



The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations ("MAR") (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is being made on behalf of Kurt Budge, Chief Executive Officer.

**29 August 2017**

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

## **Unaudited Interim Financial Results and Management Update for the Period Ended 30 June 2017**

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, announces its unaudited consolidated interim financial results for the six months ended 30 June 2017 and provides a management update.

The unaudited consolidated interim financial results for nine months ending 30 September 2017 and the next management update will be released on or before 30 November 2017.

### **Overview of Activities in the Quarter**

- On 28 April 2017, the Company submitted a Heritage Impact Assessment (“HIA”) for Kallak North to the Mining Inspectorate. The Company also presented an analysis of the indirect effects of a mining operation at Kallak on Laponia with respect to reindeer herding, and the effects of transport on Laponia.
- The Company was notified, on 8 May 2017, that the Mining Inspectorate had written to the County Administrative Board for the County of Norrbotten (“CAB”), asking the CAB to give an opinion on the Company's Kallak North Application (“Application”) by 1 June 2017. Subsequently, the CAB requested, and was granted, an extension to 16 June 2017.
- The Company announced on 17 May 2017 a subscription for new ordinary shares to raise £1,500,000 before expenses, at a price of 6.5 pence per new ordinary share.
- On 24 May 2017, the Company announced further results from its recently completed eight-hole diamond drill programme at its Aitolampi graphite project in Finland.

Drilling confirmed that electromagnetic (“EM”) anomalies identified at Aitolampi are associated with wide zones of graphite mineralisation, with a mineralised strike length of at least 350 metres (“m”) along the main conductive zone drill-tested, dipping between 40 and 50 degrees to the southwest. The main EM zone extends for 700m.

- On 16 June 2017, the Company provided an update on exploration activities at its Ätvidaberg licence. The Company had a team of geologists in the field to conduct geological mapping and to ground-check airborne magnetic targets, Versatile Time Domain Electromagnetic ("VTEM") targets, and geochemical anomalies from the till sampling programme completed in 2016. In addition, a ground magnetic survey was conducted in the Mormor area, to supplement existing airborne magnetic data.

In late April, the Company held a three-day field workshop at Ätvidaberg, which brought together the Company's exploration team and external experts with major mining company exploration experience, relevant to Bergslagen, volcanogenic massive sulphide mineralisation and modern exploration technologies.

- On 16 June 2017, the Company announced the CAB had responded to the Mining Inspectorate on the Company's Kallak North Application. The CAB failed again to answer the Mining Inspectorate's questions, but suggested that the Company needs to provide more information, to further assess the potential impact of a mining operation at Kallak on Lapponia. The CAB did not state what information needs to be provided.

The CAB has made no request to the Company at any time to provide further information, and it has neither provided feedback on the Company's submission to the CAB in December 2016, nor the Company's HIA.

- Afnan Khabiri was appointed, on 16 June 2017, to the position of Stakeholder Communications Officer, based in Jokkmokk. Afnan will lead the Company's communication efforts in the community.
- On 29 June 2017, the Mining Inspectorate of Sweden returned the Company's Kallak North Application to the Government of Sweden. The Mining Inspectorate has asked the Government to decide who should determine what, if any, impact a mining operation at Kallak could have on Lapponia.

As part of its latest review, as requested by the Government almost 12 months before, the Mining Inspectorate has stated that the Company's Environmental Impact Assessment ("EIA") is consistent, in the detail provided, in meeting the requirements of the Supreme Administrative Court ("SAC") judgement in the Norra Kärr case.

- Loss after tax attributable to owners of the parent for the six months ended 30 June 2017 is £466,451, £133,399 higher than the same period last year (2016: loss £333,052).
- Cash and cash equivalents at 30 June 2017 at £2,269,964, are £1,038,370 above the corresponding period last year and £660,745 above the level at 31 December 2016.

#### **Post Period End**

- On 10 July 2017, the Company provided an update on Kurt Budge's, Chief Executive Officer ("CEO"), attendance at Almedalen during the week of the 3 July 2017.

At Almedalen, the CEO met with representatives of the Swedish mining industry, politicians, and government agencies. During these meetings, the CEO detailed the chronology of the application process for an Exploitation Concession for Kallak North, and presented the case that the Company's application, and recent supplementary documentation, including a HIA, have more than satisfied the requirements of the

prescribed permitting process.

The CEO shared the Company's "Big Picture" vision of Jokkmokk's economic transformation, that could be delivered by a mining operation at Kallak, and explained the Company's development philosophy towards designing, engineering, and building a modern and sustainable mining operation.

The CEO talked of the political support in Jokkmokk and Norrbotten, and local business support for the Kallak project, the frustration being felt by many with the permitting process, the Company's future investment plans for Kallak, including a Scoping Study and further drilling, as well as the value the Company places on forming strong partnerships with stakeholders in Jokkmokk and Norrbotten, to take the Kallak project forward.

- On 21 July 2017, the Company announced that Copenhagen Economics had been awarded a contract to study the local and regional economic benefits of a mining operation at Kallak ("the Project").

The Project will build 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, which in its findings concluded that a mining development at Kallak would create direct and indirect jobs, increase tax revenues and slow down population decline, 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'.

Copenhagen Economics has relevant expertise in the regional mining sector, and has recently finalised a review of the attractiveness of the Swedish mining sector on a number of parameters, including licensing and regulation. This review was commissioned by the Swedish Agency for Growth Policy Analysis, part of the Government of Sweden.

- As at 23 August 2017, there were 301,680,626 Swedish Depository Receipts issued representing almost 57.4 per cent of the issued share capital of the Company. The remaining issued share capital of the Company is held in the UK.

**Kurt Budge, CEO, commented:**

*"Beowulf has a busy period from September onwards, with active work programmes across our three business areas. We look forward to providing updates on the Kallak North Application process, and exploration activities at Ätvidaberg and on our graphite projects. The strengthening of our cash position following the fundraising in May 2017 means that we can keep pushing ahead on all fronts.*

*"I will be spending plenty of time in Sweden, now that our Kallak North Application is back with the Government. With the new parliamentary session starting in mid-September, we will be seeking a clear understanding of what happens next in the process, and making it clear to the Government that the required work has been carried out, that relevant authorities have exhaustively reviewed our Application, and made all necessary statements, such that the award of an Exploitation Concession is fully deserved and warranted.*

*"At Almedalen, I listened to a senior Government minister state that development in rural areas only happens where there is investment. I made the point to him that Beowulf has*

*invested SEK 72 million in Kallak, a project which will transform Jokkmokk.*

*"I also stated to several parliamentary members, that there is a spotlight on Sweden, specifically looking at how the Kallak project is being handled, and how Beowulf, as an investor and public company, is being treated. Questions are being asked about Sweden's permitting processes, and pointedly Sweden's attractiveness as a place to invest and do business.*

*"Despite the fact we still wait on a decision, the Board has decided to start new work programmes at Kallak.*

*"As announced, we are collaborating with Copenhagen Economics on articulating the economic benefits, to Jokkmokk and Norrbotten, of a modern and sustainable mining operation at Kallak - the "Big Picture" - and how it meets the objectives and ambitions of Swedish government policy.*

*"Additionally, we have tendered a Scoping Study for Kallak North, which, excitingly, will be the first step forward in project development that we have taken during my time as CEO. Currently, we are waiting for Scoping Study proposals to be sent in, and planning exploration work programmes, including drilling, on Kallak and our Parkijaure licences.*

*"I look forward to updating shareholders on progress in due course."*

## **Operational**

### ***Kallak North Exploitation Concession***

On 29 June 2017, the Mining Inspectorate returned the Company's Application to the Government of Sweden; almost 12 months to the day when the Government asked the Mining Inspectorate of Sweden to review the Company's Application in the context of the SAC judgement in the Norra Kärr case. The Mining Inspectorate has stated that the Company's EIA is consistent, in the detail provided, in meeting the requirements of the SAC judgement.

However, the Mining Inspectorate has asked the Government to decide who should determine what, if any, impact a mining operation at Kallak could have on Laponia. It is understood that the Mining Inspectorate feels unable to decide on the Company's Application, without an opinion from the CAB on the matter of Laponia, and an opinion from the CAB on the Company's Application with respect to Chapters 3 and 4 of the Environmental Code.

It is important to remember that with respect to Laponia, which was granted World Heritage Status in 1996, the guidelines for the establishment of its boundary state that the protected area should typically be so largely defined that exploitations outside the area should not be able to have a significant influence on the core value of the world heritage status (Regeringens skrivelse 2001/02:171, Unescos världsarvskonvention och de svenska världsarvsobjekten).

Kallak is one thousandth of the size of Laponia, an area of 13.6 square kilometres ("km<sup>2</sup>") compared to Laponia's 940,000km<sup>2</sup>. Kallak is approximately 34 kilometres from eastern Laponia at the closest point, and further away as Laponia extends to the north and west.

Since 2014, the Swedish Minerals Act and the Environmental Code have not changed, neither has the Company's Application, and Laponia has been in existence throughout. In 2015, the CAB supported our application, the Mining Inspectorate recommended to the Government of

Sweden that the Concession be awarded, and now we have it confirmed by the Mining Inspectorate that our EIA is consistent, in the detail provided, in meeting the requirements of the SAC judgement.

The CAB, on 1 October 2014, confirmed that the Company's EIA was sufficient with respect to Chapters 3, 4 and 6 of the Environmental Code and, on 7 July 2015, the CAB wrote to the Government of Sweden and indicated that the Company's Application could be permissible with respect to Chapters 3 and 4 of the Environmental Code. Therefore, the Company has continually stated that without any new opinion from the CAB, the CAB's position must be interpreted as if the CAB has no objections to the granting of an Exploitation Concession.

The CAB has made no request to the Company, at any time, to provide further information, nor has it provided feedback on the Company's submission to the CAB in December 2016 and the Company's HIA, addressing matters raised earlier by the Swedish National Heritage Board (Riksantikvarieämbetet, "RAÄ") and the Swedish Environmental Protection Agency (Naturvårdsverket, "NV").

RAÄ and NV's earlier comments to the Mining Inspectorate, acknowledged that Kallak does not directly affect Lapponia. While the Mining Inspectorate asked RAÄ and NV to be specific if the Company's EIA was found to be insufficient in detail, the agencies merely suggested that the Company should provide more details, to describe the possible indirect effects of a mining operation at Kallak on Lapponia, the interaction of mining and reindeer herding, and matters related to transport. These matters were addressed in the Company's HIA.

The HIA followed United Nations Educational, Scientific and Cultural Organisation ("UNESCO") guidelines. Typically, a HIA is not required with an application for an Exploitation Concession, but the Company voluntarily produced one, with the support of its expert Swedish technical team and Swedish Advisory Board.

The Company has listened, and responded, to concerns raised throughout the Application process. This has been demonstrated by the submission to the CAB, in April 2014, of extensive supplementary EIA studies, and, in November 2014, the Company eliminating the Jelka-Rimakåbbå transport route from its plans, responding to the CAB's concerns about the interaction of mining and reindeer herding.

The Company is in communication with the Government of Sweden, but we do not expect much progress on our Application until the start of the new parliamentary session in mid-September.

## ***Swedish Exploration Portfolio***

### ***Åtvidaberg***

At the end of April 2017, the Company held a three-day field workshop at Åtvidaberg, which brought together the Company's exploration team and a handful of external experts with major mining company exploration experience, relevant to Bergslagen, volcanogenic massive sulphide mineralisation and modern exploration technologies.

The output of the workshop was an exciting exploration programme for this year, with work planned on brownfield and greenfield targets at Bersbo (prospective for zinc and copper), Mormor (prospective for copper), and Könserum (prospective for molybdenum, tungsten, bismuth and rhenium). This year, our work programme has included further interpretation of

historical data, geophysics, and geological mapping, to fill the knowledge gaps and answer key questions, with a view to perfecting the exploration model and defining drill targets.

The Company's exploration team was in the field during May and June, with July and August being taken up by analysis, interpretation, and reporting.

### ***Finnish Graphite***

The Company's exploration team has been in the field, on and off, over the last four months, focusing on its Haapamäki, Pitkäjärvi and Aitolampi prospects.

Further to drilling at Aitolampi earlier this year, composite samples, sent to SGS Mineral Services in Canada, have been subjected to more thorough metallurgical testing than was first planned. The samples tested included an average grade composite for the main conductive zone, a higher-grade composite for the main conductive zone/near-surface mineralisation, and a higher-grade composite for the parallel conductive zones. The testwork programme has now been completed and a final report received. A further announcement on the results and next steps will be provided in the coming weeks.

### **Financials**

- Loss after taxation attributable to the owners of the parent company is £466,451, £133,399 higher than the same period last year (2016: loss of £333,052). The main reasons for the increase are: higher share based payments charge following the award of options on 26 January 2017; an increase in salary related costs and travel costs.
- Basic/diluted loss per share for the period of £0.09 increased by £0.02 over the loss per share for the corresponding period last year (June 2016: £0.07).
- Cash and cash equivalents at 30 June 2017 at £2,269,964, are £1,038,370 above the corresponding period last year and £660,745 above the level at 31 December 2016.
- Intangible assets of £7,945,435 are £758,859 above the level at 31 December 2016. Additions amounted to £592,587 and foreign exchange movements of £166,272.
- Share capital and share premium increased over the position at 31 December 2016 due to the fundraising in May 2017 which raised £1,500,000 before expenses.
- The translation reserve losses reduced from £464,882 at 31 December 2016 to £343,466 at 30 June 2017, principally due to the appreciation of the Swedish krona versus GBP sterling.

### **Corporate**

- The total number of ordinary shares in circulation at the date of this announcement is 525,707,254 ordinary shares of £0.01 each, with each share carrying the right to one vote. The Company does not hold any ordinary shares in treasury.

### **Competent Person Review**

The information in this announcement has been reviewed by Mr. Rasmus Blomqvist, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Rasmus Blomqvist has sufficient experience, that is relevant to the style of mineralisation

and type of deposit taken into consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Mr. Rasmus Blomqvist is a full-time employee of Oy Fennoscandian Resources AB, a 100 per cent owned subsidiary of Beowulf.

#### **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.

**BEOWULF MINING PLC**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE SIX MONTHS TO 30 JUNE 2017**

	Notes	(Unaudited) 6 months to 30 June 2017	(Unaudited) 6 months to 30 June 2016	(Audited) Year ended 31 Dec 2016
		£	£	£
<b>Continuing operations</b>				
Administrative expenses		(364,522)	(316,270)	(598,464)
Share-based payment charge		(104,021)	(20,055)	(40,109)
<b>OPERATING LOSS</b>		<u>(468,543)</u>	<u>(336,325)</u>	<u>(638,573)</u>
Finance costs		-	(180)	-
Finance income		1,443	3,238	5,344
<b>LOSS BEFORE TAX</b>		<u>(467,100)</u>	<u>(333,267)</u>	<u>(633,229)</u>
Tax		-	-	-
<b>LOSS FOR THE PERIOD</b>		<u>(467,100)</u>	<u>(333,267)</u>	<u>(633,229)</u>
Loss attributable to:				
Owners of the parent		(466,451)	(333,052)	(632,125)
Non-controlling interests		(649)	(215)	(1,104)
		<u>(467,100)</u>	<u>(333,267)</u>	<u>(633,229)</u>
Loss per share attributable to the owners of the parent:				
Basic and diluted (pence)	3	(0.09)	(0.07)	(0.13)



**BEOWULF MINING PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the 6 months ended 30 June 2017

Notes	(Unaudited) 6 months to 30 June 2017	(Unaudited) 6 months to 30 June 2016	(Audited) Year ended 31 Dec 2016
	£	£	£
<b>LOSS FOR THE PERIOD</b>	(467,100)	(333,267)	(633,229)
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange gains/(losses) arising on translation of foreign Operations	121,477	625,995	626,438
Reclassification of revaluation reserve following permanent diminution in value of asset for sale	-	-	55,664
	<u>(121,477)</u>	<u>(625,995)</u>	<u>(682,102)</u>
<b>TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD</b>	<u>(345,623)</u>	<u>292,728</u>	<u>48,873</u>
Loss attributable to:			
Owners of the parent	(345,035)	292,305	49,005
Non-controlling interests	(588)	423	(132)
	<u>(345,623)</u>	<u>292,728</u>	<u>48,873</u>

**BEOWULF MINING PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2017**

	Notes	(Unaudited) As at 30 June 2017	(Unaudited) As at 30 June 2016	(Audited) As at 31 Dec 2016
		£	£	£
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	5	7,945,435	6,769,673	7,186,576
Plant, property and equipment		36,930	29,463	23,511
Loans and other financial assets		5,558	5,241	5,503
		<u>7,987,923</u>	<u>6,804,377</u>	<u>7,215,590</u>
<b>Current assets</b>				
Trade and other receivables		70,732	55,305	51,766
Cash and cash equivalents		2,269,964	1,231,594	1,609,219
		<u>2,340,696</u>	<u>1,286,899</u>	<u>1,660,985</u>
<b>TOTAL ASSETS</b>		<u>10,328,619</u>	<u>8,091,276</u>	<u>8,876,575</u>
<b>EQUITY</b>				
<b>Shareholder's equity</b>				
Share capital	4	5,257,072	4,792,969	5,026,302
Share premium		18,073,471	16,167,782	16,879,241
Revaluation reserve		25,664	(30,000)	25,664
Capital contribution reserve		46,451	46,451	46,451
Share-based payment reserve		408,381	181,098	237,803
Translation reserve		(343,466)	(464,991)	(464,882)
Merger reserve		137,700	137,700	137,700
Accumulated losses		(13,533,614)	(12,799,098)	(13,067,163)
		<u>10,071,659</u>	<u>8,031,911</u>	<u>8,821,116</u>
Non-controlling interest		(159,181)	(158,038)	(158,593)
<b>TOTAL EQUITY</b>		<u>9,912,478</u>	<u>7,873,873</u>	<u>8,662,523</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables		416,141	217,403	214,052
<b>TOTAL LIABILITIES</b>		<u>416,141</u>	<u>217,403</u>	<u>214,052</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>10,328,619</u>	<u>8,091,276</u>	<u>8,876,575</u>

**BEOWULF MINING PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the 6 months ended 30 June 2017**

	Share capital	Share premium	Revaluation reserve	Capital contribution reserve	Share-based payment reserve	Translation reserve	Merger reserve	Accumulated losses	Total	Non-controlling interest	Total equity
	£	£	£	£	£	£	£	£	£	£	£
<b>At 1 January 2016</b>	4,303,138	15,187,112	(30,000)	46,451	97,796	(1,090,348)	-	(12,466,046)	6,048,103	(158,461)	5,889,642
Loss for the period	-	-	-	-	-	-	-	(333,052)	(333,052)	(215)	(333,267)
Foreign exchange translation	-	-	-	-	-	625,357	-	-	625,357	638	625,995
Total comprehensive income	-	-	-	-	-	625,357	-	(333,052)	292,305	423	292,728
Transaction with owners											
Issue of share capital	489,831	1,048,170	-	-	-	-	-	-	1,538,001	-	1,538,001
Costs associated with the issue of new shares	-	(67,500)	-	-	-	-	-	-	(67,500)	-	(67,500)
Equity-settled share-based payment transactions	-	-	-	-	83,302	-	-	-	83,302	-	83,302
Acquisition of subsidiary	-	-	-	-	-	-	137,700	-	137,700	-	137,700
<b>At 30 June 2016</b>	4,792,969	16,167,782	(30,000)	46,451	181,098	(464,991)	137,700	(12,799,098)	8,031,911	(158,038)	7,873,873
Loss for the period	-	-	55,664	-	-	-	-	(299,073)	(243,409)	(1,527)	(244,936)
Foreign exchange translation	-	-	-	-	-	109	-	-	109	972	1,081
Total comprehensive income	-	-	55,664	-	-	109	-	(299,073)	(243,300)	(555)	(243,855)
Transaction with owners											
Issue of share capital	207,833	789,073	-	-	-	-	-	-	996,906	-	996,906
Costs associated with the issue of new shares	-	(77,614)	-	-	-	-	-	-	(77,614)	-	(77,614)
Equity-settled share-based payment transactions	-	-	-	-	(43,193)	-	-	-	(43,193)	-	(43,193)
Acquisition of subsidiary	25,500	-	-	-	130,906	-	-	-	156,406	-	156,406
Release of charge for lapsed options	-	-	-	-	(31,008)	-	-	31,008	-	-	-
<b>At 31 December 2016</b>	5,026,302	16,879,241	25,664	46,451	237,803	(464,882)	137,700	(13,067,163)	8,821,116	(158,593)	8,662,523
Loss for the period	-	-	-	-	-	-	-	(466,451)	(466,451)	(649)	(467,100)
Foreign exchange translation	-	-	-	-	-	121,416	-	-	121,416	61	121,477
Total comprehensive income	-	-	-	-	-	121,416	-	(466,451)	(344,035)	(588)	(345,623)
Transaction with owners											
Issue of share capital	230,770	1,269,230	-	-	-	-	-	-	1,500,000	-	1,500,000
Costs associated with the issue of new shares	-	(75,000)	-	-	-	-	-	-	(75,000)	-	(75,000)
Equity-settled share-based payment transactions	-	-	-	-	170,578	-	-	-	170,578	-	170,578
<b>At 30 June 2017</b>	5,257,072	18,073,471	25,664	46,451	408,381	(343,466)	137,700	(13,533,614)	10,071,659	(159,181)	9,912,478

**BEOWULF MINING PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the 6 months ended 30 June 2017**

	(Unaudited) 6 months to 30 June 2017 £	(Unaudited) 6 months to 30 June 2016 £	(Audited) Year ended 31 Dec 2016 £
<b>Cash flows from operating activities</b>			
Loss before income tax	(467,100)	(333,267)	(633,229)
Depreciation charges	7,438	6,143	12,097
Equity-settled share-based transactions	104,021	20,055	40,109
Expenses financed by issue of shares	-	12,500	29,375
Reclassification of revaluation reserve	-	-	55,664
Finance income	(1,443)	(3,238)	(5,344)
	<u>(357,084)</u>	<u>(297,807)</u>	<u>(501,328)</u>
(Increase)/decrease in trade and other receivables	(18,321)	27,079	31,646
Increase/(decrease) in trade and other payables	150,763	(346)	(15,557)
	<u>(224,642)</u>	<u>(271,074)</u>	<u>(485,239)</u>
<b>Net cash used in operating activities</b>			
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets	(526,032)	(288,111)	(622,817)
Purchase of property, plant and equipment	(20,083)	(862)	(862)
Disposal of fixed asset investments	7	49,216	50,444
Purchase of subsidiary undertaking	-	(46,151)	-
Acquisition of subsidiary cash	-	1,055	(50,482)
Interest received	1,443	3,238	5,344
	<u>(544,665)</u>	<u>(281,615)</u>	<u>(618,373)</u>
<b>Net cash used in investing activities</b>			
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	1,500,000	1,500,000	2,505,530
Payment of share issue costs	(75,000)	(67,500)	(145,114)
	<u>1,425,000</u>	<u>1,432,500</u>	<u>2,360,416</u>
<b>Net cash from financing activities</b>			
<b>Increase in cash and cash equivalents</b>	655,693	879,811	1,256,804
Cash and cash equivalents at beginning of period	1,609,219	352,914	352,914
Effect of foreign exchange rate changes	5,052	(1,131)	(499)
	<u>2,269,964</u>	<u>1,231,594</u>	<u>1,609,219</u>
<b>Cash and cash equivalents at end of period</b>			

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the 6 months ended 30 June 2017

### 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 the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group is engaged in the acquisition, exploration and evaluation of natural resources assets and has not yet generated revenues.

### 2. Basis of preparation

The condensed consolidated financial information has been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and implemented in the UK. 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 2016.

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 six months ended 30 June 2017 is unaudited, and has not been reviewed by the auditors. The financial information for the year ended 31 December 2016 has been derived from the Group's audited financial statements for the year. The auditor's report on the statutory financial statements for the year ended 31 December 2016 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.

### 3. Loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary owners of the parent by the weighted average number of ordinary shares of 508,143,152 (30 June 2016: 464,293,388 and 31 December 2016: 502,630,331) outstanding during the period. There is no difference between the basic and diluted loss per share.

### 4. Called up share capital

	(Unaudited) 30 June 2017 £	(Unaudited) 30 June 2016 £	(Audited) 31 Dec 2016 £
<b>Allotted, issued and fully paid</b>			
Ordinary shares of 1p each	<u>5,257,072</u>	<u>4,792,969</u>	<u>5,026,302</u>

The number of shares in issue was as follows:

	Number of shares
<b>Balance at 1 January 2016</b>	430,313,824
Issued during the period	<u>48,983,174</u>
<b>Balance at 30 June 2016</b>	479,296,998
Issued during the period	<u>23,333,333</u>
<b>Balance at 31 December 2016</b>	502,630,331
Issued during the period	<u>23,076,923</u>
<b>Balance at 30 June 2017</b>	<u>525,707,254</u>

## 5. Intangible Assets: Group

Exploration costs	As at 30 June 2017 (Unaudited) £	As at 30 June 2016 (Unaudited) £	As at 31 Dec 2016 (Audited) £
<b>Cost</b>			
At 1 January	7,186,576	5,588,270	5,588,270
Additions for the period	592,587	560,204	968,460
Foreign exchange movements	166,272	621,199	629,846
	7,945,435	6,769,673	7,186,576
	7,945,435	6,769,673	7,186,576

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

Project	Country	As at 30 June 2017 (Unaudited) £	As at 30 June 2016 (Unaudited) £	As at 31 Dec 2016 (Audited) £
Kallak	Sweden	6,695,760	6,294,271	6,438,283
Nautijaur	Sweden	27,202	24,859	24,912
Åtvidaberg	Sweden	199,883	78,529	153,927
Ågåsjiegge	Sweden	7,421	7,633	7,257
Sala	Sweden	2,619	1,913	2,372
Haapamäki	Finland	174,104	112,939	141,944
Kolari1	Finland	117,145	75,377	99,554
Piippumäki	Finland	140,282	87,625	119,087
Viistola	Finland	125,844	86,527	107,369
Pitkäjärvi	Finland	455,175	-	91,871
		7,945,435	6,769,673	7,186,576
		7,945,435	6,769,673	7,186,576

Total Group exploration costs of £7,945,435 are currently carried at cost in the financial statements. During the period, no impairment provision was recognised (2016: £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.

The most significant risk currently facing the Group is that it does not receive an Exploitation Concession for Kallak. The Company originally applied for the Exploitation Concession in April 2013 and throughout 2016, and since the year-end, management have actively sought to progress the application, engaging with the various government bodies and other stakeholders. These activities are summarised above.

Kallak is included in condensed financial statements as at 30 June 2017 as an intangible exploration licence with a carrying value of £6,695,760. 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. Management have considered the status of the application for the Exploitation Concession and in their judgement, they believe it is appropriate to be optimistic about the chances of being awarded the Exploitation Concession and thus have not impaired the project.

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

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

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