



19 December 2019

Beowulf Mining plc

("Beowulf" or the "Company")

Management Update

Beowulf (AIM: BEM; Spotlight: BEO), the mineral exploration and development company, provides a management update on the Company's application for an Exploitation Concession for the Kallak Iron Ore Project ("Kallak"). The CEO has written again to Mr. Ibrahim Baylan, the Minister of Enterprise and Innovation.

In the letter to the Minister, the CEO made the following points:

- Two and half months have passed without any new information on what is happening, since the Minister wrote in his letter, dated 30 September 2019, that a decision by the Government on Beowulf's application was 'forthcoming'. The CEO has requested that the Government provide Beowulf with details on when the Company can expect the decision on Kallak to be taken.
- It seems evident that the coalition Government has been struggling to reach consensus on Kallak and that politics are standing in the way of a decision being taken. Yet, we have heard before, from the Government, that Swedish law is sufficient for assessing the Kallak application and that any assessment of Kallak should be 'by the book'.
- To ensure that the Government has been provided with all relevant facts, the Company submitted a concluding statement for Kallak to the Government on 8 November 2019, prepared by the law firms Mannheimer Swartling and Fröberg & Lundholm. The statement summarised all circumstances relevant to a judicial review of whether the Company should be awarded the Exploitation Concession for Kallak. The statement demonstrates that the Government has sufficient facts for an Exploitation Concession to be awarded.
- Sweden's attractiveness as a destination for investments in mining has been decreasing over several years. Mining analysts and journalists continue to comment on the inability of its authorities to decide on mining applications, while having allowed companies to explore for minerals and make significant investments.

Kurt Budge, Chief Executive Officer of Beowulf, commented:

"The Minister's comments at the recent SveMin Höstmöte look to a future when permitting procedures in Sweden are predictable, but they provide no comfort to already committed mining investors and specifically Beowulf's shareholders.

"I read yesterday that the Minister, in response to a question from a fellow politician, has stated that the starting point for the Government's handling of an application 'is always that it should be done quickly, efficiently and without compromising legal certainty'.

"The Government's handling of the Kallak application, since the summer of 2017, has been neither

quick nor efficient, and is a 'black cloud' over Beowulf's share price. It makes equity fund raising more costly and is damaging the value of the 64.76 per cent of Beowulf owned by Swedish shareholders and the remainder of the Company owned by UK shareholders.

"The legal certainty that the Government seeks is contained within the concluding statement sent by Beowulf to the Government in early November.

"The Board has noted Aura Energy's ("Aura") written notification to the Swedish Government under the Energy Charter Treaty seeking compensation over the uranium ban introduced in Sweden on 1 August 2018 and the financial loss to Aura resulting from this decision. An example of the goalposts being moved after a company has made a significant investment in developing a mineral project.

"In the Kallak case, the Minister has commented on there being 'several different national interests.'

"In the County Administrative Board's ("CAB") assessment in July 2015, it stated that there are no conflicts within the Kallak Concession area where national interests are considered, as the Concession area is designated as an Area of National Interest for minerals. No other national interests were identified.

"This remained the case until Sametinget placed national interest for reindeer herding directly on top of Kallak in February 2017, 11 years after Beowulf acquired its first exploration licence and had invested the majority of the SEK 80 million spent on Kallak.

"As we have repeatedly stated, it is not a case of mining or reindeer herding, as both can prosper, as they already do across Sweden where industry and reindeer herding interact. Kallak will be no different. That is Beowulf's commitment.

"If the Government sticks to the facts then the Concession should be awarded. The Kallak application has been assessed to the absolute limit and there should be no need for further deliberation.

"I look forward to keeping the market updated on further developments."

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(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.