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.

02 June 2023

Beowulf Mining plc
("Beowulf" or the "Company")

Audited Financial Results for the year ended 31 December 2022

Beowulf (AIM: BEM; Spotlight: BEO), the mineral exploration and development company, announces its audited financial results for the year ended 31 December 2022. The Chairman's statement, review of operations and activities, and financial information have been extracted from the Company's Annual Report for the year ended 31 December 2022.

The Annual Report and Accounts will be tabled to shareholders at the Annual General Meeting ("AGM") of the Company, the details of which will be announced in the coming days.

The 2022 Annual Report will shortly be posted to those shareholders who have requested a copy and will be available on the Company's website today (https://beowulfmining.com/). The Notice of AGM and Form of Proxy will follow once further details have been announced.

Enquires

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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**.**

CHAIRMAN STATEMENT

Dear Shareholders

Introduction

Beowulf has transformed itself in the last year, with the award of Exploitation Concession for the Kallak North Iron Ore Project and, post-period, positive economics results from the Kallak North 'Only' Base Case.

The preliminary economic assessment for Kallak North is only part of the bigger Kallak story, and we have many levers to increase value, which will be investigated as we proceed with Pre-feasibility. These include resource expansion, a longer life mining operation, increased production capacity, and higher proportion of high-grade concentrate sales to decarbonising steelmakers in the Nordics and Europe, of which there are many.

We built new partnerships in Finland, firstly collaborating with Hensen, an established graphite and anode materials company, and then, post period, signing a new site agreement with the municipality of Korsholm for establishing an anode materials production facility in the GigaVaasa area.

Grafintec continued its efforts to expand its natural flake graphite resource inventory, with promising exploration findings for the Rääpysjärvi prospect, which in the future, could potentially add to the Company's resources already defined at Aitolampi, offering sustainable and secure primary raw materials supply to a Finnish anode materials value chain.

In Kosovo, Vardar’s exploration drilling defined a large polymetallic epithermal system at Madjan Peak in the Mitrovica licence, with potential to host economic concentrations of base and precious metals. Furthermore, fieldwork at the Red Lead Prospect, also in Mitrovica, highlighted the potential for discovery of lead-zinc carbonate hosted mineralisation. As the prospect is located just 2km east of the world-class Stan Terg lead-zinc deposit with similar geology, it is considered a priority target for follow up drilling.

During the year, we made significant process in our ESG work, policy development and in practice with our project development work. Beowulf and its subsidiaries are focused on the role they play in society and contribution and are committed to working constructively - and in good faith - with all stakeholders and engaging in meaningful dialogue.

Kallak

The Company's longstanding commitment to Kallak was finally recognised when, on 22 March 2022, the Company was awarded an Exploitation Concession for Kallak North. This permit provides exclusive mining rights in the defined areas for a period of 25 years.

The Kallak North deposit has an estimated Mineral Resource of 111 Mt, Measured and Indicated, with an average grade of 28 per cent iron content. In the Kallak area, the Company has additional defined mineral resources and exploration targets which could support a longer life mining operation beyond Kallak North.

Kallak is excellently positioned as a potential secure and sustainable supplier of market-leading high-grade iron concentrate to Europe's decarbonising steel sector and fossil-free steel making projects in the Nordic region for decades to come.

During the year, the Company strengthened its leadership team in Sweden, with the appointment of Ulla Sandborgh as CEO of Jokkmokk Iron bringing extensive experience from trade and industry in Sweden and deep knowledge of environmental permitting, and initiated the Scoping Study for Kallak North.

On 24 January 2023, Beowulf announced positive economic results for Kallak North, forming part of the larger Kallak Iron Ore Project, from a Scoping Study prepared by independent consulting firm SRK Consulting (UK) Ltd. The study indicates a positive 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.

Grafintec Oy ("Grafintec")

Grafintec continued to focus on the creation of a Finnish anode materials value chain, with exploration for more natural flake graphite, contracting the Geological Survey of Finland ("GTK") to carry out an electromagnetic ("EM") survey over the Rääpysjärvi exploration permit. This yielded extensive EM anomalies, suggesting significant potential for a larger tonnage of high-grade graphite mineralisation than that defined at Aitolampi and for localised very high-grade mineralisation.

During the year, Grafintec entered into a MoU with GTK, providing Grafintec and GTK with a framework and platform to promote and foster cooperation in the fields of a circular economy, mineral processing and exploration of graphite as pertaining to anode materials for the lithium-ion battery market and other markets from different raw material sources.

During the year, Grafintec also entered into a new partnership with Hensen, a company that has been operating in the graphite industry for 37 years and has been producing graphite-based anode materials since 2003, as the Company continued to pursue its downstream ambitions.

Vardar Minerals ("Vardar")

During 2022, the Company invested a further £1.2 million (2021: £300,000) to fund drilling taking the Company's ownership of Vardar to approximately 59.5 per cent (2021: 49.4%). In 2023, Beowulf increased its ownership to 61.1 per cent.

From late summer onwards, the Company published a number of positive announcements, starting in August with the discovery of a large Polymetallic Epithermal System (copper, gold and lead-zinc) at Majdan Peak ("MP"), part of Mitrovica licence in Kosovo, with drilling results both supporting the potential for epithermal mineralisation of economic grades to be present and for comparisons to be drawn with the Chelopech copper-gold deposit in Bulgaria. This was soon followed up with new exploration targets at MP and then the identification, in December, of the Red Lead target, bearing striking similarities observed at the neighbouring world-class Stan Terg deposit, such as the same host rocks, trachyte heat source, hydrothermal breccias and hydrothermal alteration patterns.

Shareholder Base

At 31 December 2022, there were 632,863,876 (2021: 621,366,320) Swedish Depository Receipts representing 76.09 per cent (2021: 74.71 per cent) of the issued share capital of the Company. The remaining issued share capital of the Company is held in the UK.

Raising Finance

Maintaining sufficient funding to sustain the business is a significant challenge for an exploration and development company in the natural resources sector.

With the Kallak North Exploitation Concession awarded, and to fund work programmes, with the focus being on Kallak, on 4 July 2022, the Company announced bridging loan financing from a Nordic Institutional Investor of SEK 22 million (approximately £1.76 million) before expenses.

The Company announced on 20 December 2022 it had secured a preferential rights issue of Swedish Depository Receipts ("SDRs") in Sweden ("Rights Issue") and a PrimaryBid retail offer of ordinary shares in the UK ("PrimaryBid Offer") which included a placing to certain UK investors ("Placing"). As part of this the Company received underwriting commitments to the value of a maximum of SEK 60 million, or approximately 70 per cent of the intended Rights Issue.

On 28 February 2023, Beowulf announced the outcome of the Rights Issue and the PrimaryBid offer. The Rights Issue raised approximately SEK 62.8 million (approximately £5 million) and the PrimaryBid Offer raised approximately £0.8 million. In addition to the PrimaryBid Offer, the Placing raised approximately £0.4 million. Members of the Board and executive management also subscribed to an agreed amount of £181,000.

Following the year end, it became apparent that due to the timing of the receipt of the funds from the Rights Issue the Company was 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 (approximately £80,000). 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 were £3.72 million.

The Board continues to adopt the going concern basis to the preparation of the financial statements. The Group is dependent on further equity fundraising to operate as a going concern for at least twelve months from the date of approval of the financial statements, this conclusion has been reached following managements review of both cost and foreign exchange sensitivities and potential key hires required to advance projects. Although the Group has had past success in fundraising and continues to attract interest from investors, making the Board confident that such fundraising will be available to provide the required capital, there can be no guarantee that such fundraising will be available and as such this constitutes a material uncertainty over going concern.

2022 Financial Performance

For the year, the consolidated loss increased in the year before tax from £1,485,611 in 2021 to £2,041,452 in 2022. This increase is primarily due to finance costs in relation to the bridging loan of £304,529 (2021: £Nil) and share based payment expenses of £240,537 (2021: £Nil).

The underlying administration expenses of £1,806,582 were higher than the previous year of £1,503,049, due to share-based payment expenses of £240,537 (2021: £Nil).

Consolidated basic and diluted loss per share for the 12 months ended 31 December 2022 was 0.23 pence (2021: loss of 0.16 pence).

The Company received loan financing from a Nordic Institutional Investor of SEK 22 million, which generated £1,554,381 of net proceeds to fund working capital.

£1,776,556 in cash was held at the year-end (2021: £3,336,134).

Exploration assets increased to £13,002,465 at 31 December 2022 compared to £11,235,656 at 31 December 2021 primarily due to exploration activities in Mitrovica and Kallak.

The translation reserve losses attributable to the owners of the parent increased from £1,216,985 at 31 December 2021 to £1,289,415 at 31 December 2022. Much of the Company's exploration costs are in Swedish Krona which has weakened against the pound since 31 December 2021.

Corporate

Post period end on 3 May 2023, Kurt Budge, the Company's CEO, announced that he would step down from the Company to pursue other business interests. Kurt had been with the Beowulf for nine years and his presence was pivotal to the Company, especially in achieving the successful delivery of the Exploitation Concession for Kallak North. I should like to thank him for his many years of service and wish him all the best in his future endeavours.

The Company announced, on 8 July 2022, the implementation of a new Long-Term Incentive Plan ("LTIP") available to eligible employees, an important element of the Company's remuneration policies designed to retain and incentivise key employees. Moving forwards, the Company's remuneration policies will be developed on a systematic basis and matched to performance metrics, such as achieving important business milestones and ESG objectives.

Staff and Employees

On behalf of the Board, I would like to express my sincere thanks to our staff, employees and consultants in Sweden and Finland, and also to the staff, employees and consultants of Vardar, for their significant efforts throughout the past 12 months to drive our Company forwards.

ESG

The Company believes in living its values of Respect, Partnership and Responsibility. Over the last year, our ESG work has identified, as material to the Company's activities, specific Sustainable Development Goals which the Company will be focusing on as it develops its projects. These goals and our future compliance with The Equator Principles are being factored into our thinking, design, engineering, and planning of our operations and management systems. In 2022, Beowulf published its ESG Policy which can be viewed on the Company's website following the link: https://beowulfmining.com/about-us/esg-policy/.

Outlook

Beowulf's ambition is to become a trusted European supplier of metals needed for the Green Transition. The Company has an attractive strategic position, developing production assets, in magnetite iron ore and natural flake graphite, in stable jurisdictions and proximity to growing downstream markets, the decarbonising steel industry and the lithium-ion battery manufacturing sector.

With Jokkmokk Iron and Grafintec, we have distinct businesses positioned to benefit from the Green Transition and the demand for sustainable and secure supply of primary raw materials. The status of our iron ore and natural flake graphite resources can only be enhanced, as geopolitical uncertainties remain, and Europe seeks to be sustainable and self-sufficient.

With the aim of bringing Kallak into production, and opportunities with Grafintec to get into anode materials production, we are currently reassessing our timelines for advancing our projects and look forward to a busy schedule ahead progressing them.

J Röstin

Executive Chairman/Interim Chief Executive Officer

2 June 2023

REVIEW OF OPERATIONS AND ACTIVITIES

SWEDEN

Permits

Beowulf, via its subsidiaries, currently holds six exploration permits in Sweden, and one Exploitation Concession, as set out in the table below:

Exploration Permit Name	Licence no.	Area (hectares)	Valid from	Valid to
Parkijaure nr 2[1]	2008:20	285	18/01/2008	18/01/2025
Parkijaure nr 6[1]	2019:81	999	10/10/2019	10/10/2024
Parkijaure nr 7[1]	2021:47	2,212	16/06/2021	16/06/2024
Ågåsjiegge nr 3[1]	2021:73	2,771	27/10/2021	27/10/2024
Åtvidaberg nr 1[2]	2016:51	12,533	30/05/2016	30/05/2024

Exploitation Concession Name	Licence no.	Area (hectares)	Valid from	Valid to
Kallak K nr 1[1 3]	BK-2022:1	103	22/03/2013	22/03/2047

Notes:

(1) Held by the Company's wholly owned subsidiary, Jokkmokk Iron Mines AB ("JIMAB").

(2) Held by the Company's wholly owned subsidiary, Beowulf Mining Sweden AB.

(3) An application for the Exploitation Concession was lodged on 25 April 2013 (Mines Inspector Official Diary nr 559/2013) and an updated, revised and expanded application was submitted in April 2014. On 21 September 2016, the Company submitted a letter to the Mining Inspectorate of Sweden, revising its application boundary to encompass both the Concession Area, delineated by the Kallak North orebody, and the activities necessary to support a modern and sustainable mining operation. On 22 March 2022, the Minister of Enterprise and Innovation, announced the award of the Concession for Kallak nr 1.

Kallak Introduction

The Company's most advanced project is the Kallak iron ore deposit located approximately 40 kilometres ("km") west of Jokkmokk in the County of Norrbotten, Northern Sweden, 80 km southwest of the major iron ore mining centre of Malmberget, and approximately 120 km to the southwest of LKAB's Kiruna iron ore mine.

Kallak has the benefit of local infrastructure with all-weather gravel roads passing through the project and forestry tracks allowing for easy access throughout the licence. A major hydroelectric power station, with associated electric power-lines, is located only a few kilometres to the southeast. The nearest railway, the Inlandsbanan, passes approximately 40 km to the east. The Inlandsbanan meets the Malmbanan railway at Gällivare, which provides routes to the Atlantic harbour at Narvik in Norway or to the Bothnian Sea harbour at Luleå in Sweden.

Kallak is excellently positioned as a potential secure and sustainable supplier of market-leading high-grade iron concentrate to Europe's decarbonising steel sector and fossil-free steel making projects in the Nordic region for decades to come.

Kallak Resource

Kallak was discovered by The Swedish Geological Survey ("SGU") in the 1940s. The first exploration licence for Kallak was awarded by the Mining Inspectorate of Sweden in 2006. Drilling was conducted at Kallak North and South between 2010-2014, a total of 131 holes and 27,895 m.

On 25 May 2021, the Company published a 'Mineral Resource Estimate and Exploration Target Upgrade', prepared by BGS. For Kallak North, a Measured and Indicated Resource of 111 Mt grading 28 per cent iron content was defined. With an additional Inferred Resource of 25 Mt grading 28.3 per cent iron.

For Kallak North and South combined, BGS derived a Measured and Indicated Mineral Resource of 132 Mt grading 27.8 per cent iron and an Inferred Mineral Resource of 39 Mt grading 27.1 per cent iron. In addition to the figures above, exploration targets were reported for Kallak South and the Company's Parkijaure licences.

BGS prepared a Technical Report which serves as an independent report prepared by the Competent Person ("CP") as defined by the Pan-European Reserves and Resources Reporting Committee ("PERC") Standard for Reporting of Exploration Results, Mineral Resources and Mineral Reserves. PERC sets out minimum standards, recommendations and guidelines for Public Reporting of Exploration Results, Mineral Resources and Mineral Reserves in Europe. PERC is a member of CRIRSCO, the Committee for Mineral Reserves International Reporting Standards, and the PERC Reporting Standard is fully aligned with the CRIRSCO Reporting Template.

Below is a table showing the Mineral Resource Statement for the Kallak Project at a 0% Fe cut-off grade:

Deposit	**Classification**	**Million Tonnes**	**Density (g/cm^3)**	**Fe (%)**	**FeO (%)**	**SiO_2 (%)**	**Al_2O_3 (%)**	**P (%)**	**S (%)**
Kallak North	Measured	16	3.5	33.6	10.5	43.4	2.9	0.04	0.002
	Indicated	95	3.3	27.0	7.1	49.8	4.5	0.03	0.002
	Sub-Total	**111**	**3.3**	**28.0**	**7.6**	**48.9**	**4.3**	**0.03**	**0.002**
	Inferred	25	3.4	28.3	7.8	48.1	4.2	0.04	0.002
Kallak South North	Measured								
	Indicated	21	3.3	26.9	7.2	49.3	4.9	0.04	0.003
	Sub-Total	**21**	**3.3**	**26.9**	**7.2**	**49.3**	**4.9**	**0.04**	**0.003**
	Inferred	6	3.2	23.4	6.5	50.1	6.6	0.05	0.004
Kallak South South	Measured								
	Indicated								

	Sub-Total								
	Inferred	8	3.3	26.1	12.0	50.1	5.2	0.05	0.009
Total	Measured	16	3.5	33.6	10.5	43.4	2.9	0.04	0.002
	Indicated	116	3.3	27.0	7.1	49.7	4.6	0.03	0.002
	Sub-Total	**132**	**3.3**	**27.8**	**7.5**	**48.9**	**4.4**	**0.03**	**0.002**
	Inferred	39	3.3	27.1	8.5	48.8	4.8	0.04	0.004

Notes:

(1) Mineral Resources, which are not Mineral Reserves, have no demonstrated economic viability.

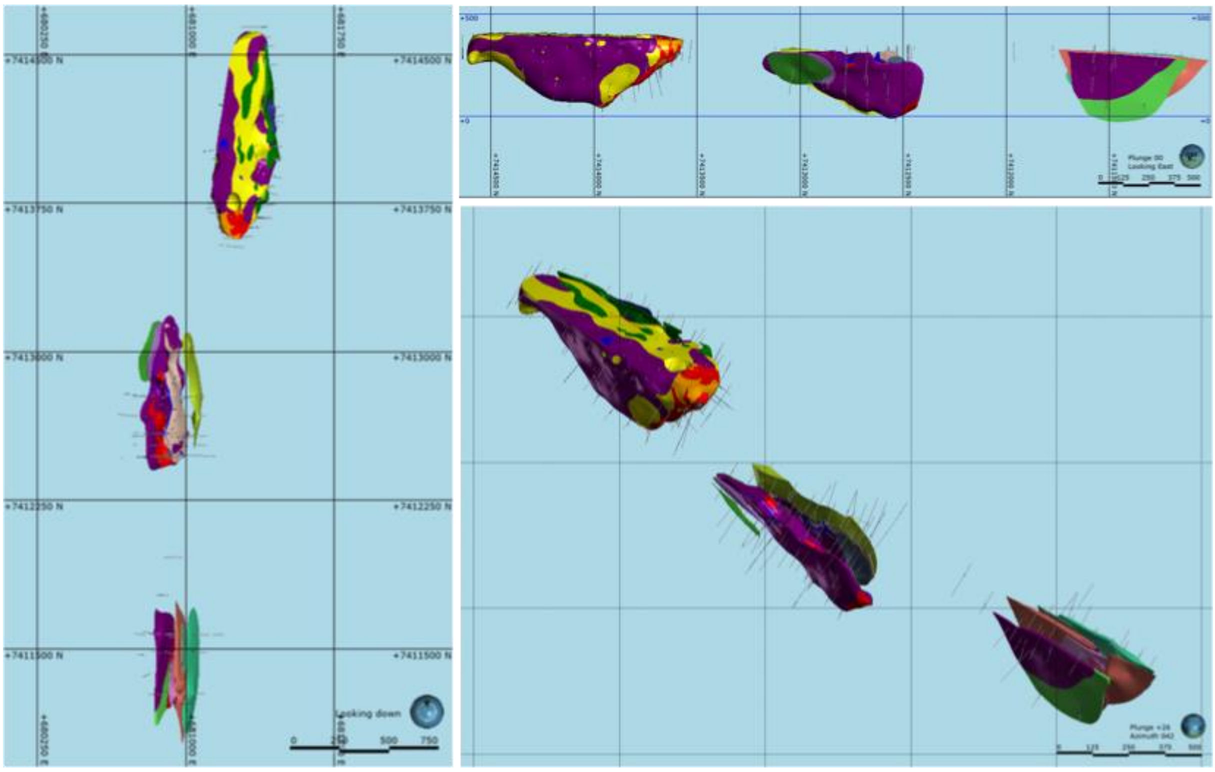
(2) The effective date of the Mineral Resource is 9 May 2021.

(3) The Open Pit Mineral Resource Estimate was constrained within lithological and grade-based solids and within an optimised pit shell defined by the following assumptions; base case metal price of USD130 / tonne for a 65% Fe concentrate; Fe recovery of 71% at Kallak North, 86% at Kallak South North and 94% at Kallak South South; Fe concentrate grades of 68% at Kallak North, 70% at Kallak South North and 69% at Kallak South South; Processing costs of USD6.8 / t wet; Selling cost of USD21.0 / t wet concentrate; Mining cost of Ore of USD3.3 / t, mining cost of waste of USD3.0 / t and an incremental mining cost per 10 m bench of USD0.05 / t; Wall angles of 30° within the overburden and 47.5° in the fresh rock.

(4) Mineral Resources have been classified according to the PERC Standards 2017, by Howard Baker (FAusIMM(CP)), an independent Competent Person as defined in the PERC Standard 2017.

An overview of the interpreted mineralisation is shown in the diagram below, a) left - plan view, b) top right - looking east, c) bottom right – oblique view, looking northeast. Coloured by domain (Source: BGS).

BGS reported an Exploration Target in an untested gap between and Kallak South North and Kallak South South, of between 25 Mt and 75 Mt grading between 20% Fe to 30% Fe. In addition, an Exploration Target of between 45 Mt and 135 Mt grading between 20% Fe to 30% Fe at has been reported at Parkijaure. The potential quantity and grade are conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.



In September 2020, the Company published the findings of an investigation by Dr. Arvidson MSc Mining/Mineral Processing, PhD Mineral Processing (equivalent), Royal Institute of Technology, Stockholm, as Qualified Person, into the market potential of future products from Kallak, based on the results of laboratory and pilot plant testwork conducted to date, the highlights of which can be summarised as follows:

- Testwork on Kallak ore has produced an exceptionally high-grade magnetite concentrate at 71.5 per cent iron content with minimal detrimental components;
- This would make Kallak the market leading high-grade product among known current and planned future producers; and
- The next best magnetite product is LKAB's (the state-owned Swedish iron ore company), which produces magnetite fines ("MAF") with a target specification of 70.7 per cent iron and is regarded as unique, until now, due to its exceptionally high iron content.

2022 Update

On 22 March 2022, the Swedish Government awarded an Exploitation Concession for Kallak North; attached to the decision were 12 conditions for the Company to comply with. The Company's legal advisers reviewed the Government's decision and the conditions attached to it and, with respect to the conditions, were satisfied that these were matters the Company would naturally expect to address during project development and the Environmental Court process. The award of the Concession was a long-awaited milestone on the development timeline, and now the Company can focus its attention on project development and applying for the Environmental Permit.

The Government's decision to grant the Exploitation Concession is subject to a review by the Supreme Administrative Court following an application by the Swedish Society for Nature Conservation, the Sirges Sami and the Jåhkågasska Sami. They argue that the government was not entitled to make the decision in question, on the grounds that it would be contrary to legal rules in support of mainly nature conservation and the national interest of reindeer husbandry. They argue that the Government's decision lacks support in the legal order and that the Supreme Administrative Court should therefore declare the decision invalid. There is a risk that the Supreme Administrative Court will find that the Government has made the decision in violation of the law and therefore annul it. In such a case, the Government may reconsider the issue, but such a procedure risks delaying the start of mining production at Kallak North. There is also a risk that the Government will not take a new decision on the processing concession, which could prevent or at least delay the start of mining production. There is also a risk that the Government will attach additional conditions to a new decision, which may affect or delay the start of mining production at Kallak North. The Company assesses the probability of the described risks occurring to be low.

The Company strengthened its leadership team in Sweden with the appointment of Ulla Sandborgh as CEO of Jokkmokk Iron, Beowulf's wholly owned Swedish subsidiary and the developer of the Kallak North. Before joining Jokkmokk Iron, Ulla held senior positions in private enterprise and public institutions, in sectors including infrastructure, electricity and water. Her most recent role was a Director General in the Ministry of Enterprise of The Government of Sweden, where she was responsible for issues affecting the limestone and cement industries and led the development of a strategy to promote the efficient and sustainable use of water. Ulla has extensive experience in managing permitting processes and, as part of this, engaging with stakeholders, to ensure interests are safeguarded, and benefits shared.

During the year, the Company contracted independent consulting firm SRK Consulting (UK) Ltd ("SRK") Company to prepare a Scoping Study for Kallak North and engaged Vulcan Technologies Pty Ltd ("VulcanTech"), an Australian company specialising in the modelling of iron and steel making processes, to complete a Marketing Study to consider traditional and non-traditional market opportunities that might be served by Kallak concentrates. Workstreams associated with the Environmental Permit continued, including updating investigations regarding nature values, water management and options for transporting production from the mine.

2023 Update

On 24 January 2023, Beowulf announced the positive economic results of the Kallak North Scoping Study, forming part of the larger Kallak Iron Ore Project, prepared by independent consulting firm SRK Consulting (UK) Ltd. The Scoping Study presents a 'Base Case' solely focused on the Kallak North deposit, incorporating 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 Mt per annum of high-grade iron concentrate over a production life of 14 years. The scoping study economic highlights include a Net Present Value (NPV_8) of US$177 million, Internal Rate of Return of 14.5 per cent and a Payback Period of ~ 4.5 years from commencement of construction activity. The 'Base Case' assumes 67 per cent of Kallak production is sold to the Blast furnace market and 33 per cent is sold to the Direct Reduction market, consistent over the 14 years production life.

A Pre-feasibility Study (PFS) is due to commence in Q2 2023, and the offers for the work was sent to the Company by the 11 May 2023. The offers are evaluated and compared before the assignment is given to one or several bidding companies. The PFS is an important part of the Environmental Permit. The Permitting workstreams are continuing with all the necessary investigations that must be included in the application for an Environmental Permit that will be handed in to the court. Like background measuring of noise, dust, waterflows and inventory of nature values.

FINLAND

Grafintec

Grafintec is recognised in Finland as one of the main companies in the anode space and continues to be supported by Business Finland, the Finnish governmental organisation for innovation funding and investments.

Finnish Exploration Permits

Grafintec's exploration programme is targeted at securing long-term sustainably produced primary raw material supply to support a Finnish graphite anode value chain. The Company has a rolling programme of exploration permit and claim reservation applications and exploration permit renewals.

Tukes (the permitting authority) processes the Company's applications, which if deemed satisfactory, are published as a 'Hearing' for one month, during which time appeals can be submitted.

Exploration Permit Name	Licence no.	Area (hectares)	Notes
Pitkäjärvi 1	ML2016:0040-02	407	27.4.2021: Extension permit granted by TUKES. 3.3.2022: The Administrative Court dismissed all the appellants' claims and the litigation costs. 11.4.2022: Appeal application to the Supreme Administrative Court by Puhtaan Saimaan puolesta ry, Kansalaisten kaivosvaltuuskunta ry and Vesiluonnon puolesta ry. 3.11.2022: The Supreme Administrative Court dismissed the NGO's application for leave to appeal the exploration permit. **The permit is now legally valid until 26.4.2024.**
Rääpysjärvi 1	ML2017:0104	716	Exploration permit granted. **The permit gained legal force 21.6.2021 and is valid to 20.6.2025.**
Karhunmäki 1	ML2019:0113	889	Granted by TUKES 29.9.2021. The decision has been appealed to the Vaasa Administrative Court by Lapua municipality and MiningWatch Finland ry.
Luopioinen 1	ML2022:0004	218	Exploration permit application submitted 28.1.2022. The permit has not gained legal force yet.

Aitolampi (Pitkäjärvi 1 Exploration Permit) – Graphite

Introduction

The Aitolampi graphite project sits within the Pitkäjärvi 1 licence and is located in eastern Finland, approximately 40 km southwest of the well-established mining town of Outokumpu, and an eastern extension of known old graphite workings from many years ago. Infrastructure in the area is excellent, with road access and good availability of high voltage power.

Discovered in 2016, the licence covers an area of graphitic schists on a fold limb, coincidental with an extensive electromagnetic ("EM") anomaly. Many of the EM zones are obscured by glacial till, but graphite observations in road cuttings and outcrops are also associated with abundant EM anomalies.

The resource contains graphite of almost perfect crystallinity, and high proportion of fine and medium flake, which is an important prerequisite for high tech applications, such as lithium-ion batteries. Purification results indicate that concentrates meet the purity specification of 99.95 per cent C(t) for lithium-ion batteries.

Mineral Resource Estimate

In 2019, Grafintec delivered an upgraded MRE for Aitolampi, with an 81 per cent increase in contained graphite (compared to the 2018 MRE) for the higher-grade western zone with an Indicated and Inferred Mineral Resource of 17.2 Mt at 5.2 per cent Total Graphitic Carbon ("TGC") containing 887,000 tonnes of contained graphite.

An unchanged Indicated and Inferred Mineral Resource of 9.5 Mt at 4.1 per cent TGC for 388,000 tonnes of contained graphite for the eastern lens.

In total, an Indicated and Inferred Mineral Resource of 26.7 Mt at 4.8 per cent TGC for 1,275,000 tonnes of contained graphite. All material is contained within two graphite mineralised zones, the eastern and western lenses, interpreted above a nominal three per cent TGC cut-off grade.

An augmented global Indicated and Inferred Mineral Resource of 11.1 Mt at 5.7 per cent TGC for 630,000 tonnes of contained graphite, reporting above a five per cent TGC cut-off, based on the grade-tonnage curve for the resource.

The Mineral Resource was estimated by CSA Global of Australia in accordance with the JORC Code, 2012 Edition. See table below:

Zone	Classification	Mt	TGC %	S %	Density (t/m^3)	Contained graphite (kt)
Western lens	Indicated	9.2	5.1	5.0	2.80	468
	Inferred	8.0	5.2	4.7	2.80	419
	Indicated + Inferred	**17.2**	**5.2**	**4.8**	**2.80**	**887**
Eastern lens	Indicated	1.8	4.1	4.4	2.82	74
	Inferred	7.7	4.1	4.5	2.82	314
	Indicated + Inferred	**9.5**	**4.1**	**4.5**	**2.82**	**388**
TOTAL	**Indicated + Inferred**	**26.7**	**4.8**	**4.7**	**2.81**	**1,275**

2022 Update

Grafintec continued to focus on the creation of a Finnish anode materials value chain, with exploration for more natural flake graphite, contracting Geological Survey of Finland ("GTK") to carry out an EM survey over the Rääpysjärvi exploration permit.

Grafintec entered into a Memorandum of Understanding ("MoU") with GTK, providing Grafintec and GTK with a framework and platform to promote and foster cooperation in the fields of circular economy, mineral processing and exploration of graphite as pertaining to anode materials for the lithium-ion battery market and other markets from different raw material sources.

Grafintec also entered into a new partnership with Hensen, a company that has been operating in the graphite industry for 37 years and has been producing graphite-based anode materials since 2003. The MoU includes an agreed framework and key terms on which both companies are collaborating to establish an anode materials hub in Finland.

Along with the MoU signed with Hensen, Grafintec also signed a MoU with Dominik Georg Luh Technografit GmbH ("Technografit"), establishing the basis for a commercial partnership for procuring sustainably produced natural flake graphite for Grafintec's planned graphite anode materials plant. The MoU was signed with Technografit in May 2022 and sets the heads of terms for incorporating a formal sales agreement between Grafintec and Technografit, This follows the Company's strategy to expand its resource footprint while its projects are still in development, in order to develop downstream anode capabilities. Samples received from Technografit will be tested by Hensen and other possible technology partners and processed to anode material. Also, the Company has testwork programmes on recycled graphite containing waste to assess whether it can be processed to suitable feedstock for anode materials production.

In the final quarter of the year, the Company announced the results from the EM survey and assays for the Rääpysjärvi flake graphite prospect.

The EM survey indicated extensive EM anomalies, significant potential for a larger tonnage of high-grade graphite mineralisation than that defined at Aitolampi and for localised very high-grade mineralisation.

Highlights included:

- 13 highly conductive EM zones were identified, with isolated zones extending for up to 850m strike length and 250m width.
- Analysis of eight grab samples from outcrops in the area range from 0.52 to >50 per cent TGC. The sample assaying more than 50 per cent TGC (limit of the analysing methodology) was taken from a historic graphite quarry situated close to the north-western limit of one of the largest EM conductive zones.
- Six holes drilled in the 1980s have also been re-sampled and re-assayed for TGC. Two of the drill holes intersected significant graphite mineralisation:
    - TN/SM-2: 19.29m at 5.62 per cent TGC (from 177.11m); and
    - TN/SM-3: 9.84m at 6.70 per cent TGC (from 226.16m) and 35.55m at 4.98 per cent TGC (from 266.45m).
- Previous metallurgical testwork on a 10kg composite grab sample has produced a concentrate grade of 97.4 per cent TGC.
- The encouraging exploration data set indicates significant potential for natural flake graphite mineralisation suitable for graphite anodes across Rääpysjärvi.

Samples were taken from four trenches in different locations within the identified EM conductive Zone 1, with assays confirming the existence of significant flake graphite mineralisation grade and intersected width.

Flake graphite mineralisation was discovered in all four trenches sampled, including:

- RAA-TR1-22: 10.6 m at 4.33 per cent TGC and 3.8m at 5.77 per cent TGC;
- RAA-TR2-22: 9.96 per cent TGC from grab sample;

- RAA-TR3-22: 5.8m at 7.25 per cent TGC and 7.1 m at 7.43 per cent TGC; and
- RAA-TR4-22: 1.0m at 26.00 per cent TGC.

2023 Update

Grafintec announced, on 9 January 2023, that it had awarded a Pre-feasibility Study ("PFS") contract to RB Plant to assess the technical, economic, statutory, regulatory and commercial options for a natural flake graphite micronisation, spheronisation, purification, and coating plant in Finland.

The study will investigate the Best Available Technology ("BAT") with consideration for environmental, operational and financial factors and performance, for transforming a high-grade natural flake graphite concentrate to graphite anode material suitable for the European lithium-ion battery market opportunities.

The PFS is a key component of Grafintec`s strategy to develop a Finnish value chain for anode materials production, aligned with the objectives of the funding received from Business Finland as part of the BATCircle2.0 (Finland-based Circular Ecosystem of Battery Metals) consortium. BATCircle2.0 is a key project in Business Finland's Smart Mobility and Batteries from Finland programmes.

At the start of February, the Company signed an agreement with the municipality of Korsholm to secure a new site at the GigaVaasa area (Plot 1, Block 3017) to establish a Graphite Anode Materials Plant ("GAMP"). Grafintec will work closely with the municipality of Korsholm and other important stakeholders and intends to apply for a long-term site reservation for Plot 1 within the second half of 2023.

KOSOVO

Vardar Minerals Limited ("Vardar")

Beowulf's investment in Vardar gives the Company exposure to base metals and precious metals exploration in the highly prospective Tethyan Belt.

Exploration Permits

Vardar has a rolling programme of exploration permit applications and renewals, see table below:

Licence Number	Term[1]	Licence	Valid From	Valid To	Area (km^2)
2879	2nd	Mitrovica	2022-03-11	2024-01-27	27.1
2878	2nd	Viti N	2022-03-22	2024-01-27	35.5
2912	2nd	Viti SE	2022-03-11	2024-01-27	44.1
2935	1st	Shala	2022-03-11	2025-02-25	87.5
3122	1st	Shala East	2022-09-06	2025-08-17	78.8
3123	1st	Shala West	2022-10-22	2025-10-11	36.2
3054	1st	Zvecan	2022-06-27	2024-05-14	6.4

[1] Refers to whether the licence has been renewed e.g. 2nd means licence has been renewed after its 1st term.

Exploration Overview

Vardar’s exploration permits are located within the Tethyan Belt, a major orogenic metallogenic province for gold and base metals which extends from the Alps (Carpathians/Balkans) to Turkey, Iran and Indochina, and contains several world class discoveries.

The Tethyan Belt of south-east Europe can be regarded as Europe's chief copper-gold (lead-zinc-silver) province. Mitrovica and Viti occur within calc-alkaline magmatic arc(s) which developed during the closure of the Neotethys Ocean, primarily targeting epithermal gold, lead-zinc-silver replacement deposits and porphyry related copper-gold mineralisation.

The lack of modern-day exploration in the Balkans presents a real opportunity for new mineral deposit discoveries.

Mitrovica

The Mitrovica licence is located immediately to the west and north west of the world class Stan Terg former lead-zinc-silver mine, which dates back to the 1930s; with current reserves of 29 Mt of ore at 3.45 per cent lead, 2.30 per cent zinc, and 80 g/t silver (ITT/UNMIK 2001 report), together with the past production of approximately 34 Mt of ore, the deposit represents an important source of metals in the south eastern part of Europe (Source: Strmić Palinkaš S., Palinkaš L.A et al, 2013. Metallogenic Model of the Trepča Pb-Zn-Ag Skarn Deposit, Kosovo: Evidence from Fluid Inclusions, Rare Earth Elements, and Stable Isotope Data. Economic Geology, 108, 135-162). The licence is showing its potential for a range of porphyry related mineralisation types.

Shala

During the year, three Shala exploration licences were approved, extending to the north and northeast of the Mitrovica licence, its polymetallic epithermal system and associated lead-zinc-silver and gold-silver-copper mineralisation. The new areas are situated in the prospective Vardar lead-zinc-silver belt along trend from historical mining districts.

The new licences include prospective carbonate host rocks along with Oligocene magmatic rocks which provide the heat and metal source in the surrounding lead-zinc ore districts; alteration and gossan outcrops have been noted in early reconnaissance visits further demonstrating the potential for lead-zinc-silver mineralisation in both of the licences.

Viti

The Viti project is located in south-eastern Kosovo and encompasses an interpreted circular intrusive, indicated by regional airborne magnetic data. There is evidence of intense alteration typically associated with porphyry systems, with several copper occurrences and stream sample anomalies in proximity to, and within the project area.

In 2019, two stratigraphic holes, totalling 439 metres, were drilled to test for alteration type and potential associated mineralisation in the gossanous zone, and identified highly altered trachyte porphyry dykes with associated copper and gold mineralisation, with down the hole intersections of 1 m at 0.5 g/t and 10 m at 0.12 g/t.

In 2020, the Company reported results from detailed 3D IP and resistivity surveys undertaken over the Metal Creek prospect, which forms part of the Viti project. High chargeability anomalies associated with an extensive north-northwest trending zone of alteration and anomalous multi-element soil sample and rock grab sample results were delineated. The newly defined high chargeability anomalies sit near gold and copper mineralisation, associated with altered porphyritic trachyte dykes, intersected by previous stratigraphic drilling. These anomalies could represent higher grade mineralised zones.

Zvecan

The Zvecan licence is a small extension licence east of the main Mitrovica project and was created by changes in municipality boundaries.

2022 Update

During 2022, the Company invested a further £1.2 million to fund drilling taking the Company's ownership of Vardar to approximately 59.5 per cent. At the signing date of this report, the Company has invested a further £250,000 and now owns a 61.1 per cent interest in Vardar.

Significant and positive exploration results were delivered by Vardar in 2022, which resulted in the identification of a high sulphidation Polymetallic Epithermal System at Majdan Peak ("MP"), part of the Mitrovica licence. Epithermal systems, which are formed at shallow levels in the earth's crust, are highly prospective for their gold and silver contents and can also contain lead, zinc and copper.

During the year, drilling focused on the MP target and the results both supported the potential for epithermal mineralisation of economic grades to be present and for comparisons to be drawn with the Chelopech copper-gold deposit in Bulgari. Numerous additional base and precious metal targets were also defined for future drilling.

The exploration programme consisted of 16 holes, totalling 3709.7 metres(m) of diamond drilling, including 3 holes (643.5 m) at MP South and 13 holes (3066.2 m) at MP North. All drillholes intersected abundant sulphides, intense alteration, and multiple generations of veining which are all factors indicative of a large polymetallic epithermal system. Significant gold-copper-silver, lead-zinc-silver and gold intersections include:

- Drillhole MP006: 10.8m at 0.48 grammes per tonne ("g/t") gold ("Au"), 0.1 per cent copper ("Cu") and 18 g/t silver ("Ag"), including 3.2m at 1.1 g/t Au, 0.2 per cent Cu and 50 g/t Ag;
- Drillhole MP006: 6.8m at 4.1 per cent lead ("Pb"), 0.6 per cent zinc ("Zn") and 15 g/t Ag; and
- Drillhole MP013: 16.1m at 0.21 g/t Au.

Following this, on 8 September 2022, the Company announced additional analysis of drilling and exploration activities in and around the Majdan Peak South ("MPS") area. This analysis generated additional exploration targets effectively increasing the significant district potential. The additional targets include Gold Ridge and Red Lead.

The main objective of exploration is to discover an economic deposit of base and precious metals, and recent drilling has shown this potential. Drilling at MPS intercepted several noteworthy precious metals intersections, including:

- Drillhole MP002: 8.8 m at 0.34 g/t Au, including 0.9m at 1.52 g/t Au and 20 g/t Ag; and
- Drillhole MP003: 36.4m at 19 g/t Ag, 0.5 per cent Pb and 0.2 per cent Zn, including:
    - 1.5m at 128 g/t Ag, 0.35 per cent Cu, 1.5 per cent Pb and 0.3 per cent Zn;
    - 1.1m at 71 g/t Ag, 0.1 per cent Cu, 0.7 per cent Pb and 0.3 per cent Zn;
    - 1.0m at 50 g/t Ag, 0.2 per cent Cu, 0.5 per cent Pb and 0.3 per cent Zn;
    - 4.8m at 44 g/t Ag and 0.7 per cent Pb; and
    - 1.1m at 46 g/t Ag, 2.7 per cent Pb and 0.6 per cent Zn.

On 14 December 2022, Beowulf released results from detailed geological mapping over the Red Lead target, located within the Mitrovica Licence, situated approximately 2km east of the world class Stan Terg lead-zinc deposit, which is still in production. The target is defined by a two kilometre East-Northeast trending lead-zinc-copper-gold in soil sample anomaly along with:
Mineralised trachyte bodies (with up to three per cent zinc from rock sampling);

- Prominent induced polarisation ("IP") anomalies indicative of potential sulphide metal sources; and
- Hydrothermal breccias and gossanous outcrops.

Detailed geological mapping undertaken in December identified marble units together with gossans, trachyte bodies and carbonate alteration, highlighting the potential for carbonate-replacement style lead-zinc-silver mineralisation. As this important target shares the same host rocks, and alteration as seen the neighbouring Stan Terg deposit, it is considered a highly prospective target for follow up drilling.

ESG

The Company's overall purpose is to be a responsible and innovative company that creates value for our shareholders, the wider society and the environment, through sustainably producing critical raw materials needed for the global transition to a Green Economy.

On 13 May 2022, regarding Community Initiatives, the Company announced that discussions were taking place with the responsible local agency in Jokkmokk about conducting surveys to map the current workforce and future workforce, school leavers and university students in the region, to determine what initiatives need to be started to ensure sufficient locally based skilled persons are available for work at the mine or in other businesses established by the economic stimulus created by the mine.

The Company wants to be recognised for living its values of Respect, Partnership and Responsibility. In its recent ESG work it has identified, as material to the Company's activities, the following main Sustainable Development Goals and relevant actions under each goal which the Company will be focusing on:

- Goal 6: Ensure availability and sustainable management of water and sanitation for all
  - Target 6.1 - By 2030, achieve universal and equitable access to safe and affordable drinking water for all
  - Target 6.4 - By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
- Goal 8: Decent work and economic growth
  - Target 8.2 - Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors

    - Target 8.4 - Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead

    - Target 8.5 - By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value

- Goal 9: Industry, innovation and infrastructure

    - Target 9.1 - Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all

    - Target 9.4 - By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

- Goal 12: Responsible production and consumption

    - Target 12.2 - By 2030, achieve the sustainable management and efficient use of natural resources

    - Target 12.5 - By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

    - Target 12.6 - Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

- Goal 13: Climate Action

    - Target 13.2 - Integrate climate change measures into national policies, strategies and planning

When it comes to the development of the Company's projects and with Kallak as the frontrunner, the above goals and our future compliance with The Equator Principles are being factored into our thinking, design, engineering, and planning of our operations and management systems.

The Company's ESG Policy is available on the website following the link below:

https://beowulfmining.com/about-us/esg-policy/

REMUNERATION REPORT

The Directors have chosen to voluntarily present an unaudited remuneration report although is not required by the Companies Act 2006. Details of the Remuneration Committee’s composition and responsibilities are set out in the Corporate Governance Report and its terms of reference can be found on the Group's website: https://beowulfmining.com

Executive Directors' terms of engagement

Mr Budge was the sole Executive Director and Chief Executive Officer during the reporting period. His annual salary was £210,000 (2021: £180,000). Post period, Mr Budge stepped down as CEO on 3 May 2023.

Post period, Mr Röstin assumed the role of Executive Chairman and interim CEO effective 3 May 2023 at the time of Mr Budge's resignation.

Non-Executive Directors' terms of engagement

The Non-Executive Directors have specific terms of engagement under a letter of appointment. Their remuneration is determined by the Board. In the event that a Non-Executive Director undertakes additional assignments or work for the Company, this is covered under a separate consultancy agreement.

Mr Davies annual fee is £36,000 per annum (2021: £33,000). Mr Davies has a consultancy agreement with the Company for the provision of exploration advice over and above his Non-Executive duties. Mr Davies has a one month notice period under his letter of appointment.

Mr Littorin resigned as Non-Executive Director and Mr Röstin was appointed as Non-Executive Director on 31 October 2022. Under Mr Röstin's letter of appointment, he is paid a fee in Swedish Krona of 500,000 per annum. Mr Rostin has a notice period of one month under his letter of appointment.

Indemnity Agreements

Pursuant to the Companies Act 2006 and the Company's articles of association, the Board may exercise the powers of the Company to indemnify its Directors against certain liabilities, and to provide its Directors with funds to meet expenditure incurred, or to be incurred, in defending certain legal proceedings or in connection with certain applications to the court. In exercise of that power, and by resolution of the Board on 26 July 2016, the Company has agreed to enter into this Deed of Indemnity with each Director.

Aggregate Directors' Remuneration

The remuneration paid to the Directors in accordance with their agreements, during the years ended 31 December 2022 and 31 December 2021, was as follows:

Name	Position	Salary & Fees[1]	Benefits[2]	Pension[3]	Share-based payments	2022 Total	2021 Total
		£	£	£		£	£
Mr K R Budge[4]	Chief Executive Officer	210,000	887	5,667	158,817	375,371	186,377
Mr C Davies	Non-Executive Director	39,000	-	-	14,528	53,528	33,000

Mr J Rostin[5]	Non-Executive Director	25,328	-	-	-	25,328	-
Mr SO Littorin	Non-Executive Director	34,215	-	-	-	34,215	38,041
Total		308,543	887	5,667	173,345	488,442	257,418

Notes:

(1) Does not include expenses reimbursed to the Directors.
(2) Personal life insurance policy
(3) Employer contributions to personal pension.
(4) Post period, Kurt Budge resigned as CEO effective 3 May 2023
(5) Post period, Johan Röstin assumed the role of Executive Chairman / Interim CEO.

Each Director is also paid all reasonable expenses incurred wholly, necessarily, and exclusively in the proper performance of his duties.

The beneficial and other interests of the Directors holding office on 31 December 2022 in the issued share capital of the Company were as follows:

ORDINARY SHARES	**31 December 2022**	**31 December 2021**
Mr K R Budge	5,957,997	5,957,997
Mr C Davies	88,800	88,800

As at 31 December 2022, 8,500,000 options have vested.

ORDINARY SHARES UNDER OPTION	**NUMBER**	**EXERCISE PRICE**	**EXPIRY DATE**
Mr K R Budge	3,500,000	7.35 pence	14 January 2024
Mr K R Budge	9,500,000	5.25 pence	27 September 2032
Mr K R Budge	2,500,000	1 pence	27 September 2032
Mr C Davies	2,500,000	7.35 pence	14 January 2024
Mr C Davies	2,000,000	5.25 pence	27 September 2032

As at 31 December 2021, all options have vested.

ORDINARY SHARES UNDER OPTION	**NUMBER**	**EXERCISE PRICE**	**EXPIRY DATE**

Mr K R Budge	3,500,000	7.35 pence	14 January 2024
Mr C Davies	2,500,000	12 pence	26 January 2022
Mr C Davies	2,500,000	7.35 pence	14 January 2024

ON BEHALF OF THE REMUNERATION COMMITTEE

Chris Davies

Non-Executive Director

2 June 2023

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
CONTINUING OPERATIONS			
Administrative expenses		(1,806,582)	(1,503,049)
Impairment of property, plant and equipment	9	-	(48,966)
Impairment of exploration assets	8	(36,988)	-
OPERATING LOSS		(1,843,570)	(1,552,015)
Gain on disposal of investment		21,951	-
Finance costs	3	(304,806)	(256)
Finance income	3	176	71
Grant income	6	84,797	66,589
LOSS BEFORE TAX		(2,041,452)	(1,485,611)
Tax expense	5	-	-
LOSS FOR THE YEAR		(2,041,452)	(1,485,611)
Loss attributable to:			
Owners of the parent		(1,948,459)	(1,351,179)
Non-controlling interests	15	(92,993)	(134,432)
		(2,041,452)	(1,485,611)
Loss per share attributable to the ordinary equity holder of the parent:			
Basic and diluted (pence)	7	(0.23)	(0.16)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
		£	£
LOSS FOR THE YEAR		(2,041,452)	(1,485,611)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Exchange losses arising on translation of foreign operations		(32,945)	(794,368)
		(32,945)	(794,368)
TOTAL COMPREHENSIVE LOSS		(2,074,397)	(2,279,979)
Total comprehensive loss attributable to:			
Owners of the parent		(2,020,889)	(2,110,892)
Non-controlling interests	15	(53,508)	(169,087)
		(2,074,397)	(2,279,979)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022	2021
		£	£
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	8	13,002,465	11,235,656
Property, plant and equipment	9	129,715	133,428
Loans and other financial assets	11	5,181	5,247
Right-of-use asset	12	19,279	7,401
		13,156,640	11,381,732
CURRENT ASSETS			
Trade and other receivables	13	220,427	183,139
Cash and cash equivalents	14	1,776,556	3,336,134
		1,996,983	3,519,273
TOTAL ASSETS		15,153,623	14,901,005
EQUITY			
SHAREHOLDERS' EQUITY			
Share capital	16	8,317,106	8,317,106
Share premium	18	24,689,311	24,689,311
Capital contribution reserve	18	46,451	46,451
Share based payment reserve	18	516,098	668,482
Merger reserve	18	137,700	137,700
Translation reserve	18	(1,289,415)	(1,216,985)
Accumulated losses	18	(20,323,414)	(18,470,675)
		12,093,837	14,171,390
Non-controlling interests	15	568,732	325,039
TOTAL EQUITY		12,662,569	14,496,429

LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	625,730	357,236
Deferred income	20	-	39,849
Lease liability	21	10,840	7,491
Borrowings	22	1,845,947	-
		2,482,517	404,576
NON-CURRENT LIABILITIES			
Lease liability		8,537	-
		8,537	-
TOTAL LIABILITIES		2,491,054	404,576
TOTAL EQUITY AND LIABILITIES		15,153,623	14,901,005

The financial statements were approved and authorised for issue by the Board of Directors on 2 June 2023 and were signed on its behalf by:

Mr J Rostin - Director

Company Number 02330496

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Share capital	Share premium	Merger reserve	Capital contribution reserve	Share based payments reserve	Translation reserve	Accumulated losses	Totals	Non – controlling interest	Totals
		£	£	£	£	£	£	£	£	£	£
At 1 January 2021		8,281,752	24,684,737	137,700	46,451	732,185	(457,272)	(17,083,186)	16,342,367	394,113	16,736,480
Loss for the year		-	-	-	-	-	-	(1,351,179)	(1,351,179)	(134,432)	(1,485,611)
Foreign exchange translation		-	-	-	-	-	(759,713)	-	(759,713)	(34,655)	(794,368)
Total comprehensive income		-	-	-	-	-	(759,713)	(1,351,179)	(2,110,892)	(169,087)	(2,279,979)
Transactions with owners											
Issue of share capital	16	35,354	23,334	-	-	-	-	-	58,688	-	58,688
Cost of issue	16	-	(18,760)	-	-	-	-	-	(18,760)	-	(18,760)
Step up interest in subsidiary	10	-	-	-	-	-	-	(100,013)	(100,013)	100,013	-
Transfer of reserve on option exercised		-	-	-	-	(63,703)	-	63,703	-	-	-
At 31 December 2021		8,317,106	24,689,311	137,700	46,451	668,482	(1,216,985)	(18,470,675)	14,171,390	325,039	14,496,429
Loss for the year		-	-	-	-	-	-	(1,948,459)	(1,948,459)	(92,993)	(2,041,452)
Foreign exchange translation		-	-	-	-	-	(72,430)	-	(72,430)	39,485	(32,945)
Total comprehensive income		-	-	-	-	-	(72,430)	(1,948,459)	(2,020,889)	(53,508)	(2,074,397)

Transactions with owners											
Equity-settled share-based payment transactions	17	-	-	-	-	240,537	-	-	240,537	-	240,537
Step up interest in subsidiary	10	-	-	-	-	-	-	(297,201)	(297,201)	297,201	-
Transfer of reserve on option lapsed		-	-	-	-	(392,921)	-	392,921	-	-	-
At 31 December 2022		8,317,106	24,689,311	137,700	46,451	516,098	(1,289,415)	(20,323,414)	12,093,837	568,732	12,662,569

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
		£	£
Cash flows from operating activities			
Loss before income tax		(2,041,452)	(1,485,611)
Depreciation of property, plant and equipment	4	45,133	36,790
Equity-settled share-based transactions		240,537	23,334
Impairment of exploration costs	4	36,988	-
Impairment of property, plant and equipment	9	-	48,966
Finance income	3	(176)	(71)
Finance cost	3	304,806	256
Grant income	6	(84,797)	(66,589)
Gain on sale of property, plant and equipment		-	(17,414)
Gain on sale of investment		(21,951)	-
Amortisation of right-of-use assets	12	6,384	5,630
Unrealised foreign exchange losses		55,337	292,452
		(1,459,191)	(1,162,257)
Increase in trade and other receivables		(36,535)	(12,796)
Decrease in trade and other payables		(43,827)	(174,732)
Net cash used in operating activities		(1,539,553)	(1,349,785)
Cash flows from investing activities			
Purchase of intangible assets	8	(1,536,674)	(735,847)
Purchase of property, plant and equipment	9	(34,397)	(86,219)
Proceeds from sale of property, plant and equipment		-	24,806
Disposal of investments	4	21,951	-
Grant receipt		84,797	24,031
Grant repaid	20	(39,849)	-
Interest received	3	176	71

Net cash used in investing activities		(1,503,996)	(773,158)
Cash flows from financing activities			
Proceeds from issue of shares in prior year		-	1,392,081
Proceeds from issue of shares	16	-	35,354
Payment of share issue costs	16	-	(18,760)
Lease principal	21	(6,347)	(5,594)
Lease interest paid	21	(264)	(256)
Proceeds from borrowings, net of issue costs	22	1,554,381	-
Interest paid		(10)	-
Net cash from financing activities		1,547,760	1,402,825
Decrease in cash and cash equivalents		(1,495,789)	(720,118)
Cash and cash equivalents at beginning of year		3,336,134	4,329,414
Effect of foreign exchange rate changes		(63,789)	(273,162)
Cash and cash equivalents at end of year		1,776,556	3,336,134

1. ACCOUNTING POLICIES

Nature of operations

Beowulf Mining plc (the "Company") is domiciled in England. The Company's registered office is 201 Temple Chambers, 3-7 Temple Avenue, London, EC4Y 0DT. These consolidated financial statements comprise 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.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below:

Going concern

At 31 December 2022, the Group had a cash balance of £1.78 million (2021: £3.34 million) and the Company had a cash balance of £1.67 million (2021: £3.08 million).

Management prepared cash flow forecasts which indicate that although there is no immediate short term funding requirement, the Group would need to raise further funds within a short period of the 12 months used in the going concern cashflow model for corporate overheads and to advance its key projects and investments. This conclusion has been reached following management's review of both cost and foreign exchange sensitivities and potential key hires required to advance projects. Management is confident the Group will have sufficient cash after taking into account a reasonable movement in these currencies.

On 20 December 2022, the Company secured a Rights Issue in Sweden and a PrimaryBid Offer and Placing in the UK As part of this the Company received underwriting commitments to the value of a maximum of SEK 60 million, or approximately 70 per cent of the intended Rights Issue. Therefore, at the year end, the Directors were confident that the Group would be able to raise sufficient capital to fund the Group's key projects and investments.

Since the year end, 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 £1.3 million before expenses. As a result, the underwriting commitments were not activated.

Following the year 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 £2.13m 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.

The Board continues to adopt the going concern basis to the preparation of the financial statements. The Group is confident it has raised sufficient funds to continue as a going concern for at least 12 months from the date of approval of the financial statements.

Basis of preparation

The consolidated and individual Company financial statements have been prepared in accordance with UK adopted international accounting standards. The policies have been consistently applied to both the parent Company and Group. 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.

Merger relief under s612 of the Companies Act 2006 removes the requirement to credit the share premium account and where the conditions are met, the relief must be applied. However, it allows the investment to be accounted for at the nominal value of the shares issued or the fair value of the consideration. Where the investment is to be recorded at fair value, then the credit will be to the merger relief reserve.

The conditions to qualify for merger relief are:

- the consideration for shares in another company includes issued shares;
- on completion of the transaction, the company issuing the shares will have secured at least a 90% equity holding in the other company.

Merger relief was required to be applied in acquisition of Grafintec, in which the Company obtained 100% of the share capital of Grafintec for shares issued by the Company. Further details of this acquisition are outlined in note 10.

New standards, amendments and interpretations

Standards and interpretations adopted during the year

Information on new standards, amendments and interpretations that are relevant to the Group and Company annual report and accounts is provided below:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

These standards have no material impact on the Group or Company.

Standards, amendments and interpretations that are not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2023:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Amendments to IAS 1: Classification of Liabilities as Current or Non-current – Deferral of Effective Date – effective 1 January 2023*
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies – effective 1 January 2023
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates – effective 1 January 2023
- Amendments to IAS 12 Income Taxes – Deferred Tax Related to Assets and Liabilities arising from a Single Transaction - effective 1 January 2023

The following amendments are effective for the period beginning 1 January 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback)

- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants)

Beowulf Mining Plc is currently assessing the impact of these new accounting standards and amendments.

Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for income and expenses during the year and the amounts reported for assets and liabilities at the balance sheet date. However, the nature of estimation means that the actual outcomes could differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the revision is made.

Critical judgements

Loan treatment

The loan agreement provides that in the event of default the lender the option to convert the outstanding principal and accumulated interest into shares in the Company at a discounted valuation. The Directors considered whether the definition of default is genuine or whether, in substance, it represents an option granted to the lender which can be exercised at any time. The Directors are satisfied that the default provisions are genuine and therefore there the loan does not contain an embedded derivative.

The bridging loan constitutes a financial liability as in the event of default the Company settles its loan obligation using its own equity instruments, which are variable depending on the loan balance and share price and therefore does not include an equity component.

Control of Vardar Group

The other key areas of judgement and sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year is the judgment exercised in assessing the control of the Vardar Group and in respect of the Parent Company the recoverability of the loans made to subsidiary undertakings.

The Company was assessed to have control on the 1 April 2019 as the Company was able to exercise power over Vardar through the appointment of Kurt Budge as Investor Director. The investment agreement conveyed substantive rights to the Investor Director and through the combination of the increased shareholding and these rights the Company was able to affect the overall returns of the investee. This judgement has continued to be applied consistently throughout the year ended 31 December 2022.

Exploration costs capitalisation

The Group has to apply judgement in determining whether exploration and evaluation expenditure should be capitalised within intangible assets as exploration costs or expensed. The Group has a policy of capitalising all costs which relate directly to exploration costs (as set out above). Management apply judgement in determining if Directors' remuneration costs are directly attributable to a specific exploration area (project) and should be capitalised or expensed as incurred. The total value of exploration costs capitalised as at each of the reporting dates is set out in Note 8.

Sources of estimation and uncertainty

Åtvidaberg licence

The Åtvidaberg licence is located in the Bergslagen area, southern Sweden. It was renewed during 2019 due to COVID-19, the exploration permit was awarded an additional year to the existing term and now expires on 30 May 2024.

Bergslagen is one of Europe's oldest mining districts and yielded a substantial portion of Sweden's mineral wealth in the 1800-1900s, with several large mines and hundreds of smaller mines producing copper, zinc, lead, gold, silver, and iron ore. Current operating mines in the area include Boliden's Garpenberg and Lundin Mining's Zinkgruvan. Most of southern Bergslagen has seen little modern exploration, yet it hosts Bersbo, one of Sweden's largest early copper mines, and Zinkgruvan, Sweden's most important zinc mine. During the year, no fieldwork was undertaken, due to COVID-19 restrictions and as the Company's exploration focus moved to Kosovo. However, the Company is now in discussions with potential partners to continue with the next stage of work on the licence. At the date of this report the Company will have two years remaining on the term of the licence.

Exploration assets

The Board has considered the impairment indicators as outlined in the Company's accounting policies and having done so is of the opinion that no impairment provisions are required for Company's main assets, Kallak, Aitolampi, Mitrovica, Viti and Åtvidaberg (see note 8).

Sources of estimation and uncertainty

Expected credit losses

The Company, in applying the ECL model under IFRS 9, must make assumptions when implementing the forward-looking ECL model. This model is required to be used to assess the intercompany loans receivable from subsidiaries for impairment.

Estimations were made regarding the credit risk of the counterparty and the underlying probability of default in each of the credit loss scenarios. The scenarios identified by management included Production, Divestment, Fire-sale and Failure. These scenarios considered technical data, necessary licences to be awarded, the Company's ability to raise finance, and ability to sell the project. A reasonable change in the probability weightings of both the downside scenarios of failure and fire-sale of 3% would result in further impairment of £626,927 (2021: £624,464).

Basis of consolidation

(i) Subsidiaries and acquisitions

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (and its subsidiaries) made up to 31 December each year. Control is recognised where an investor is exposed, or has rights, to variable returns from its investment with the investee, and has the ability to affect these returns through its power over the investee.

The results of subsidiaries acquired or disposed of during the year are included in the statement of comprehensive income from the effective date of acquisition, or up to the effective date of disposal, as appropriate.

Non-controlling interests in subsidiaries are presented separately from the equity attributable to equity owners of the parent Company. When changes in ownership in a subsidiary do not result in a loss of control, the non-controlling shareholders' interests are initially measured at the non-controlling interests' proportionate share of the subsidiaries net assets. Subsequent to this, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(ii) Transactions eliminated on consolidation

Intra-Group balances and any unrealised gains and losses or income and expenses arising from intra-Group transactions are eliminated in preparing the consolidated financial statements.

Business combinations

On acquisition, the assets, liabilities, and contingent liabilities of a subsidiary are measured at their fair value at the date of acquisition. Any excess of the cost of the acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If the aggregate of the acquisition-date fair value of the consideration transferred and the amount recognised for the non-controlling interest (and where the business combination is achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree) is lower than the fair value of the assets, liabilities and contingent liabilities and the fair value of any pre-existing interest held in the business acquired, the difference is recognised in profit and loss.

Intangible assets – deferred exploration costs

All costs incurred prior to the application for the legal right to undertake exploration and evaluation activities on a project are expensed as incurred. Each asset is evaluated annually at 31 December, to determine whether there are any indications that impairment exists.

Exploration and evaluation costs arising following the application for the legal right, are capitalised on a project-by-project basis, pending determination of the technical feasibility and commercial viability of the project. Costs incurred include appropriate employee costs and costs pertaining to technical and administrative overheads.

Exploration and evaluation activity include:

- researching and analysing historical exploration data;
- gathering exploration data through topographical, geochemical and geophysical studies;
- exploratory drilling, trenching and sampling;
- determining and examining the volume and grade of the resource;
- surveying transportation and infrastructure requirements; and
- conducting market and finance studies.

Administration costs that are not directly attributable to a specific exploration area are expensed as incurred.

Exploration costs are carried at historical cost less any impairment losses recognised. When a project is deemed to no longer have commercially viable prospects to the Group, exploration costs in respect of that project are deemed to be impaired and written off to the statement of comprehensive income. Once the decision for investment is taken, the assets will be assessed for impairment and to the extent that these are not impaired, will be classified as development assets. At the point that production commences these assets will be depreciated.

Impairment

Whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable an asset is reviewed for impairment. An asset’s carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset’s carrying amount.

Impairment reviews for exploration costs are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise such as:

(i) unexpected geological occurrences that render the resource uneconomic;

(ii) title to the asset is compromised;

(iii) variations in mineral prices that render the project uneconomic;

(iv) substantive expenditure on further exploration and evaluation of mineral resources is neither budgeted nor planned; and

(v) the period for which the Group has the right to explore has expired and is not expected to be renewed.

Property, plant and equipment

Items of property, plant and equipment are stated at historical cost less accumulated depreciation.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment	-	25 per cent on reducing balance
Computer equipment	-	25 per cent on reducing balance
Motor Vehicles	-	20 per cent on reducing balance
Machinery and equipment	-	20 to 25 per cent on reducing balance

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Leased assets

When entering into a contract the Group assesses whether or not a lease exists. A lease exists if a contract conveys a right to control the use of an identified asset under a period of time in exchange for consideration. Leases of low value items and short-term leases (leases of less than 12 months at the commencement date) are charged to the profit or loss on a straight-line basis over the lease term in administrative expenses.

The Group recognises right-of-use assets at cost and lease liabilities at the lease commencement date based on the present value of future lease payments. The right-of-use assets are amortised on a straight-line basis over the length of the lease term. The lease liabilities are recognised at amortised cost using the effective interest rate method. Discount rates used reflect the incremental borrowing rate specific to the lease.

Investments in subsidiaries

Investments in subsidiary undertakings are stated at cost less provision for any impairment in value.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

Financial assets

The Group classifies all of its financial assets at amortised cost. Management determines the classification of its financial assets at initial recognition.

Amortised cost

The Group's financial assets held at amortised cost comprise trade and other receivables, cash and cash equivalents and loans and other financial assets in the consolidated statement of financial position.

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through financial assets where the objective is to hold their assets in order to collect contractual cash flows and the contractual cash flows are solely payments of the principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime ECLs. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the trade receivables. For trade receivables, which are reported net; such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Expected credit loss provisions for other receivables are recognised based a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Financial liabilities

The Group's financial liabilities include trade and other payables and borrowings. All financial liabilities are recognised initially at fair value, net of transaction costs incurred, and are subsequently stated at amortised cost, using the effective interest method.

Loans and borrowings with settlement terms that that fail the fixed for fixed criterion will be treated as a containing an embedded derivative liability, where this is recognised the loan value will be allocated between the derivative value and the loan residual which will be carried amortised cost. Loans and borrowings are derecognised when the obligation is extinguished.

Unless otherwise indicated, the carrying values of the Group's financial liabilities measured at amortised cost represents a reasonable approximation of their fair values.

Fair value

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are

categorised within the fair value hierarchy. The fair value hierarchy prioritises the inputs to valuation techniques used to measure fair value. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments and other assets and liabilities for which the fair value was used:

- level 1: quoted prices in active markets for identical assets or liabilities;
- level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Where equity instruments are issued as part of an acquisition they are recorded at their fair value on the date of acquisition.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised, using the liability method, in respect of temporary differences between the carrying amount of the Group's assets and liabilities and their tax base.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits, within the same jurisdiction, in the foreseeable future against which the deductible temporary difference can be utilised.

Deferred tax is determined using tax rates that are expected to apply in the periods in which the asset is realised or liability settled, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred tax is recognised in the profit or loss, except when the tax relates to items charged or credited directly in equity, in which case the tax is also recognised directly in equity.

Foreign currencies

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in GB Pounds Sterling which is the presentation currency for the Group and Company financial statements. The functional currency of the Company is the GB Pounds Sterling.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are included in the statement of comprehensive income for the period.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in GB Pounds Sterling using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as other comprehensive income and are transferred to the Group's translation reserve.

Foreign currency movements arising from the Group's net investment, which comprises equity and long-term debt, in subsidiary companies whose functional currency is not the GB Pounds Sterling are recognised in the translation reserve, included within equity until such time as the relevant subsidiary company is sold, whereupon the net cumulative foreign exchange difference relating to the disposal is transferred to profit and loss.

Share-based payment transactions

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of all options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the income statement or share premium account, if appropriate, are charged with the fair value of goods and services received.

Government grant

Government grants received on capital expenditure are generally deducted in arriving at the carrying amount of the asset purchased. Grants for revenue expenditure are recorded gross in the Group income statement. Where retention of a government grant is dependent on the Group satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the consolidated statement of comprehensive income or netted against the asset purchased.

3. FINANCE INCOME AND COSTS

	Group		**Company**	
	2022	2021	2022	2021
	£	£	£	£
Finance income:				
Deposit account interest	176	71	170	71
	176	71	170	71
Finance costs:				
Interest on lease liabilities	267	256	-	-
Interest on loans and borrowings	304,529	-	304,529	-
Other interest paid	10	-	-	-
	304,806	256	304,529	-

7. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share at 31 December 2022 was based on the loss attributable to ordinary shareholders of £1,948,459 (2021: £1,351,179) and a weighted average number of Ordinary Shares outstanding during the year ended 31 December 2022 of 831,710,636 (2021: 829,879,971) calculated as follows:

	2022	2021
	£	£
Loss attributable to ordinary shareholders	(1,948,459)	(1,351,179)

Weighted average number of ordinary shares

	2022	2021
	Number	Number
Number of shares in issue at the beginning of the year	831,710,636	607,815,562
Effect of shares issued during year	-	222,064,409
Weighted average number of ordinary shares in issue for the year	831,710,636	829,879,971

The diluted earnings per share is identical to the basic loss per share as the exercise of warrants and options would be anti-dilutive.

8. INTANGIBLE ASSETS - Group

	Exploration Costs
	£
COST	
At 1 January 2021	11,371,916
Additions for the year	682,367
Foreign exchange movements	(818,627)
At 31 December 2021	11,235,656

At 1 January 2022	11,235,656
Additions for the year – cash	1,536,674
Additions for the year – non-cash	314,272
Foreign exchange movements	(47,149)
Impairment	(36,988)
At 31 December 2022	13,002,465

NET BOOK VALUE	
At 31 December 2022	13,002,465
At 31 December 2021	11,235,656

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

	2022	2021
	£	£
Kallak	7,666,563	7,210,380
Åtvidaberg	358,694	363,131
Ågåsjiegge	7,718	6,482
Pitkäjärvi	1,641,836	1,457,826
Karhunmaki	56,089	51,622
Rääpysjärvi	148,430	73,859
Merivaara	-	36,096
Mitrovica	2,430,150	1,376,598
Viti	687,065	659,662
Emas	1,663	-
Luopioinen	4,257	-
	13,002,465	11,235,656

Total Group exploration costs of £13,002,465 are currently carried at cost in the financial statements. The Group will need to raise funds and/or bring in joint venture partners to further advance exploration and development work. An amount of £262,684 was recorded against the projects for services provided by the Directors during the year (2021: £121,226).

In Sweden, on 22 March 2022, the Swedish Government awarded an Exploitation Concession for Kallak North Iron Ore Project, then, in June 2022, the Company appointed Ulla Sandborgh as CEO of JIMAB, since starting, she has commenced the development of the Company's application for an Environmental Permit for Kallak North.

The Company anticipates the start of Kallak North Pre-feasibility work in Q2 2023.

The Åtvidaberg licence is located in the Bergslagen area, southern Sweden.

Bergslagen is one of Europe's oldest mining districts and yielded a substantial portion of Sweden's mineral wealth in the 1800-1900s, with several large mines and hundreds of smaller mines producing copper, zinc, lead, gold, silver, and iron ore. Current operating mines in the area include Boliden's Garpenberg and Lundin Mining's Zinkgruvan. Most of southern Bergslagen has seen little modern exploration, yet it hosts Bersbo, one of Sweden's largest early copper mines, and Zinkgruvan, Sweden's most important zinc mine.

During the year, no fieldwork was undertaken as the Company focused resources and expenditure on Grafintec and Vardar. The Company continues to evaluate partnering options for Åtvidaberg.

In Finland, the development of downstream capabilities is a key part of Grafintec's strategy and the Company continues to form partnerships with other companies to achieve this. On 26 September 2022, Beowulf announced that Grafintec had signed a Memorandum of Understanding with Qingdao Hensen Graphite Ltd, which includes an agreed framework and key terms on which both companies are collaborating with regards to establishing an anode materials hub in Finland.

To support a sustainable graphite anode value chain in Finland, Grafintec is focused on expanding its resource footprint and increasing its raw materials' inventory, primary and recycled, feeding downstream processing, leveraging renewable power, targeting net zero CO_2 emissions across the supply chain.

The Company's most advanced natural flake graphite project, Aitolampi, has an Indicated and Inferred Mineral Resource of 26.7 Mt at 4.8 per cent TGC for 1,275,000 tonnes of contained graphite. In addition to Aitolampi, the Company has other graphite exploration prospects, including Rääpysjärvi for which positive exploration results were announced during Q4 2022.

In Kosovo, Vardar has two exploration licence areas, Mitrovica and Viti. Significant progress continues to be made in Kosovo. The Company has also made further investments to fund drilling and taking the Company's ownership of Vardar to approximately 59.5 per cent.

In 2022, the focus was on drilling at the Mitrovica licence area and this resulted in the discovery of a large polymetallic epithermal deposit and new exploration targets for drilling.

In the year, an impairment provision of £36,988 was recognised for project costs capitalised for projects at Merivaara (2021: £Nil) on the basis that the licence was not renewed. In respect of the other licence areas, no impairment indicators have been identified. The impairment is charged as an expense and included within the consolidated income statement.

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Other receivables	78,148	122,701	-	-
VAT	121,284	37,195	32,289	17,942
Prepayments and accrued income	20,995	23,243	20,995	23,243
	220,427	183,139	53,284	41,185

Included in other receivables is a deposit of £17,724 held by Finnish regulatory authorities (2021: £16,810).

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank accounts	1,776,556	3,336,134	1,667,840	3,075,741
	1,776,556	3,336,134	1,667,840	3,075,741

15. NON-CONTROLLING INTERESTS

The Group has material non-controlling interests arising from its subsidiaries Wayland Copper Limited and Vardar Minerals Limited. These non-controlling interests can be summarised as follows;

	2022	2021
	£	£
Balance at 1 January	325,039	394,113
Total comprehensive loss allocated to NCI	(53,508)	(169,087)
Effect of step acquisitions	297,201	100,013
Total	568,732	325,039

	2022	2021
	£	£
Wayland Copper Limited	(163,666)	(162,484)
Vardar Minerals Limited	732,398	487,523
Total	568,732	325,039

Wayland Copper Limited is a 65.25% per cent owned subsidiary of the Company that has material non-controlling interests ("NCI").

Summarised financial information reflecting 100 per cent of the Wayland's relevant figures is set out below:

	2022	2021
	£	£
Administrative expenses	(2,931)	(1,212)
Loss after tax	(2,931)	(1,212)
Loss allocated to NCI	(1,019)	(422)
Other comprehensive loss allocated to NCI	(155)	(396)
Total comprehensive loss allocated to NCI	(1,174)	(818)
Current assets	15,298	17,498
Current liabilities	(486,280)	(485,102)
Net liabilities	(470,982)	(467,604)
Net cash outflow	(725)	(25)
Non-controlling interest	(163,666)	(162,484)

Vardar Minerals Limited, a 59.5% per cent owned subsidiary of the Company that has material non-controlling interests ("NCI").

Summarised financial information reflecting 100 per cent of the Vardar Minerals relevant figures is set out below:

	2022	2021
	£	£
Administrative expenses	(199,197)	(248,093)
Loss after tax	(199,197)	(248,093)
Loss allocated to NCI	(91,974)	(134,011)
Other comprehensive income/(loss) allocated to NCI	39,640	(34,259)
Total comprehensive loss allocated to NCI	(52,334)	(168,270)
Current assets	109,099	55,793
Non-Current assets	2,186,253	1,098,746
Current liabilities	(214,294)	(160,940)
Net assets	2,081,058	993,599
Net cash inflow/(outflow)	34,043	(24,984)
Non-controlling interest	732,398	487,523

16. SHARE CAPITAL

	2022	2022	2021	2021
	Number	£	Number	£
Allotted, called up and fully paid				
At 1 January	831,710,636	8,317,106	828,175,224	8,281,752
Issued for cash	-	-	3,535,412	35,354
At 31 December	831,710,636	8,317,106	831,710,636	8,317,106

All issues are for cash unless otherwise stated.

	Number	Share Capital £	Share Premium £	Total £
At 1 January 2022	831,710,636	8,317,105	24,689,311	33,006,416
At 31 December 2022	831,710,636	8,317,105	24,689,311	33,006,416

	Number	Share Capital £	Share Premium £	Total £
At 1 January 2021	828,175,224	8,281,751	24,684,737	32,966,488
8 July - Issue of new shares	3,535,412	35,354	4,574[1]	39,928
At 31 December 2021	831,710,636	8,317,105	24,689,311	33,006,416

[1]Includes issue costs of £18,760.

The par value of all Ordinary Shares in issue is £0.01.

The Company has removed the limit on the number of shares that it is authorised to issue in accordance with the Companies Act 2006.

There were no shares issued in 2022.

Shares issued in 2021

On 8 July 2021, the company announced the issue of 3,535,412 new ordinary shares at £0.01 each, in settlement of 9,000,000 options held by Kurt Budge with an exercise price of £0.0166.

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£

Current:				
Trade payables	448,045	263,062	148,567	62,215
Social security and other taxes	34,493	11,976	22,771	8,693
Other payables	24,834	17,114	2,142	3,600
Accruals	118,358	65,084	42,790	39,983
	625,730	357,236	216,270	114,491

22. BORROWINGS

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Opening balance	-	-	-	-
Funds advanced, net of commission and transaction costs	1,554,381	-	1,554,381	-
Finance costs	304,529	-	304,529	-
Effect of FX	(12,963)	-	(12,963)	-
	1,845,947	-	1,845,947	-

On 3 July 2022, the Company secured a bridging loan from Nordic investors of SEK 22 million, gross of commission and transaction costs (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 is compounding. The loan has a commitment fee of 5 per cent and a maturity date of 28 February 2023.

The loan and accrued interest is repayable at any time prior to the maturity date. If the loan and accrued interest is not repaid by maturity date, at the latest, the creditors have the right to offset a minimum of SEK 1 million at a time of the loan and accrued interest into SDRs at a price per SDR calculated with a 15 per cent discount on the volume weighted average price of the SDR during the preceding 5 trading days to the conversion decision.

The loan was accounted for using an amortised cost using an effective rate of interest. The conversion feature contained within the loan is considered an embedded derivative and was not assessed to be significant given the available inputs.

Following the year 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 £2.13m was repaid via a deduction to the gross proceeds from the Rights Issue subsequent to the year-end (refer note 28).

23. CHANGES IN LIABILITIES FROM FINANCING ACTIVITIES

Group

	Leases	*Borrowings*	*Total*
	£	£	£
Opening balance 1 January 2022	7,491	-	7,491
Cash movements			
Borrowings advances	-	1,554,381	1,554,381
Lease payments	(6,611)	-	(6,611)
Total	880	1,554,381	1,555,261
Non-cash movements			
Lease additions	17,506	-	17,506
Finance cost	264	304,529	304,793
Effect of FX	727	(12,963)	(12,236)
Closing balance 31 December 2022	19,377	1,845,947	1,865,324

Group

	Leases	*Borrowings*	*Total*
	£	£	£
Opening balance 1 January 2021	2,026	-	2,026
Cash movements			
Lease payments	(5,850)	-	(5,850)
Total	(3,824)	-	(3,824)
Non-cash movements			
Lease additions	10,852	-	10,852
Finance cost	256	-	256
Effect of FX	207	-	207
Closing balance 31 December 2021	7,491	-	7,491

Company

	Borrowings	*Total*
	£	£
Opening balance 1 January 2022	-	-
Cash movements		
Borrowings advances	1,554,381	1,554,381
Total	1,554,381	1,554,381
Non-cash movements		
Finance cost	304,529	304,529
Effect of FX	(12,963)	(12,963)
Closing balance 31 December 2022	1,845,947	1,845,947

The Company had no liabilities from financing activities in the prior year.

26. RELATED PARTY DISCLOSURES

Transactions with subsidiaries

During the year, cash advances of £524,614 (2021: £356,613) were made to Jokkmokk Iron Mines AB and net settled costs of £194,754 with the Company (2021: incurred costs of £12,310). The advances are held on an interest free inter-group loan which has no terms for repayment. At the year end the inter-Group loan amounted to £9,991,673 (2021: £9,272,305).

Beowulf Sweden AB received cash advances of £7,320 (2021: £Nil) and net settled costs of £118 (2021: net settled costs of £2,338). The advances are held on an interest free inter-Group loan which has no terms for repayment. At the year end the inter-Group loan amounted to £781,071 (2021: £773,633).

Grafintec Oy received cash advances of £180,287 (2021: £687,845) and net settled costs of £1,507 (2021: incurred costs of £17,883) with the Company. The advances are held on an interest free inter-Group loan which has no terms for repayment. At the year end the inter-Group loan amounted to £2,741,305 (2021: £2,559,511).

In accordance with its service agreement, Grafintec charges Beowulf Mining plc for time incurred by its staff on exploration projects held by other entities in the Group. In turn Beowulf Mining plc recharges the other entities involved.

In addition, Beowulf Mining plc charges entities in the Group for time and expenses spent by Directors on providing services. An arm's length margin has been included at entity level, but this is subsequently eliminated on consolidation.

The Company has made unsecured interest-free loans to its subsidiaries. Although they are repayable on demand, they are unlikely to be repaid until the projects becomes successful and the subsidiaries start to generate revenues. An assessment of the expected credit loss arising on intercompany loans is detailed in note 11.

Transactions with other related parties

Key management personnel include all Directors and those who have authority and responsibility for planning, directing and controlling the activities of the entity, the aggregate compensation paid to key management personnel of the Company is set out below.

	2022	2021
	£	£
Short-term employee benefits (including employers' national insurance contributions)	711,962	482,895
Post-retirement benefits	44,764	27,749
Share-based payments	173,345	-
Share settled expense	-	103,281
Insurance	887	877

930,958	614,802

28. EVENTS AFTER THE REPORTING DATE

On 12 January 2023, the Company announced further investment in Vardar Minerals Limited of £250,000. 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.

On 28 February 2023, the Company announced the outcome of the Rights Issue and Primary Bid Offer. The Rights Issue raised approximately SEK 62.8 million (approximately £5 million) before expenses. The PrimaryBid Offer raised approximately £0.8 million before expenses. In addition to the PrimaryBid Offer, the Placing raised approximately £0.4 million. Members of the Board and executive management also subscribed to an agreed amount of £181,000.

Following the year 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 £2.13m 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.

On 30 May 2023 there were 907,945,973 Swedish Depository Receipts representing 79 per cent of the issued share capital of the Company. The remaining issued share capital of the Company is held in the UK.

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.