden, and its graphite portfolio in Finland, is pleased to publish a study completed by Copenhagen Economics titled ‘Kallak – A real asset, and a real opportunity to transform Jokkmokk’ (the “Project”).

The Project builds on the work carried out to date, by the Company and others, including the 2015 independent socio-economic study initiated by Jokkmokks Kommun, completed by consultants, Ramböll. and the 2010 study by the Economics Unit of Luleå University of Technology, ‘Mining Investment and Regional Development: A Scenario-based Assessment for Northern Sweden’. The socio-economic study initiated by Jokkmokks Kommun concluded that, a mining development at Kallak would create direct and indirect jobs, increase tax revenues and slow down population decline.

A presentation by Copenhagen Economics on the Project can be found on the Company’s website:


Highlights of the Project:

• A mining operation at Kallak has the potential to create 250 direct jobs and over 300 indirect jobs in Jokkmokk, over the period that a mine is in operation.

• These jobs could be sustained over a period of 25 years or more, if the Kallak South deposit is mined after the Kallak North deposit, and further deposits at Parkijaure can be defined.

• The Company will seek to establish a ‘Task Force’ with Jokkmokks Kommun and local employment agencies, so that between now and the start of operations, plans are developed and implemented to make sure as many as possible jobs are available to people living in Jokkmokk.

• Kallak has the potential to generate SEK 1 billion in tax revenues, considering the case where 70 per cent of the mine’s workforce are based locally, with annual tax revenues of SEK 40 million over a 25 years mine life.

• These tax revenues would help to develop and sustain public services and infrastructure in Jokkmokk, which are at risk due to a lack of new investment and job creation in the community, a declining population, and an ageing population.
Kurt Budge, CEO, commented:

“I am very pleased to have completed this Project with the support of Copenhagen Economics.

“The north of Sweden is looking for investors and economic development opportunities. Beowulf has invested over SEK72 million in Kallak to date, and we have created a real opportunity, that has the potential to transform Jokkmokk, giving it the thriving, diversified and sustainable economy it seeks.

“As I heard a senior Government minister say at Almedalen this year, “you only get development in rural areas, where you get investment”. Our SEK72 million investment in developing Kallak, the potential of 550 long-term jobs in Jokkmokk and SEK 1 billion in tax revenues, are aligned with that minister’s statement, and are numbers that should not be ignored.

“With this Project, we have tried to better articulate the economic benefits, to Jokkmokk and Norrbotten, of a modern and sustainable mining operation at Kallak – the ’Big Picture’ – and how it fits in with the objectives and ambitions of Swedish policy and decision makers.

“We have explained our development philosophy of partnership and collaboration, and extended an invitation to potential partners. With this Project, and our forthcoming Scoping Study, we are demonstrating our commitment to investing in, and taking Kallak forward, in partnership with our stakeholders.”

The Project

As well as revisiting the work done by Ramböll and LTU and reminding stakeholders of Kallak’s economic potential locally, regionally, and nationally, the Project also details the Company’s philosophy on what needs to happen to ensure Kallak is a success, and Jokkmokk maximises the benefits it receives.

The Project is an invitation to potential partners to join and collaborate with the Company, such that synergies can be achieved, strategic alliances formed, and Kallak’s full potential can be realised. Such commercial partners could include Vattenfall, as we seek to electrify the mine and make it zero diesel/zero carbon, Inlandsbanan (the inland railway operator) and the Port of Luleå, both of whom have their own growth ambitions, require customers, and a project like Kallak to support them.

Locally, we will be seeking to formalise a partnership with Jokkmokks Kommun, local businesses, and representatives from all interested parts of the community. A partnership organisation will provide an effective forum through which the Company can share and exchange its ideas and plans for the development of Kallak. The organisation should develop terms of reference, objectives and workplans that can be shared between partners, leading to the eventual development of a modern and sustainable mining operation at Kallak, which will sit in harmony with the environment and community, and a revitalised Jokkmokk.

Given Copenhagen Economics’ relevant expertise in the regional mining sector, and previous work for the Swedish Agency for Growth Policy Analysis, part of The Government of Sweden, it was an ideal partner to work with the Company on this Project.

About Copenhagen Economics

Copenhagen Economics was established in 2000 and has offices in Copenhagen, Stockholm, and Brussels. Its single expertise is Economics.
The partnership has 75 employees, who either hold a Ph.D. or M.Sc. in Economics, and who represent multiple nationalities: Danish, Swedish, German, Finnish, Italian, Lithuanian, Romanian and American.

Copenhagen Economics’ areas of work include: Economic modelling of local value creation, mapping and benchmarking of national strongholds, Value Chain Analysis, impact evaluation of tax and royalty Schemes, Policy and regulatory advisory, and transformation of stakeholder engagement models.

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