

4 September 2023

Beowulf Mining Plc

("Beowulf" or the "Company")

Grafintec Strategy Update

Beowulf (AIM: BEM; Spotlight: BEO), is pleased to provide an update on its wholly owned Finnish subsidiary, Grafintec Oy ("Grafintec"), where it is implementing a two-phased strategy to create a graphite processing facility and extract graphite from its own mining projects, thus positioning Grafintec as a leading player in the European graphite material supply chain.

Hub for anode materials

Anodes, manufactured from graphite, are a key component of batteries, therefore making graphite a strategically desirable raw material in the rapidly growing battery market and listed as a Critical Raw Material ("CRM") by the European Union ("EU"). Anodes are oxidising metals, assisting electrons along a conductor to the cathode, making it fundamental in accessing the electricity that makes batteries work. Graphite is considered an ideal anode for lithium-ion batteries due to its key material properties including high energy density, power density and life cycle. Recent research indicates that graphite has the potential to further improve lithium storage performance, making it increasingly more important for electric vehicles and energy storage as part of the green energy transition. Currently, there is no European manufacturer of anodes, however, demand is gradually expanding via the many battery companies that are being established.

Grafintec, is currently working to establish a facility for processing graphite, with the final product primarily tailored for anode manufacturing, the Graphite Anode Materials Plant ("GAMP"). This product is technically referred to as coated spherical graphite, which increases a battery's competitiveness in terms of performance and cost.

The planned facility, located in the GigaVaasa area in the municipality of Korsholm, western Finland, will begin processing imported material with the aim to process Grafintec's own, mined material in the future. The GigaVaasa area is an industrial zone focused on energy storage and battery technologies and therefore an ideal location for Grafintec's graphite processing plant.

Current status

On 20 July 2023, Grafintec announced it had completed the first stage of the process design, including a preliminary review of the economics, as part of the Pre-Feasibility Study ("PFS") for the GAMP. The initial results of the study confirm the technical and financial feasibility of the GAMP, including robust preliminary economics. The PFS supports the progress of the project to the next stage of development, including coating testwork at laboratory and pilot plant scale in combination with optimisation of the process design.

The Company recently appointed AFRY Finland Oy to undertake the Environmental Impact Assessment ("EIA"), which is aimed to be completed in Q1 2024, followed by the preparation of the environmental permit application submission. In parallel with the workstreams related to the EIA, Grafintec is also preparing of a road map for the Feasibility Study ("FS") for the GAMP and other activities involved in establishing the plant. The outcomes of the roadmap review are anticipated to be announced in the coming months.

Self-sufficient manufacturer

The EU, as part of its CRM initiative, has set a target that by 2030, 40 per cent of all processed graphite used within the EU is produced by the EU and 10 per cent of all graphite used is extracted from within the EU. In addition to the processing facility at GigaVaasa, Grafintec is also intending to extract graphite from its own natural graphite projects, and is therefore very well-placed to contribute to achieving these targets.

To advance Grafintec's most advanced graphite exploration project, Aitolampi in the municipality of Heinävesi in Eastern Finland, the Company has appointed Steinert GmbH to carry out sorting testwork on the graphite ore and waste materials from the deposit using dry methodologies such as magnetic and induction separation technologies. The aim of the testwork is to investigate environmentally friendly and low-cost processes to produce a high-grade graphite pre-concentrate before flotation, as well as optimising and reducing the costs and environmental impact of the waste rock and tailings management. The Company is also reviewing its exploration work plans for its other graphite projects.

Rasmus Blomqvist, Managing Director of Grafintec, commented:

"Benchmark Mineral Intelligence has reported that the battery industry in Europe is predicted to require at least 1.3 million tonnes of graphite anodes by 2030, which can be compared to today's requirement of about 160,000 tonnes. The EU would like a secure supply of both graphite and anodes to meet this demand, rather than relying on imported graphite, predominantly from China.

"By entering this growing market at an early stage, Grafintec can assume a strong position in anode manufacturing. This, coupled with future production from its own projects, will enable Grafintec to become a self-sufficient manufacturer of high-quality anode material for the European battery industry."

Ed Bowie, CEO of Beowulf, commented:

"With the battery market rapidly growing, Grafintec's two-phased strategy will enable it to produce the materials required by the increasing number of battery companies and provide the industry with access to European mined and processed graphite. Our aim is to position Grafintec as a leading European supplier of graphite material.

"I look forward to providing shareholders with further updates from Grafintec and across our portfolio in the coming months."

Enquiries:

Beowulf Mining plc

Ed Bowie, CEO

ed.bowie@beowulfmining.com

SP Angel

(Nominated Adviser & Broker)

Ewan Leggat / Stuart Gledhill / Adam Cowl

Tel: +44 (0) 20 3470 0470

BlytheRay

Tim Blythe / Megan Ray

Tel: +44 (0) 20 7138 3204

About Beowulf Mining plc

Beowulf Mining is a mining company with main activities in exploration and development in Sweden, Finland and Kosovo. Beowulf's portfolio is diversified by commodity, geography and stage of development of the projects and consists primarily of iron ore, graphite, gold and base metals. Beowulf Mining is headquartered in London, England.

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.