



23 May 2025

Beowulf Mining plc

("Beowulf" or the "Company")

Audited Financial Results for the year ended 31 December 2024 and Notice of Annual General Meeting

Beowulf (AIM: BEM; Spotlight: BEO), the mineral exploration and development company, announces its audited financial results for the year ended 31 December 2024 (the "Period").

The Annual Report and Accounts will be tabled to shareholders at the 2025 Annual General Meeting ("AGM") of the Company. The 2024 Annual Report and the Notice of AGM and Form of Proxy will shortly be posted to those shareholders who have requested a copy and will be available on the Company's website (<https://beowulfmining.com/>).

The AGM of the Company will be held at 11:00 on Tuesday 24th June 2025 at the offices of Fieldfisher LLP at Riverbank House, 2 Swan Lane, London, EC4R 3TT, United Kingdom.

The Company encourages shareholders to submit their voting instructions in advance by proxy whether or not they intend to attend. The "Notes" section of the Notice of AGM provides details on how to vote for Shareholders and holders of Swedish Depository Receipt.

Shareholders are invited to submit questions to the Board on matters to be discussed at the AGM in advance. Questions can be submitted by email to co-sec@oneadvisory.london by 11:00 a.m. (BST) on 20 June 2025.

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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'S STATEMENT

Dear Shareholders,

I am pleased to introduce the Annual Report for 2024.

The Company has continued to make excellent progress at its two core assets. At the Kallak project, significant progress has been made with the PFS. Metallurgical test-work has demonstrated that Kallak has the potential to produce a market-leading concentrate that should command a significant premium as the steel industry continues towards decarbonisation. Other elements of the PFS have been concluded or significantly advanced including the mineral processing, site infrastructure and waste management. Preparation for the Environmental Permit application has also continued apace with the initiation of the public consultation process. It was a personal pleasure and honour to attend the town-hall meeting in Jokkmokk led by Kallak Project Director, Dmytro Siergieiev, and the Jokkmokk Iron team, supported by our consultants. Engaging with the local community is critical to the future success of the project to enable us to ensure that Kallak is developed into a world class modern mine for the benefit of all stakeholders.

The conclusion of the GAMP PFS in Finland following the year end marks a major milestone for Grafintec. The project has demonstrated the potential to produce battery grade CSPG, reduce energy costs and reagent usage and deliver extremely robust economics. We continue to review optimal sites for the GAMP and progress with the EIA ahead of the environmental permit application. The next phase of development for the GAMP is to undertake pilot testing and complete a Definitive Feasibility Study ("DFS"). In parallel we are continuing to engage with a number of potential strategic partners.

In Kosovo and on our Nordic exploration licences, we have continued to develop and refine exploration targets through low-cost mapping and surface sampling. With the focus on advancing our core assets, we are continuing discussions with a number of potential joint venture partners including both large and intermediate mining companies.

On 8 May 2025, we announced that we had successfully raised SEK 28.1 million (approximately £2.2 million) before transaction related costs in new equity to advance the Company's assets. The objective continues to be to demonstrate the technical and economic viability of our assets, as we have demonstrated with the GAMP PFS, and ultimately unlock their underlying value. The market has been challenging but the Company and its assets continue to make significant strides and I remain confident that with the support of our shareholders and stakeholders, the future for Beowulf is bright.

I would like to thank our shareholders and stakeholders for their continuing support.

J Röstin
Non-Executive Chairman
22 May 2025

CONSOLIDATED INCOME STATEMENT

	Note	2024 £	2023 £
Continuing operations			
Administrative expenses		(1,658,763)	(2,501,263)
Impairment of exploration assets	8	(72,563)	(350,158)
Operating loss		<u>(1,731,326)</u>	<u>(2,851,421)</u>
Finance costs	3	(61,334)	(197,724)
Finance income	3	3,404	7,923
Grant income	6	3,561	96,750
Fair value loss on listed investment	10	(3,313)	-
Recovery of impairment on listed investment		-	6,563
Loss before tax		<u>(1,789,008)</u>	<u>(2,937,909)</u>
Tax expense	5	-	-
Loss for the year		<u><u>(1,789,008)</u></u>	<u><u>(2,937,909)</u></u>
Loss attributable to:			
Owners of the parent		(1,771,325)	(2,863,959)
Non-controlling interests	15	(17,683)	(73,950)
		<u><u>(1,789,008)</u></u>	<u><u>(2,937,909)</u></u>
Loss per share attributable to the ordinary equity holder of the parent:			
Basic and diluted (pence)	7	<u>(5.13)</u>	<u>(13.20)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2024 £	2023 £
Loss for the year		(1,789,008)	(2,937,909)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange losses arising on translation of foreign operations		(958,163)	(196,950)
		<u>(958,163)</u>	<u>(196,950)</u>
Total comprehensive loss		<u><u>(2,747,171)</u></u>	<u><u>(3,134,859)</u></u>
 Total comprehensive loss attributable to:			
Owners of the parent		(2,709,387)	(3,032,416)
Non-controlling interests	15	(37,784)	(102,443)
		<u><u>(2,747,171)</u></u>	<u><u>(3,134,859)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Company Number 02330496	Note	2024 £	2023 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	8	16,023,022	14,873,326
Property, plant and equipment	9	56,685	87,755
Investments held at fair value through profit or loss	10	3,250	6,563
Loans and other financial assets	11	5,138	5,209
Right-of-use assets	12	48,333	63,158
		<u>16,136,428</u>	<u>15,036,011</u>
CURRENT ASSETS			
Trade and other receivables	13	192,512	152,004
Cash and cash equivalents	14	881,349	905,555
		<u>1,073,861</u>	<u>1,057,559</u>
TOTAL ASSETS		<u><u>17,210,289</u></u>	<u><u>16,093,570</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Share capital	16	12,356,927	11,571,875
Share premium	18	29,878,404	27,141,444
Capital contribution reserve	18	46,451	46,451
Share based payment reserve	18	1,124,131	903,766
Merger reserve	18	425,497	137,700
Translation reserve	18	(2,395,934)	(1,457,872)
Accumulated losses	18	(24,764,054)	(23,235,514)
		<u>16,671,422</u>	<u>15,107,850</u>
Non-controlling interests	15	-	514,430
TOTAL EQUITY		<u><u>16,671,422</u></u>	<u><u>15,622,280</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	508,124	433,662
Lease liabilities	20	20,727	22,575
Borrowings	21	-	-
		<u>528,851</u>	<u>456,237</u>
NON-CURRENT LIABILITIES			
Lease liabilities	20	10,016	15,053
		<u>10,016</u>	<u>15,053</u>
TOTAL LIABILITIES		<u><u>538,867</u></u>	<u><u>471,290</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>17,210,289</u></u>	<u><u>16,093,570</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 22 May 2025 and were signed on its behalf by:

Mr Ed Bowie – Director

COMPANY STATEMENT OF FINANCIAL POSITION

Company Number 02330496	Note	2024 £	2023 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	723	964
Investments in subsidiaries	10	4,093,692	3,961,315
Investments held at fair value through profit or loss	10	3,250	6,563
Loans and other financial assets	11	14,995,747	12,839,865
		<u>19,093,412</u>	<u>16,808,707</u>
CURRENT ASSETS			
Trade and other receivables	13	20,150	49,155
Cash and cash equivalents	14	714,339	794,909
		<u>734,489</u>	<u>844,064</u>
TOTAL ASSETS		<u><u>19,827,901</u></u>	<u><u>17,652,771</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Share capital	16	12,356,927	11,571,875
Share premium	18	29,878,404	27,141,444
Capital contribution reserve	18	46,451	46,451
Share based payment reserve	18	1,124,131	903,766
Merger reserve	18	425,497	137,700
Accumulated losses	18	(24,127,038)	(22,276,683)
TOTAL EQUITY		<u><u>19,704,372</u></u>	<u><u>17,524,553</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	123,529	128,218
Borrowings	21	-	-
TOTAL LIABILITIES		<u><u>123,529</u></u>	<u><u>128,218</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>19,827,901</u></u>	<u><u>17,652,771</u></u>

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent Company is not presented as part of these financial statements. The parent Company's loss for the financial year was £1,956,618 (2023: loss of £2,959,228).

These financial statements were approved and authorised for issue by the Board of Directors on 22 May 2025 and were signed on its behalf by:

Mr Ed Bowie – Director

BEOWULF MINING PLC
ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital £	Share premium £	Capital contribution reserve £	Share based payment reserve £	Merger reserve £	Translation reserve £	Accumulated losses £	Totals £	Non – controlling interests £	Total equity £
At 1 January 2023		8,317,106	24,689,311	46,451	516,098	137,700	(1,289,415)	(20,323,414)	12,093,837	568,732	12,662,569
Loss for the year		-	-	-	-	-	-	(2,863,959)	(2,863,959)	(73,950)	(2,937,909)
Foreign exchange translation		-	-	-	-	-	(168,457)	-	(168,457)	(28,493)	(196,950)
Total comprehensive income		-	-	-	-	-	(168,457)	(2,863,959)	(3,032,416)	(102,443)	(3,134,859)
Transactions with owners											
Issue of share capital		3,254,769	3,654,829	-	-	-	-	-	6,909,598	-	6,909,598
Cost of issue		-	(1,202,696)	-	-	-	-	-	(1,202,696)	-	(1,202,696)
Equity-settled share-based payment transactions	17	-	-	-	387,668	-	-	-	387,668	-	387,668
Step up interest in subsidiary	10	-	-	-	-	-	-	(48,141)	(48,141)	48,141	-
At 31 December 2023		<u>11,571,875</u>	<u>27,141,444</u>	<u>46,451</u>	<u>903,766</u>	<u>137,700</u>	<u>(1,457,872)</u>	<u>(23,235,514)</u>	<u>15,107,850</u>	<u>514,430</u>	<u>15,622,280</u>
Loss for the year		-	-	-	-	-	-	(1,771,325)	(1,771,325)	(17,683)	(1,789,008)
Foreign exchange translation		-	-	-	-	-	(938,062)	-	(938,062)	(20,101)	(958,163)
Total comprehensive income		-	-	-	-	-	(938,062)	(1,771,325)	(2,709,387)	(37,784)	(2,747,171)
Transactions with owners											
Issue of share capital		732,725	3,657,859	-	-	-	-	-	4,390,584	-	4,390,584
Cost of issue		-	(920,899)	-	-	-	-	-	(920,899)	-	(920,899)
Issue of share capital for acquisition of NCI		52,327	-	-	-	287,797	-	-	340,124	-	340,124
Equity-settled share-based payment transactions	17	-	-	-	326,628	-	-	-	326,628	-	326,628
Step up interest in subsidiary	10	-	-	-	-	-	-	136,522	136,522	(476,646)	(340,124)
Transfer on lapse of options		-	-	-	(106,263)	-	-	106,263	-	-	-
At 31 December 2024		<u>12,356,927</u>	<u>29,878,404</u>	<u>46,451</u>	<u>1,124,131</u>	<u>425,497</u>	<u>(2,395,934)</u>	<u>(24,764,054)</u>	<u>16,671,422</u>	<u>-</u>	<u>16,671,422</u>

The nature and purpose of the reserves are detailed in Note 18.

COMPANY STATEMENT OF CHANGES IN EQUITY

	Note	Share capital £	Share premium £	Capital contribution reserve £	Share based payment reserve £	Merger reserve £	Accumulated losses £	Total equity £
At 1 January 2023		8,317,106	24,689,311	46,451	516,098	137,700	(19,317,455)	14,389,211
Loss for the year		-	-	-	-	-	(2,959,228)	(2,959,228)
Total comprehensive income		-	-	-	-	-	(2,959,228)	(2,959,228)
Transactions with owners								
Issue of share capital		3,254,769	3,654,829	-	-	-	-	6,909,598
Cost of issue		-	(1,202,696)	-	-	-	-	(1,202,696)
Equity-settled share-based payment transactions	17	-	-	-	387,668	-	-	387,668
At 31 December 2023		<u>11,571,875</u>	<u>27,141,444</u>	<u>46,451</u>	<u>903,766</u>	<u>137,700</u>	<u>(22,276,683)</u>	<u>17,524,553</u>
Loss for the year		-	-	-	-	-	(1,956,618)	(1,956,618)
Total comprehensive income		-	-	-	-	-	(1,956,618)	(1,956,618)
Transactions with owners								
Issue of share capital		732,725	3,657,859	-	-	-	-	4,390,584
Cost of issue		-	(920,899)	-	-	-	-	(920,899)
Issue of share capital for acquisition of NCI		52,327	-	-	-	287,797	-	340,124
Equity-settled share-based payment transactions	17	-	-	-	326,628	-	-	326,628
Transfer on lapse of options		-	-	-	(106,263)	-	106,263	-
At 31 December 2024		<u>12,356,927</u>	<u>29,878,404</u>	<u>46,451</u>	<u>1,124,131</u>	<u>425,497</u>	<u>(24,127,038)</u>	<u>19,704,372</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2024 £	2023 £
Cash flows from operating activities			
Loss before income tax		(1,789,008)	(2,937,909)
Depreciation of property, plant and equipment	4	26,127	43,276
Amortisation of right-of-use assets	12	37,205	29,478
Equity-settled share-based transactions	17	326,628	387,668
Impairment of exploration costs	4	72,563	350,158
Loss on disposal of property, plant and equipment	9	778	643
Gain on disposal of right of use assets		-	(58)
Finance income	3	(3,404)	(7,923)
Finance cost	3	61,334	197,724
Grant income	6	-	(96,750)
Fair value loss on listed investment	10	3,313	-
Unrealised foreign exchange losses		102,813	86,637
Recovery of impairment on listed investment		-	(6,563)
		<u>(1,161,651)</u>	<u>(1,953,619)</u>
(Increase)/decrease in trade and other receivables		(39,177)	61,395
Increase/(decrease) in trade and other payables		8,545	(277,400)
Net cash used in operating activities		<u>(1,192,283)</u>	<u>(2,169,624)</u>
Cash flows from investing activities			
Purchase of intangible assets	8	(2,265,113)	(2,308,473)
Purchase of property, plant and equipment	9	-	(7,052)
Initial payments for right of use assets		(6,108)	(33,121)
Grant receipt	6	152,941	96,750
Interest received	3	3,404	7,923
Net cash used in investing activities		<u>(2,114,876)</u>	<u>(2,243,973)</u>
Cash flows from financing activities			
Proceeds from issue of shares		4,246,105	4,373,056
Payment of share issue costs	16	(776,421)	(704,587)
Lease principal	20	(24,945)	(21,228)
Lease interest paid	20	(2,187)	(2,420)
Proceeds from borrowings, net of issue costs	21	723,881	-
Repayment of loan principal	21	(699,172)	-
Interest paid	21	(59,147)	-
Net cash generated from financing activities		<u>3,408,114</u>	<u>3,644,821</u>
Increase/(decrease) in cash and cash equivalents		100,955	(768,776)
Cash and cash equivalents at beginning of year		905,555	1,776,556
Effect of foreign exchange rate changes		(125,161)	(102,225)
Cash and cash equivalents at end of year		<u><u>881,349</u></u>	<u><u>905,555</u></u>

Major non-cash transactions

On 9 April 2024, the Company acquired 100% of the share capital of Vardar Minerals Limited in exchange for shares in the Company. The fair value of the consideration was £340,124.

COMPANY STATEMENT OF CASH FLOWS

		2024	2023
	Note	£	£
Cash flows from operating activities			
Loss before income tax		(1,956,618)	(2,959,228)
Expected credit losses	11	467,651	1,001,537
Equity-settled share-based transactions		202,611	321,534
Depreciation of property, plant and equipment	9	241	233
Loss on disposal of property, plant and equipment		-	643
Impairment of investments in subsidiaries	10	331,764	-
Finance income	3	(3,207)	(7,655)
Finance cost	3	59,147	195,304
Fair value loss on listed investment	10	3,313	-
Unrealised foreign exchange losses		102,813	86,637
Recovery of impairment on listed investment		-	(6,563)
		<u>(792,285)</u>	<u>(1,367,558)</u>
Decrease/(increase) in trade and other receivables		29,007	4,129
(Decrease)/increase in trade and other payables		(4,689)	(88,052)
Net cash used in operating activities		<u>(767,967)</u>	<u>(1,451,481)</u>
Cash flows from investing activities			
Loans to subsidiaries	11	(2,633,108)	(2,757,113)
Interest received		3,207	7,655
Financing of subsidiary	10	-	(250,000)
Purchase of property, plant and equipment		-	(1,006)
Net cash used in investing activities		<u>(2,629,901)</u>	<u>(3,000,464)</u>
Cash flows from financing activities			
Proceeds from issue of shares		4,246,105	4,373,056
Payment of share issue costs	16	(776,421)	(704,587)
Proceeds from borrowings, net of issue costs	21	723,881	-
Repayment of loan principal	21	(699,172)	-
Interest paid	21	(59,147)	-
Net cash from financing activities		<u>3,435,246</u>	<u>3,668,469</u>
Decrease in cash and cash equivalents		37,378	(783,476)
Cash and cash equivalents at beginning of year		794,909	1,667,840
Effect of foreign exchange rate changes		(117,948)	(89,455)
Cash and cash equivalents at end of year		<u>714,339</u>	<u>794,909</u>

Non-cash transactions

Non-cash transactions are as disclosed in the Group Statement of Cash Flow.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Material accounting policy information

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

As at 31 December 2024, the Group had a cash balance of £0.88 million (2023: £0.91 million) and the Company had a cash balance of £0.71 million (2023: 0.79 million).

On 21 March 2025, in conjunction with the Company's right issue, the Company entered into a short-term bridging loan of SEK 10 million (approx. £740k) with the underwriters of the rights issue to ensure that the Company has sufficient financial resources to continue advancing its projects ahead of the right issue being finalised. The bridging loan accrues interest of 1.5% per 30-day period, is subject to a 5% administrative charge and is repayable on 30 June 2025. The bridging loan is due to be repaid using part of the proceeds from the capital raise on the right issue, noted below.

On 8 May 2025 the Company announced the completion of the capital raise with a total of £2.2 million (SEK 28.1 million) gross raised to fund the development of the Company's assets through their next key valuation milestones. The net funds raised after the loan repayment and share issue transaction costs are £1.0 million (see note 28).

Therefore, at the date of this report, based on management prepared cashflow forecasts, further funding will be required within the next 12 months to allow the Group and Company to realise its assets and discharge its liabilities in the normal course of business. There are currently no agreements in place and there is no certainty that the funds will be raised within the appropriate timeframe. These conditions indicate the existence of a material uncertainty which may cast significant doubt over the Group's and the Company's ability to continue as going concerns and therefore, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. The Directors will continue to explore funding opportunities at both asset and corporate levels. The Directors have a reasonable expectation that funding will be forthcoming based on their past experience and therefore believe that the going concern basis of preparation is deemed appropriate and as such the financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments that would result if the Group and the Company were unable to continue as going concerns.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. Material accounting policy information (continued)

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 applied in acquisition of Grafintec and Vardar, in which the Company obtained 100% of the share capital of Grafintec and Vardar for shares issued by the Company. Further details of these acquisitions 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:

- Amendments to IAS 1 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants)
- Amendments to IFRS 16 Leases (Lease Liability in a Sale and Leaseback)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (Supplier Finance Arrangements)

The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these new standards and amendments and they did not have a material impact.

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 2025:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)

The following amendments are effective for the period beginning 1 January 2026:

- Amendments to IFRS 9 Financial Instruments (Amendments to the Classification and Measurement of Financial Instruments)
- Amendments to IFRS 9 and IFRS 7 (Contracts Referencing Nature-dependent Electricity)

The following amendments are effective for the period beginning 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries Without Public Accountability

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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.

Sources of estimation and uncertainty

Exploration assets

The Pitkäjärvi licence was renewed in 2021, expired on 26 April 2024 with a further extension granted on 26 June 2024. However, this was appealed but on 9 April 2025, the Eastern Finland Administrative Court rejected the appeal.

The licences for Mitrovica and Viti expired on 27 January 2024. New licence applications were submitted, and confirmation of receipt was provided on 22 February 2024, which remain subject to approval. With the licence applications formally lodged with ICM, no other party may apply for licences over the same area.

Management considers that in the majority of cases the conditions have been met and are confident applications or renewals will be accepted by receiving authorities. Therefore, no impairment is considered necessary.

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

The licence for Karhunmäki was not renewed when it expired on 12 December 2024 and therefore has been fully impaired in the year (see note 8).

Development costs

Expenditure incurred on internal development projects is capitalised as an intangible asset to the extent that the technical, commercial and financial feasibility can be demonstrated by the Group. The Group have assessed that the GAMP project reached the development phase following the completion of the PFS in July 2023 and therefore all costs have been capitalised from this date. Management consider the carrying amount to be less than the recoverable amount of the asset and therefore no impairment is considered necessary.

Valuation of share-based payments

Accounting for some equity-settled share-based payment awards required the use of valuation models to estimate the future share price performance of the Company. These models require the Directors to make assumptions regarding the share price volatility, risk free rate and expected life of awards in order to determine the fair values of the awards at grant date (see note 17).

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 £923,585 (2023: £789,297).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. Material accounting policy information (continued)

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. When the subsidiary is fully consolidated, the difference of the carrying amount of the non-controlling interest and the consideration paid is recognised directly in equity, attributable to the parent (Refer to note 15). 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.

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 and granting of 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 activities 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. Material accounting policy information (continued)

Intangible assets – capitalised development costs

Development costs that are directly attributable to the graphite anode material processing plant (“GAMP”) project are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available, and;
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Directly attributable costs that are capitalised as part of intangible assets include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Impairment

Exploration assets

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.

Development costs

Capitalised development costs are reviewed for impairment where there is an indication that the asset may be impaired. Impairment indicators include internal and external sources of information.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. Material accounting policy information (continued)

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 its financial assets at amortised cost and at fair value through profit or loss. 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 on 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. Material accounting policy information (continued)

Fair value through profit or loss

The Group's financial assets held at fair value through profit or loss comprise equity investments held. These are carried in the statement of financial position at fair value (refer to fair value hierarchy below). Subsequent to initial recognition, changes in fair value are recognised in the statement of comprehensive income.

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.

Borrowings include convertible debt with settlement terms that fail the fixed for fixed criterion and are treated as containing an embedded derivative liability, where this is recognised the loan value is allocated between the derivative value and the loan residual which is carried at amortised cost. 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.

Share capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

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.

The Group's ordinary shares are classified as equity instruments.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. Material accounting policy information (continued)

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. Where the equity instrument is cancelled or lapsed, the Group shall account for the cancellation as an acceleration of vesting, and shall therefore recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

Government grants

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. Employees and directors

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Wages and salaries	737,809	1,156,604	364,350	637,755
Social security costs	135,158	182,611	42,989	56,454
Other benefits	14,947	20,832	10,500	15,401
	<u>887,914</u>	<u>1,360,047</u>	<u>417,839</u>	<u>709,610</u>

Directors' remuneration is as follows:

	2024	2023
	£	£
Directors' emoluments, including salary and fees	374,850	443,157
Payments for loss of office	-	210,000
Share-based payments	<u>202,611</u>	<u>321,534</u>
	<u>577,461</u>	<u>974,691</u>

Further details pertaining to Directors' remuneration can be found in the Directors' remuneration report on page 32.

The remuneration of the highest paid Director who served during the year was Ed Bowie which consisted of base salary of £210,000 (2023: £210,000).

The average monthly number of employees and Directors during the year was as follows:

	Group	Group	Company	Company
	2024	2023	2024	2023
	Number	Number	Number	Number
Directors	4	3	4	3
Employees	<u>12</u>	<u>12</u>	<u>-</u>	<u>-</u>

3. Finance income and costs

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Finance income:				
Deposit account interest	<u>3,404</u>	<u>7,923</u>	<u>3,207</u>	<u>7,655</u>
	<u>3,404</u>	<u>7,923</u>	<u>3,207</u>	<u>7,655</u>
Finance costs:				
Interest on lease liabilities	2,187	2,420	-	-
Interest on loans and borrowings	<u>59,147</u>	<u>195,304</u>	<u>59,147</u>	<u>195,304</u>
	<u>61,334</u>	<u>197,724</u>	<u>59,147</u>	<u>195,304</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Loss before tax and auditor's remuneration

a. The loss before tax is stated after charging:

	2024	2023
	£	£
Depreciation of property, plant and equipment (note 9)	26,127	43,276
Amortisation of right-of-use asset (note 12)	37,205	29,478
Share-based payment expense (note 17)	326,628	387,668
Foreign exchange differences	(7,792)	58,035
Loss on disposal of property, plant and equipment (note 9)	778	643
Gain on disposal of right of use assets (note 12)	-	(58)
Fair value loss on listed investment (note 10)	3,313	-
Recovery of impairment on listed investments ¹	-	(6,653)
Impairment of exploration costs (note 8)	72,563	350,158

¹Recovery of impairment on listed investments related to shares held in Marula Mining Plc, which were previously impaired in full.

b. Auditor's remuneration

	2024	2023
	£	£
Fees payable to the Group's auditor for the audit of the consolidated financial statements	74,260	103,290
Fees payable to the Group auditor for other services:		
- review of quarterly financial statements	3,730	3,240
	<u>77,990</u>	<u>106,530</u>

5. Income tax

Analysis of tax expense

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2024 or for the year ended 31 December 2023.

Factors affecting the tax expense

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2024	2023
	£	£
Loss on ordinary activities before income tax	<u>(1,789,008)</u>	<u>(2,937,909)</u>
Tax thereon at a UK corporation tax rate of 25% (2023: 23.5%)	(447,252)	(690,409)
Effects of:		
Non-deductible expenditure	50,713	75,615
Tax losses not recognised	247,705	390,715
Losses of overseas subsidiaries to be carried forward	148,834	224,079
	<u>-</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Income tax (continued)

The main rate of UK corporation tax for the year ended 31 December 2024 was 25 per cent. The main rate of UK corporation tax for the year ended 31 December 2023 and up to 1 April 2023 was 19 per cent. From 1 April 2023, the main rate of UK corporation tax increased to 25 per cent, resulting in an effective tax rate of 23.5% for the year ended 31 December 2024. The Group has estimated UK losses of £17,647,092 (2023: £16,656,271) and foreign losses of £7,213,879 (2023: £5,780,656) available to carry forward against future trading profits. The value of unrecognised deferred tax assets in respect of the UK losses amounts to £4,411,773 (2023: £4,164,068) and foreign losses of £1,219,080 (2023: £1,041,936). The Directors believe that due to the uncertainty over when the tax losses will be utilised it is appropriate not to recognise a deferred tax asset at this time.

6. Grant income

	2024 £	2023 £
Business Finland	3,395	96,750
Other	166	-
	<u>3,561</u>	<u>96,750</u>

Grafintec is participating in project titled "BATCircle – the development of a Finland-based Circular Ecosystem of Battery Metals". BATCircle is part of the European Union ("EU") Strategic Energy Technology Programme. The project is administered by Business Finland and contributes 50 per cent towards a budget of €791,000 (approximately £700,000) for Phase 2. The funding is released by the administrator as incurred with Phase 2 running for the initial period from 1 January 2021 to 31 December 2023, however, this was extended to 31 October 2024. A total of €530,000 grant funding was received from Business Finland for Phase 2. In the year to 31 December 2024, £3,395 has been recognised as grant income (2023: £96,750), this has decreased from the prior year due to grant income being capitalised against the related development costs, which met the criteria for capitalisation during the year (see note 8).

7. Basic and diluted loss per share

The calculation of basic and diluted loss per share at 31 December 2024 was based on the loss attributable to ordinary shareholders of £1,771,315 (2023: £2,863,959) and a weighted average number of Ordinary Shares outstanding during the year ended 31 December 2024 of 34,550,117 (2023: 21,699,167) calculated as follows:

	2024 £	2023 £
Loss attributable to ordinary shareholders	<u>(1,771,315)</u>	<u>(2,863,959)</u>

Weighted average number of ordinary shares

	2024 Number	2023 Number
Number of shares in issue at the beginning of the year	21,699,167	16,634,213
Effect of shares issued during year	<u>12,850,950</u>	<u>5,064,954</u>
Weighted average number of ordinary shares in issue for the year	<u>34,550,117</u>	<u>21,699,167</u>

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

The weighted average number presented for the year ended 31 December 2023 above and the year ending 31 December 2023 in the statement of comprehensive income have been adjusted for the effect of a 50 to 1 share consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Intangible assets – Group

	Exploration costs £	Other intangible assets £	Total £
COST			
At 1 January 2023	13,002,465	-	13,002,465
Additions for the year – cash	2,232,694	75,779	2,308,473
Additions for the year – non-cash	98,208	-	98,208
Foreign exchange movements	(185,376)	(286)	(185,662)
Impairment	(350,158)	-	(350,158)
At 31 December 2023	<u>14,797,833</u>	<u>75,493</u>	<u>14,873,326</u>
At 1 January 2024	14,797,833	75,493	14,873,326
Additions for the year – cash	1,644,552	620,561	2,265,113
Additions for the year – non-cash	107,402	-	107,402
Grant income received	-	(180,644)	(180,644)
Foreign exchange movements	(955,907)	(13,705)	(969,612)
Impairment	(72,563)	-	(72,563)
At 31 December 2024	<u>15,521,317</u>	<u>501,705</u>	<u>16,023,022</u>
NET BOOK VALUE			
At 31 December 2024	<u>15,521,317</u>	<u>501,705</u>	<u>16,023,022</u>
At 31 December 2023	<u>14,797,833</u>	<u>75,493</u>	<u>14,873,326</u>

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

	2024 £	2023 £
Kallak	10,271,536	9,481,130
Pitkäjärvi	1,627,258	1,667,854
Karhunmaki	-	55,935
Rääpysjärvi	188,016	174,060
Luopioinen	7,157	4,812
Emas	48,898	41,693
Pirttikoski	7,347	-
Mitrovica	2,425,900	2,527,239
Viti	663,106	680,331
Shala	282,099	164,779
	<u>15,521,317</u>	<u>14,797,833</u>

Total Group exploration costs of £15,521,317 (2023: £14,797,833) 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 £236,112 was recorded against the projects for services provided by the Directors during the year (2023: £183,034).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Intangible assets – Group (continued)

In Sweden, during the year, the Supreme Administrative Court delivered the verdict to uphold the Government's awarding of the Exploitation Concession for Kallak. Management have considered that there is no current risk associated with Kallak and thus have not impaired the project.

In Finland, the development of downstream capabilities is a key part of Grafintec's strategy. During the year, test work in support of the GAMP PFS continued, with the PFS results announced in early 2025, demonstrating extremely positive economics.

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 CO2 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 Kosovo, Vardar has three exploration licence areas, Mitrovica, Viti and Shala. Progress continues to be made in Kosovo, with the focus on the Shala area. During the year ended 31 December 2024 the Company has also consolidated 100% interest in Vardar, providing full operational control.

The focus of activity in 2024 was low-cost mapping and surface sampling to define and refine exploration targets.

In the year, an impairment provision of £72,563 was recognised for project costs capitalised for projects at Karhunmäki (2023: £350,158 in projects Ågåsjege and Åtvidaberg). 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.

Other intangible assets capitalised are development costs incurred following the feasibility of GAMP project. This development has attained a stage that it satisfies the requirements of IAS 38 to be recognised as intangible asset in that it has the potential to completed and used, provide future economic benefits, its costs can be measured reliably and there is the intention and ability to complete. The development costs will be held at cost less impairment until the completion of the GAMP project at which stage they will be transferred to the value of the Plant and depreciated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. Property, plant and equipment

Group

	Office equipment £	Motor vehicles £	Machinery & equipment £	Computer equipment £	Total £
Cost					
At 1 January 2023	2,953	148,696	133,846	1,499	286,994
Additions	-	-	6,046	1,006	7,052
Disposals	-	-	-	(1,499)	(1,499)
Reclassification	1,806	(7,330)	5,524	-	-
Foreign exchange movements	(126)	(6,151)	(5,255)	-	(11,532)
At 31 December 2023	<u>4,633</u>	<u>135,215</u>	<u>140,161</u>	<u>1,006</u>	<u>281,015</u>

Depreciation

At 1 January 2023	2,829	79,589	74,197	665	157,280
Charge for year	741	19,416	22,886	233	43,276
Disposals	-	-	-	(856)	(856)
Foreign exchange movements	(102)	(3,586)	(2,752)	-	(6,440)
At 31 December 2023	<u>3,468</u>	<u>95,419</u>	<u>94,331</u>	<u>42</u>	<u>193,260</u>

Group

	Office equipment £	Motor vehicles £	Machinery & equipment £	Computer equipment £	Total £
Cost					
At 1 January 2024	4,633	135,215	140,161	1,006	281,015
Disposals	(3,179)	-	(1,950)	-	(5,129)
Foreign exchange movements	(146)	(7,664)	(8,318)	-	(16,128)
At 31 December 2024	<u>1,308</u>	<u>127,551</u>	<u>129,893</u>	<u>1,006</u>	<u>259,758</u>

Depreciation

At 1 January 2024	3,468	95,419	94,331	42	193,260
Charge for year	390	12,069	13,427	241	26,127
Disposals	(2,401)	-	(1,950)	-	(4,351)
Foreign exchange movements	(149)	(5,416)	(6,398)	-	(11,963)
At 31 December 2024	<u>1,308</u>	<u>102,072</u>	<u>99,410</u>	<u>283</u>	<u>203,073</u>

Net book value

At 31 December 2024	<u>-</u>	<u>25,479</u>	<u>30,483</u>	<u>723</u>	<u>56,685</u>
At 31 December 2023	<u>1,165</u>	<u>39,796</u>	<u>45,830</u>	<u>964</u>	<u>87,755</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. Property, plant and equipment (continued)

Company

	Computer equipment £	Total £
Cost		
At 1 January 2023	1,499	1,499
Additions	1,006	1,006
Disposals	(1,499)	(1,499)
At 31 December 2023	<u>1,006</u>	<u>1,006</u>
Depreciation		
At 1 January 2023	665	665
Charge for year	233	233
Disposals	(856)	(856)
At 31 December 2023	<u>42</u>	<u>42</u>

Company

	Computer equipment £	Total £
Cost		
At 1 January 2024	<u>1,006</u>	<u>1,006</u>
At 31 December 2024	<u>1,006</u>	<u>1,006</u>
Depreciation		
At 1 January 2024	42	42
Charge for year	241	241
At 31 December 2024	<u>283</u>	<u>283</u>
Net book value		
At 31 December 2024	<u>723</u>	<u>723</u>
At 31 December 2023	<u>964</u>	<u>964</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. Investments

	Group and Company listed investments £	Company shares in subsidiaries £
Cost		
At 1 January 2023	-	3,645,181
Acquisitions	-	316,134
Recovery of impairment	6,563	-
At 31 December 2023	<u>6,563</u>	<u>3,961,315</u>
At 1 January 2024	6,563	3,961,315
Acquisitions	-	464,141
Impairment	-	(331,764)
Fair value losses	(3,313)	-
At 31 December 2024	<u>3,250</u>	<u>4,093,692</u>

Listed investments

The listed investment includes equity investment in Marula Mining Plc which is held at fair value.

Shares in subsidiaries

Further investments in the share capital of subsidiaries of Vardar constitute additions during the year of £340,124 (2023: £250,000) to increase the Company's shareholding in Vardar from 61.1% to 100%. The share capital of Vardar was reclassified to share capital of subsidiaries following control being obtained on 1 April 2019. The basis for control was assessed on the on the Group's ability to exercise power over Vardar through combination of the increased investment in Vardar and the appointment of the CEO as Investor Director, which conveyed substantive rights to direct the actions of Vardar that would ultimately affect the returns of the investee.

The additional investment during the year includes a share-based payment expense of £124,017 in relation to share options granted to employees of the Company's subsidiaries Grafintec, JIMAB and Vardar.

Included within the brought forward investment is 100 per cent of the share capital of Grafintec, that was acquired during the year ended 31 December 2016 and holds a portfolio of four early-stage graphite exploration projects. At the time of acquisition, Beowulf paid for 100 per cent of the share capital of Grafintec by issuing 2.55 million ordinary shares in the Company, with two further tranches of 2.1 million ordinary shares to be issued on achievement of certain performance milestones.

The first tranche of 2.1 million ordinary shares was issued on the anniversary of 24 months from the date of the acquisition, in accordance and Mr Blomqvist having worked for the Company as a full-time employee during that period. The second tranche of shares will be issued on completion of a bankable feasibility study on one of the graphite projects in the portfolio.

The total number of ordinary shares that may be issued, if all performance milestones are achieved, is 6.75 million ordinary shares. Beowulf will issue up to a further 2.1 million additional consideration shares in the form of a share-based payment transaction to the former owner, Rasmus Blomqvist at the time the performance milestone is met. The share-based payments fall within the scope of IFRS 2 and are fair valued at the grant date based on the estimated number of shares that will vest. The fair value has been prepared using a Black-Scholes pricing model including a share price of 6.4 pence, option life of two years, volatility of 49.79 per cent and a risk-free rate of 0.698 per cent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. Investments (continued)

There was nil consideration recognised in the financial statements for the year ended 31 December 2024, (2023: £Nil). No further share-based payment expense for the consideration shares was recognised in the year ended 31 December 2024 (2023: £Nil).

The remaining investment in subsidiaries includes the share capital of the Company's directly owned subsidiaries, listed below.

Step up interest in Vardar Minerals

The completion of the Vardar acquisition gives the Company exposure to a portfolio of exploration licences situated in the European Tertiary calc-alkaline Tethys Arc most notable for its lead-zinc-silver mining districts, as well as recent porphyry related copper and gold discoveries. On 9 April 2024, a further investment of £340,124 paid by shares was made to increase the Company's shareholding in Vardar from 61.1% to 100% (refer to Note 16).

Further investment in Vardar was recognised as a decrease to accumulated losses of £433,026 (2023: increase of £48,141).

	£
Carrying value of non-controlling interest	773,150
Fair value of consideration	(340,124)
Movement in retained earnings	<u>443,026</u>

The Group consists of the following subsidiary undertakings:

			2024	2023
Name	Incorporated	Activity	% holding	% holding
Grafintec Oy	Finland	Mineral exploration	100%	100%
Jokkmokk Iron Mines AB	Sweden	Mineral exploration	100%	100%
Beowulf Mining Sweden AB	Sweden	Mineral exploration	100%	100%
Wayland Copper Limited	UK	Holding company	100%	65.25%
Wayland Sweden AB	Sweden	Mineral exploration	100%	(1)(2) 65.25%
Vardar Minerals Ltd	UK	Mineral exploration	100%	61.1%
UAV Geophysics (UK) Ltd	UK	Dormant	100%	(1)(2) 61.1%
Vardar Geoscience BVI Ltd	British Virgin Islands	Holding company	100%	(1)(2) 61.1%
Vardar Geoscience Kosovo L.L.C	Kosovo	Mineral exploration	100%	(1)(2) 61.1%
Vardar Exploration Kosovo L.L.C	Kosovo	Mineral exploration	100%	(1)(2) 61.1%

(1) Indirectly held

(2) Effective interest

The registered offices of the subsidiary undertakings as are follows:

Name	Registered office
Grafintec Oy	Plåtslagarevägen 35 A 1, 20320 Turku, Finland
Jokkmokk Iron Mines AB	Berggatan 14, 962 32, Jokkmokk, Sweden
Beowulf Mining Sweden AB	Berggatan 14, 962 32, Jokkmokk, Sweden
Wayland Copper Limited	201 Temple Chambers, 3-7 Temple Avenue, London
Wayland Sweden AB	Berggatan 14, 962 32, Jokkmokk, Sweden
Vardar Minerals Limited	201 Temple Chambers, 3-7 Temple Avenue, London
UAV Geophysics (UK) Ltd	201 Temple Chambers, 3-7 Temple Avenue, London
Vardar Geoscience BVI Ltd	Trident Chambers, P.O. Box 146, Wickhams Cay 1 Road Town, British Virgin Islands
Vardar Geoscience Kosovo L.L.C	Rifat Berisha 23/10, Pristina, Republic of Kosovo
Vardar Exploration Kosovo L.L.C	Rifat Berisha 23/10, Pristina, Republic of Kosovo

Details on the non-controlling interest in subsidiaries is given in note 15.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Loans and other financial assets

Group

	Financial fixed assets £
At 1 January 2023	5,181
Foreign exchange movements	28
At 31 December 2023	<u>5,209</u>
At 1 January 2024	5,209
Foreign exchange movements	(71)
At 31 December 2024	<u>5,138</u>

Company

	Loans to group undertakings £	Financial assets £	Total £
At 1 January 2023	11,081,505	2,784	11,084,289
Advances made in the year	2,757,113	-	2,757,113
ECLs in year	(1,001,537)	-	(1,001,537)
At 31 December 2023	<u>12,837,081</u>	<u>2,784</u>	<u>12,839,865</u>
At 1 January 2024	12,837,081	2,784	12,839,865
Advances made in the year	2,633,108	-	2,633,108
ECLs in year	(477,226)	-	(477,226)
At 31 December 2024	<u>14,992,963</u>	<u>2,784</u>	<u>14,995,747</u>

Reconciliation of provisions against receivables arising from lifetime ECLs

	31 December 2023 £	Current year movement £	31 December 2024 £
ECLs	3,107,786	467,651	3,575,437
Total provision arising from ECLs	<u>3,107,786</u>	<u>467,651</u>	<u>3,575,437</u>

The Directors have also assessed the cash flow scenarios of the above considerations. 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. The expected credit loss is calculated based on the Fire-Sale and Failure outcomes, being the outcomes with an expected value of less than the carrying value of loans. A reasonable change in the probability weightings of 3% to failure and fire-sale would result in further impairment of £923,585 (2023: £789,297).

Further details of the transactions in the year are shown within related parties disclosure note 25.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Right of use assets

Group	Motor vehicles	Buildings	Total
	£	£	£
Cost			
At 1 January 2023	-	29,774	29,774
Additions	-	77,924	77,924
Disposals	-	(11,493)	(11,493)
Foreign exchange movements	-	(2,305)	(2,305)
At 31 December 2023	-	93,900	93,900
Amortisation			
At 1 January 2023	-	10,496	10,496
Charge	-	29,478	29,478
Disposals	-	(9,577)	(9,577)
Foreign exchange movements	-	345	345
At 31 December 2023	-	30,742	30,742
Cost			
At 1 January 2024	-	93,900	93,900
Additions	28,572	-	28,572
Disposals	-	(16,868)	(16,868)
Foreign exchange movements	(2,673)	(6,396)	(9,069)
At 31 December 2024	25,899	70,636	96,535
Amortisation			
At 1 January 2024	-	30,742	30,742
Charge	5,165	32,040	37,205
Disposals	-	(16,868)	(16,868)
Foreign exchange movements	(129)	(2,748)	(2,877)
At 31 December 2024	5,036	43,166	48,202
Net book value			
At 31 December 2024	20,863	27,470	48,333
At 31 December 2023	-	63,158	63,158

13. Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Other receivables	126,981	88,180	-	-
VAT	55,249	51,315	10,832	37,515
Prepayments and accrued income	10,282	12,509	9,318	11,640
	<u>192,512</u>	<u>152,004</u>	<u>20,150</u>	<u>49,155</u>

Included in other receivables is a deposit of £19,026 held by Finnish regulatory authorities (2023: £17,724).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Cash and cash equivalents

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Bank accounts	881,349	905,555	714,339	794,909
	<u>881,349</u>	<u>905,555</u>	<u>714,339</u>	<u>794,909</u>

15. Non-controlling interests

The Group had material non-controlling interests arising from its subsidiaries Wayland Copper Limited and Vardar Minerals Limited, which were both consolidated from 12 November 2024 and 9 April 2024, respectively. These non-controlling interests can be summarised as follows;

	2024	2023
	£	£
Balance at 1 January	514,430	568,732
Total comprehensive loss allocated to NCI	(37,784)	(102,443)
Effect of step acquisitions	(476,646)	48,141
Total	<u>-</u>	<u>514,430</u>
	2024	2023
	£	£
Wayland Copper Limited	-	(164,573)
Vardar Minerals Limited	-	679,003
Total	<u>-</u>	<u>514,430</u>

Wayland Copper Limited is a 100% per cent owned subsidiary of the Company that had a material non-controlling interest ("NCI") prior to the acquisition of the remaining NCI during the year. Prior to the acquisition the Company owned 65.25% of Wayland Copper Limited.

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

	2024	2023
	£	£
Administrative expenses	(2,039)	(2,315)
Loss after tax	<u>(2,039)</u>	<u>(2,315)</u>
Loss allocated to NCI	(709)	(805)
Other comprehensive loss allocated to NCI	(247)	(102)
Total comprehensive loss allocated to NCI	<u>(956)</u>	<u>(907)</u>
Current assets	10,159	12,973
Current liabilities	(486,498)	(486,563)
Net liabilities	<u>(476,339)</u>	<u>(473,590)</u>
Net cash outflow	<u>-</u>	<u>-</u>
Non-controlling interest	<u>-</u>	<u>(164,573)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. Non-controlling interests (continued)

Vardar Minerals Limited is a 100% per cent owned subsidiary of the Company that had a material non-controlling interest ("NCI") prior to the acquisition on 9 April 2024. Prior to the acquisition the Company owned 61.1% of Vardar Minerals Limited.

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

	2024 £	2023 £
Administrative expenses	(117,311)	(112,400)
Loss after tax	(117,311)	(112,400)
Loss allocated to NCI	(16,974)	(73,145)
Other comprehensive income allocated to NCI	(19,852)	(28,391)
Total comprehensive loss allocated to NCI	(36,826)	(101,536)
Current assets	14,436	20,195
Non-current assets	2,349,391	2,388,133
Current liabilities	(425,333)	(142,686)
Net assets	1,938,494	2,265,642
Net cash inflow/(outflow)	1,636	(51,783)
Non-controlling interest	-	679,003

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Share capital

	31 December 2024	31 December 2023
	£	£
Allotted, issued and fully paid		
Ordinary shares of 1p each	-	11,571,875
Ordinary shares of 5p each	1,942,240	-
Deferred A shares of 0.9p each	10,414,687	-
	<u>12,356,927</u>	<u>11,571,875</u>

The number of shares in issue was as follows:

	Number of Ordinary shares
Balance at 1 January 2023	831,710,636
Issued during the year	<u>325,476,827</u>
Balance at 31 December 2023	1,157,187,463
Effect of share consolidation	<u>(1,134,043,714)</u>
Balance after share consolidation	23,143,749
Issued during the year	<u>15,701,041</u>
Balance at 31 December 2024	<u>38,844,790</u>
	Number of Deferred A shares
Balance at 1 January 2023	-
Issued during the year	<u>-</u>
Balance at 31 December 2023	-
Issued during the year	<u>1,157,187,463</u>
Balance at 31 December 2024	<u>1,157,187,463</u>

On 5 March 2024, each of the existing ordinary shares of 1p each in capital of the Company was sub-divided and re-classified into 0.1p New Ordinary Share and 0.9p Deferred A Share. The deferred A shares do not entitle the holders thereof to receive notice of or attend and vote at any general meeting of the Company or to receive dividends or other distributions or to participate in any return on capital on a winding up unless the assets of the Company are in excess of £100,000,000. The Company retains the right to purchase the deferred shares from any shareholder for a consideration of one pound in aggregate for all that shareholder's deferred shares.

On 3 April 2024, the Company announced the completion of the Rights Issue with 12,500,000 ordinary shares issued raising £3.8 million before expenses. In addition to this, 1,571,172 ordinary shares were issued as part of a PrimaryBid offer to existing UK retail investors and a subscription by Board and management raising a total of £0.48 million before expenses.

On 9 April 2024, the Company issued 1,046,535 ordinary shares to the Vardar minority holders for the consolidation of 100 per cent ownership of Vardar.

On 14 June 2024, the Company consolidated its ordinary share capital resulting in every 50 existing ordinary shares of £0.001 each being consolidated into 1 new ordinary share of £0.05 each. On 31 December 2024, the Company had 38,844,790 Ordinary Shares in issue (31 December 2023: 23,143,749).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Share capital (continued)

	Share capital £	Share premium £	Total £
At 1 January 2024	11,571,875	27,141,444	38,713,319
Issue of new shares – cash	732,725	2,736,960 ¹	3,469,685
Issue of new shares – acquisition	52,327	-	52,327
At 31 December 2024	<u>12,356,927</u>	<u>29,878,404</u>	<u>42,235,331</u>

	Share capital £	Share premium £	Total £
At 1 January 2023	8,317,106	24,689,311	33,006,417
Issue of new shares	<u>3,254,769</u>	<u>2,452,133²</u>	<u>5,706,902</u>
At 31 December 2023	<u>11,571,875</u>	<u>27,141,444</u>	<u>38,713,319</u>

All issues are for cash unless otherwise stated.

¹Stated net of issue costs of £920,900 of which £776,421 was paid in cash and £144,479 in ordinary shares of the company.

²Stated net of issue costs of £1,202,696 of which £704,587 was paid in cash and £498,109 in ordinary shares of the company.

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 15,701,041 shares issued in 2024. There were 6,509,537 shares issued in 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Share-based payments

During the year ended 31 December 2024, 2,560,000 options were granted (year ended 31 December 2023: 245,000). The options outstanding as at 31 December 2024 have an exercise price in the range of 37.5 pence to 262.5 pence (31 December 2023: 50.00 pence to 367.5 pence) and a weighted average remaining contractual life of 8 years, 284 days (2023: 5 years, 294 days).

The share-based payments expense for the options for the year ended 31 December 2024 was £326,628 (2023: £387,668).

The fair value of share options granted and outstanding were measured using the Black-Scholes model, with the following inputs:

	2024	2024	2024	2023	2022	2022
Fair value at grant date	24p	25.5p	15p	26p	179.5p	156p
Share price	35p	36.5p	35p	84p	200p	200p
Exercise price	37.5p	37.5p	37.5p	103p	50p	262.5p
Expected volatility	77.5%	79.9%	77.5%	55.2%	100.0%	100.0%
Expected option life	6 years	6 years	2 years	2.5 years	5 years	6 years
Contractual option life	10 years	10 years	10 years	5 years	10 years	10 years
Risk free interest rate	4.080%	4.100%	4.480%	4.800%	4.520%	4.480%

The inputs above have been adjusted for the effect of a 50 to 1 share consolidation.

The options issued will be settled in the equity of the Company when exercised and have a vesting period of one year from date of grant.

Reconciliation of options in issue	Number	Weighted average exercise price (£'s)
Outstanding at 1 January 2023	650,000	2.75
Granted during the period	245,000	1.05
Outstanding at 31 December 2023	895,000	2.30
Exercisable at 31 December 2023	745,000	2.10

Reconciliation of options in issue	Number	Weighted average exercise price (£'s)
Outstanding at 1 January 2024	895,000	2.30
Granted during the period	2,560,000	0.38
Lapsed during the period	(285,000)	3.31
Outstanding at 31 December 2024	3,170,000	0.65
Exercisable at 31 December 2024	688,333	1.51

No warrants were granted during the year (2023: Nil).

The reconciliation of options in issue presented for the year ended 31 December 2023 has been retrospectively adjusted for the effect of a 50 to 1 share consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Reserves

The following is a description of each of the reserve accounts that comprise equity shareholders' funds:

Share capital	The share capital comprises the issued ordinary shares of the Company at par.
Share premium	The share premium comprises the excess value recognised from the issue of ordinary shares above par value.
Capital contribution reserve	The capital contribution reserve represents historic non-cash contributions to the Company from equity holders.
Share-based payment reserve	Cumulative fair value of options charged to the consolidated income statement net of transfers to the profit or loss reserve on exercised and cancelled/lapsed options.
Translation reserve	Cumulative gains and losses on translating the net assets of overseas operations to the presentation currency.
Merger reserve	The balance on the merger reserve represents the fair value of the consideration given in excess of the nominal value of the ordinary shares issued in an acquisition made by the issue of shares where the transaction qualifies for merger relief under Section 612 of the Companies Act 2006.
Accumulated losses	Accumulated losses comprise the Group's cumulative accounting profits and losses since inception.

19. Trade and other payables

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Current:				
Trade payables	378,868	307,909	20,873	43,511
Other payables	11,036	29,900	2,601	851
Social security and other taxes	22,264	14,631	10,685	13,224
Accruals	95,956	81,222	89,370	70,632
	<u>508,124</u>	<u>433,662</u>	<u>123,529</u>	<u>128,218</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. Lease liabilities

Nature of leasing activities

Vardar Geoscience leases buildings located in Str. Highway Prishtina Mitrovice Village Shupkove No.2, Kosovo. This lease ended during the year and the contract changed to a monthly rolling lease which has been considered exempt under IFRS 16 based on the short-term lease exemption.

Jokkmokk Mining leases office premises located in 962 31 Jokkmokk, Sweden and motor vehicles for use by employees.

	2024 No.	2023 No.
Number of active leases	<u>2</u>	<u>2</u>

Lease liabilities at year end

Group	2024 £	2023 £
Current		
Lease liabilities	<u>10,016</u>	<u>22,575</u>
Non-current		
Lease liabilities	<u>20,727</u>	<u>15,053</u>
Total lease liabilities	<u>30,743</u>	<u>37,628</u>

Analysis of lease liabilities

Group	Motor vehicles £	Buildings £	Total £
At 1 January 2023	-	19,377	19,377
Additions	-	43,126	43,126
Interest expense	-	2,420	2,420
Lease payments	-	(23,648)	(23,648)
Lease disposals	-	(1,974)	(1,974)
Foreign exchange movements	-	(1,673)	(1,673)
At 31 December 2023	<u>-</u>	<u>37,628</u>	<u>37,628</u>
Additions	22,001	-	22,001
Interest expense	648	1,539	2,187
Lease payments	(3,879)	(23,253)	(27,132)
Foreign exchange movements	(1,978)	(1,963)	(3,941)
At 31 December 2024	<u>16,792</u>	<u>13,951</u>	<u>30,743</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. Lease liabilities (continued)

Analysis of gross value of lease liabilities

Maturity of the lease liabilities is analysed as follows:

	2024 £
Within 1 year	10,016
Later than 1 year and less than 5 years	20,727
After 5 years	-
At 31 December 2024	<u>30,743</u>

The total cash outflow for leases in 2024 was £27,133 (2023: £25,637).

21. Borrowings

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Opening balance	-	1,845,947	-	1,845,947
Funds advanced, net of commission and transaction costs	723,881	-	723,881	-
Finance costs	59,147	195,304	59,147	195,304
Effect of FX	(24,709)	(2,818)	(24,709)	(2,818)
Funds repaid	<u>(758,319)</u>	<u>(2,038,433)</u>	<u>(758,319)</u>	<u>(2,038,433)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

On 14 February 2024, the Company secured a Bridging loan from Nordic investors of SEK 10.0 million (approximately £0.76 million). The Loan had a fixed interest rate of 1.5 per cent per stated 30-day period during the duration. Accrued interest was compounding. The Loan had a commitment fee of 5.0 per cent and a Maturity Date of 31 May 2024. The bridging loan principal and interest totalling £0.758 was repaid early in April 2024 using part of the proceeds from the capital raise on the right issue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Changes in liabilities from financing activities

Group	Leases £	Borrowings £	Total £
Opening balance 1 January 2024	37,628		37,628
Cash movements			
Borrowings advancements	-	723,881	723,881
Lease payments	(27,132)	-	(27,132)
Funds repaid	-	(758,319)	(758,319)
Finance cost	2,187	59,147	61,334
Effect of FX	(3,941)	(24,709)	(28,650)
Total	8,742	-	8,742
Non-cash movements			
Lease additions	22,001	-	22,001
Closing balance 31 December 2024	30,743	-	30,743
Group	Leases £	Borrowings £	Total £
Opening balance 1 January 2023	19,377	1,845,947	1,865,324
Cash movements			
Lease payments	(23,648)	-	(23,648)
Total	(4,271)	1,845,947	1,841,676
Non-cash movements			
Lease additions	43,126	-	43,126
Lease disposals	(1,974)	-	(1,974)
Finance cost	2,420	195,304	197,724
Funds repaid	-	(2,038,433)	(2,038,433)
Effect of FX	(1,673)	(2,818)	(4,491)
Closing balance 31 December 2023	37,628	-	37,628
Company		Borrowings £	Total £
Opening balance 1 January 2024		-	-
Cash movements			
Borrowings advancements		723,881	723,881
Finance cost		59,147	59,147
Funds repaid		(758,319)	(758,319)
Effect of FX		(24,709)	(24,709)
		723,881	723,881
Closing balance 31 December 2024		-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Changes in liabilities from financing activities (continued)

Company	Borrowings £	Total £
Opening balance 1 January 2023	1,845,947	1,845,947
Non-cash movements		
Funds repaid	(2,038,433)	(2,038,433)
Finance cost	195,304	195,304
Effect of FX	(2,818)	(2,818)
Closing balance 31 December 2023	-	-

23. Financial instruments

The Group and Company's financial instruments comprise cash and cash equivalents, loans and other financial assets, trade and other receivables, trade and other payables, borrowings and lease liabilities that arise directly from its operations.

The Group and Company hold the following financial instruments:

Group

At 31 December 2024	Held at amortised cost £	Fair value through profit and loss £	Total £
Financial assets			
Cash and cash equivalents	881,349	-	881,349
Trade and other receivables	126,982	-	126,982
Other financial assets	5,138	3,250	8,388
	<u>1,013,469</u>	<u>3,250</u>	<u>1,016,719</u>
Financial liabilities			
Trade and other payables	485,865	-	485,865
Lease liability	30,743	-	30,743
	<u>516,608</u>	<u>-</u>	<u>516,608</u>

Company

At 31 December 2024	Held at amortised cost £	Fair value through profit and loss £	Total £
Financial assets			
Cash and cash equivalents	714,339	-	714,339
Loans to group undertakings	14,992,963	-	14,992,963
Other financial assets	2,784	3,250	6,034
	<u>15,710,086</u>	<u>3,250</u>	<u>15,713,336</u>
Financial liabilities			
Trade and other payables	112,844	-	112,844
	<u>112,844</u>	<u>-</u>	<u>112,844</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Financial instruments (continued)

Group

	Held at amortised cost	Fair value through profit and loss	Total
	£	£	£
At 31 December 2023			
Financial assets			
Cash and cash equivalents	905,555	-	905,555
Trade and other receivables	90,965	-	90,965
Other financial assets	5,209	6,563	11,772
	<u>1,001,729</u>	<u>6,563</u>	<u>1,008,292</u>
Financial liabilities			
Trade and other payables	420,808	-	420,808
Lease liability	37,628	-	37,628
	<u>458,436</u>	<u>-</u>	<u>458,436</u>

Company

	Held at amortised cost	Fair value through profit and loss	Total
	£	£	£
At 31 December 2023			
Financial assets			
Cash and cash equivalents	794,909	-	794,909
Loans to group undertakings	12,837,080	-	12,837,080
Other financial assets	2,784	6,563	9,347
	<u>13,634,773</u>	<u>6,563</u>	<u>13,641,336</u>
Financial liabilities			
Trade and other payables	116,743	-	116,743
	<u>116,743</u>	<u>-</u>	<u>116,743</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Financial instruments (continued)

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

The main purpose of these financial instruments is to finance the Group's and Company's operations. The Board regularly reviews and agrees policies for managing the level of risk arising from the Group's financial instruments as summarised below.

a) Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates, interest rates and equity prices will affect the Group's and Company's income or the value of its holdings in financial instruments.

i) Foreign exchange risk

The Group operates internationally and is exposed to currency risk arising on cash and cash equivalents, receivables and payables denominated in a currency other than the respective functional currencies of the Group entities, which are primarily Swedish Krona, Euro and Sterling. The Group manages foreign currency risk by paying for foreign denominated invoices in the currency in which they are denominated. The Group's and Company's net exposure to foreign currency risk at the reporting date is as follows:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Net foreign currency financial assets:				
Swedish Krona	581,691	427,207	596,681	484,839
Euro	37,386	(25,804)	56,391	(2,960)
Total net exposure	<u>619,077</u>	<u>401,403</u>	<u>653,072</u>	<u>481,879</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Financial instruments (continued)

Sensitivity analysis

A 10 per cent strengthening of sterling against the Group's primary currencies at 31 December 2024 would have decreased equity and profit or loss by the amounts shown below:

Group

	Profit or loss		Equity	
	2024	2023	2024	2023
	£	£	£	£
Swedish Krona	(58,169)	(42,721)	(58,169)	(42,721)
Euro	(3,739)	2,580	(3,739)	2,580
Total	<u>(61,908)</u>	<u>(40,141)</u>	<u>(61,908)</u>	<u>(40,141)</u>

Company

	Profit or loss		Equity	
	2024	2023	2024	2023
	£	£	£	£
Swedish Krona	(59,668)	(48,484)	(59,668)	(48,484)
Euro	(5,639)	296	(5,639)	296
Total	<u>(65,307)</u>	<u>(48,188)</u>	<u>(65,307)</u>	<u>(48,188)</u>

A 10 per cent weakening of sterling against the Group's primary currencies at 31 December 2024 would have an equal but opposite effect on the amounts shown above.

ii) Interest rate risk

The Group's and Company's policy is to retain its surplus funds on the most advantageous term of deposit available up to a 12-month maximum duration. Given that the Directors do not consider that interest income is significant in respect of the Group's and Company's operations no sensitivity analysis has been provided in respect of any potential fluctuations in interest rates.

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that the Group uses. The Group's interest-bearing financial liability in the year is the bridging loan finance entered into in the prior year and repaid in the current year; this was at a fixed rate of interest. The interest-bearing financial liability in the prior year was the bridging loan finance, which was at a fixed rate of interest.

b) Credit risk

The Group's principal financial assets are the cash and cash equivalents and loans and receivables, as recognised in the statement of financial position, and which represent the Group's maximum exposure to credit risk in relation to financial assets. The Group and Company policy for managing its exposure to credit risk with cash and cash equivalents is to only deposit surplus cash with financial institutions that hold a Standard & Poor's, BBB-rating as a minimum.

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 are successful and the subsidiaries start to generate revenues. An assessment of the expected credit loss arising on intercompany loans is detailed in note 11.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Financial instruments (continued)

The amounts used by the subsidiaries are as follows:

	2024 £	2023 £
Jokkmokk Iron Mines AB	11,511,283	10,105,806
Vardar Minerals Limited	240,568	-
Grafintec Oy	3,241,111	2,656,618
Total	<u>14,992,962</u>	<u>12,762,424</u>

Reconciliation of provisions against receivables arising from lifetime ECLs

	1 January 2024 £	Movement in the year £	31 December 2024 £
ECLs	<u>3,107,786</u>	<u>467,651</u>	<u>3,575,437</u>
Total provision arising from ECLs	<u>3,107,786</u>	<u>467,651</u>	<u>3,575,437</u>

	1 January 2023 £	Movement in the year £	31 December 2023 £
ECLs	<u>2,106,249</u>	<u>1,001,537</u>	<u>3,107,786</u>
Total provision arising from ECLs	<u>2,106,249</u>	<u>1,001,537</u>	<u>3,107,786</u>

i) Commodity price risk

The principal activity of the Group is the exploration for iron ore in Sweden, graphite in Finland and other prospective minerals in Kosovo, and the principal market risk facing the Group is an adverse movement in the price of such commodities/industrial minerals. Any long-term adverse movement in market prices would affect the commercial viability of the Group's various projects. The Board looks to mitigate this risk through the diversification of different prospective minerals.

c) Liquidity risk

To date the Group and Company have relied on shareholder funding and loan funding to finance operations. As the Group and Company have finite cash resources and no material income, the liquidity risk is significant and is managed by controls over expenditure and cash resources. The Group and Company have minimal exposure to liquidity risk as trade and other payables all have a maturity of less than one year, the only exception being the lease liability per note 20. The rationale for the preparation of the accounts on a going concern basis is detailed in the Report of the Directors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Financial instruments (continued)

The undiscounted contractual maturities of the Group's financial liabilities are set out below:

31 December 2024

	Less than 3 months £	Between 3 and 12 months £	Between 1 and 2 years £
Trade and other payables	508,124	-	-
Lease liabilities	5,505	15,222	10,016
	<u>513,629</u>	<u>15,222</u>	<u>10,016</u>

31 December 2023

	Less than 3 months £	Between 3 and 12 months £	Between 1 and 2 years £
Trade and other payables	433,662	-	-
Lease liabilities	6,282	17,940	15,597
	<u>439,944</u>	<u>17,940</u>	<u>15,597</u>

d) Capital management

The Groups capital structure consists of issued capital and reserves and accumulated losses. The Board's policy is to preserve a strong capital base in order to maintain investor, creditor and market confidence and to safeguard the future development of the business, whilst balancing these objectives with the efficient use of capital.

The Group does not have any externally imposed capital requirements.

Group

Net working capital	2024 £	2023 £
Cash and cash equivalents	881,349	905,555
Trade and other payables	(508,124)	(433,662)
Lease liabilities	(30,733)	(37,628)
Net cash	<u>342,492</u>	<u>434,265</u>
Total equity	<u>16,671,432</u>	<u>15,622,280</u>
Net cash to equity ratio	2.05%	2.78%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Financial instruments (continued)

Company

Net working capital	2024 £	2023 £
Cash and cash equivalents	714,339	794,909
Trade and other payables	(123,529)	(128,218)
Net cash	<u>590,810</u>	<u>666,691</u>
 Total equity	 <u>20,036,136</u>	 <u>17,524,553</u>
 Net cash to equity ratio	 2.95%	 3.80%

24. Segment reporting

The Group has only one primary business activity being the exploration for, and the development of iron ore, graphite and other mineral deposits. The Group also reports by geographical reportable segment in the countries in which it operates. The Group's exploration and development activities are focused on three countries, Sweden, Finland and Kosovo, with support provided from the UK headquarters. In presenting information on the basis of geographical reportable segments, the loss for the year, key statement of financial position data, property, plant and equipment additions and deferred exploration additions is based on the geographical location of the assets. The Group has adopted IFRS 8 'Operating Segments'. IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the chief operating decision maker to allocate resources and assets.

2024	Sweden £	Finland £	Kosovo £	UK £	Total £
Intangible assets	10,271,531	2,380,385	3,371,106	-	16,023,022
Other non-current assets	50,940	-	55,708	6,758	113,406
Current assets	204,306	128,771	12,146	728,638	1,073,861
Liabilities	(249,938)	(60,723)	(99,209)	(128,997)	(538,867)
Finance income	(197)	-	-	(3,207)	(3,404)
Finance costs	1,957	-	230	59,147	61,334
Grant income	(166)	(3,395)	-	-	(3,561)
Intangible asset additions	1,527,012	537,307	127,552	-	2,191,871
Impairment	-	72,563	-	-	72,563
Expenses ¹	127,033	370,779	79,811	1,218,350	1,795,973
Loss for the year	126,670	367,384	79,811	1,215,143	1,789,008
Total comprehensive loss	<u>850,690</u>	<u>473,230</u>	<u>208,107</u>	<u>1,215,144</u>	<u>2,747,171</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. Segment reporting (continued)

2023	Sweden £	Finland £	Kosovo £	UK £	Total £
Intangible assets	9,481,130	1,944,354	3,372,349	-	14,797,833
Other non-current assets	57,747	-	93,721	11,217	162,685
Current assets	72,699	132,412	6,218	846,230	1,057,559
Liabilities	(159,504)	(39,950)	(114,247)	(157,589)	(471,290)
Finance income	(268)	-	-	(7,655)	(7,923)
Finance costs	1,686	-	734	195,304	197,724
Grant income	-	(96,750)	-	-	(96,750)
Gain on disposal of investment	-	-	-	(6,563)	(6,563)
Intangible asset additions	1,898,312	208,876	299,493	-	2,406,681
Impairment	350,158	-	-	-	350,158
Expenses ¹	549,084	404,362	85,707	2,009,992	3,049,145
Loss for the year	548,816	307,612	85,707	1,995,774	2,937,909
Total comprehensive loss	<u>660,187</u>	<u>345,386</u>	<u>133,511</u>	<u>1,995,775</u>	<u>3,134,859</u>

¹Expenses include administrative expenses, impairment and finance costs.

25. Related party disclosures

Transactions with subsidiaries

During the year, cash advances of £1,633,485 (2023: £2,153,998) were made to Jokkmokk Iron Mines AB and the company net settled costs of £59,861 (2023: net settled costs £33,643). The advances are held on an interest free intragroup loan which has no terms for repayment. At the year end the intragroup loan amounted to £13,872,661 (2023: £12,179,315).

Beowulf Mining Sweden AB received cash advances of £Nil (2023: £31,879) and the company net settled costs of £Nil (2023: net settled costs of £22,318). The advances are held on an interest free intragroup loan which has no terms for repayment. At the year end the intragroup loan amounted to £790,632 (2023: £790,632).

Grafintec Oy received cash advances of £650,683 (2023: £430,213) and net settled costs of £53,525 (2023: net settled costs of £30,918) with the Company. The advances are held on an interest free intragroup loan which has no terms for repayment. At the year end the intragroup loan amounted to £3,906,643 (2023: £3,202,436).

Vardar received cash advances of £169,010 (2023: £68,572) and net settled costs of £53,324 (2023: £1,374) with the Company. The advances are held on an interest free intragroup loan which has no terms for repayment. At the year end the intragroup loan amounted to £326,133 (2023: £100,155).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. Related party disclosures (continued)

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 below.

	2024 £	2023 £
Short-term employee benefits (including employers' national insurance contributions)	587,392	847,791
Loss of office	-	210,000
Post-retirement benefits	54,721	67,288
Share-based payments	299,706	321,534
Insurance	-	526
	<u>941,819</u>	<u>1,447,139</u>

Short-term benefits include £42,451 (2023: £144,711) paid to Holistic Push AB, a Company controlled by Johan Röstin. The amount owed at year end was £Nil (2023: £Nil).

Loss of office in the prior year comprises a settlement amount in relation to Kurt Budge's resignation, which was agreed on 21 July 2023. It represents the remainder of the notice period due to Mr Budge as he continued to be paid until the date the agreement was reached.

26. Capital commitments

As an exploration and development company, the Company has a portfolio of exploration projects held through subsidiary companies relevant to the local operations of the business. All of the Company's business interests carry financial commitments to remain in good standing which are funded directly by the Company.

All the subsidiary companies require timely submission of regulatory filings, financial accounts and tax submissions. All exploration projects are held under exploration licences and permits, against which during the year renewals are expected to be processed with associated renewal fees attaching.

27. Contingent liabilities

At 31 December 2024, the Company has a possible obligation to pay up to two years annual salary (£420,000) to Ed Bowie in the event of a change in control.

28. Events after the reporting date

On 21 March 2025, in conjunction with the Company's right issue, the Company entered into a short-term bridging loan of SEK 10 million (approx. £740k) with the underwriters of the rights issue to ensure that the Company had sufficient financial resources to continue advancing its projects ahead of the right issue being finalised. The bridging loan accrues interest of 1.5 per cent per 30-day period, has an administrative charge of 5 per cent and is repayable on 30 June 2025.

On 8 May 2025 the Company announced the completion of the capital raise with a total of £2.2 million (SEK 28.1 million) gross raised to fund the development of the Company's assets through their next key valuation milestones. The net funds raised after the loan repayment and share issue transaction costs are £1.0 million.