Beowulf Mining plc

("**Beowulf**" or the "**Company**")

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

Beowulf (AIM: BEM; Aktietorget: BEO), the mineral exploration and development company focused on the Kallak magnetite iron ore project in northern Sweden and its graphite projects in Finland, announces its audited financial results for the year ended 31 December 2016. The chairman's statement, review of operations and activities, and financial information has been extracted from the Company's Annual Report for the year ended 31 December 2016.

The financial information included in this announcement does not constitute the Group's statutory financial statements as defined in section 434 of the Companies Act 2006, but is derived from those accounts. The financial information for the year ended 31 December 2016 has been extracted from the audited accounts of Beowulf Mining plc which will be delivered to the Registrar of Companies in due course. The auditors reported on those accounts and their report was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The financial information for the year ended 31 December 2015 has been extracted from the audited accounts of Beowulf Mining plc which have been delivered to the Registrar of Companies. The auditors reported on those accounts and their report was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The Annual General Meeting of the Company will be held at the offices of One Advisory Group, 201 Temple Chambers, 3-7 Temple Avenue, London, EC4Y 0DT, United Kingdom on 29 June 2017 at 11.00 a.m. (BST).

The 2016 Annual Report will be posted to those shareholders who have requested a copy and will be available on the Company's website (www.beowulfmining.com). A further news release will be made when the Notice, Form of Proxy and Annual Report are posted to shareholders.

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Cautionary Statement

Statements and assumptions made in this document with respect to the Company's current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of Beowulf. Forward-looking statements include, but are not limited to, those using words such as "may", "might", "seeks", "expects", "anticipates", "estimates", "believes", "projects", "plans", strategy", "forecast" and similar expressions. These statements reflect management's expectations and assumptions in light of currently available information. They are subject to a number of risks and uncertainties, including, but not limited to, (i) changes in the economic, regulatory and political environments in the countries where Beowulf operates; (ii) changes relating to the geological information available in respect of the various

projects undertaken; (iii) Beowulf's continued ability to secure enough financing to carry on its operations as a going concern; (iv) the success of its potential joint ventures and alliances, if any; (v) metal prices, particularly as regards iron ore. In the light of the many risks and uncertainties surrounding any mineral project at an early stage of its development, the actual results could differ materially from those presented and forecast in this document. Beowulf assumes no unconditional obligation to immediately update any such statements and/or forecasts.

CHAIRMAN'S STATEMENT

Dear Shareholders

Introduction

I had hoped that I would be commencing this Statement informing you that we had been awarded the Exploitation Concession, however, despite our best efforts, the process is still ongoing. Although the Company made significant progress in 2015, in gaining support for the Exploitation Concession, 2016 has seen further delays to the process.

The Company has continued to communicate with key stakeholders, with regular visits to Sweden and meetings with members of the Swedish Parliament, the County Administrative Board ("CAB"), the Mining Inspectorate, Jokkmokk Kommun, local business community in Jokkmokk, landowners and people of Jokkmokk. We have also been working with our public relations advisers in Sweden, to ensure that we are effectively communicating our vision for a modern and sustainable mining operation at Kallak, and have established a Facebook page to engage with our stakeholders in Jokkmokk and further afield. Kallak has the potential to transform Jokkmokk and give the community the thriving, diversified and sustainable economy it seeks and we continue to make a strong case for being awarded the Exploitation Concession, now with growing support from the community.

To date we have spent approximately SEK 72 million (or £6.4 million) on Kallak. Following the award of the Exploitation Concession, we plan to undertake the Scoping Study, which will pull together all the technical work completed to date and provide the roadmap towards pre-feasibility. The Scoping Study will also provide an updated economic analysis of the project.

In January 2016, the implementation of our strategy to be a Nordic focused mining company gained momentum with the acquisition of Fennoscandian, a company with a number of early stage graphite projects in Finland. This enabled Beowulf to diversify its exploration risk, both geographically and by commodity.

Kallak

Progress on the Company's Exploitation Concession in 2016 has been slow. On 23 February 2016, Tasman Metals ("Tasman") announced that it had been notified of a decision by the Supreme Administrative Court of Sweden ("SAC"), dated 22 February 2016, to cancel its Norra Kärr Mining Lease. The SAC determined that the decision by the Mining Inspectorate to grant the Norra Kärr Mining Lease to Tasman was incorrect, as the decision to grant the Mining Lease was not adequately supported by environmental studies into a future mining operation. As a result, the Norra Kärr Mining Lease was cancelled and the project reverted to an Exploration Licence. We believe that in the absence of the Norra Kärr judgement, made by the SAC, the Company would have been awarded the Exploitation Concession in early 2016 as our application had met all the requirements of the Swedish Minerals Act and the Environmental Code.

Following the SAC decision, the Government of Sweden handed back the decision on awarding the Exploitation Concession to the Mining Inspectorate, who then wrote to the CAB for an opinion on the Company's application. The CAB has so far failed to provide an opinion, making a statement on 1 February 2017 which asked the Mining Inspectorate to first resolve matters on the interaction between Kallak and Laponia, and also on national interests in the area of Kallak.

Despite further delays, we are pleased with the urgency shown recently by the Mining Inspectorate to move towards a decision on our application.

I would like to reiterate a number of key points regarding the Exploitation Concession process:

1. The Board believes the Company has carried out all the necessary work to enable the granting of the Exploitation Concession. The Company is committed to the responsible development of Kallak in partnership with the local community;

2. The Company did not agree with the Mining Inspectorate's recent decision to consult again with the Swedish National Heritage Board and the Swedish Environmental Protection Agency, as both these agencies have already reviewed the Company's application for an Exploitation Concession and provided comments;

3. The Company believes that it is not reasonable to presume that a mining operation at Kallak will have an adverse impact on the World Heritage Status of Laponia; with Laponia almost one million hectares, and Kallak approximately one thousandth of its size and 33.8km from the closest point of Laponia; and

4. Responding to the CAB's concerns with regards to the interaction between mining and reindeer herding, the Company eliminated the Jelka-Rimakåbbå transport route from future plans, and the Company's Environmental Impact Assessment for Kallak North ("EIA") contains established frameworks for preventative, precautionary and compensatory measures that could be developed into management plans, in consultation with the reindeer herding communities around Kallak.

Other exploration

In 2016, we commenced exploration on our graphite projects in Finland, and by February 2017, had completed eight diamond drill holes on the Aitolampi prospect.

We were also active on our Åtvidaberg licence in Sweden, where our early stage exploration has been positive delivering high value zinc and copper assays from a series of "grab" samples collected from old mine workings, together with the identification of 26 magnetic targets for further investigation. By adding exploration licences at Åtvidaberg and Sala, and investing time and money in Åtvidaberg, we are demonstrating our strong commitment to building a mining business in Sweden.

Shareholder base

Beowulf is 99 per cent owned by retail shareholders in Sweden and the UK. The number of Swedish shareholders on the share register continued to grow during 2016 and, at 31 March 2017, over 54 per cent of the Company is owned by Swedish shareholders compared to approximately 12 per cent when I joined the Company in September 2014. I would like to take the opportunity to thank our existing and new shareholders for their continued support.

Raising Finance

Maintaining sufficient funding to continue to invest in projects is the biggest challenge for any mining exploration and development company and without investment funds we cannot create shareholder value. We undertook two fundraisings in 2016, one in February 2016 with an over-allotment option in March 2016 which together raised £1.5 million (before expenses) (the "Q1 Fundraising") and one in December 2016 which raised £1 million (before expenses) of which £0.8 million came from Swedish investors (the "December Fundraising"). The Q1 Fundraising was completed at a placement price of 3.25 pence per share and the December Fundraising was completed at a price of 4.2 pence per share (and SEK 0.5 for participating Swedish shareholders).

Financial Performance
Loss before and after taxation attributable to the owners of the parent at £0.63 million is significantly down on the loss recorded in 2015 of £1.48 million. There were no impairment costs in 2016, compared with £1.12 million in 2015. General and administrative costs of £0.64 million were kept to a minimum and were slightly below last year (2015: £0.65 million).

Basic loss per share of 0.13 pence showed a 66 per cent improvement over last year (2015: loss per share of 0.38 pence).

Approximately £1.61 million in cash was held at the year end. During the year £0.62 million was spent on exploration and capitalised.

Corporate
It was announced that Mr Christopher Davies had been appointed to the Board as a Non-Executive Director on 4 April 2016. Chris, who is a Fellow of the Australasian Institute of Mining and Metallurgy, is an exploration/economic geologist with more than 30 years' experience in the mining industry. I am very pleased that Chris joined the Board as he has substantial knowledge of graphite and base metals.

We announced the divestment of the non-core Grundträsk gold project to Erris Resources Limited in October 2016. The project was fully impaired following a review in 2015. Beowulf will receive certain payments if future milestones are achieved.

In October 2016, the Company announced it had established a Swedish Advisory Board, and the appointment of two members, Mr Per G. Broman and Mr Jan-Olof Hedström to support the permitting and development of Beowulf's projects in Sweden, primarily Kallak. Mr Broman led the team which prepared the EIA for Kallak North and represented and supported the Company throughout the application process. Mr Hedström served as the Chief Mine Inspector and Head of the Mining Inspectorate of Sweden from 1997 to 2010. I am very happy to have such well respected professionals advising and guiding us as we develop our business in Sweden.

Staff
On behalf of the Board, I would like to express my sincere thanks to our staff for their hard work and support during the past 12 months.

Outlook
The Company is in a stronger position than it was 12 months ago and we look forward to 2017 being a pivotal year for the Company, still with the expectation that the Exploitation Concession will be awarded, but also advancing our exploration programme on our graphite projects in Finland and our Åtvidaberg licence in Sweden.

Bevan Metcalf
Non-Executive Chairman
11 May 2017

REVIEW OF OPERATIONS AND ACTIVITIES

SWEDEN

Introduction
Sweden continues to be a prominent mining country and it is the largest iron ore (mostly magnetite) producer in the European Union. It provides modern, efficient and well-established infrastructure, excellent power accessibility and affordability, a highly skilled workforce, a very strong mining culture, a highly innovative and well-resourced mining sector, and a low sovereign risk profile.

Beowulf has been active in northern Sweden for more than ten years and the Kallak project has been the principal focus of the Group's exploration and development work in recent years.

The application for exploration permits and exploitation concessions is governed by the Swedish Minerals Act (1991:45) (the "Act"), which has been subject to amendments. The Act accords that an exploration permit is granted for an initial period of three years from the date of issue and can be subsequently extended for a further three years after the initial three, followed by another four year extension if special circumstances exist and, if exceptional circumstances exist, for another five years. The longest possible period of validity for any one permit is 15 years, during which an application for an exploitation concession must be made. An application for a mining concession must be lodged before the end of the fifteenth year.

Sweden Exploration Permits

Beowulf, via its subsidiaries, currently holds 11 exploration permits together with one registered application for the Exploitation Concession, as set out in the table below:

Permit Name/Minerals	Permit ID	Area (km^2)	Valid from	Valid until
Parkijaure nr3 (Fe)[1]	2011:135	4.17	11/08/2011	11/08/2017
Parkijaure nr2 (Fe)[1]	2008:20	2.85	18/01/2008	18/01/2018
Kallak nr1 (Fe)[1,3]	2006:197	5.00	28/06/2006	28/06/2021
Kallak nr2 (Fe)[1]	2011:97	22.19	22/06/2011	22/06/2017
Kallak nr3 (Fe)[1]	2012:100	5.56	09/08/2012	09/08/2018
Parkijaure nr4 (Fe)[1]	2012:59	7.60	Applied for 02/05/2017	
Parkijaure nr5 (Fe)[1]	2013:36	6.22	04/03/2013	04/03/2019
Nautijaure nr1 (Cu)[1]	2012:57	8.8	Applied for 02/05/2017	
Ågåsjiegge nr2 (Fe)[1]	2014:10	11.14	24/02/2014	24/02/2020
Åtvidaberg nr1 (Pb,Zn,Cu, Ag)[2]	2016:51	225.12	30/05/2016	30/05/2019
Sala nr10 (Pb,Ag,Zn)[2]	2015:91	10.49	29/06/2016	29/06/2019
TOTAL:		309.14		

Notes:
(1) held by the Company's wholly owned subsidiary, Jokkmokk Iron Mines AB ("JIMAB").
(2) held by the Company's wholly owned subsidiary, Beowulf Mining Sweden AB.
(3) an application for the Exploitation Concession was lodged on 25 April 2013 (Mines Inspector Official Diary nr 559/2013) and an updated, revised and expanded application was submitted in April 2014. On 21 September 2016, the Company submitted a letter to the Mining Inspectorate of Sweden, revising its application boundary to encompass both the Concession Area, delineated by the Kallak North orebody, and the activities necessary to support a modern and sustainable mining operation.

Kallak Iron Ore Project

Introduction

The Kallak project is located in the Jokkmokk municipality, north of the Arctic Circle, approximately 40km west of Jokkmokk city centre and 80km southwest of the major iron ore mining centre of Malmberget in Norrbotten County, northern Sweden. LKAB's Kiruna iron ore mine, the world's second largest underground mine, is located approximately 120km to the northeast.

Iron mineralisation was first discovered in the Kallak area by the Swedish Geological Society ("SGU") in 1947/48. Between 1968 and 1970, detailed ground geophysical surveys were carried out by the SGU over the entire area of interest including closely grid spaced magnetic, gravimetric and

electromagnetic measurements. Some limited diamond drilling was also carried out. This led to the discovery of the Kallak North and Kallak South deposits which are separated by only a few hundred metres in distance and, as the deposits are located in the same geological structures, the deposits may well be connected at depth. Data from these surveys has now been compiled and interpreted.

Kallak is located within the Svecofennian shield, consisting of metamorphic, sedimentary and volcanic rocks that are commonly between 1900 and 1870 million years old.

The area around Kallak, and the villages of Björkholmen and Randijaur, is dominated by mafic to intermediate volcanics and metavolcanics as well as gabbro, diorite and ultramafic rocks and their metamorphic equivalents. The bedrock of the area is thus predominantly mafic. Only smaller areas with felsic rocks are found in the northeast, northwest and southwest. These areas consist of granites and syenites and their metamorphic equivalents, pegmatites and other felsic to intermediate rocks.

The deposits are outcropping and consist of quartz banded magnetite haematite iron ore, comprised of fine grained banded magnetite and minor haematite, interlayered with quartz, feldspar and some hornblende. The dominant host rock is a grey, altered volcanic unit. The deposits occur in a north-south oriented syncline of altered sediments and felsic volcanic rocks of early Proterozoic age within granitic gneisses. The deposits are up to 300m wide at surface outcrop and are located on topographically high ground. The northern deposit has a confirmed length extension of more than 1km and the southern deposit has a total length of more than 2km. Drilling has confirmed, in single drillholes, mineralised vertical depth extensions to more than 300m at both deposits. The mineralised structures at both Kallak North and Kallak South are almost vertically dipping, generally covered by only shallow (<2m) glacial overburden and, as such, are highly amenable to potential open pit mining.

Area description and accessibility

The Kallak project area comprises forested, low hilly ground close to a main paved road between Kvikkjokk and Jokkmokk.

The principal land use is forestry, with the majority of the ground area being owned by a large local forestry company. Regional vegetation is generally comprised of mature pine, birch and spruce trees. The ground elevation varies between 300m and 450m above sea level in an area of undulating forested or logged ground forming a peninsula surrounded by Lake Parkijaure. The highest point is the Råvvåive hill at 481m located in the south east part of the project area.

Local infrastructure is excellent with all-weather gravel roads passing through the project area and all parts are easily reached by well used forestry tracks. A major hydroelectric power station with associated electric power- lines is located only a few kilometres to the south east. There are no settlements within the project area, with the closest villages being Björkholmen, approximately 2km to the northwest, and Randijaur approximately 3km to the east. The nearest railway (the 'Inland Railway Line') passes approximately 40km to the east. This railway line is connected at Gällivare with the 'Ore Railway Line', which is used by LKAB for delivery of its ore material to the Atlantic harbour at Narvik (Norway) or to the Botnian Sea harbour at Luleå (Sweden)

Kallak Resource

The Kallak North and Kallak South orebodies are centrally located and cover an area approximately 3,700m in length and 350m in width, as defined by drilling. The mineral resource estimate for Kallak North and South is based on drilling conducted between 2010-2014, a total of 27,895m were drilled, including 131 drillholes.

The latest resource statement for the Kallak project was finalised on 28 November 2014, following the guidelines of the JORC Code 2012 edition, summary as follows:

Project	Category	Tonnage Mt	Fe %	P %	S %
Kallak North	Indicated	105.9	27.9	0.035	0.001
	Inferred	17.0	28.1	0.037	0.001
Kallak South	Indicated	12.5	24.3	0.041	0.003
	Inferred	16.8	24.3	0.044	0.005
Global	Indicated	118.5	27.5	0.036	0.001
	Inferred	33.8	26.2	0.040	0.003

Notes:

1. The effective date of the Mineral Resource Estimate is 28 November 2014.
2. Resources have been classified as Indicated or Inferred, following the guidelines of the JORC Code, 2012 edition.
3. Cut-off grade of 15 per cent Fe has been used.
4. Mineral Resources which are not Mineral Reserves have no demonstrated economic viability.
5. An exploration target of 90-100Mt at 22-30 per cent Fe represents potential ore below the pit shells modelled for this resource statement, and in the gap between drilling defined Kallak South mineralised zones.
6. The resource statement has been prepared and categorised for reporting purposes by Mr. Thomas Lindholm, of GeoVista AB, Fellow of the MAusIMM, following the guidelines of the JORC Code, 2012 edition.

The mineralised area at Kallak North is approximately 1,100m long, from south to north, and, at its widest part in the center, is approximately 350m wide.

The deepest drillhole intercept is located some 350m below the surface in the central part of the mineralisation. In the southern and northern parts, the intercepts are shallower at 150-200m. However, in the northern part, there are no barren holes below them, so the mineralisation could continue at depth.

The investigations at Kallak South have been divided into two parts, the northern and southern ends respectively. In the northern part the mineralisation extends approximately 750m from north to south and has an accumulated width of 350m. The deepest drillhole intercept is located some 350m below the surface in the southern-most part of the mineralisation. In the southern part, the mineralisation extends approximately 500m from north to south and has a maximum width of just over 300m. The deepest drillhole intercept is located some 200m to 250m below the surface in the central part of the mineralisation.

Approximately 800m in between the southern and northern parts of Kallak South has not been investigated by systematic drilling. An exploration target of 90 million tonnes ("Mt") to 100Mt at 22-30 per cent iron has been assigned to the area between the southern and northern parts.

Further to the south, within the Parkijaure exploration permits controlled by JIMAB, there are further known magnetite occurrences, but the current level of investigation does not permit the estimation of mineral resources.

Metallurgical Testwork

There was no testwork undertaken in 2016.

The impetus for the 2015 testwork programme was the belief that even higher grade magnetite concentrate could be produced through the application of reverse flotation, and that the results would prove the suitability of the Kallak North magnetite concentrate for use in Direct Reduction Iron ("DRI") facilities and as chemical grade raw material. Kallak North has three main ore types, classified as follows:

'Blue' ore - magnetite rich;
'Green' ore - magnetite rich with haematite; and
'Red' ore - haematite rich.

The work at the Geological Survey of Finland ("GTK") applied reverse flotation on two of the three ore types, Blue and Green.

Head assays for the samples used were performed using X-Ray Fluorescence ("XRF") analysis for Green, Blue and Red samples. The main elements of interest are shown below:

Element	Green	Blue	Red
Fe %	31.9	36.5	37.9
SiO_2 %	47.7	40.6	40.8
Al_2O_3 %	2.92	2.41	1.84
CaO %	1.2	2.51	1.05
MgO %	2.37	2.58	2.59
P_2O_5 %	0.068	0.096	0.081
MnO %	0.229	0.51	0.296

This work was carried out by Labtium, who have a geo-analytical laboratory in Outokumpu City and are accredited according to ISO/IEC 17025 by FINAS (Finnish accreditation service).

Concentrate product results:

The table below shows detailed product specifications for concentrates produced in 2015 and, in italics, the results from the previous programme in 2014:

	Fe %	SiO_2 %	S %	CaO %	MgO %	Al_2O_3 %	TiO_2 %	Na_2O %	K_2O %	P_2O_5 %	MnO %
Magnetite (SGS certified, 2015)	71.5	0.62	<0.01	0.03	0.03	0.10	<0.01	<0.01	0.01	<0.01	0.48
Magnetite (GTK, 2014)	69+	3.9	0.003	0.109	0.11	0.24	0.010	0.03	0.19	0.009	0.444
Haematite (GTK, 2015)	68.3	2.03	0.005	0.15	0.25	0.20	0.26	0.02	0.019	0.04	0.023
Haematite (GTK, 2014)	66.6	3.29	0.016	0.45	0.39	0.37	n/r	0.03	0.022	0.081	0.165

Key: Fe – Iron, SiO_2 – Silica, S – Sulphur, CaO – Calcium Oxide, MgO – Magnesium Oxide, Al_2O_3 – Alumina,TiO_2 – Titanium Dioxide, Na_2O – Sodium Oxide, K_2O – Potassium Oxide, P_2O_5 – Phosphorous, MnO – Manganese Oxide, n/r – not replaced

2013/2014 - Pilot scale test work on Kallak North material

In late 2013, approximately 500 tonnes of ore, from the test mining sampling programme completed on a defined area of the Kallak North deposit in summer 2013, was transported to a test facility in Outokumpu City, owned by GTK. The main portion of the material was a general composite bulk sample, representing all of the test mined sections at Kallak North in proportion to their respective occurrence.

Approximately 60 tonnes of the general composite bulk sample were tested during a two-week pilot campaign, primarily focusing on establishing recovery and product quality parameters for the magnetite content. Average iron content for the submitted sample was 29.5 per cent. The proportion of magnetite to haematite in the sample was approximately 3.4:1.

The magnetite beneficiation circuit was conventional and straightforward, consisting of rod milling with rougher-scavenger cobbing low-intensity magnetic separation ("LIMS") pre-concentration, followed by ball mill re-grinding together with six cleaner LIMS stages to achieve the final magnetite product. The grade and recovery levels were excellent. The amount of dry magnetite concentrate produced for downstream testwork was approximately 2.7 tonnes, grading at 69.4 per cent iron at a magnetite recovery of approximately 95 per cent. Average silica content in the final product was 3.9 per cent and the levels of sulphur and phosphorous were insignificant, being below 0.01 per cent. The end product fineness was 80 per cent passing 25 microns.

The secondary objective, to produce a concentrate of the haematite content, was successful in respect of the quality aspect. A sample of 0.36 tonnes of dry haematite iron concentrate was produced, at an average grade of 66.6 per cent iron, containing 3.3 per cent silica, 0.08 per cent phosphorous and less than 0.02 per cent sulphur. The fineness was 80 per cent passing 175 microns. Several different flow sheet options were tested in order to maximise the haematite recovery, without fully reaching optimised levels. The best beneficiation result was achieved using a combination of spiral separators, supported by High-Gradient Intensity Magnetic Separator ("HGIMS"), recovery remained at below 30 per cent. The short test work programme did not enable optimisation of the haematite beneficiation section. Process mineralogy studies proved that the haematite losses were mostly occurring in the very fine particle sizes.

Application for the Exploitation Concession

2016 Update

On 23 February 2016, Tasman announced that it had been notified of a decision by the SAC, dated 22 February 2016, to cancel its Norra Kärr Mining Lease. On the basis of a review of the process of granting of the Mining Lease, the SAC determined that the decision by the Mining Inspectorate was incorrect, as the decision to grant the Mining Lease was not adequately supported by environmental studies into a future mining operation. As a result, the Norra Kärr Mining Lease was cancelled and the project reverted to an Exploration Licence.

Working practice in Sweden before the SAC judgement was to focus on the concession area and activities within it, with aspects of a future mining operation outside of the concession area being dealt with later, under Environmental Permitting.

On 15 April 2016, the Company responded to a letter from the Government of Sweden, requesting our opinion on the judgement of the SAC regarding Tasman's Norra Kärr project, and how it relates to the Company's application for the Exploitation Concession. The Company stated that the EIA completed in relation to the Exploitation Concession was in accordance with the SAC judgement, and suggested that the Government of Sweden return the Company's application to the Mining Inspectorate for further review.

In July 2016, the Government of Sweden asked the Mining Inspectorate to review the Company's application in the context of the SAC judgement. In October 2016 the Mining Inspectorate, in turn, wrote to the CAB asking the CAB several questions about the Company's EIA, and allowing them an extended deadline, of 28 February 2017, to respond.

On 21 September 2016, the Company provided a plan to the Mining Inspectorate, with a revised application boundary for Kallak North, encompassing both the 103-hectare Concession Area,

delineated by the Kallak North orebody, and the area to be used for activities supporting the mining operation, all previously included in the EIA.

The Company remains of the opinion that the EIA has met the requirements of the Swedish Minerals Act and Environmental Code, is consistent with the SAC judgement in the case of Norra Kärr, and is comprehensive in its assessment of a future mining operation at Kallak, and associated environmental effects.

On 2 December 2016, the Company provided the CAB with a paper on the interaction of Kallak and Laponia, matters regarding Laponia's World Heritage Status and Heritage Impact Assessments. The purpose of the paper was to address matters raised by interested parties with respect to the Company's application, since the CAB's statement in October 2014. The paper directed the CAB to where matters raised are addressed in the Company's EIA, where the Company believes matters should be addressed under environmental permitting, and where the Company believes matters fall outside of the prescribed process for being awarded an Exploitation Concession.

Post year end

On 15 February 2017, the Company sent a letter to the Mining Inspectorate with comments on the statement made by the CAB on 1 February 2017. At that time the CAB announced it had referred the Company's application for an Exploitation Concession for Kallak North back to the Mining Inspectorate, with respect to matters regarding the effects of a future mining operation at Kallak on Laponia. The Company's letter to the Mining Inspectorate stated:

- the Company's application includes a technical description, covering the Concession Area, the actual deposit to be mined, and the operational facilities necessary to support mining. It also includes a comprehensive EIA, where all activities and their potential effects have been described;

- the Company has shown that a discovery of iron ore has been found, and is likely to be commercially viable. In the Chief Mining Inspector's opinion, the environmental impact study, with the supplements which have been made, meet the requirements set forth in Chapter 6 of the Environmental Code;

- however, in the view of the Chief Mining Inspector, as the CAB has not developed their arguments sufficiently regarding the scope of the encroachment on reindeer herding which will be caused by the Concession Area, the Chief Mining Inspector has decided to refer the issue to the Government;

- the EIA and other relevant documents have already been reviewed by the CAB, and other stakeholders, during the period from April 2013 to October 2014, and the Company has responded to all comments made;

- on 1 October 2014, the CAB confirmed that the Company's EIA was sufficient with respect to Chapters 3, 4 and 6 of the Environmental Code and on 7 July 2015, the CAB wrote to the Government of Sweden indicating that the Company's EIA application could be permissible with respect to Chapters 3 and 4 of the Environmental Code;

- the CAB's statements must be interpreted as if the CAB has no objections to the granting of an Exploitation Concession;

- the Company does not understand the legal basis for any process involving United Nations Educational, Scientific and Cultural Organisation ("UNESCO"), when considering the Company's application for an Exploitation Concession. The interaction between Kallak and

Laponia, which is 33.8km away at its closest point, is something that should be assessed under environmental permitting; and

- within the Concession Area, there are no conflicts where national interests are considered, a fact stated by the CAB in July 2015, and for the areas taken by operational facilities necessary to support mining, there are also no conflicts where national interests are considered. Since February 2013, Kallak has been designated an Area of National Interest for its minerals and metals only, affording it protection against competing land use, and measures that may hinder future potential mineral extraction.

On 24 February 2017, further to an announcement on 22 February 2017 regarding the Exploitation Concession, the Company announced that it had written to the Mining Inspectorate, stating that it does not agree on consulting with the Swedish National Heritage Board (Riksantikvarieämbetet, "RAÄ") and the Swedish Environmental Protection Agency (Naturvårdsverket, "NV"), as both these agencies have already reviewed the Company's application for an Exploitation Concession and provided comments.

The Company stated that it is for the CAB to answer the Mining Inspectorate's questions and to give an opinion on the Company's application. The CAB has stated, on more than one occasion, that the Company's EIA is sufficient for an assessment, and in July 2015, the CAB detailed a robust economic case for Kallak.

The Company summarised arguments that support its case for the award of the Exploitation Concession, and stated that it will not be making any further detailed submission before the Mining Inspectorate consults with the RAÄ and NV. The Mining Inspectorate received comments back from the RAÄ and NV on 27 March 2017.

On 28 March 2017, the Mining Inspectorate wrote to the Company, and gave the Company the opportunity to submit comments and supplementary information further to the NV and RAÄ response by 28 April 2017.

On 29 March 2017, the Company met with the Mining Inspectorate to discuss the next steps in the process. The CEO outlined the Company's interpretation of the NV and RAÄ response, as follows:

- the focus of the response is the effect of Kallak on Laponia;
- it is acknowledged that Kallak does not directly affect Laponia;
- it is suggested that the Company should provide more details, to describe the indirect effects on Laponia, the interaction of mining and reindeer herding, and matters related to transport; and
- the agencies have not been specific, as requested by the Mining Inspectorate, as to where the Company's EIA is insufficient in the detail provided.

On 28 April 2017, the Company submitted a document to the Mining Inspectorate in response to the RAÄ and NV comments on the impact of a mining operation at Kallak on Laponia.

The analysis follows UNESCO guidelines for conducting a Heritage Impact Assessment ("HIA"). Typically, a HIA is not required with an application for an exploitation concession, but the Company voluntarily produced one, with the support of its expert Swedish technical team and Swedish Advisory Board.

It has already been concluded, by RAÄ and NV, that a mining operation at Kallak will have no direct impact on Laponia. Kallak is 13.6 km^2 compared to Laponia's 9,400km^2 and, at its closest point, Kallak is approximately 34 km away from Laponia.

The Company maintains that its studies into reindeer herding support the case that mining and reindeer herding can cooperate and prosper side by side and, to the Company's knowledge, there is no evidence to suggest that they cannot. Kallak's area of 13.6km^2 compares to Jåhkågaska reindeer herding community's 2,640km^2 of grazing land or 0.5 per cent, as a percentage.

With regards to transport, solutions will be optimised, and sensibly controlled by the environmental permitting process, such that there should be no material effect on Laponia, and planning will involve other parties, including Trafikverket and Inlandsbanan. It is the Company's ambition to seek environmentally sensitive solutions with respect to all aspects of the Kallak project.

The Mining Inspectorate wrote to the CAB on 8 May 2017 including a copy of the documents submitted by the Company seeking a further opinion on the Exploitation Concession by 1 June 1 2017.

History – Pre 2016

Due to the importance of the Exploitation Concession to the Company, a history of the application process is listed below for shareholders.

In April 2013, JIMAB submitted an application to the Mining Inspectorate for an Exploitation Concession. Further to the Mining Inspectorate's consultation process, in late November 2013 the CAB raised a number of queries and additional information requests on certain aspects of the EIA component of JIMAB's application. In April 2014 an updated and enhanced application dealing with the CAB's queries was submitted to the Mining Inspectorate.

JIMAB added certain supplements to the EIA, along with further technical description and commentary. The enhanced report comprised 164 pages, including various figures and tables, with an additional 16 appendices, of more than 200 pages in length, covering various technical and specialist aspects based on work performed by the Company's expert team of Swedish consultants.

The EIA was supplemented in the following principal areas:

- The reindeer husbandry section was complemented by further analysis commissioned from consultants Swedish Geological AB. It was also supplemented and revised based on certain comments and information received from the local Sami villages.
- Additional investigations regarding safety aspects for hydroelectric power dams were conducted by Ramboll Sweden AB.
- Questions raised regarding security issues surrounding any tailings dams for the project were further investigated and addressed by Tailings Consultants Scandinavia AB.
- Various comments received on the socio-economic aspects were responded to by Luleå University of Technology.
- Additional investigations concerning local hunting and fishing activity and specialist environmental aspects, including water ecology and water chemistry, were conducted by Pelagia Miljökonsult AB based in Umeå.
- Additional information was gathered regarding Areas of National Interest and other interests of importance in respect of general water management and military defence aspects.
- Additional studies and inventories on the existing natural water sources in the project area were compiled by Hifab International AB, together with reports on dust and air quality issues.
- Further information was obtained on the Laponia World Heritage site located 33.8km away from Kallak, as well as on the general tourism industry in the Jokkmokk region sourced from the Destination Jokkmokk organisation.

The methodologies utilised in the enhanced EIA report were developed and conducted in accordance with the comments received from the CAB, and reflected the feedback from a constructive meeting held with representatives of Norrbotten County in March 2014.

In a letter to the Chief Mining Inspector, dated 1 October 2014, the CAB expressed the belief that the effects of possible transport routes, from the future mine through areas used for reindeer husbandry could be detrimental and that the Exploitation Concession should therefore not be granted by the Mining Inspectorate at that time. In response to the CAB's concern the Company eliminated a specific route passing in a north/north-easterly direction through the Jelka-Rimakåbbå Natura 2000 area and any future interaction with important reindeer herding business in that area. This change was communicated in a written submission to the Mining Inspectorate in November 2014.

In February 2015, after further investigation, the Chief Mining Inspector concluded as follows:

- The Exploitation Concession which has been applied for covers an area which is deemed suitable in light of the discovery, purpose, and other circumstances.
- The Company has shown that a discovery of iron ore has been found, and is likely to be commercially viable. In the Chief Mining Inspector's opinion, the EIA, with the supplements which have been made, meets the requirements set forth in Chapter 6 of the Environmental Code.
- However, in the view of the Chief Mining Inspector, as the CAB has not developed their arguments sufficiently regarding the scope of the encroachment on reindeer herding which will be caused by the concession area, the Chief Mining Inspector has decided to refer the issue to the Government.

In July 2015, the CAB was asked by the Government of Sweden to provide comments on the national economic assessment of Kallak North. The CAB's findings were that:

- Mining is economically relevant and that the Kallak North project generates economic benefits at local, regional and national levels, including direct and indirect jobs, tax revenues, and more broadly across mining equipment and services sectors in Sweden.
- The Concession Area applied for by the Company creates no conflicts where national interests are considered.
- The Concession is designated as an Area of National Interest for minerals. The Company should work with communities that could be affected by the development of a mining project, in order to eliminate or migrate any impacts, including reindeer herders and Sami villages.
- The Company should consider, in its ongoing studies, the potential impact of its mining activities on tourism and transport infrastructure.

In October 2015, the Mining Inspectorate wrote to the Government of Sweden and recommended that the Exploitation Concession be granted.

Other Swedish Projects in the Portfolio

Åtvidaberg Volcanogenic Massive Sulphide ("VMS") lead-zinc-copper Project

The exploration licence for Åtvidaberg was awarded in June 2016. On 7 October 2016, the Company provided an update on the Åtvidaberg licence, reporting positive findings, high grade assays for "grab" samples taken from former mine sites on the licence, and the identification of 26 magnetic targets for further investigation. The work to date has given the Company's exploration team a better understanding of the geology of the area and the setting of different types of mineralisation. This has led to the definition of several "blind" exploration targets, for example, limited outcrops because of glacial till cover, and the identification of promising areas for further exploration. Below is a summary for the main prospects:

Bersbo

- Former mines in the Bersbo area, including the Grönhög mine, show evidence of high grade zinc mineralisation, that seems to have been previously classed as waste, which is found in both wastedumps and as road fill.
- 'Grab' samples of sphalerite (zinc ore) have yielded up to 19.7 per cent zinc, while waste samples with chalcopyrite (the main ore of copper), have yielded up to 1.7 per cent copper.
- The Bersbo ore occurs stratabound within interlayered felsic and mafic metavolcanic rocks.
- The ore is often associated with pyrrhotite, which means that aeromagnetic data can be used to trace potential mineralisation.

Mormor

- Mineralisation in the Mormors area appears to contain predominantly copper, and no zinc.
- Two waste dump samples from the area have yielded 4.42 per cent and 8.46 per cent copper.
- Quartz-veined samples from dumps at Mormorsgruvan have yielded up to 2.05 ppm gold.
- The Company will continue to explore for copper ore and quartz-veined gold mineralisation.
- The ore in the Mormors area is not consistently linked to high magnetic susceptibility minerals, with aeromagnetic data for the area showing that former mines do not lie on magnetic high anomalies, but rather on the gradients.
- In contrast, electromagnetic data shows that the former mines lie on high conductivity zones, possibly resulting from the presence of conductive copper mineralisation, together with abundantly evident pyrite.
- Mineralisation occurs in retrograde shear zones in potassium-altered felsic rocks. The host rocks are often enriched in biotite and quartz, are garnet-bearing, and often show intense deformation.
- Intense alteration by silification in metavolcanics, west of the Mormors mine area, appears to be accompanied by an increase in magnetite, but no significant mineralisation has been identified.

Sala Lead-Zinc-Silver Project

The Sala licence area covers 1,049ha and is located in Västmanland County, southern Sweden. The licence is prospective for lead-zinc-silver mineralisation and is situated 200m west of the former Sala silver mine. Sulphide mineralisation in the area is carbonate hosted, occurring dominantly as silver-bearing lead sulphide (galena), and zinc sulphide (sphalerite), and to a lesser extent as complex antimonides, sulphosalts and native silver.

The Sala mine was once Europe's largest silver producer, in continuous production between the late 15th century and 1908, and known for having some of the richest silver ores in the world. Mining records show that Sala was mined to a depth of approximately 300m, with mineralisation remaining open at depth.

Mining continued in 1950-51 and between 1945-62 at the adjacent Bronas mine.

Nautijaure IOCG ("Iron Oxide Copper Gold") Project

Nautijaure lies directly north of, and adjacent to, Kallak. Based on regional geological and geophysical evidence, Nautijaure shows exploration potential for IOCG style mineralisation. We have defined large volumes of iron present at Kallak, and there could be associated copper mineralisation in close proximity. Fieldwork during the 2014 season identified several copper sulphide rich boulders.

Ågåsjiegge Iron Ore Project

Ågåsjiegge lies in close proximity to the northeast of Kallak, and shows exploration potential to host the same geological structures for iron mineralisation as those seen at Kallak. The SGU has a historic resource estimate of 74-75Mt of magnetite, grading 30 per cent iron and almost free of impurities. Historic logs on two holes show mineralisation in hole 72601 (west position) from depth at 16m, and

in the 72602 hole (east position) from depth at 8.5m. The holes are 202.5m and 214m in length respectively.

FINLAND

Introduction

Finland introduced a new Mining Act in 2011 (effective 1 July 2011) (the "New Act"). Under the New Act, an area may be reserved for a period of maximum 24 months. The reservation gives the holder the exclusive right to apply for an exploration permit within the boundaries of the area. Certain exploration work such as geological mapping, geophysical measurements and minor prospecting work can be carried out, provided that no damage is done to the landowner`s property or to the environment. Exploration work such as drilling and trenching can only be done with the landowners' approval.

An exploration permit is valid for a maximum of four years and can be renewed for maximum three years at a time. An exploration permit can be valid for a maximum of 15 years if certain commitments are met. The exploration permit allows the holder to conduct exploration work such as trenching and drilling within the permitted area. An application for mining permit must be lodged before the end of the fifteenth year. A mining permit may be granted if the deposit is shown to be exploitable in terms of size, grades and technical characteristics. The mining permit entitles the holders to exploit the deposit and to conduct further exploration.

The key objective during 2016 has been to identify one project with the potential to become an operating mine. Due to limited funds, it was not possible to evaluate all the permits during the year. The focus was initially on Piippumäki and Haapamäki then, while exploring Haapamäki, we discovered a new prospective area at the eastern part of Haapamäki called Pitkäjärvi which post year end we have started to drill.

Finnish Exploration Permits

Beowulf, via its subsidiary, Fennoscandian, currently holds four claim reservations and two exploration permits for graphite, and has applied for a further two graphite exploration permits.

Permit Name	Permit ID	Area (km^2)	Valid from	Valid until
Approved Claim Reservations				
Pitkäjärvi 1	2016:0033-01	9.68	11/10/2016	31/12/2017
Kolari 1	2015:0037-01	9.70	07/10/2015	15/09/2017
Piippumäki 2	2015:0034-01	9.47	07/10/2015	09/08/2017
Haapamäki 1	2015:0032-01	9.66	07/10/2015	09/08/2017
Exploration Permits Awarded				
Pitkäjärvi 1	2016:0025-01	9.99	07/12/2016	10/01/2021
Piippumäki 2	2016:0006-01	0.31	12/12/2016	12/01/2021
Applied for Exploration Permits				
Haapamäki 1	2015:0025-01	4.77	Applied for 26/4/2016	
Viistola 1	2016:0025-01	0.74	Applied for 19/2/2016	

Haapamäki/Pitkäjärvi/Aitolampi – Graphite

Overview

- The Pitkäjärvi and Aitolampi graphite prospects were new discoveries in 2016, and are eastern extensions to the Haapamäki prospect. Haapamäki is in eastern Finland approximately 40km southwest of the well-established mining town of Outokumpu.

- Fennoscandian has 100 per cent owned claim reservations over two areas, 96.58km² at Haapamäki and 96.77km² at Pitkäjärvi, and a 100 per cent owned exploration permit, over 10 hectares, named Pitkäjärvi1.

Geology

- The area has several historic graphite workings, the locations of which correspond to ground and airborne electromagnetic ("EM") anomalies. The graphite occurs as high grade lenses hosted by mica-bearing gneisses; the metamorphic grade is typically upper amphibolite to granulite facies. Mapping and Slingram EM surveys conducted by Fennoscandian and Åbo Akademi during 2015 identified extensive conductor with potential for graphitic carbon mineralisation around historic workings at Käärmerinne and Suurenkahanvuori.

- Grab samples taken from mine workings yielded assays ranging from 48 per cent graphitic carbon ("Cg") to 67.7 per cent Cg. Historic studies have also reported visually estimated flake sizes ranging 0.1-2.0 millimetres ("mm").

- Pitkäjärvi and Aitolampi are areas of graphitic schists on a fold limb, coincidental with an extensive EM anomaly. Many of the EM zones are obscured by glacial till, but graphite observations in road cuttings and outcrops are also associated with abundant EM anomalies.

2016 Work Programme announced Post Year End

- Testwork on composite samples for Pitkäjärvi and Aitolampi has produced concentrate grades of 94.5 per cent Total Carbon ("Ct") and 94.7 per cent Ct, respectively.

- A secondary cleaning circuit produced grades of at least 95.7 per cent Ct in all size fractions between 65 mesh and 200 mesh (210-75 micron), with the highest grade of 97.4 per cent Ct obtained from the 80/+100 mesh (180-150 micron) size fraction for Pitkäjärvi (test MET-03-3). Most of the carbon in the samples was associated with graphite, with only small amounts of organic carbon and carbonate carbon.

- Flake size analysis for Pitkäjärvi concentrate showed 83 per cent fine (<150 micron), 5.6 per cent medium (150-180 micron) and 11.4 per cent large/jumbo (+180 micron) flakes.

- Flake size analysis for Aitolampi concentrate showed 78.3 per cent fine, 8.8 per cent medium and 12.9 per cent large/jumbo flakes.

- Inductively Coupled Plasma Optical Emission Spectrometry ("ICP-OES") scans and whole-rock analysis showed no elevated concentrations of typical deleterious elements.

- All testwork was performed by SGS Mineral Services in Canada.

Highlights of Aotilampi drilling programme announced Post Year End

- Eight holes drilled, approximately 1,197m in total, with the first four drill holes, AITDD17001-004, extending 350m along strike for the main conductive zone.

- Drill holes AITDD17005-008 tested the extent of mineralisation down-dip of the main conductive zone.

- Substantial graphite mineralisation intersections in all holes, including up to 113.5m down-hole width for the longest drill hole AITDD17006, which correspond with identified EM conductors. It should be noted that the mineralisation intercept is the down-hole width and may not be the true width.

- Drill holes AITDD17005-006 tested two parallel conductors to the main conductive zone and intersected graphite mineralisation for both conductors.

- The Company's geologists have completed core logging for all holes, and samples have been sent to ALS Minerals in Finland for assay.

Kolari – Graphite
Overview

- The Kolari graphite project is in north-western Finland approximately 50km and 100km east of Talga Resources' (ASX:TLG) Vittangi project and Jalkunen graphite projects respectively, both of which are situated in Sweden.

- Fennoscandian has a 100 per cent owned Claim Reservation over an area of 96.97km². A desktop study of the area has been completed and shows extensive areas of graphitic schist.

Geology

- Archives at GTK provide information on drilling conducted by Rautaruukki Corporation in the 1970s. Diamond drill hole R1 intersected 170m of mineralisation starting from surface, with an average grade of 8.9 per cent Cg. The intersection included 15.8m grading 19.8 per cent Cg (Mattila,1978).

- It should be noted that mineralisation intercepts are the down-hole width and may not be the true width.

- The graphite encountered was described as very fine to fine microcrystalline graphite, within graphitic schists that are generally rich in quartz, feldspar, biotite and scapolite associated with greenstone-grade metamorphic rocks.

Piippumäki – Graphite
Overview

- The Piippumäki graphite project is in south eastern Finland approximately 45km southwest of the town of Mikkeli.

- Fennoscandian has a 100 per cent owned claim reservation over an area of 94.68 km².

Geology

- Historic small-scale mining for graphite has taken place in the area, with old workings corresponding to ground and airborne EM anomalies. The graphite is hosted by feldspar quartz and mica schists, associated with upper amphibole to granulite grade metamorphic rocks.

- Slingram EM surveys conducted by Fennoscandian and Åbo Akademi during 2013 and 2015 have demonstrated two conductive zones of possible graphite schist along a strike extent of up to 2km, with outcrop "grab" samples indicating grades of 5-10 per cent Cg (analysis performed by Sintef Molab AS, Norway). Fieldwork has also visually identified occurrences of coarse flake graphite.

- The Laboratory of Physical Chemistry, Åbo Akademi University conducted testwork in February 2013 on a sample from Piippumäki. Findings showed high quality graphite flakes with visible hexagonal growth, and physical characteristics reportedly similar to synthetic graphite.

Viistola – Graphite
Overview

- The Viistola graphite project is in eastern Finland approximately 30km southeast of the town of Joensuu.

- Fennoscandian applied for an exploration permit in February 216 over an area of 0.74km².
- The graphite is hosted in a massive to brecciated graphitic schist associated with gabbro, quartzite, dolomite and phyllite country rocks.

- Based on historical diamond drilling, rock chip drilling, trenching and ground geophysics, a potential high grade target at Hyypiä, a prospect which forms part of the Viistola Project, has been identified and is anticipated to grade around 20-35 per cent Cg based on the preliminary evaluation of historic exploration data. The target represents less than 10 per cent of the total strike length of the prospective EM conductor.

- Two diamond drill holes tested the EM conductor 6km south of the Hyypiä prospect and intersected 9-10m apparent thickness of graphite schist.

Geology

- Historic exploration at Viistola includes:

    - 1973-1974: GTK drilled 10 diamond drill holes (Pekkarinen,1979), which included:

        - R310: 21.7m of mineralisation from 47.6m (no grade reported). It should be noted that the mineralisation intercept is the down-hole width and may not be the true width;

        - R311: 7.8m at 36.2 per cent Cg from 172.0m. It should be noted that the mineralisation intercept is the down-hole width and may not be the true width; and

        - Flotation tests on core samples from drill hole R311 indicated that the Hyypiä flakes are predominately fine, with approximately 13 per cent larger than 210 microns and approximately 40 per cent finer than 63 microns.

    - 1981-1983: GTK identified a graphite-bearing horizon associated with a 2km non-magnetic ground EM anomaly. GTK conducted trenching, including 72 surface drilling samples to identify the apparent width and quality of the graphite schist and drilled three holes. It should be noted that the mineralisation intercepts are the down-hole width and may not be the true width, and that core loss may have affected some of the drill results, which included the following composited assays:

        - R430: 14.6m at 31.8 per cent Cg from 48.5m;
        - R431: 15.2m at 25.3 per cent Cg from 44.2m; and
        - R432: 13.2m at 30.3 per cent Cg from 24.6m.

    - 1984: Based on a combination of drilling and EM data, Sarapää and Kukkonen (1984) estimated a (historical) Mineral Resource of four million tonnes at 28.6 per cent Cg within the central part of the Hyypiä deposit (700m strike length).

    - The deposit was 10-12m thick, dipping at 70 degrees to the southwest and was interpreted to extend to at least 200m depth.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015

	Note	£	£
CONTINUING OPERATIONS			
Administrative expenses		(638,573)	(647,268)
Impairment of exploration costs		-	(1,123,892)
OPERATING LOSS		(638,573)	(1,771,160)
Finance costs		-	(139)
Finance income		5,344	1,982
LOSS BEFORE INCOME TAX		(633,229)	(1,769,317)
Income tax expense		-	-
LOSS FOR THE YEAR		(633,229)	(1,769,317)
Loss attributable to:			
Owners of the parent		(632,125)	(1,477,109)
Non-controlling interests		(1,104)	(292,208)
		(633,229)	(1,769,317)
Loss per share attributable to the ordinary equity holder of the parent:			
Basic and diluted (pence)	2	(0.13)	(0.38)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	£	£
LOSS FOR THE YEAR	(633,229)	(1,769,317)
OTHER COMPREHENSIVE INCOME/LOSS		
Item that may be reclassified subsequently to profit or loss:		
Exchange gains/(losses) arising on translation of foreign operations	626,438	(157,900)
Revaluation of investments	-	(20,550)
Reclassification of revaluation reserve	55,664	-

	682,102	(178,450)
TOTAL COMPREHENSIVE INCOME/LOSS	48,873	(1,947,767)
Total comprehensive income/loss attributable to:		
Owners of the parent	49,005	(1,660,172)
Non-controlling interests	(132)	(287,595)
	48,873	(1,947,767)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016	2015
		£	£
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	3	7,186,576	5,588,270
Property, plant and equipment		23,511	31,551
Loans and other financial assets		5,503	51,938
		7,215,590	5,671,759
CURRENT ASSETS			
Trade and other receivables		51,766	82,330
Cash and cash equivalents		1,609,219	352,914
		1,660,985	435,244
TOTAL ASSETS		8,876,575	6,107,003
EQUITY			
SHAREHOLDERS' EQUITY			
Share capital	4	5,026,302	4,303,138
Share premium		16,879,241	15,187,112
Revaluation reserve		25,664	(30,000)
Capital contribution reserve		46,451	46,451
Share Based Payment reserve		237,803	97,796
Merger reserve		137,700	-
Translation reserve		(464,882)	(1,090,348)
Accumulated losses		(13,067,163)	(12,466,046)
		8,821,116	6,048,103
Non-controlling interests		(158,593)	(158,461)

TOTAL EQUITY	8,662,523	5,889,642
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	214,052	217,361
TOTAL LIABILITIES	214,052	217,361
TOTAL EQUITY AND LIABILITIES	8,876,575	6,107,003

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 £530,377 (2015: Loss £1,595,140).

These financial statements were approved and authorised for issue by the Board of Directors on 11 May 2017 and were signed on its behalf by:

Mr B Metcalf - Director
Company Number 02330496

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital	Share premium	Revaluation reserve	Merger reserve	Capital contribution reserve
	£	£	£	£	£
At 1 January 2015	3,452,598	15,009,812	(9,450)	-	46,451
Loss for the year	-	-	-	-	-
Foreign exchange translation	-	-	-	-	-
Revaluations on listed investments	-	-	(20,550)	-	-
Total comprehensive income	-	-	(20,550)	-	-
Transactions with owners					
Issue of share capital	850,540	232,757	-	-	-
Cost of issue	-	(55,457)	-	-	-
Equity settled share based transactions	-	-	-	-	-
Release of charge for lapsed options	-	-	-	-	-
At 31 December 2015	4,303,138	15,187,112	(30,000)	-	46,451
Loss for the year	-	-	55,664	-	-
Foreign exchange translation	-	-	-	-	-
Total comprehensive income	-	-	55,664	-	-
Transactions with owners					
Issue of share capital	697,664	1,837,243	-	-	-
Cost of issue	-	(145,114)	-	-	-
Equity settled share based transactions	-	-	-	-	-
Release of charge for lapsed options	-	-	-	-	-
Acquisition of subsidiary	25,500	-	-	137,700	-
At 31 December 2016	5,026,302	16,879,241	25,664	137,700	46,451

	Share based payments reserve	Translation reserve	Accumulated losses	Totals	Non – controlling interest	Totals
	£	£	£	£	£	£
At 1 January 2015	69,318	(927,835)	(11,025,834)	6,615,060	129,134	6,744,194
Loss for the year	-	-	(1,477,109)	(1,477,109)	(292,208)	(1,769,317)
Foreign exchange translation	-	(162,513)	-	(162,513)	4,613	(157,900)
Revaluations on listed investments	-	-	-	(20,550)	-	(20,550)
Total comprehensive income	-	(162,513)	(1,477,109)	(1,660,172)	(287,595)	(1,947,767)
Transactions with owners						
Issue of share capital	-	-	-	1,083,297	-	1,083,297
Cost of issue	-	-	-	(55,457)	-	(55,457)
Equity settled share based transactions	65,375	-	-	65,375	-	65,375
Release of charge for lapsed options	(36,897)	-	36,897	-	-	-
At 31 December 2015	97,796	(1,090,348)	(12,466,046)	6,048,103	(158,461)	5,889,642
Loss for the year	-	-	(632,125)	(576,461)	(1,104)	(577,565)
Foreign exchange translation	-	625,466	-	625,466	972	626,438
Total comprehensive income	-	625,466	(632,125)	49,005	(132)	48,873
Transactions with owners						
Issue of share capital	-	-	-	2,534,907	-	2,534,907
Cost of issue	-	-	-	(145,114)	-	(145,114)
Equity settled share based transactions	40,109	-	-	40,109	-	40,109
Release of charge for lapsed options	(31,008)	-	31,008	-	-	-
Acquisition of subsidiary	130,906	-	-	294,106	-	294,106
At 31 December 2016	237,803	(464,882)	(13,067,163)	8,821,116	(158,593)	8,662,523

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	£	£
Cash flows from operating activities		
Loss before income tax	(633,229)	(1,769,317)
Depreciation charges	12,097	9,553
Equity-settled share-based transactions	40,109	65,375
Impairment of exploration costs	-	1,123,892
Expenses financed by issue of shares	29,375	58,298
Reclassification of revaluation reserve	55,664	-
Finance costs	-	139
Finance income	(5,344)	(1,982)
	(501,328)	(514,042
Decrease/(increase) in trade and other receivables	31,646	(39,803)
Decrease in trade and other payables	(15,557)	(77,040)
Net cash used in operating activities	(485,239)	(630,885)
Cash flows from investing activities		
Purchase of intangible assets	(622,817)	(323,545)
Purchase of property, plant and equipment	(862)	-
Sale of investments	50,444	119
Acquisition of subsidiary	(50,482)	-
Interest received	5,344	1,838
Net cash used in investing activities	(618,373)	(321,588)
Cash flows from financing activities		
Proceeds from issue of shares	2,505,530	1,024,999
Payment of share issue costs	(145,114)	(55,457)
Settlement of derivative financial asset	-	150,000
Net cash from financing activities	2,360,416	1,119,542
Increase in cash and cash equivalents	1,256,804	167,069
Cash and cash equivalents at beginning of year	352,914	186,889
Effect of foreign exchange rate changes	(499)	(1,044)
Cash and cash equivalents at end of year	1,609,219	352,914

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

Nature of operations

Beowulf Mining plc (the "Company") is domiciled in England. The Company's registered office is 201 Temple Chambers, 3-7 Temple Avenue, London, EC4Y 0DT. These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group is engaged in the acquisition, exploration and evaluation of natural resources assets and has not yet generated revenues.

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

Going concern

At 31 December 2016, the Company had a cash balance of £1.61 million.

Management have prepared cash flow forecasts which indicate that the Group has sufficient cash to cover its anticipated working capital requirements for the next twelve months, however, they expect that the Group will need to raise further funds for corporate overheads and to advance Kallak North and its other exploration assets in May 2018 or shortly thereafter.

The Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis. The Directors are confident they are taking all necessary steps to ensure that the required finance will be available, and have successfully raised finance in the past. However, while they are confident of being able to raise the new funds as they are required, there are currently no agreements in place, and there can be no certainty that they will be successful in raising the required funds 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 a going concern and that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result if the Company was unable to continue as a going concern.

Basis of preparation

The consolidated financial statements have been prepared in accordance with applicable International Financial Reporting Standards as adopted by the European Union ("IFRS") and with those parts of the UK Companies Act 2006 applicable to companies reporting under IFRS as adopted by the European Union. 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.

New and amended standards, and interpretations issued but not yet effective for the financial year beginning 1 January 2016 and not early adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are listed below. The Group intends to adopt these standards, if applicable, when they become effective. Unless stated below, there are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Standard	**Effective Date**

IFRS 15 Revenue from Contracts with Customers	01-Jan-18
IFRS 9 Financial Instruments	01-Jan-18
IFRS 16 Leases *	01-Jan-19

**Subject to EU endorsement*

The only standard which is anticipated to be significant or relevant to the Group is IFRS 9 "Financial Instruments", the Group is in the process of assessing the impact of the standard on the Financial Statements. Both IFRS 15 and IFRS 16 are not expected to have a material impact on the Group at this stage of the Group's operations.

It is not anticipated that the adoption in the future of the new or revised standards or interpretations that have been issued by the International Accounting Standards Board but are not yet effective will have a material impact on the Group's earnings or shareholders' funds. The Company has not adopted any new standards in advance of the effective dates.

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 key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement of any impairment of intangible assets, the estimation of share-based payment costs and the treatment of the acquisition of Fennoscandian. In respect of these items:

(i) The Group determines whether there are any indicators of impairment of intangible assets on an annual basis (see note 1 below and note 7);
(ii) The estimation of share-based payments requires the selection of an appropriate model, consideration as to the inputs necessary for the valuation model chosen and the estimation of the number of awards that will ultimately vest (see note 9 and15); and
(iii) Taking into account the nature and description of the Fennoscandian transaction it was determined that the acquisition should be treated as an acquisition of assets for accounting purposes and outside the scope of IFRS 3.

Basis of consolidation

(i) Subsidiaries and acquisitions

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (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.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair value at the date of acquisition. Any excess of the cost of the acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If the cost of the acquisition is less than the fair value of net assets of the subsidiary acquired, the difference is recognised directly in profit or loss.

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

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

(ii) Transactions eliminated on consolidation

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

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.

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

Exploration and evaluation activity includes:

- 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.

Deferred 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, deferred exploration costs in respect of that project are deemed to be impaired and written off to the statement of comprehensive income.

Impairment

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

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

(i) unexpected geological occurrences that render the resource uneconomic;
(ii) title to the asset is compromised;
(iii) variations in mineral prices that render the project uneconomic;
(iv) substantive expenditure on further exploration and evaluation of mineral resources is neither budgeted nor planned; and

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

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

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

Plant and machinery - 25 per cent. on reducing balance

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

Investments
Investments in listed companies are classified as available for sale. The revaluation adjustment is taken to the revaluation reserve and reclassified to the income statement for objective evidence of impairment.

Investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised at cost less any provision for impairment. Fixed asset investments in subsidiary undertakings and joint venture interests are stated at cost less provision for any impairment in value.

Financial instruments
The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial assets and liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Trade and other receivables
Trade and other receivables are recorded at their nominal amount less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. Bad debts are written off when identified.

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.

Trade payables
Trade payables are stated at amortised cost using the effective interest method.

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

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

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

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

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

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

Foreign currencies

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

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

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

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

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

Share-based payment transactions

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

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

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

2. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share at 31 December 2016 was based on the loss attributable to ordinary shareholders of £632,125 (2015: £1,477,109) and a weighted average number of Ordinary Shares outstanding during the period ended 31 December 2016 of 472,525,290 (2015: 392,759,984) calculated as follows:

Loss attributable to ordinary shareholders

	2016 £	2015 £
Loss attributable to ordinary shareholders	(632,125)	(1,477,109)

Weighted average number of ordinary shares

	Number	Number
Number of shares in issue at the beginning of the year	430,313,824	304,755,824
Effect of shares issued during year	42,211,466	88,004,070
Weighted average number of ordinary shares in issue for the year	472,525,290	392,759,894

3. INTANGIBLE ASSETS - Group

	Exploration Cost
COST	
At 1 January 2015	6,538,752
Additions for the year	323,545
Impairments recognised	(1,123,892)
Foreign exchange movements	(150,135)
At 31 December 2015	5,588,270
At 1 January 2016	5,588,270
Additions for the year	968,460
Foreign exchange movements	629,846
At 31 December 2016	7,186,576

NET BOOK VALUE	
At 31 December 2016	7,186,576
At 31 December 2015	5,558,270

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

	2016	2015
	£	£
Kallak	6,438,283	5,565,328
Nautijaur	24,912	22,942
Åtvidaberg	153,927	-
Ågåsjiegge	7,257	-
Sala	2,372	-
Haapamäki	141,944	-
Kolari1	99,554	-
Piippumäki	119,087	-
Viistola	107,369	-
Pitkäjärvi	91,871	-
	7,186,576	5,588,270

Total Group exploration costs of £7,186,576 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 £146,563 was recorded against the projects for services provided by the Directors during the year.

During the year no impairment provision was recognised (2015: £1,123,892).

Accounting estimates and judgements are continually evaluated and are based on a number of factors, including expectations of future events that are believed to be reasonable under the circumstances.

The most significant risk currently facing the Group is that it does not receive an Exploitation Concession for its Kallak North iron ore project. The Company originally applied for the Exploitation Concession in April 2013 and throughout 2016, and since the year end, management have actively sought to progress the application, engaging with the various government bodies and other stakeholders. These activities are summarised under the Review of Operations and Activities.

The Kallak project is included in the financial statements as an intangible exploration licence with a carrying value of £6,438,283 at the year end. Management are required to consider whether there are events or changes in circumstances that indicate that the carrying value of this asset may not be recoverable. Management have considered the status of the application for the Exploitation Concession and in their judgement, they believe it is appropriate to be optimistic about the chances of being awarded the Exploitation Concession and thus have not impaired the project.

4. SHARE CAPITAL

	2016 Number	2016 £	2015 Number	2015 £
Allotted, called up and fully paid				
At 1 January	430,313,824	4,303,138	345,259,849	3,452,598
Issued for cash	66,829,007	668,289	79,224,175	792,242
Issued in settlement of expenses	2,937,500	29,375	5,829,800	58,298
Issued for acquisition of subsidiary	2,550,000	25,500	-	-
At 31 December	502,630,331	5,026,302	430,313,824	4,303,138

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

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

Shares issued in 2016
On 11 January 2016, the Company issued 2,100,000 million new ordinary shares of 6.4 pence each, in connection with its acquisition of Fennoscandian.

On 11 February 2016, the Company issued 729,329 new ordinary shares of 6.4 pence each. This included the issue of 450,000 new ordinary shares being the deferred payment in connection with its acquisition of Fennoscandian and 279,329 new ordinary shares in satisfaction of the professional fees.

On 25 February 2016, the Company announced that it had raised £1.25 million before expenses and issued 38,461,538 new ordinary shares at a price of 3.25 pence per new ordinary share.

On 2 March 2016, the Company announced that the over-allotment option announced on 25 February 2016, was exercised on 29 March by the Company in respect of 7,692,307 new ordinary shares at a price of 3.25 pence per new ordinary share raising £0.25 million before expenses.

On 21 December 2016, the Company announced a subscription for £1m (before expenses). Pursuant to the subscription, the Company issued to Swedish investors 20,000,000 ordinary shares of 1.0 pence each to raise approximately £860,000 (before expenses) at a price of 0.5 SEK per ordinary share and to 3,333,333 ordinary shares to UK investors to raise approximately £140,000 (before expenses) at a price of 4.2 pence per new ordinary share.

Shares issued in 2015
In March 2015, the Company raised £350,000 before fees and expenses by way of a subscription of 29,166,666 new ordinary shares of 1.0 pence each at a premium of 0.2 pence per share. This was fully paid in cash.

In June 2015, the Company issued 2,035,457 new ordinary shares of 1 pence each at a premium of 1.25 pence per share in accordance with a salary sacrifice arrangement with Directors. The total value of these shares was £45,798.

In July 2015, the Company raised £650,000 before fees and expenses by way of a subscription of 52,000,000 new ordinary shares of 1 pence each at a premium of 0.25 pence per share. This was fully paid in cash.

In July 2015, the Company issued 617,284 ordinary shares of 1 pence at a premium of 1.025 pence to its joint broker in lieu of their broker fees for six months.

In October 2015, the Company received notification from its joint broker that it wanted to exercise 617,284 warrants at an exercise price of 2.025 pence for which the Company received proceeds of £12,500 and issued 617,284 new ordinary shares.

In December 2015, the Company received notification from its joint broker that it wanted to exercise 617,284 warrants at an exercise price of 2.025 pence for which the Company received proceeds of £12,500 and issued 617,284 new ordinary shares.

5. EVENTS AFTER THE REPORTING DATE

On 26 January 2017, options for 4,500,000 ordinary shares of 1.0 pence each were awarded to Mr Christopher Davies and Mr Rasmus Blomqvist at an exercise price of 12.0 pence per share. The options vest over a two year period with 50% vesting on the first anniversary of grant and 50% on the second anniversary of grant, and are valid for five years from the date of grant.