



**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.**

**31 August 2018**

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

**Unaudited Interim Financial Results and Management Update for the Period Ended 30 June 2018**

Beowulf (AIM: BEM; Spotlight: 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 2018 and provides a quarterly management update.

**Overview of Activities in the Quarter**

- On 12 April 2018, the Company announced that it had been in communication with the Swedish Government, and that the Government's review of submissions made by interested parties, with regard to the Company's application for an Exploitation Concession for Kallak North, continues.
- The Company, on 17 April 2018, signed a Graphite Collaboration Agreement (the "Agreement") between the Company's Finnish subsidiary, Oy Fennoscandian Resources AB ("Fennoscandian") and Åbo Akademi University ("Åbo"), located in Turku, Finland.
- On 25 April 2018, the Company joined a Cooperation Network of existing and new entrant raw materials suppliers to the emerging battery manufacturing industry in Finland.

In addition, Fennoscandian was granted Euros 161,000 by Business Finland for a research project entitled "Green Minerals - Graphite, Exploration to Products".

- At the beginning of May 2018, the Company awarded contracts for its Aitolampi graphite project, including a Mineral Resource Estimate ("MRE") in accordance with the guidelines of the JORC Code (2012 edition) to be undertaken by CSA Global Pty Ltd ("CSA Global") and an Environmental and Social Impact Assessment ("ESIA") Roadmap, a detailed plan of requirements for completing an ESIA study, to be undertaken by Pöyry Finland Oy ("Pöyry").
- On 4 May 2018, the Company announced positive assay results for its Aitolampi graphite project in Finland.
- On 16 May 2018, the Company learnt that the Administrative Court in Luleå had rejected the

Jokkmokk Iron Mine's AB ("JIMAB") appeal of the Mining Inspectorate's decision not to extend Kallak nr 2 and Parkijaure nr 3 exploration licences, in a judgement dated 7 May 2018 and sent to JIMAB by regular post. The two licences are not part of the Kallak Exploitation Concession application.

JIMAB has applied to the Administrative Court of Appeal in Sundsvall for its case to be heard, arguing that the court judgement is wrong, and that JIMAB's decision not to invest in further exploration of these two licences, while the Kallak application is being handled, is valid, given the time taken and the performance of the authorities involved. JIMAB has an approved workplan for Parkijaure nr 3, and intends to drill, with one objective being to identify an exploration target for iron ore mineralisation.

- On 16 May 2018, Beowulf completed a subscription for new ordinary shares to raise £1.5 million before expenses.

### **Post Period**

- As at 31 July 2018, there were 337,696,135 Swedish Depository Receipts issued representing almost 59.63 per cent of the issued share capital of the Company. The remaining issued share capital of the Company is held in the UK.
- On 13 August 2018, the Company announced a MRE for Aitolampi, a global Indicated and Inferred Resource (JORC Code, 2012 edition) of 19.3 million tonnes (Mt) at 4.5% Total Graphitic Carbon ("TGC") for 878,000 tonnes ("t") of contained graphite, comprising eastern and western lenses above a 3.0% TGC cut-off grade.

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

*"While an imminent decision on Kallak has been delayed by the Swedish general election, the Company has pushed ahead with the Aitolampi graphite project, most importantly delivering a Maiden Resource Estimate. In early September, the Company has meetings planned with key decision makers in the Heinävesi area, to discuss Aitolampi, and is preparing to initiate a Scoping Study on the project."*

*"It was pleasing to raise £1.5 million in the quarter, albeit at a price negatively impacted by a delayed decision on Kallak, as it maintains our capability to invest across our portfolio."*

*"In early July, Almedalen provided an excellent opportunity for me to engage with Swedish Government ministers, members of the Swedish Parliament, regional politicians from Norrbotten and its new Governor. This ensures Kallak stays front-of-mind, that key decision makers are cognisant of the facts of our application, principally that we have fully satisfied the Swedish legal requirements to be granted an Exploitation Concession. I plan to be in Sweden shortly after the general election, once the dust has settled, to press for an early positive decision, something that is unacceptably long overdue."*

*"With Kallak and Aitolampi, the Company's ambition is to develop modern, sustainable and innovative mining projects in partnership with the communities in which we work."*

*"I look forward to keeping shareholders updated with any developments."*

### **Financials**

- Loss before and after taxation attributable to the owners of the parent of £442,238 (2017: loss of £467,100). The loss in the period was comparable to the prior period, with the current period falling comparatively due to decreased Director costs and a reversal of an over accrual for professional fees.

- Basic/diluted loss per share was 0.08 pence (2017: loss of 0.09 pence).
- £2,140,369 in cash held at the period end.
- The translation reserve losses attributable to the owners of the parent increased from £397,060 at 31 December 2017 to £855,904 at 30 June 2018. Much of the Company's exploration costs are in Swedish Krona which has weakened against the pound since 31 December 2017.

## **Operational**

### ***Sweden - Kallak***

- The Company continues to communicate with the Swedish Government. A decision on Kallak has been delayed by the Swedish general election. The CEO plans to be in Sweden shortly after the election, to press for an early positive decision on the Company's application for an Exploitation Concession.

### ***Finland - Graphite***

- In April, Fennoscandian signed an Agreement with Åbo. The Agreement formalised the partnership that the Company, and its subsidiary Fennoscandian, has forged with Åbo over several years. The Agreement is focused on knowledge sharing, the identification of graphite prospects, their exploration, and development into production assets.
- Additionally, the Company published its involvement in a Cooperation Network of existing and new entrant raw materials suppliers to the emerging battery manufacturing industry in Finland.

The Cooperation Network includes the cities of Vaasa and Kokkola; Freeport Cobalt, the world's largest cobalt refinery and producer of battery chemicals; Nor Nickel, the producer of world-class nickel metals and nickel chemicals in Harjavalta; Terrafame Group, the parent company of Terrafame, producing nickel, zinc, cobalt and copper in Sotkamo; Keliber, which is preparing to start lithium production in Kaustinen and Kokkola; as well as Beowulf, the 100 per cent owner of the Aitolampi graphite deposit.

The official announcement regarding the Cooperation Network, dated 24 April 2018, and titled "The battery industry has enormous potential to become Finland's new success story. The Vaasa battery factory project has brought together a large nationwide network of cooperation partners" can be viewed at:

<https://www.gigafactory.fi/press-20180424-en>

In addition, Fennoscandian was granted Euros 161,000 by Business Finland for a research project entitled "Green Minerals - Graphite, Exploration to Products". The project runs from 1 January 2018 to 31 December 2019 and has a total budget of Euros 323,750. The Company will contribute the balance of the funding.

- On 4 May 2018, the Company presented assays for intersected mineralisation at its Aitolampi graphite project, highlights as follows:
  - Drilling confirmed the continuity of mineralisation between holes drilled in 2017, wide graphite lenses extending along strike, at least 350 metres ("m") along the main conductive zone (the main electro-magnetic ("EM") anomaly extends for 700m), and at depth.
  - For the two parallel higher-grade zones previously identified, mineralisation has a strike length of at least 150m (the two parallel conductive zones extend for 300m and 250m), and these zones seem to merge to form one body of mineralisation.

- From northwest to southeast along strike, drill holes AITDD18014, AITDD18016, AITDD18015, AITDD18017 and AITD18018 (drilled on the same profile), all intersected this higher-grade body of mineralisation, with intercepts of 89.60m at 4.01% Total Graphite Carbon ("TGC"), 107.09m at 4.59% TGC, 108.69m at 5.04% TGC, 121.68% at 5.00% TGC and 121.46m at 5.29% TGC respectively.
- For these holes, intercepts showing greater than 5% TGC were as follows: AITDD18014 - 30.10m at 5.75% TGC; AITDD18016 - 29.00m at 6.04% TGC; AITDD18017 - 62.42m at 6.08% TGC; and AITDD18018 - 92.46m at 6.19% TGC, including 44.00m at 7.08% TGC.
- AITDD18018 is the furthest hole drilled to the southeast, to test the parallel higher-grade conductive zone, which remains open in all directions.

Follow the link <https://beowulfmining.com/projects/finland/aitolampi/#geology> for plans and sections.

It should be noted that the mineralisation intercepts are the down-hole widths and are not the true width of mineralisation. All samples were prepared and analysed by ALS Finland Oy's laboratory in Outokumpu.

- On 13 August 2018, the Company announced a Maiden Resource Estimate for Aitolampi, highlights as follows:
  - A global Indicated and Inferred Resource (JORC Code, 2012 edition) of 19.3 million tonnes (Mt) at 4.5% TGC for 878,000 tonnes ("t") of contained graphite, comprising eastern and western lenses above a 3.0% TGC cut-off grade.
  - A higher grade Western Zone with an Indicated and Inferred Resource of 9.8Mt at 5.0% TGC for 490,000t of contained graphite
  - An Eastern Zone with an Indicated and Inferred Resource of 9.5Mt at 4.1% TGC for 388,000t of contained graphite.
  - Using a 4.0% TGC cut-off grade on the grade-tonnage curve for Aitolampi, gives an Indicated and Inferred Resource of 12.8Mt at 5.0% TGC for 639,000t.
  - To date, the Company has invested over Euros 760,000 in Aitolampi and approximately Euros 1.4 million across its graphite portfolio.

## Corporate

- On 16 May 2018, the Company completed a subscription for new ordinary shares to raise £1.5 million before expenses, with the funds being used for general working capital purposes and to support activities across Beowulf's three main business areas, which are graphite exploration, the Ätvidaberg exploration licence, and Kallak. More specifically:
  - a Scoping Study on the Aitolampi project;
  - exploration and development activities across the graphite portfolio;
  - drilling at Ätvidaberg, following drill target identification; and
  - exploration and development work at Kallak, and the surrounding exploration licences, including application of passive seismic technology to define mineralisation at the Parkijaure licence and drilling, and landscape analysis of potential strategic partners/investors for the Kallak project.

## 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.

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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 2018**

	Notes	(Unaudited) 6 months to 30 June 2018	(Unaudited) 6 months to 30 June 2017	(Audited) Year ended 31 Dec 2017
		£	£	£
<b>Continuing operations</b>				
Administrative expenses		(349,027)	(364,522)	(658,610)
Share based payment expense		(97,423)	(104,021)	(203,059)
Impairment of exploration costs		-	-	(183,131)
<b>OPERATING LOSS</b>		<u>(446,450)</u>	<u>(468,543)</u>	<u>(1,044,800)</u>
Finance costs		-	-	-
Finance income		4,212	1,443	5,234
<b>LOSS BEFORE TAX</b>		<u>(442,238)</u>	<u>(467,100)</u>	<u>(1,039,566)</u>
Tax		-	-	-
<b>LOSS FOR THE PERIOD</b>		<u>(442,238)</u>	<u>(467,100)</u>	<u>(1,039,566)</u>
Loss attributable to:				
Owners of the parent		(441,654)	(466,451)	(1,038,248)
Non-controlling interests		(584)	(649)	(1,318)
		<u>(442,238)</u>	<u>(467,100)</u>	<u>(1,039,566)</u>
Loss per share attributable to the owners of the parent:				
Basic and diluted (pence)	3	(0.08)	(0.09)	(0.20)

**BEOWULF MINING PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the 6 months ended 30 June 2018

	(Unaudited) 6 months to 30 June 2018	(Unaudited) 6 months to 30 June 2017	(Audited) Year ended 31 Dec 2017
	£	£	£
<b>LOSS FOR THE PERIOD</b>	(442,238)	(467,100)	(1,039,566)
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange (losses) / gains arising on translation of foreign Operations	(458,994)	121,477	67,862
	<u>(458,994)</u>	<u>121,477</u>	<u>67,862</u>
<b>TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD</b>	<u>(901,232)</u>	<u>(345,623)</u>	<u>(971,704)</u>
Loss attributable to:			
Owners of the parent	(900,498)	(345,035)	(970,426)
Non-controlling interests	<u>(734)</u>	<u>(588)</u>	<u>(1,278)</u>
	<u>(901,232)</u>	<u>(345,623)</u>	<u>(971,704)</u>

**BEOWULF MINING PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2018**

	Notes	(Unaudited) As at 30 June 2018	(Unaudited) As at 30 June 2017	(Audited) As at 31 Dec 2017
		£	£	£
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	5	8,215,593	7,945,435	8,191,232
Plant, property and equipment		23,260	36,930	28,580
Loans and other financial assets		5,355	5,558	5,530
		<u>8,244,208</u>	<u>7,987,923</u>	<u>8,225,342</u>
<b>Current assets</b>				
Trade and other receivables		80,999	70,732	65,032
Cash and cash equivalents		2,140,369	2,269,964	1,589,897
		<u>2,221,368</u>	<u>2,340,696</u>	<u>1,654,929</u>
<b>TOTAL ASSETS</b>		<u>10,465,576</u>	<u>10,328,619</u>	<u>9,880,271</u>
<b>EQUITY</b>				
<b>Shareholder's equity</b>				
Share capital	4	5,663,072	5,257,072	5,342,072
Share premium		19,266,271	18,073,471	18,141,271
Revaluation reserve		-	25,664	-
Capital contribution reserve		46,451	46,451	46,451
Share-based payment reserve		513,428	408,381	575,078
Translation reserve		(855,904)	(343,466)	(397,060)
Merger reserve		279,450	137,700	137,700
Accumulated losses		<u>(14,521,401)</u>	<u>(13,533,614)</u>	<u>(14,079,747)</u>
		10,391,367	10,071,659	9,765,765
Non-controlling interest		<u>(160,605)</u>	<u>(159,181)</u>	<u>(159,871)</u>
<b>TOTAL EQUITY</b>		<u>10,230,762</u>	<u>9,912,478</u>	<u>9,605,894</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables		234,814	416,141	274,377
<b>TOTAL LIABILITIES</b>		<u>234,814</u>	<u>416,141</u>	<u>274,377</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>10,465,576</u>	<u>10,328,619</u>	<u>9,880,271</u>



**BEOWULF MINING PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the 6 months ended 30 June 2018**

	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 2017</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
Loss for the period	-	-	-	-	-	-	-	(571,797)	(571,797)	(669)	(572,466)
Foreign exchange translation	-	-	-	-	-	(53,594)	-	-	(53,594)	(21)	(53,615)
Total comprehensive income	-	-	-	-	-	(53,594)	-	(571,797)	(625,391)	(690)	(626,081)
Transaction with owners											
Issue of share capital	85,000	67,800	-	-	-	-	-	-	152,800	-	152,800
Equity-settled share-based payment transactions	-	-	-	-	32,481	-	-	-	32,481	-	32,481
Acquisition of subsidiary	-	-	-	-	134,216	-	-	-	134,216	-	134,216
Transfer of accumulated losses	-	-	(25,664)	-	-	-	-	25,664	-	-	-
<b>At 31 December 2017</b>	5,342,072	18,141,271	-	46,451	575,078	(397,060)	137,700	(14,079,747)	9,765,765	(159,871)	9,605,894
Loss for the period	-	-	-	-	-	-	-	(441,654)	(441,654)	(584)	(442,238)
Foreign exchange translation	-	-	-	-	-	(458,844)	-	-	(458,844)	(150)	(458,994)
Total comprehensive income	-	-	-	-	-	(458,844)	-	(441,654)	(900,498)	(734)	(901,232)
Transaction with owners											
Issue of share capital	300,000	1,200,000	-	-	-	-	-	-	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	-	-	-	-	97,423	-	-	-	97,423	-	97,423
Acquisition of subsidiary	21,000	-	-	-	(159,073)	-	141,750	-	3,677	-	3,677
<b>At 30 June 2018</b>	5,663,072	19,266,271	-	46,451	513,428	(855,904)	279,450	(14,521,401)	10,391,367	160,605	10,230,762

**BEOWULF MINING PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the 6 months ended 30 June 2018

	(Unaudited) 6 months to 30 June 2018 £	(Unaudited) 6 months to 30 June 2017 £	(Audited) Year ended 31 Dec 2017 £
<b>Cash flows from operating activities</b>			
Loss before income tax	(442,238)	(467,100)	(1,039,566)
Depreciation charges	7,446	7,438	15,890
Equity-settled share-based transactions	97,423	104,021	203,059
Impairment of exploration costs	-	-	183,131
Finance income	(4,212)	(1,443)	(5,234)
	<u>(341,581)</u>	<u>(357,084)</u>	<u>(642,720)</u>
(Increase) in trade and other receivables	(16,509)	(18,321)	(12,760)
(Decrease)/increase in trade and other payables	<u>(37,911)</u>	<u>150,763</u>	<u>15,673</u>
<b>Net cash used in operating activities</b>	<u>(396,001)</u>	<u>(224,642)</u>	<u>(639,807)</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets	(477,160)	(526,032)	(943,599)
Purchase of property, plant and equipment	(2,779)	(20,083)	(20,367)
Disposal of fixed asset investments	3	7	14
Interest received	4,212	1,443	5,234
<b>Net cash used in investing activities</b>	<u>(475,724)</u>	<u>(544,665)</u>	<u>(958,718)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	1,500,000	1,500,000	1,652,800
Payment of share issue costs	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>
<b>Net cash from financing activities</b>	<u>1,425,000</u>	<u>1,425,000</u>	<u>1,577,800</u>
<b>Increase in cash and cash equivalents</b>	553,275	655,693	(20,725)
Cash and cash equivalents at beginning of period	1,589,897	1,609,219	1,609,219
Effect of foreign exchange rate changes	<u>(2,803)</u>	<u>5,052</u>	<u>1,403</u>
<b>Cash and cash equivalents at end of period</b>	<u>2,140,369</u>	<u>2,269,964</u>	<u>1,589,897</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the 6 months ended 30 June 2018

## 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 2017.

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 2018 is unaudited, and has not been reviewed by the auditors. The financial information for the year ended 31 December 2017 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 2017 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 542,819,409 (30 June 2017: 508,143,152 and 31 December 2017: 518,728,856) outstanding during the period. There is no difference between the basic and diluted loss per share.

## 4. Called up share capital

	(Unaudited) 30 June 2018 £	(Unaudited) 30 June 2017 £	(Audited) 31 Dec 2017 £
<b>Allotted, issued and fully paid</b>			
Ordinary shares of 1p each	<u>5,663,072</u>	<u>5,257,072</u>	<u>5,342,072</u>

The number of shares in issue was as follows:

	Number of shares
<b>Balance at 1 January 2017</b>	502,630,331
Issued during the period	<u>23,076,923</u>
<b>Balance at 30 June 2017</b>	525,707,254
Issued during the period	<u>8,500,000</u>
<b>Balance at 31 December 2017</b>	534,207,254
Issued during the period	<u>32,100,000</u>
<b>Balance at 30 June 2018</b>	<u>566,307,254</u>

## 5. Intangible Assets: Group

Exploration costs	As at 30 June 2018 (Unaudited) £	As at 30 June 2017 (Unaudited) £	As at 31 Dec 2017 (Audited) £
<b>Cost</b>			
At 1 January	8,191,232	7,186,576	7,186,576
Additions for the period	480,837	592,587	1,077,815
Foreign exchange movements	(456,476)	166,272	109,972
Impairment	-	-	(183,131)
	<u>8,215,593</u>	<u>7,945,435</u>	<u>8,191,232</u>

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

Project	Country	As at 30 June 2018 (Unaudited) £	As at 30 June 2017 (Unaudited) £	As at 31 Dec 2017 (Audited) £
Kallak	Sweden	6,679,440	6,695,760	6,979,844
Nautijaur	Sweden	-	27,202	-
Ätvidaberg	Sweden	275,251	199,883	253,778
Ågåsjegge	Sweden	12,985	7,421	7,365
Sala	Sweden	2,791	2,619	2,634
Haapamäki	Finland	236,785	174,104	231,132
Kolari1	Finland	156,518	117,145	151,706
Piippumäki	Finland	-	140,282	-
Viistola	Finland	162,051	125,844	147,784
Pitkäljärvi	Finland	671,430	455,175	414,372
Joutsijärvi	Finland	17,804	-	2,617
Räälpyjärvi	Finland	538	-	-
		<u>8,215,593</u>	<u>7,945,435</u>	<u>8,191,232</u>

Total Group exploration costs of £8,215,593 are currently carried at cost in the financial statements. During the period, no impairment provision was recognised (2017: £183,131).

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 2017, and since the year-end, management have actively sought to progress the application, engaging with the various government bodies and other stakeholders. These activities are summarised above.

Kallak is included in condensed financial statements as at 30 June 2018 as an intangible exploration licence with a carrying value of £6,679,440. 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 \*\***