BEOWULF MINING plc

ANNUAL REPORT 2015

Contents

Company Profile

Beowulf Mining plc ("Beowulf" or the "Company") is listed on London's Alternative Investment Market ("AIM") (Ticker: BEM) and Stockholm's AktieTorget (Ticker: BEO). At the time of writing this report approximately 46 per cent of the shares in issue were owned by Swedish shareholders.

The Company's most advanced project is the Kallak North iron ore deposit located approximately 40 kilometres ("km") west of Jokkmokk in the County of Norrbotten, Northern Sweden. Local infrastructure around the project is excellent, with all-weather gravel roads passing through the project area, and all parts 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. The nearest railway (the 'Inland Railway Line') passes approximately 40 km to the east. This railway line is connected at Gällivare with the 'Ore Railway Line', used by Luossavaara-Kiirunavaara ("LKAB") for delivery of its iron ore material to the Atlantic harbour at Narvik (Norway) or to the Botnian Sea harbour at Luleå (Sweden).

In addition, on 8 January 2016, (post year end) we added five early stage graphite projects in Finland following the acquisition of Oy Fennoscandian Resources AB ("Fennoscandian").

Henrik Nygård

The management team's approach is to build strong working relationships and partnerships with key stakeholders, encapsulated in the following mission statements:

"Showing respect to all our stakeholders"
"Visar respekt för alla intressenter"

"Becoming a local partner"
"Vill samverka lokalt"

"Delivering responsible development"
"Står för ansvarsfull utveckling"

Rasmus Blomqvist

Company Strategy

Beowulf's strategy is to build a sustainable Nordic focused mining company, that creates shareholder value through project development into production and cash flow, while remaining opportunistic for mergers and acquisitions ("M&A"); preserving the Company's low sovereign risk profile and rewarding its investors in London and Stockholm.

The development of the Kallak North iron ore project is at a point now where the Company is considering the introduction of a strategic partner and associated investment; a partner that understands the value of Kallak North as a high quality producing asset within five years, supplying high grade concentrate with low levels of phosphorous and sulphur, lending itself to pelletization and consumption in Direct Reduction Iron ("DRI") facilities in Europe and the Middle East. The award of the Exploitation Concession is a key milestone for running a credible and disciplined strategic process.

In addition to Kallak North, Beowulf is focussing its efforts on attractive exploration opportunities in the Nordic group of countries. In 2015, the Company rationalised its existing portfolio, and has now added five graphite projects following the Fennoscandian acquisition in January 2016. The Company is also applying for additional exploration licences in base metals. With magnetite iron ore in Sweden and graphite in Finland, Beowulf is developing a high quality portfolio of assets in a well-established mining region.

The Board of Directors continues to look beyond the Company for value creation opportunities.

Chairman's Statement

Introduction

I am very pleased to present my second Chairman's Statement to shareholders, stakeholders and employees of the Company. First I would like to take this opportunity to thank Jan Ola Larsson who retired during 2015, for his contribution to the development of the Company over many years. It was with great sadness that we reported, in our Q3 interims, the passing of Dr. Robert ("Bob") Douglas Young. I didn't personally know Bob, but he was Executive Chairman of Beowulf when the Company was admitted to AIM on 9 May 2005, and one of its founders.

I don't say this lightly but your Company has been transformed over the past year. A year ago we were suffering from a low share price, difficult image, weak cash position, limited project portfolio, and the fact that our key project, Kallak, had a lack of support from Swedish stakeholders. A year on we are in a much stronger position. We have worked hard to rebuild the Company's reputation in Sweden to one which is based on respect and to ensure Beowulf is seen as a responsible local partner. I stress the word local as your Chief Executive Officer ("CEO") Kurt Budge has spent much of his time in Sweden, engaging with stakeholders, listening to their concerns and working hard to move Kallak forward.

What helped us during the more challenging times was our knowledge that in Kallak we have a great project – a project recognised by the Swedish Geological Society (SGU) as an Area of National Interest ("ANI") that can produce a super high grade magnetite concentrate, with over 71 per cent iron content and with low levels of deleterious elements. We have strengthened our cash position with the fundraisings announced in late February and early March 2016, delivered in challenging market conditions. We have reviewed the exploration portfolio that we inherited from the previous management, rationalised these projects, and looked for additional value creating opportunities for our shareholders. We have also added five early stage graphite projects with the acquisition of Fennoscandian announced in January 2016 and have made two applications for exploration licences in Sweden, for which we await a decision. We have also won the support of the County Administrative Board ("CAB") and the recommendation of the Mining Inspectorate of Sweden for our application for an Exploitation Concession at Kallak.

2016 is a new year with new challenges. The key milestone remains the award of the Exploitation Concession for Kallak. We are confident about the quality of our application but frustrated with the time it is taking for the Government of Sweden to reach a decision as we have tried to make it as easy as possible for the Government to say 'yes' to our application. However, we are definitely not sitting idle while we wait. We engaged a Swedish public relations firm in August 2015 to ensure that we left no stone unturned, we have been communicating with Swedish members of parliament, the British Embassy in Stockholm and we have continued discussions with the CAB, Mining Inspectorate and Jokkmokks Kommun. We have also met with representatives of the Sami villages and will continue our efforts to create an ongoing dialogue as we are confident that mining, reindeer herding and tourism can all co-exist for the betterment of the lives of those in and around Jokkmokk, the County of Norrbotten and the country of Sweden.

I would like to take you through some of the key events that have shaped Beowulf during the year, give you my observations on these events and discuss the financial performance in 2015 and the outlook for the Company. Last year I discussed iron ore prices in general and the difficulties of the AIM market. I do not intend to touch on these again as nothing has really changed – iron ore, like many commodities is still facing difficult times, as is the AIM market with fewer listings and limited secondary funding opportunities for junior mining companies. However, despite challenges on several fronts, your Company has gained in strength over the last year.

Lanstead Capital LLP ("Lanstead")

The year began with the announcement on 7 January 2015, that we had accelerated the settlement of our outstanding equity swap agreements with Lanstead, receiving a final settlement of £150,000. We took this course of action to bring funds into the Company.

The accelerated settlement left Lanstead with a significant shareholding, which in May last year was 78.4 million shares (approximately 21 per cent of the Company). However, Lanstead proved themselves to be a responsible shareholder, disposing of the majority of their shareholding between September and December 2015, with most of their shares being sold into the Swedish AktieTorget to meet local demand. We are very grateful to our Swedish shareholders for their support.

Shareholder base

Beowulf is 100 per cent owned by retail shareholders in Sweden and the UK. In current market conditions it is difficult to bring institutions onto your share register if you are a junior exploration and development company meaning that our retail shareholders have a greater influence on resolutions proposed to them. We had our AGM in June 2015 and a general meeting in February 2016 and there was an excellent turnout at both meetings. The meetings gave our shareholders the opportunity to pose questions, on the state of our business and our future plans, directly to the management team.

The major change in our shareholder base over the last 12 months is the growth in the number of Swedish shareholders. Today our Swedish shareholders account for approximately 46 per cent of our shares in issue whereas at 31 December 2014 the figure was only 14 per cent. Having strong support in Sweden will hopefully make the Government of Sweden sit up and take notice of the growing number of Swedes that believe that a mine at Kallak is good for Jokkmokk, the County of Norrbotten and the country of Sweden. We will be continuing to make determined efforts in 2016 to engage with our Swedish shareholders.

Raising Finance

Having sufficient funding is the biggest challenge for exploration and development companies like Beowulf and the adage that 'cash is king' remains. The market for secondary fundraisings is very difficult on AIM and has been for some years now which is why, when Kurt and I joined the Company, one of our first jobs was to review the Company's overheads and identify where cost savings could be made. Since then we have operated a lean board and focused our efforts on what mattered most - Kallak. We also took a salary sacrifice from October 2014 until May 2015 which was invested in the Company's shares in July 2015 which demonstrated to shareholders that we believe in the future prospects of the Company.

We raised funds in 2015 in March at 1.20p (£350,000 before expenses) and July at 1.25p (£650,000 before expenses) and in 2016 in late February and early March at 3.25p (£1,500,000 before expenses). Due to the challenging market conditions, we are exposed to what the market is prepared to pay for our shares when we fundraise and as such we have been disappointed that despite the turnaround and expanded business interests, we have been faced with significant discounts and consequential dilution. We have fought 'tooth and nail' for shareholder interests, but have had limited success in influencing the price expectations of the market. The Directors will consider the best way to structure the Company's future fundraisings, and introduce competitive tension into the process, having regard to, inter alia, prevailing market conditions and access to capital, the

Chairman's Statement

level of the Company's share price and the importance of pre-emptions rights to shareholders. The Directors are grateful for the support they have received from shareholders.

Kallak Exploitation Concession

On 8 July 2015, the Company announced that the CAB commented on the national economic assessment of Kallak North. They found that mining is economically relevant and that the Kallak North project generates economic benefits at local, regional and national levels. In addition, the CAB stated that the Concession area applied for by the Company creates no conflicts where national interests are considered.

In a letter dated 9 October 2015, the Mining Inspectorate of Sweden wrote to the Government of Sweden and recommended that the Exploitation Concession for Kallak North be granted. The recommendation was delivered in response to the Department of Enterprise and Innovation's invitation for the Mining Inspectorate to give its views on the findings made by the CAB when commenting on the national economic assessment for Kallak North.

The Company has always maintained that its application satisfies the requirements of the Swedish regulations, and that the Environmental Impact Assessment for Kallak North has comprehensively studied all aspects of a future mining operation, including mining, waste rock handling, processing, tailings management, water management and transport, and their associated environmental impacts.

Since Beowulf received notification in February 2015 that the Mining Inspectorate had referred the decision regarding the Exploitation Concession to the Government of Sweden the process has lacked transparency and been very frustrating for shareholders and the management team. The Company has written on two occasions to the Minister of Enterprise and Innovation, once in November and more recently in March 2016 for an update on the process for awarding our Exploitation Concession. We have received no response to either letter. Our advisors have told us that this is not unusual, however, it is disappointing.

In terms of partner identification, the strategic process for Kallak has started, but a credible and disciplined process can only be run once the Company has been awarded the Exploitation Concession, as the Company can then approach key targets from a position of strength and therefore deliver the best possible deal for shareholders.

Fennoscandian – Graphite Acquisition

On 11 January 2016, post the year end, the Company announced the acquisition of Fennoscandian, a privately owned Finnish company with a portfolio of four early-stage graphite exploration projects located in Finland. The Company has subsequently been awarded a fifth Claim Reservation, so now has five projects.

Graphite, a naturally formed polymer of carbon, is an excellent conductor of electricity and heat. It is mostly used for refractories, in foundry facings, steel making and as lubricants. More recently, however, the use of graphite in lithium - ion - batteries has seen a surge in the global demand for graphite, in particular, for the use in electric powered vehicles, mobile technology and utility storage.

Beowulf acquired 100 per cent of the share capital of Fennoscandian in consideration for a total of 2.55 million ordinary shares in the capital of the Company. In addition, two equal tranches of shares will be issued on achievement of certain performance milestones. The total number of ordinary shares that may be issued, if all performance milestones are achieved, is 6.75 million ordinary shares.

I believe this is a good deal for shareholders, as it diversifies our exploration risk into a strong mining jurisdiction, namely Finland, and strengthens the management team with the appointment of an experienced geologist in Rasmus Blomqvist. It also has the potential to be value accretive in the near term, if we can develop our resource position and prove the commercial prospects of our graphite assets. Management believe the potential value of the graphite portfolio is not currently reflected in our share price.

Workplans for 2016 include desktop studies and fieldwork across all projects. Geophysical surveys have already begun on Piippumäki and Haapamäki, with the purpose of defining targets for drilling which will be undertaken later in the year.

The Fennoscandian transaction was the culmination of an active M&A workstream in 2015, during which we reviewed several opportunities and undertook due diligence on one other target, only for that transaction to fail because of unrealistic valuation expectations. We will continue to look for M&A opportunities in a highly disciplined way.

Financial Performance

Loss before and after taxation attributable to the owners of the parent company at £1.48 million is significantly down on the loss recorded in 2014 of £3.06 million while the basic loss per share of 0.38p also improved over last year (2014: loss per share of 1.00p). The lower level of loss in the year was due to reduced administrative overheads (£0.38 million below 2014) especially directors' remuneration and professional fees. There was an allocation in the year of executive director salaries and fees to Jokkmokk Iron Mines AB ("JIMAB"), Beowulf's wholly owned subsidiary, for Kallak exploration costs of approximately £68,000 (2014: Nil).

There were nil losses on derivative financial assets (2014: £2.03 million) following the accelerated settlement of Equity Swap Agreements in January 2015. However, these reductions were partly offset by higher impairment charges of £1.12 million (£3,187 in 2014) as the exploration portfolio was rationalised. The main projects impaired were Ballek (£0.84m) and Grundträsk (£0.28 million). The decision to fully impair these projects followed a detailed review of all available data by independent consultants. The review confirmed that further exploration work could be undertaken, but there was no certainty that either project could deliver the scale to support a standalone mine. No work is planned on either project during the next 12 months. The Company still maintains the licences and will look at ways of monetising the work carried out to-date. For the right partner these projects may provide an interesting opportunity.

Approximately £0.35 million in cash was held at the year end. This was before the fundraising in late February and early March 2016 where the Company raised £1.50 million (before expenses). Total assets at £6.11 million are £0.93 million below 2014. This is principally due to the reduction in intangible assets to £5.59 million following the impairment of projects mentioned above. Equity reduced by £0.85 million at the 31 December 2015 to £5.89 million. This included share capital and share premium +£1.03 million; accumulated losses -£1.44 million; translation reserves -£0.16 million; and non-controlling interest -£0.29 million. The non-controlling interest was impacted by the impairment of Ballek.

Corporate

On 11 January 2016, it was announced that the founder of Fennoscandian Rasmus Blomqvist had joined the Company as Exploration Manager and will be responsible for the development of Beowulf's graphite projects. Since 2012, Rasmus has been exploring for flake graphite within the Fennoscandian shield and is one of the most experienced graphite geologists in the Nordic region. Rasmus holds a MSc in Geology and Mineralogy and is a member of the Australasian Institute of Mining and Metallurgy.

On 4 April 2016, post the year end, Chris Davies joined the Company as a Non-Executive Director and I would like to take this opportunity to welcome him to the Board. Chris, who has many years' experience in the exploration sector, is a geologist by training and has international experience in graphite and base metals. He brings with him a wealth of experience which is relevant to Beowulf's ambitions, and his skill set complements the current management team.

Outlook

The Company is in a stronger position than it was 12 months ago, but for your management team the journey is only beginning. Kallak is our prime focus and we continue to engage at all levels to ensure a positive decision is forthcoming. Additionally, whilst we are looking to develop organically we are also identifying potential M&A targets, but only strike on an opportunity if these targets can deliver shareholder value.

The key milestones in 2016 for your Company are:

(i) The granting of the Kallak North Exploitation Concession;

(ii) Advancing the strategic partner process for Kallak once the Exploitation Concession is awarded;

(iii) Developing the resource position and the commercial prospects of our graphite portfolio; and

(iv) The award of a large exploration permit in a mining district in central Sweden and commencement of exploration.

Bevan Metcalf
Non-Executive Chairman
6 May 2016

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 mining and exploration workforce, extremely low sovereign risk and a very strong mining culture.

Beowulf has been active in northern Sweden for more than ten years, focussing its activities on areas with high exploration potential for iron, copper and gold. The Kallak project, in the County of Norrbotten has been the principal focus of the Group's exploration and development work in recent years.

The application for exploration permits and exploitation concessions are governed by the Swedish Minerals Act (1991:45) (the "Act"), which was subject to amendments in 1993, 1998 and 1999. 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 up to a further three years by way of annual extensions. The longest possible period of validity for any one permit is 15 years, after which an application for an exploitation concession must be made.

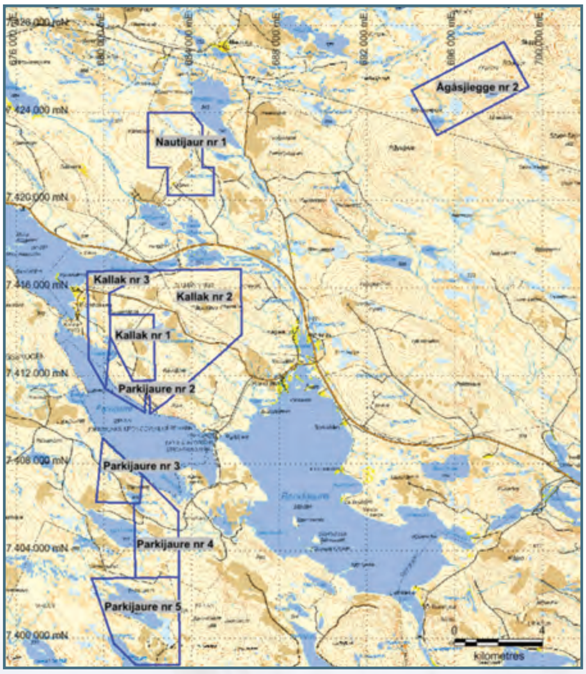

Figure 1. Beowulf's Current Exploration Permits

Current exploration permits

Beowulf, via its subsidiaries, currently holds 13 exploration permits together with one registered application for an exploitation concession (Kallak North), in northern Sweden, as set out in the table below:

Permit Name/Mineral(s)	Permit ID	Area (km²)	Date Valid From	Date Valid Until
Arjeplog Region:				
Ballek nr2 (Cu)*	2005:69	5.57	21/04/2005	21/04/2017
Ballek nr6 (Cu) *	2015:45	3.15	23/03/2015	23/03/2018
Jokkmokk Region:				
Parkijaure nr3 (Fe)**	2011:135	4.17	11/08/2011	11/08/2017
Parkijaure nr2 (Fe)**	2008:20	2.85	18/01/2008	18/01/2018
Kallak nr1 (Fe)**µ	2006:197	5.00	28/06/2006	28/06/2016
Kallak nr2 (Fe)**	2011:97	22.19	22/06/2011	22/06/2017
Kallak nr3 (Fe)**	2012:100	5.56	09/08/2012	09/08/2018
Parkijaure nr4 (Cu)**+	2012:59	7.60	04/05/2012	04/05/2017
Parkijaure nr5 (Fe)**	2013:36	12.97	Lodged 24/2/2016	Awaiting grant of licence
Nautijaure nr1 (Cu)**+	2012:57	8.80	04/05/2012	04/05/2017
Ågåsjiegge nr2 (Fe)**+	2014:10	11.14	24/02/2014	24/02/2017
Malå Mining District:				
Grundträsk nr6 (Au) ^ +	2010:161	4.17	04/11/2010	04/11/2016
Grundträsk nr7 (Au) ^	2015:91	4.13	05/08/2015	05/08/2018
TOTAL:		**97.31**		

Notes:

* the Ballek permits are held by Wayland Sweden AB which is a wholly owned subsidiary of Wayland Copper Limited ("Wayland Copper"). Beowulf has a 65.25 per cent ownership interest in Wayland Copper, which is a subsidiary of Beowulf, and is the operator of the Ballek project.

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

^ held by the Company's wholly owned subsidiary, Norrbotten Mining AB ("Norrbotten Mining").

µ an application for an exploitation concession was originally lodged on 25 April 2013 (Mines Inspector Official Diary nr 559/2013) and an updated, revised and expanded application was submitted in April 2014. The Chief Mining Inspectorate has found that the prerequisites for an Exploitation Concession are fulfilled, but leaves the Government to make a decision regarding Chapters 3 and 4 of the Environmental Code, since the County of Administrative Board has not developed their opinion on this in a satisfactory way.

+ areas have been reduced on renewal.

The Company has reduced the total licence area held to 97.31 km². The area has reduced by approximately 65 per cent since January 2015. This reduction has enabled the Company to focus on the most prospective areas and reduce overall holding costs.

Review of Operations and Activities

An overview of Beowulf's principal projects and exploration activities is provided below.

Kallak Iron Ore Project

Introduction

The Kallak project is located in the Jokkmokk municipality north of the Arctic Circle, approximately 40 km 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 120 km to the northeast.

Iron mineralisation was first discovered in the Kallak area by the 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. A composite of the magnetic field, resulting from these ground surveys and airborne surveys is shown in Figure 2.

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, 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, syenites and their metamorphic equivalents, pegmatites and other felsic to intermediate rocks.

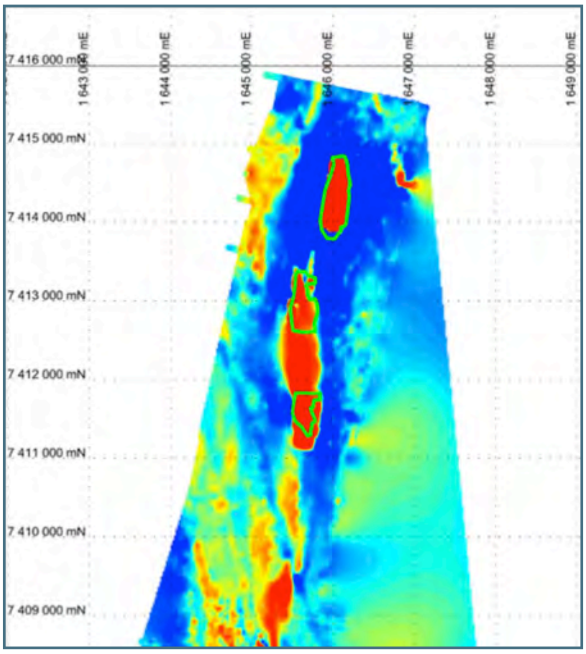

Figure 2: Magnetic field anomaly map for the Kallak area. Composite from airborne and ground surveys. The outlines of Kallak North and South marked with green.

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 located on topographically high ground. The northern deposit has a confirmed length extension of more than one kilometre and the southern deposit has a total length of more than 2 km. 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. Some sections of the Kallak South deposit have, however, been found to be covered by more extensive glacial overburden covering the outcropping mineralised structures.

The project area now covers approximately 80 km^2, comprising nine separate licences (Kallak nr1, Kallak nr2, Kallak nr3, Parkijaure nr2, Parkijaure nr3, Parkijaure nr4, Parkijaure nr5). The project area has steadily been rationalised in 2015, cutting back areas to focus on targets and reduce licence holding costs.

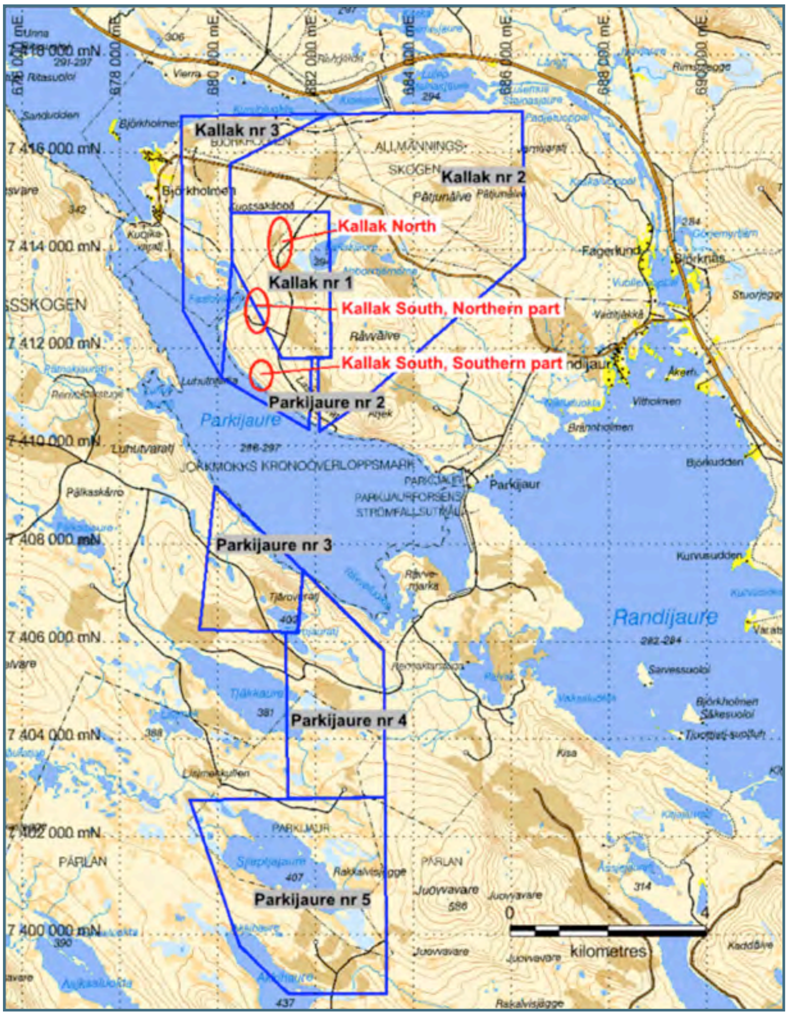

Figure 3: Current Kallak exploration licenses (blue line) and the outcropping area of Kallak North and Kallak South (red line).

Review of Operations and Activities

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 2 km to the northwest, and Randijaur approximately 3 km the east. The nearest railway (the 'Inland Railway Line') passes approximately 40 km 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 27,895m 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:

ProjectCategory	Tonnage	Fe	P	S	
		Mt	%	%	%
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% 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% 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.

An overview of the interpreted mineralisation is shown in Figure 4.

The mineralised area at Kallak North is approximately 1,100m long, from south to north, and, at its widest part in the center, 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 in 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 southernmost 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 200-250m 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.

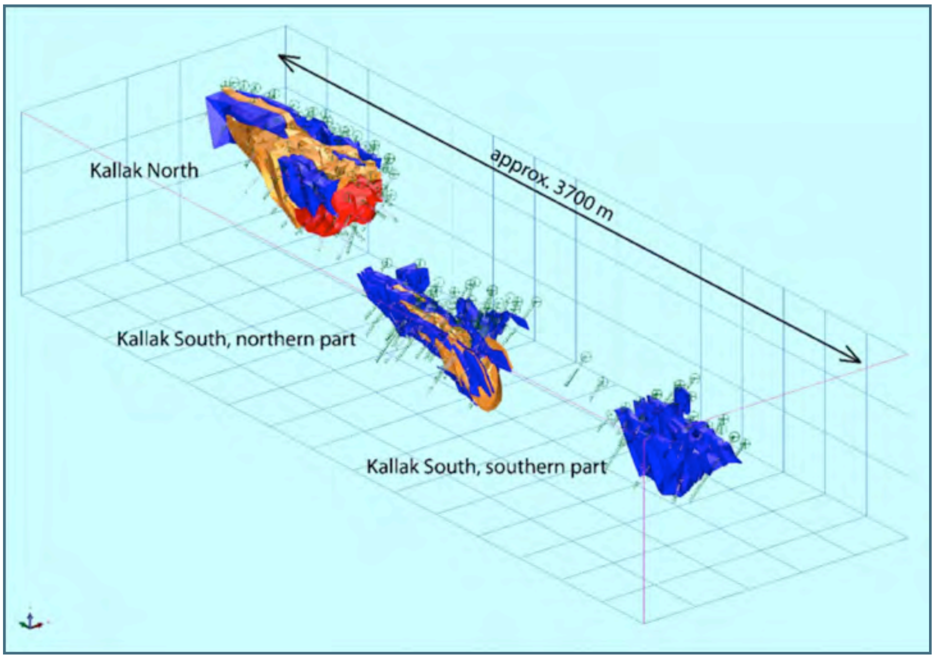

Figure 4: Isometric view of Kallak North and South. Background grid 250m. Red = Haematite dominated, Blue = Magnetite dominated with >95% magnetite, Brown = Magnetite dominated with 5-10% haematite.

Review of Operations and Activities

Operations in 2015

2015 Testwork

The impetus for the 2015 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 GTK (Geological Survey of Finland) 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:

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

Earlier metallurgical testing

2010

Metallurgical bench scale tests, including Davis Tube Recovery (DTR) tests were completed in 2010 by MINPRO AB ("MINPRO") of Stråssa, Sweden (www.minpro.se) on ore grade material from drill holes on the Kallak North deposit. The tests were directed towards the production of a high grade magnetite pellet feed product. Traditional treatment of the ore material by fine grinding and wet magnetic separation resulted in a clean magnetite pellet feed product containing 68.0 per cent iron corresponding to a recovery of 85.1 per cent. The head grade ore material contained 39.8 per cent iron, 33.1 per cent silica, 0.57 per cent manganese, 0.09 per cent phosphorous, 0.10 per cent titanium and 0.007 per cent sulphur. Further testing by MINPRO, using flotation techniques combined with wet magnetic separation, resulted in a final, high grade pellet feed product containing 70.4 per cent iron with low levels of contaminants such as phosphorous, manganese, sulphur and titanium.

2012

In 2012, JIMAB, Beowulf's Swedish subsidiary, commissioned MINPRO to perform further DTR tests, as well as bench scale grinding and magnetic separation, on composite samples extracted from six separate sections across the Kallak North deposit guided by advice from consultants Micon. The main scope of the test work was to establish a variability pattern in the mineral processing versus standardised test work, with the results obtained used to plan for JIMAB's test mining and sampling programme in 2013 and the subsequent mineral processing tests, laboratory and pilot scale, conducted in early 2014.

The 2012 DTR tests, grinding to liberation and using wet low-intensity magnetic separation techniques ("WLIMS") produced high grade concentrate, 68.9-70.3 per cent iron suitable for pellets.

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.

GTK's initial report in respect of its test work was received in Q1 2014. 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 established to be 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 SLon 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.

Review of Operations and Activities

Application for an Exploitation Concession for Kallak North

History

In April 2013, JIMAB submitted an application to the Swedish Mining Inspectorate for an Exploitation Concession for Kallak North located in the Kallak nr1 permit area. Further to the Swedish 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 Environmental Impact Assessment ("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 more than 40 km away from the Kallak North deposit, 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.

Activities and Developments in 2015

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 environmental impact study, 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.

Since the notification on 13 February 2015 that the Mining Inspectorate had referred the decision regarding the Exploitation Concession for Kallak North to the Swedish Government, Kurt Budge has visited Sweden regularly to meet with officials at the CAB, the municipality (Jokkmokks Kommun) and other key stakeholders, including the landowners' association in Jokkmokk, the Mining Inspectorate and representatives of the Sami villages.

During these meetings Kurt Budge has explained the changes that have taken place within Beowulf and its subsidiary JIMAB since October 2014, in terms of leadership and approach to stakeholders. He has also provided an update on the Company's understanding of the process being followed by the Swedish Government, and provided supporting arguments for the award of the Exploitation Concession, including:

- Kallak's designation, in February 2013, by the Swedish Geological Society as an ANI for minerals, affording it protection against competing land use and measures that may hinder future potential mineral extraction.
- The Chief Mining Inspectorate finding, in February 2015, that the prerequisites for an Exploitation Concession have been fulfilled.
- The definition of a high quality resource at Kallak, including an Indicated Resource of 118.5Mt at 27.5 per cent iron and an Inferred Resource of 33.8Mt at 26.2 per cent iron (JORC, 2012 edition), plus an exploration target of 90-100Mt at 22-30 per cent iron.
- Jokkmokk Kommun's independent socio-economic study, completed in April 2014, on Kallak shows that a mining development will create direct and indirect jobs, increase tax revenues and slow down population decline, demonstrating that mining at Kallak can provide a much needed economic stimulus for the region.
- The Company has and continues to demonstrate its commitment to Jokkmokk's economic future as a direct investor in the mining project, with SEK 67 million having been spent to date and through its partnership with the landowners' association, Jokkmokks Allmänning, to support the development of small and medium enterprises in the wider community, to which the Company has, to date, funded SEK 300,000.

In July 2015, the CAB was asked by the Swedish Government 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 ("ANI") for minerals.
- The Company should work with communities that could be affected by the development of a mining project, in order to eliminate or mitigate 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 Swedish Government and recommended that the Exploitation Concession for Kallak North be granted, letter dated 9 October 2015.

The recommendation was delivered in response to the Department of Enterprise and Innovation's invitation for the Mining Inspectorate to give its views on the findings made by the CAB on Kallak North, as published in the CAB's announcement dated 7 July 2015.

Review of Operations and Activities

Post reporting period end events

The Company has written two letters to the Government on 18 November 2015 and on 16 March 2016 to get an update on the process and the timeline to a final decision, but to date no response has so far been received.

On 15 April 2016, JIMAB responded to a letter from the Government of Sweden, requesting our opinion on the judgement of the Supreme Administrative Court of Sweden ("SAC") dated 22 February 2016 regarding Tasman Metal's ("Tasmin") Norra Kärr project (Case 2047-14), and how it relates to the Company's Kallak North application for an Exploitation Concession.

On 23 February 2016, Tasman announced that it had been notified of a decision by the SAC to cancel its Norra Kärr Mining Lease ("ML"). The ML was granted to Tasman in May 2013 by the Mining Inspectorate of Sweden and has remained in force since that time.

On the basis of a review of the process of granting of the ML, the SAC determined that the decision by the Mining Inspectorate was incorrect, as the decision to grant the ML was not adequately supported by environmental studies into a future mining operation. As a result, the Norra Kärr ML was cancelled and the project reverts to an Exploration Licence. The SAC decision to cancel the ML cannot be appealed, but Tasman is free to re-apply for a ML.

Working practice in Sweden up until the SAC judgement has been 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 under Environmental Permitting.

With respect to our response to the Government we have stated that our exploitation concession application has been completed in accordance with the recent SAC judgement, comprehensively studying all aspects of a future mining operation and their associated environmental impacts, with a detailed technical description and site plan. We also suggested to the Government that the Kallak North application should be returned to the Mining Inspectorate, such that a review of the EIA in the context of the SAC judgement can be made.

Other Swedish Projects in the Portfolio

Ballek Copper-Gold Project

The Ballek project, where Beowulf acts as operator, is in the Arjeplog municipality in northern Sweden. The Group has an interest of 65.25 per cent in Wayland Copper Limited ("Wayland"), further to the terms of a joint venture agreement with Energy Ventures Limited. Wayland became a subsidiary of Beowulf on 1 October 2014.

The project area contains the Lulepotten deposit on which a maiden independent JORC Code compliant Inferred Resource estimate was compiled and reported in September 2008 of 5.4Mt, grading at 0.8 per cent copper and 0.3g/t gold, representing a total of 43,000 tonnes of contained copper metal and 52,000 ounces of contained gold at a cut-off value of 0.3 per cent for copper.

The latest drill programme commenced in December 2013, and a total of 2,039m of drilling across eight holes, was completed in April 2014. This was solely funded by the Company. Five drillholes all located within one of the selected targets, show abundant, mostly fracture type copper mineralisation present in quartz veins at relatively shallow levels with assays ranging up to 3.70 per cent of copper over a one metre section and 0.5 per cent of copper over a 13.2m section. The copper mineralisation identified at this target is located on the Lulepotten trend less than 3 km to the north east directly along strike and with similar geological structures as those of the Lulepotten deposit.

A desktop review of all historical data, including significant geophysical work, was completed in August 2015 by independent consultants. Based on the findings of the review, discussions with Energy Ventures, and, in light of market conditions, it was decided to keep the project on care and maintenance and to fully impair the carrying value of the asset. No additional work was carried out during the year and no budget has been prepared for 2016. The Company will look at ways to monetise this project.

Grundträsk Gold Project

The Grundträsk Project, focused solely on gold is located in the Skellefteå Mining District of northern Sweden. There is little outcrop and the land is currently used for forestry. There is good infrastructure in place, with the area being served by a network of forest roads, including the paved main road from Skellefteå to Malå, which passes through the licence area. Water and electricity supplies are also both available locally. Grundträsk has potential for a shallow depth gold resource, with gold bearing sulphide mineralisation starting at shallow depths of less than 12m, suggesting that any deposit will most likely be amenable to open pit mining.

Exploration results to date indicate the presence of sigmoidal gold bearing structures in a mineralised corridor over a strike length of 800m. Historic drilling from 20 holes has returned gold grades of up to 5.2m at 4.28g/t, 4.62m at 2.8g/t, 5.7m at 2.53g/t and 16.9m at 1.86g/t.

A desktop review of all historical data was completed in August 2015 by independent consultants. Based on the findings of the review and in light of market conditions, it was decided to keep the project on care and maintenance and fully impair the carrying value of the asset. No additional work was carried out during the year. An approach was received during the year and interest remains, which the Company will consider if and when a firm offer is made.

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. No work was undertaken during 2015.

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 drill hole 72601 (west position) from a depth of 16m, and in drill hole 72602 (east position) from a depth of 8.5m. Logging of the drill holes revealed quartz-feldspar-amphibole magnetite iron formation intersected with pegmatite. The holes are 202.5m and 214m in length respectively. No work was undertaken during 2015.

POST REPORTING PERIOD END EVENTS

FINLAND

Overview

On 11 January 2016 the Company announced the acquisition of Fennoscandian, a privately owned graphite exploration company with projects in Finland. Graphite is a strategic mineral declared supply-critical by both the US and the EU, and it is an important ingredient in advanced technology manufacturing. There is potential long term growth in demand for large flake graphite in the electric car battery, aerospace, sensor and solar industries.

Throughout 2015, the Company assessed various acquisition targets, looking beyond solely delivering exploration success and towards production. The acquisition of Fennoscandian was the end-result, providing the Company with assets that can be put into production in a shorter timeframe than Kallak, given their smaller scale and lower order of complexity and capital requirements.

Beowulf has acquired 100 per cent of the share capital of Fennoscandian in consideration for a total of 2.55 million ordinary shares in the capital of the Company. In addition, two equal tranches of shares will be issued on achievement of certain performance milestones. The total number of ordinary shares that may be issued, if all performance milestones are achieved, is 6.75 million ordinary shares.

Through the acquisition, the Company acquired a portfolio of four early-stage graphite exploration projects located in Finland, with all projects being held by Fennoscandian under 100 per cent owned Claim Reservations. A fifth Claim Reservation has been awarded

Review of Operations and Activities

since the acquisition. The graphite projects include:

- Haapamäki – A high grade graphitic carbon ("Cg") project with attractive flake sizes. Historic studies have reported visually estimated flake sizes ranging 0.1-2.0 millimetres in length.
- Viistola – A potentially high grade deposit with historical results indicating a grade in the region of 20-35 per cent Cg.
- Piippumäki – Has shown evidence of high quality graphite flakes with visible hexagonal growth, and physical characteristics reportedly comparable with synthetic graphite.
- Kolari – A single diamond drillhole R1 intersected 170m of mineralisation starting from surface, with an average grade of 8.9 per cent Cg. The graphite at the project has been described as very fine to fine microcrystalline.
- Saarenpudas – Situated in the prospective ground Kolari graphite district, immediately to the west of the Kolari Claim Reservation already held by the Company. Previous exploration work in the 1970s identified an electromagnetic ("EM") conductor over 1.5 km in length, associated with graphitic schist. Based on a combination of drilling and EM data, Mattila (1978) estimated an exploration target of 3Mt ranging 15-30 per cent Cg.

Each of the projects has been explored historically, with exploration data readily available, especially for the Viistola project. The FennoFlake project, a collaborative group with partners representing the entire graphite value chain, from identification to exploration and mining, processing to end products and market applications, has carried out additional exploration. Fennoscandian is a partner in FennoFlake and will continue to play an important role in the project, which will in turn provide the Company with access to market insight, and will help the Company allocate resources to projects that demonstrate the greatest commercial potential.

Beowulf's workplan for its graphite projects in 2016 will include ranking projects in the portfolio, before the prioritisation of exploration funds. An immediate priority is the selection of the most favourable project(s) for generating a maiden resource statement. In addition, the Company will be working with its partners in FennoFlake to generate sample material from each of the projects for testwork and assessment against applications in potential end-markets.

Beowulf has also signed a Memorandum of Understanding ("MoU") with Oy Fennoscandian Investment Group, a Finnish company which is wholly owned by Mr. Blomqvist to evaluate nickel and polymetallic exploration assets across the Nordic region for which Mr. Blomqvist has secured exploration rights.

Board of Directors

Bevan Metcalf
BMS ACA (NZ) - Non-Executive Chairman, Age 58

Mr Metcalf was appointed a Non-Executive Director of Beowulf in September 2014, became Senior Non-Executive Director in December 2014 and Non-Executive Chairman in May 2015.

Bevan served as the Chief Financial Officer of Afferro Mining Inc. from January 2008 until the sale of the Company in December 2013. He joined African Eagle Resources plc in July 2004 and served as Finance Director and Company Secretary. Bevan has over 30 years of financial management experience including international companies, such as ICI, Glaxo SmithKline and Orion Corporation.

Bevan holds a Management Studies degree from the University of Waikato, Hamilton New Zealand and is a qualified accountant (ACA NZ).

Kurt Budge
MBA MEng ARSM - Chief Executive Officer, Age 46

Mr Budge was appointed Chief Executive Officer of Beowulf Mining in October 2014 after joining the Company as a Non-Executive Director in September 2014.

Kurt has over 20 years' experience in the mining sector during which he spent five years as a Business Development Executive in Rio Tinto's Business Evaluation Department, here he was engaged in mergers and acquisitions, divestments and evaluated capital investments. He has also been an independent advisor to junior mining companies on acquisitions and project development as well as a General Manager of Business Development, where he developed strategic growth and M&A options for iron ore assets.

Kurt was Vice President of Pala Investments AG, a mining focused private equity firm based in Switzerland and has worked as a mining analyst in investment research.

During the earlier part of his career he held several senior operations and planning roles in the UK coal industry with RJB Mining (now UK Coal plc) and worked as a Venture Capital Executive with Schroder Ventures.

Kurt holds an M.Eng (Hons) degree in Mining Engineering from The Royal School of Mines, Imperial College London and an MBA from London Business School.

Christopher Davies (appointed post year end)
BSc Hons Geology, MSc DIC Mineral Exploration, Non-Executive Director, Age 58

Mr Davies joined the board of Beowulf as a Non-Executive Director in 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. He has substantial knowledge of graphite and base metals, a particular skill set which will be complimentary to Beowulf's existing team, and was Manager for the exploration and development of a graphite deposit in Tanzania.

Chris has worked as a geologist in many different parts of the world including Africa, Australia, Yemen, Indonesia and Eastern Europe. His most recent role was as a Consultant to an Australian Group seeking copper-gold assets in Africa where he carried out technical due diligence and negotiated commercial terms for joint venture partnerships. Chris was Operations Director of African Eagle until March 2012 and Country Manager for SAMAX Resources in Tanzania, which was acquired by Ashanti Goldfields in 1998 for US$135m.

Strategic Report

The Directors present their strategic report for the year ended 31 December 2015.

PRINCIPAL ACTIVITY

The principal activities of the Group are the exploration and development for iron ore, graphite and other prospective minerals in the Nordic Region. A detailed review of the mining activities can be found under Review of Operations and Activities. The Group is controlled, financed and administered within the United Kingdom which remains the principal place of business.

REVIEW OF THE BUSINESS

The results of the Group for the year are set out in the consolidated income statement and show a loss after taxation attributable to the owners of the parent for the year of £1,477,109 (2014: £3,060,482 loss). A comprehensive review of the business is given under the Chairman's Statement and Review of Operations and Activities.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the Group are as follows:

1. The ability to raise sufficient funds to continue with its principal activities.
2. Long-term adverse changes in commodity prices could affect the viability of exploration and extraction projects.
3. The operations of the Group are in a foreign jurisdiction where there may be a number of associated risks over which it will have no control. These may include economic, social or political instability or change, taxation, rates of exchange, exchange controls and exploration licensing.
4. Licences may be subject to conditions which, if not satisfied, may lead to the revocation of the licences.
5. Exploration for, and development of, mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which undergo exploration are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities of minerals disclosed will be available to extract. With all mining operations there is uncertainty, and hence risk, associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions.

RISK MANAGEMENT

The Company manages risk from an operational perspective, where it assesses and weighs up the financial effect of risk and opportunity on the goals of the Company. The Company has set a risk tolerance level of £50,000 and reviews on a quarterly basis those risks above this level.

The Company's top four risks at 31 December 2015 are:

Description	Risk	Risk rating pre-mitigation	Mitigating action	Risk rating post-mitigation
Unable to raise sufficient funds	The risk is that Beowulf would be unable to raise sufficient funds to continue to invest in exploration and evaluation of its project portfolio	HIGH	Work closely with our broker to identify new investors. Communicate effectively with investors. Ensure expenditure controls are in place and forecasting is accurate to optimise cash resources. In the current market it is hard to mitigate this risk which is the biggest single risk facing exploration and development companies.	HIGH

Description	Risk	Risk rating pre-mitigation	Mitigating action	Risk rating post-mitigation
Long term adverse changes in commodity prices	The risk is that adverse changes in prices for graphite and iron ore may affect the viability of the Company's projects	HIGH	The Company identifies projects that have a high quality resource so it can attract premium pricing. The Company will effectively manage both capital and operating expenses to maximise returns. With respect to Kallak, a mine is approximately five years away from completion and the Company believes that in the medium term iron ore prices will recover from their current levels.	MEDIUM

Strategic Report

Description	Risk	Risk rating pre-mitigation	Mitigating action	Risk rating post-mitigation
Foreign Jurisdictions	There are a number of risks including social, political and economic.	MEDIUM	The Company has chosen to operate in Sweden and Finland, countries that appear high up on the Fraser Institute's ranking for investor attractiveness. The Company is a member of the Swedish Association of Mines, Mineral and Metal Producers which lobbies on behalf of the industry. The Company also meets government representatives on a regular basis.	MEDIUM

Description	Risk	Risk rating pre-mitigation	Mitigating action	Risk rating post-mitigation
Revocation of licences	Licences may be subject to conditions which, if not satisfied, may lead to the revocation of the licence	MEDIUM	The Company uses external consultants to manage its licences with the Mining Inspectorate to ensure compliance. The Company keeps in regular contact with the Mining Inspectorate	LOW

PERFORMANCE MEASUREMENT

The ongoing performance of the Company is managed and monitored using a number of key performance indicators. The Company monitors the following key performance indicators on a monthly basis:

i. Actual overhead expenditure versus budget
ii. Loss before tax
iii. Actual cash performance versus the 12-month budget/forecast
iv. Actual monthly cash movements by subsidiary
v. Exploration spend by project
vi. Iron ore and graphite prices
vii. Share prices and share split between Sweden and London
viii. Currencies including the Euro and Swedish Krona

ON BEHALF OF THE BOARD:

Mr B Metcalf
Director
6 May 2016

Report of Directors

The Directors present their report together with the audited financial statements of the Group for the year ended 31 December 2015.

DIRECTORS

Since 1 January 2015 the following Directors have held office:

Mr B Metcalf

Mr K R Budge

Dr Jan-Ola Larsson
(Resigned 12 June 2015)

Mr Christopher Davies
(Appointed 4 April
2016)

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2015 (2014: £nil).

GOING CONCERN

In common with many exploration companies, the group raises finance for its operations in discrete tranches. At 31 December 2015 the Company had a cash balance of £352,914. The Company successfully raised finance in March and July 2015. Post period end the Company announced on the 25 February 2016 that it had raised £1.25m before expenses and on 2 March 2016 a further £0.25m before expenses.

The Directors have prepared cash flow forecasts for the Group covering a period through to the end of April 2017. The cash flow forecasts indicate that whilst the Group has sufficient cash to cover its anticipated working capital requirements for the next twelve months, the Group will need to raise further funds shortly after the period of review.

On this basis the Directors have concluded it is appropriate to prepare the financial statements on a going concern basis. However, whilst the Directors are confident they are taking all necessary steps to ensure that the required finance will be available, there can be no certainty that this will be the case. 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.

SUBSTANTIAL SHAREHOLDINGS

The Directors are aware of the following who were interested, directly or indirectly, in 3 per cent or more of the Group's ordinary shares on 30 March 2016:

Shareholders	Shares	%
TD Direct Investing Nominees (Europe) Limited	33,944,510	7.08
Barclayshare Nominees Limited	22,778,561	4.75
HSDL Nominees Limited	17,680,158	3.69
HSBC Client Holdings Nominee (UK) Limited	16,645,303	3.47

Report of Directors

AUTHORITY TO ISSUE SHARES

Each year at the AGM the Directors seek authority to allot shares. The authority, when granted, lasts until the next AGM (unless renewed, varied or revoked by the Company prior to, or on, such date). At the AGM held on 29 June 2015, shareholders gave authority for the Directors to allot equity securities for cash up to an aggregate nominal value of £561,639 (2014: £530,991). A General Meeting of the Company was held on 5 February 2016 at which time shareholders gave authority for the Directors to allot equity securities for cash up to an aggregate nominal value of £865,000 provided that the authority granted by this resolution shall expire on the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked prior to or on such a date).

SIGNIFICANT AGREEMENTS

The Companies Act 2006 requires the Company to disclose any significant agreements which take effect, alter or terminate upon a change of control of the Company. The Company is not aware of, or party to, any such agreement.

EVENTS AFTER THE REPORTING PERIOD

Information relating to events since the end of the year is given in note 22 to the financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management policies and objectives for capital management are provided within note 20.

FUTURE DEVELOPMENTS WITHIN THE BUSINESS

The Company explores for and evaluates iron ore and graphite in Sweden and Finland respectively. The Company is focussed on its application for an Exploitation Concession at its Kallak iron ore project which was submitted three years ago. The Company is waiting for the Government to make a decision on granting the Concession. The Company believes it will be awarded the Concession as it has fulfilled all the necessary requirements in line with the Mining Act.

The entry into Finland came about through the acquisition, in January 2016, of Fennoscandian. The Company is currently evaluating the graphite projects it acquired from Fennoscandian and will make announcements when it has results to disclose. The Company will grow the business organically, but will also look for M&A opportunities. A number of exploration assets were rationalised in 2015 and the Company has plans to acquire further attractive licences as it rebuilds its exploration portfolio.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the strategic report, annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that year. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WEBSITE PUBLICATION

The Directors are responsible for ensuring the annual report and financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

AUDITOR

BDO LLP has extensive experience of working with AIM companies in the Natural Resources sector. BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Group's forthcoming Annual General Meeting.

ANNUAL GENERAL MEETING

The Group's Annual General Meeting will be held at 10.30 a.m. (BST) on 29 June 2016 and full details of the proposed resolutions at that meeting will be posted to shareholders and will appear on the Company's website.

ON BEHALF OF THE BOARD:

Mr B Metcalf
Director
6 May 2016

Remuneration Report

Executive Directors' terms of engagement

Mr Budge is the sole executive director and Chief Executive Officer, his annual salary of £120,000 is currently benchmarked in the lowest quartile for AIM companies of similar market capitalization and in the pre-revenue category. Mr Budge has a notice period of 12 months.

Dr Larsson resigned as a Director on the 12 June 2015. He received fees as a Director of £39,329 including salary sacrifice. He stayed with the Company until 30 September 2015 to ensure all outstanding matters were completed. The fees he received from 12 June 2015 up to his departure on 30 September 2015 amounted to £18,829. In total he received £58,228 including salary sacrifice during the year. The fees he received were invoiced through his business, Geoexperten.

Non-Executive directors' terms of engagement

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

Under Mr Metcalf's letter of appointment, he is paid a fee of £35,000 per annum as Non-Executive Chairman. Mr Metcalf has a consultancy agreement with the Company for financial and administrative advice and guidance as the Company does not yet have a Finance Director. Mr Metcalf has a one month notice period under his letter of appointment.

Remuneration in equity rather than cash

The Board of Directors agreed to forgo salary and fees for equity in the Company between October 2014 and May 2015. On the 8 June 2015 the Directors converted the cumulative salary sacrifice net of tax of £45,798 for 2,035,457 shares at 2.25p. The proportion sacrificed in 2015 amounted to £31,356 (2014: £14,442) net of tax.

The gross salary sacrifice from January 2015 to May 2015 was £43,219.

Reconstruction, merger, takeover and change of control

At the 16 December 2014 Board Meeting it was agreed a change of control clause would be included in the Director's contract/letter of appointment. In the event of a reconstruction, merger, takeover, acquisition, change of control of the Company, whereby a Directors' agreement is terminated or they are asked to resign without being offered a similar position in the existing Company, or any new company on terms and conditions no less favourable than the terms of this agreement, then they will be paid a prescribed fee equivalent to either:

(i) two times their annual entitlement to salary, fees and bonus if they hold, at the least, two years' tenure as a Director; or

(ii) their annual entitlement to salary, fees and bonus if they hold less than two years' tenure as a Director.

Compensation for loss of office

Under Mr Sinclair-Poulton's settlement agreement, he was to receive a payment of £20,000 contingent on the Company's cumulative funds raised post his departure exceeding £500,000. This was disclosed as a contingent liability in last year's annual report and was paid on 5 August 2015.

Mr Scutt received £3,500 during the year in relation to services he performed as a Director in 2014.

Aggregate Directors' Remuneration

The remuneration paid to the Directors in accordance with their agreements, during the years ended 31 December 2015 and 31 December 2014, was as follows:

	Executive/ Non-Executive	Salary & Fees[1]	Salary Sacrifice	Share- based Payments[2]	2015 Total	2014 Total
		£	£	£	£	£
Mr B Metcalf[3]	Non-Executive	66,264	13,301	30,918	110,483	22,358
Mr K R Budge	Executive	101,667	18,333	34,457	154,457	30,881
Dr Jan-Ola Larsson[4]	Executive	27,744	11,585	-	39,329	87,817

Notes:

1. Does not include expenses reimbursed to the Directors.
2. In relation to options granted in 2014 & 2015.
3. Mr Metcalf's Chairman's fee is £35,000. Mr Metcalf also earned fees under his consultancy contract in relation to financial advice as the Company does not yet have a Finance Director.
4. Dr Larsson invoiced fees of £58,228 during the period 1 January 2015 to 30 September 2015, through Geoexperten a business owned by Dr Larsson. The fees above are for the period 1 January 2015 to 12 June 2015, the date Dr Larsson resigned.

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

The Group does not operate a pension scheme and has not paid any contributions to any pension scheme for Directors or employees.

The beneficial and other interests of the Directors holding office on 31 December 2015 in the issued share capital of the Company were as follows:

ORDINARY SHARES	31 December 2015	31 December 2014
Mr B Metcalf	2,165,841	333,333
Mr K R Budge	2,249,759	333,333

Mr Metcalf and Mr Budge were awarded 8,000,000 and 9,000,000 options respectively in the year ended 31 December 2015. One third of these options vested on issue, with one third after the first anniversary and the last third after the second anniversary.

ORDINARY SHARES UNDER OPTION	NUMBER	EXERCISE PRICE	EXPIRY DATE
Mr B Metcalf	500,000	4 pence	9 October 2019
Mr K R Budge	500,000	4 pence	9 October 2019
Mr B Metcalf	8,000,000	1.66 pence	17 July 2020
Mr K R Budge	9,000,000	1.66 pence	17 July 2020

Corporate Governance Report

Corporate Governance and Board composition

As an AIM-listed company, Beowulf Mining plc is not required to comply with the UK Corporate Governance Code (2014). However, the Directors support high standards of corporate governance and have established a set of corporate governance principles based on the QCA (Quoted Companies Alliance) Guidelines, which they regard as appropriate for the size, nature and stage of development of the Company.

Corporate governance is a key value driver for investors and an important determinant of investment decision-making. For this reason, shareholders must be able to rely on appropriate corporate governance structures, risk management systems and Board processes to safeguard their interests and ultimately enhance shareholder value.

Some basic safeguards that help reduce investment risk include confidence that the board and management will:

(1) release timely and reliable information about the Company, so as to allow shareholders to react to changing circumstances;

(2) deliver on the stated strategy and performance targets;

(3) take decisions in the interests of all investors – in other words, without favouring insiders and controlling shareholders;

(4) ensure that shareholdings will not be significantly and unexpectedly diluted through non-pre-emptive issues; and

(5) guard against shareholder value being destroyed through significant transactions or material related-party transactions that investors have not had a chance to evaluate and approve.

Clearly, corporate governance alone will not make an investment attractive if the business model itself is not convincing. But all other things being positive, particularly the business acumen and experience of the management team, investor attention will turn to the calibre, expertise and integrity of the Non-Executive Directors, and therefore their ability to oversee, challenge and advise the management in order both to drive value creation and to protect the interests of shareholders at all times.

Audit Committee

The overall purpose of the Audit Committee is:

(1) To ensure that the Company's management has designed and implemented an effective system of internal financial controls;

(2) To review and report on the integrity of the consolidated financial statements of the Company and related financial information; and

(3) To review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information.

In performing its duties, the Committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company's business, operations and risks. The Audit Committee meets approximately four times a year.

The members of the Committee are Chris Davies (Chairman) and Bevan Metcalf.

Remuneration Committee

The Remuneration Committee's role is to assist the Board of Directors to discharge its responsibilities in relation to remuneration of the Company's Executive Directors, Non-Executive Directors and senior executives including share and benefit plans and make recommendations as and when it considers it appropriate. The Remuneration Committee meets as and when required.

The members of the Committee are Bevan Metcalf (Chairman) and Chris Davies.

Nominations Committee

The Board has not established a Nominations Committee as the Board considers that a separately established committee is not yet necessary, as its functions and responsibilities can be adequately and efficiently discharged by the Board as a whole. The Board assesses the experience, knowledge and expertise of potential Directors before any appointment is made and adheres to the principle of establishing a Board comprising Directors with a blend of skills, experience and attributes appropriate to the Group and its business. The main criterion for the appointment of Directors is an ability to add value to the Group and its business. All Directors appointed by the Board are subject to election by shareholders at the next Annual General Meeting of the Company following their appointment. The Board will review the need for a Nominations Committee as the Company evolves and one will be established if, and when, considered appropriate.

Share dealing

The Group has adopted a code which establishes rules governing dealings by the Directors of the Company, certain employees and persons connected with them. The Directors will comply with Rule 21 of the AIM Rules for Companies relating to Directors' dealings and will take all reasonable steps to ensure compliance. The purpose of the dealing restrictions is to ensure that Directors, persons connected with them and certain employees do not abuse, and do not place themselves under suspicion of abusing, price-sensitive information that they may have or be thought to have, especially in periods leading up to an announcement of results.

Anti-Bribery Policy

The Company has in place appropriate guidance, training and implementation of procedures to ensure compliance with the UK Bribery Act. The Company is committed to the highest standards of personal and professional ethical behaviour. This must be reflected in every aspect of the way in which we operate. We take a zero-tolerance approach to bribery and corruption and we are committed to act professionally, fairly and with integrity in all our business dealings. Any breach of this policy will be regarded as a serious matter by the Company and is likely to result in disciplinary action and potentially the involvement of the police.

Whistleblower Policy

In order to discourage illegal activity and unethical business conduct in the Company, the Board has developed a Whistleblower Policy. It is the responsibility of all Directors, officers and employees (including contract employees and consultants), to comply with the law and the Company's policies, and to report any wrongdoing or violations or suspected violations, including those relating to accounting, internal accounting controls, questionable accounting or auditing matters, securities law, the laws and regulations of any jurisdiction in which the Company operates, in accordance with its Whistleblower Policy.

Relations with Shareholders

The Board recognises that it is accountable to shareholders for the performance and activities of the Group. Beowulf communicates with its shareholders principally through its website at www.beowulfmining.com and the interim and Annual Reports. Shareholders can also sign up to receive news releases directly from the Group by email. Annual General Meetings of the Company give the Directors the opportunity to report to shareholders on current and proposed operations and enable shareholders to express their views on the Group's business activities.

Independent Auditor's Report

We have audited the financial statements of Beowulf Mining plc for the year ended 31 December 2015 which comprise the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated and company statements of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent company's affairs as at 31 December 2015 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of Matter – Going concern

In forming our opinion on the financial statements which is not modified, we have considered the adequacy of the disclosures made in Note 1 to the financial statements concerning the Group's ability to continue as a going concern.

The Directors have prepared cash flow forecasts covering the period through to the end of April 2017 which indicates that whilst the Group has sufficient cash to cover its anticipated working capital requirements for the next twelve months, the Group will need to raise further funds shortly after the period of review.

The Directors are satisfied that they will be able to raise further funding in the required timeframe. However, these conditions along with the other matters explained in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Stuart Barnsdall (senior statutory auditor)
For and on behalf of BDO LLP,
statutory auditor
London
United Kingdom
6 May 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Income Statement

	Note	2015 £	2014 £
CONTINUING OPERATIONS			
Administrative expenses		(647,268)	(1,029,168)
Impairment of exploration costs		(1,123,892)	(3,187)
OPERATING LOSS		(1,771,160)	(1,032,355)
Share of post-tax losses of equity accounted joint venture		-	(2,552)
Finance costs	3	(139)	(2,032,835)
Finance income	3	1,982	6,397
LOSS BEFORE INCOME TAX	4	(1,769,317)	(3,061,345)
Income tax expense	5	-	-
LOSS FOR THE YEAR		(1,769,317)	(3,061,345)
Loss attributable to:			
Owners of the parent		(1,477,109)	(3,060,482)
Non-controlling interests		(292,208)	(863)
		(1,769,317)	(3,061,345)
Loss per share attributable to the ordinary equity holder of the parent: Basic and diluted (pence)	7	(0.38)	(1.00)

The notes on pages 44-65 form part of these financial statements

Consolidated Statement Of Comprehensive Income

	2015 £	2014 £
LOSS FOR THE YEAR	(1,769,317)	(3,061,345)
OTHER COMPREHENSIVE INCOME		
Item that may be reclassified subsequently to profit or loss:		
Exchange losses arising on translation of foreign operations	(157,900)	(758,807)
Share of other comprehensive income of equity accounted joint venture	-	(8,021)
Revaluation of investments	(20,550)	986
	(178,450)	(765,842)
TOTAL COMPREHENSIVE INCOME	(1,947,767)	(3,827,187)
Total comprehensive income attributable to:		
Owners of the parent	(1,660,172)	(3,819,849)
Non-controlling interests	(287,595)	(7,338)
	(1,947,767)	(3,827,187)

The notes on pages 44-65 form part of these financial statements

Consolidated Statement of Financial Position

	Note	2015 £	2014 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	8	5,588,270	6,538,752
Property, plant and equipment	9	31,551	42,394
Investments	10	-	20,550
Loans and other financial assets	11	51,938	53,262
		5,671,759	6,654,958
CURRENT ASSETS			
Trade and other receivables	12	82,330	42,445
Derivative financial assets	13	-	150,000
Cash and cash equivalents	14	352,914	186,889
		435,244	379,334
TOTAL ASSETS		6,107,003	7,034,292
EQUITY			
SHAREHOLDERS' EQUITY			
Share capital	16	4,303,138	3,452,598
Share premium	18	15,187,112	15,009,812
Revaluation reserve	18	(30,000)	(9,450)
Capital contribution reserve	18	46,451	46,451
Share Based Payment reserve	18	97,796	69,318
Translation reserve	18	(1,090,348)	(927,835)
Accumulated losses	18	(12,466,046)	(11,025,834)
		6,048,103	6,615,060
Non-controlling interests	15	(158,461)	129,134
TOTAL EQUITY		5,889,642	6,744,194
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	217,361	290,098
TOTAL LIABILITIES		217,361	290,098
TOTAL EQUITY AND LIABILITIES		6,107,003	7,034,292

The financial statements were approved and authorised for issue by the Board of Directors on 6 May 2016 and were signed on its behalf by:

Mr B Metcalf - Director
Company Number 02330496

The notes on pages 44-65 form part of these financial statements

Company Statement of Financial Position

	Note	2015 £	2014 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,118	1,493
Investments	10	4,909	255,254
Loans and other financial assets	11	7,068,102	7,486,994
		7,074,129	7,743,741
CURRENT ASSETS			
Trade and other receivables	12	74,102	39,012
Derivative financial assets	13	-	150,000
Cash and cash equivalents	14	349,013	165,398
		423,115	354,410
TOTAL ASSETS		7,497,244	8,098,151
EQUITY			
SHAREHOLDERS' EQUITY			
Share capital	16	4,303,138	3,452,598
Share premium	18	15,187,112	15,009,812
Revaluation reserve	18	(55,664)	(35,114)
Capital contribution reserve	18	46,451	46,451
Share Based Payment reserve	18	97,796	69,318
Accumulated losses	18	(12,180,655)	(10,622,412)
TOTAL EQUITY		7,398,178	7,920,653
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	99,066	177,498
TOTAL LIABILITIES		99,066	177,498
TOTAL EQUITY AND LIABILITIES		7,497,244	8,098,151

The financial statements were approved and authorised for issue by the Board of Directors on 6 May 2016 and were signed on its behalf by:

Mr B Metcalf - Director
Company Number 02330496

Consolidated Statement of Changes in Equity

	Share capital £	Share premium £	Revaluation reserve £	Capital contribution reserve £	Share based payments reserve £	Translation reserve £	Accumulated losses £	Total £	Non controlling interest £	Total equity £
Balance at 1 January 2014 as restated	2,828,273	14,078,466	(10,436)	46,451	67,760	(167,482)	(7,965,352)	8,877,680	-	8,877,680
Loss for the year	-	-	-	-	-	-	(3,060,482)	(3,060,482)	(863)	(3,061,345)
Foreign exchange translation	-	-	-	-	-	(760,353)	-	(760,353)	(6,475)	(766,828)
Revaluation of listed investments	-	-	986	-	-	-	-	986	-	986
Total comprehensive income	-	-	986	-	-	(760,353)	(3,060,482)	(3,819,849)	(7,338)	(3,827,187)
Transactions with owners										
Issue of share capital	624,325	1,248,650	-	-	-	-	-	1,872,975	-	1,872,975
Costs associated with the issue of new shares	-	(317,304)	-	-	-	-	-	(317,304)	-	(317,304)
Equity-settled share-based payment transactions	-	-	-	-	1,558	-	-	1,558	-	1,558
Acquisition of subsidiary	-	-	-	-	-	-	-	-	136,472	136,472
Balance at 31 December 2014	3,452,598	15,009,812	(9,450)	46,451	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)
Revaluation of listed investments	-	-	(20,550)	-	-	-	-	(20,550)	-	(20,550)
Total comprehensive income	-	-	(20,550)	-	-	(162,513)	(1,477,109)	(1,660,172)	(287,595)	(1,947,767)
Transactions with owners										
Issue of share capital	850,540	232,757	-	-	-	-	-	1,083,297	-	1,083,297
Costs associated with the issue of new shares	-	(55,457)	-	-	-	-	-	(55,457)	-	(55,457)
Equity-settled share-based payment transactions	-	-	-	-	65,375	-	-	65,375	-	65,375
Release of charge for lapsed options	-	-	-	-	(36,897)	-	36,897	-	-	-
Balance at 31 December 2015	4,303,138	15,187,112	(30,000)	46,451	97,796	(1,090,348)	(12,466,046)	6,048,103	(158,461)	5,889,642

The notes on pages 44-65 form part of these financial statements

Company Statement of Changes in Equity

	Share capital £	Share premium £	Revaluation reserve £	Capital contribution reserve £	Share based payments reserve £	Accumulated losses £	Total equity £
Balance at 1 January 2014 as restated	2,828,273	14,078,466	(36,100)	46,451	67,760	(7,646,354)	9,338,496
Loss for year	-	-	-	-	-	(2,976,058)	(2,976,058)
Revaluation of listed investments	-	-	986	-	-	-	986
Total comprehensive income	-	-	986	-	-	(2,976,058)	(2,975,072)
Transactions with owners							
Issue of share capital	624,325	1,248,650	-	-	-	-	1,872,975
Costs associated with the issue of new shares	-	(317,304)	-	-	-	-	(317,304)
Equity-settled share-based payment transactions	-	-	-	-	1,558	-	1,558
Balance at 31 December 2014	3,452,598	15,009,812	(35,114)	46,451	69,318	(10,622,412)	7,920,653
Loss for year	-	-	-	-	-	(1,595,140)	(1,595,140)
Revaluation of investments	-	-	(20,550)	-	-	-	(20,550)
Total comprehensive income	-	-	(20,550)	-	-	(1,595,140)	(1,615,690)
Transactions with owners							
Issue of share capital	850,540	232,757	-	-	-	-	1,083,297
Costs associated with the issue of new shares	-	(55,457)	-	-	-	-	(55,457)
Equity-settled share-based payment transactions	-	-	-	-	65,375	-	65,375
Release of charge for lapsed options	-	-	-	-	(36,897)	36,897	-
Balance at 31 December 2015	4,303,138	15,187,112	(55,664)	46,451	97,796	(12,180,655)	7,398,178

The notes on pages 44-65 form part of these financial statements

Consolidated Statement of Cash Flows

	2015 £	2014 £
Cash flows from operating activities		
Loss before income tax	(1,769,317)	(3,061,345)
Depreciation charges	9,553	8,227
Equity-settled share-based transactions	65,375	1,558
Impairment of exploration costs	1,123,892	3,187
Share of post-tax losses of equity accounted joint venture	-	2,552
Gain on asset acquisition arising on reclassifying joint venture as a subsidiary	-	(59,891)
Expenses financed by issue of shares	58,298	-
Finance costs	139	2,032,835
Finance income	(1,982)	(6,397)
	(514,042)	(1,079,274)
(Increase)/decrease in trade and other receivables	(39,803)	200,747
Decrease in trade and other payables	(77,040)	(242,953)
Net cash used in operating activities	(630,885)	(1,121,480)
Cash flows from investing activities		
Purchase of intangible assets	(323,545)	(1,375,121)
Purchase of property, plant and equipment	-	(48,631)
Sale of investments	119	49,205
Funding of joint venture	-	(294,639)
Acquisition of subsidiary cash	-	1,168
Interest received	1,838	6,397
Net cash used in investing activities	(321,588)	(1,661,621)
Cash flows from financing activities		
Proceeds from issue of shares	1,024,999	887,975
Payment of share issue costs	(55,457)	(182,304)
Settlement of derivative financial asset	150,000	312,775
Net cash from financing activities	1,119,542	1,018,446
Increase/(decrease) in cash and cash equivalents	167,069	(1,764,655)
Cash and cash equivalents at beginning of year	186,889	1,983,616
Effect of foreign exchange rate changes	(1,044)	(32,072)
Cash and cash equivalents at end of year	352,914	186,889

The notes on pages 44-65 form part of these financial statements

Company Statement of Cash Flows

	2015 £	2014 £
Cash flows from operating activities		
Loss before income tax	(1,595,140)	(2,976,058)
Depreciation charges	375	497
Equity-settled share-based transactions	65,375	1,558
Finance costs	-	2,032,835
Finance income	(1,978)	(6,031)
Expenses financed by issue of shares	58,298	-
Impairment of intercompany share capital	229,795	-
Impairment of intercompany loans	787,396	-
	(455,879)	(947,199)
(Increase)/decrease in trade and other receivables	(35,090)	68,721
(Decrease)/increase in trade and other payables	(78,432)	127,193
Net cash used in operating activities	(569,401)	(751,285)
Cash flows from investing activities		
Loans to subsidiaries	(368,504)	(1,525,253)
Funding of joint venture	-	(307,712)
Interest received	1,978	6,031
Net cash used in investing activities	(366,526)	(1,826,934)
Cash flows from financing activities		
Proceeds from issue of shares	1,024,999	887,975
Payment of share issue costs	(55,457)	(182,304)
Settlement of derivative financial asset	150,000	312,775
Net cash from financing activities	1,119,542	1,018,446
Increase/(decrease) in cash and cash equivalents	183,615	(1,559,773)
Cash and cash equivalents at beginning of year	165,398	1,725,171
Cash and cash equivalents at end of year	349,013	165,398

The notes on pages 44-65 form part of these financial statements

Notes To The Consolidated Financial Statements

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

In common with many exploration companies, the group raises finance for its operations in discrete tranches. At 31 December 2015 the Company had a cash balance of £352,914. In addition to this the Company announced on the 25 February 2016 and 2 March 2016 that it had raised a total of £1.5 million before expenses.

The Directors have prepared cash flow forecasts for the Group covering a period through to the end of April 2017. The cash flow forecasts indicate that whilst the Group has sufficient cash to cover its anticipated working capital requirements for the next twelve months, the Group will need to raise further funds shortly after the period of review.

On this basis the Directors have concluded it is appropriate to prepare the financial statements on a going concern basis. However, whilst the Directors are confident they are taking all necessary steps to ensure that the required finance will be available, there can be no certainty that this will be the case. 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 statements 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 standards, interpretations and amendments issued not yet effective

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, and the estimation of share-based payment costs. 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 8); and
(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 17).

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 expected, or has rights, to variable returns from its investment with 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.

Notes To The Consolidated Financial Statements

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 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% 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 on the balance sheet 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.

Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss comprise derivative financial instruments. Subsequent to initial recognition financial assets at fair value through profit or loss are stated at fair value. Movements in fair values are recognised in profit or loss, unless they relate to derivatives designated and

Notes To The Consolidated Financial Statements

effective as hedging instruments, in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. The Group does not currently have any such hedging 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 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 is 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. EMPLOYEES AND DIRECTORS

	2015 £	2014 £
Wages and salaries	199,565	99,659
Social security costs	22,127	10,361
	221,692	110,020
The average monthly number of employees and Directors during the year was as follows:	Number	Number
Directors	3	5

Wages and salaries exclude amounts paid to related parties in respect of director's services during the year which amounted to £39,329 (2014: £354,348). Including these amounts, the Directors' remuneration is as follows:

	2015 £	2014 £
Directors emoluments, including salary and fees	238,894	454,007
Compensation to directors and past directors for loss of office	23,500	30,000
	262,394	484,007

The remuneration of the highest paid director during the year was £120,000 (2014: £182,713).
No contributions were made by the Company to money purchase pension schemes.

Notes To The Consolidated Financial Statements

3. FINANCE INCOME AND COSTS

	2015	2014
	£	£
Finance income:		
Deposit account interest	1,982	6,397
	1,982	6,397
	£	£
Finance costs:		
Fair value loss on derivative financial assets	-	2,032,835
Interest	139	-

4. LOSS BEFORE TAX AND AUDITORS REMUNERATION

a. The loss before tax is stated after charging/(crediting):

	2015	2014
	£	£
Depreciation - owned assets (note 9)	9,553	8,227
Foreign exchange differences	(5,865)	14,941
Impairment of exploration costs (note 8)	1,123,892	3,187
Fair value loss on derivative financial assets (note 13)	-	2,032,835

b. Auditor's remuneration

	2015	2014
	£	£
Fees payable to the Group's auditor for the audit of the consolidated financial statements	21,250	21,250
Fees payable to the Group auditor for other services:		
- audit of subsidiaries pursuant to legislation	3,750	3,750
- tax compliance services	2,500	-
	27,500	25,000

5. INCOME TAX

Analysis of tax expense

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2015 or for the year ended 31 December 2014.

Factors affecting the tax expense

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

	2015	2014
	£	£
Loss on ordinary activities before income tax	(1,769,317)	(3,061,345)
Tax thereon at a UK corporation tax rate of 20% (2014 - 21.50%)	(353,863)	(658,189)
Effects of:		
Expenses not deductible for tax purposes	224,778	-
Tax losses not recognised	116,063	627,524
Losses of overseas subsidiaries carried forward	13,022	30,665
	-	-

The main rate of UK corporation tax changed from 21% to 20% on 1 April 2014 giving an effective rate for the year of 20%.

The Group has estimated UK losses of £9,441,376 (2014: £8,861,064) and foreign losses of £450,247 (2014: £437,225) available to carry forward against future trading profits. The value of unrecognised deferred tax assets in respect of the UK losses amounts to £1,888,275 (2014: Loss £1,905,059). The Directors believe that it would not be prudent to recognise such tax assets before such time as the Group generates taxable income.

6. LOSS OF PARENT COMPANY

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 £1,595,140 (2014: £2,976,058).

7. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share at 31 December 2015 was based on the loss attributable to ordinary shareholders of £1,477,109 (2014: £3,060,482) and a weighted average number of Ordinary Shares outstanding during the period ended 31 December 2015 of 392,759,984 (2014: 304,755,824) calculated as follows:

Loss attributable to ordinary shareholders

	2015	2014
	£	£
Loss attributable to ordinary shareholders	1,477,109	3,060,482
Weighted average number of ordinary shares		
	Number	**Number**
Number of shares in issue at the beginning of the year	304,755,824	282,827,365
Effect of shares issued during year	88,004,070	21,928,459
Weighted average number of ordinary shares in issue for the year	392,759,894	304,755,824

Notes To The Consolidated Financial Statements

Subsequent to the year ended 31 December 2015, the Company has issued 48,983,174 Ordinary Shares. There is no difference between the basic and diluted loss per share.

8. INTANGIBLE ASSETS - Group

	Exploration costs £
COST	
At 1 January 2014	4,948,978
Additions for the year	1,375,499
Acquisition of subsidiary	838,216
Impairments recognised	(3,187)
Foreign exchange movements	(620,754)
At 31 December 2014	6,538,752
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
NET BOOK VALUE	
At 31 December 2015	5,588,270
At 31 December 2014	6,538,752

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

	2015 £	2014 £
Kallak	5,565,328	5,416,587
Nautijaur	22,942	-
Grundtrask	-	285,543
Munka	-	6,836
Ballek	-	829,786
	5,588,270	6,538,752

Total Group exploration costs of £5,588,270 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 £68,292 was invoiced to the Kallak project during the year for services provided by Kurt Budge and Jan Ola Larsson.

During the year an impairment provision of £1,123,892 (2014: £3,187) was made against costs incurred on Ballek (£838,493), Grundträsk (£278,948) and on Munka (£6,451) on the basis that no further exploration would be carried out on those projects. The impairment is charged as an expense and included within the consolidated income statement.

9. PROPERTY, PLANT AND EQUIPMENT

	Group £	Company £
COST		
At 1 January 2014	5,521	5,521
Additions	48,631	-
At 31 December 2014	54,152	5,521
At 1 January 2015	54,152	5,521
Foreign exchange movements	(1,157)	-
At 31 December 2015	52,995	5,521
DEPRECIATION		
At 1 January 2014	3,531	3,531
Charge for year	8,227	497
At 31 December 2014	11,758	4,028
At 1 January 2015	11,758	4,028
Charge for year	9,553	375
Foreign exchange movements	133	-
At 31 December 2015	21,444	4,403
NET BOOK VALUE		
At 31 December 2015	31,551	1,118
At 31 December 2014	42,394	1,493

Notes To The Consolidated Financial Statements

10. INVESTMENTS

Group	Interest in joint venture	Listed investments	Total
	£	£	£
COST OR VALUATION			
At 1 January 2014	206,935	19,564	226,499
Share of post-tax losses of equity accounted joint venture	(2,552)	-	(2,552)
Revaluation of listed investment	-	986	986
Exchange differences	(8,021)	-	(8,021)
Reclassification as subsidiary	(196,362)	-	(196,362)
At 31 December 2014	-	20,550	20,550
At 1 January 2015	-	20,550	20,550
Revaluation of listed investment	-	(20,550)	(20,550)
At 31 December 2015	-	-	-

Company

	Shares in group undertakings	Interest in joint venture	Listed investments	Totals
	£	£	£	£
COST OR VALUATION				
At 1 January 2014	9,704	225,000	19,564	254,268
Revaluation of listed investments	-	-	986	986
Reclassification as subsidiary	225,00	(225,000)	-	-
At 31 December 2014	234,704	-	20,550	255,254
At 1 January 2015	234,704	-	20,550	255,254
Revaluation of investments	-	-	(20,550)	(20,550)
Impairment of investments	(229,795)	-	-	(229,795)
At 31 December 2015	4,909	-	-	4,909

In the financial year ended 31 December 2015, the Directors have taken the view that the share capital of Norrbotten Mining, Wayland Copper, Wayland Copper AB and Iron of Sweden should be fully impaired. The Directors have adopted this view as the underlying exploration assets of these companies are unlikely to yield future economic benefits.

The Group consists of the following subsidiary undertakings:

Name	Incorporated	Activity	2015 % holding	2014 % holding
Iron of Sweden Limited	UK	Dormant	100%	100%
Jokkmokk Iron Mines AB	Sweden	Mineral exploration	100%	100%
Norrbotten Mining AB	Sweden	Mineral exploration	100%	100%
Wayland Copper Limited	UK	Holding company	65.25%	65.25%
Wayland Sweden AB	Sweden	Mineral exploration	(1)(2)65.25%	(1)(2)65.25%

(1) indirectly held

(2) effective interest

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

11. LOANS AND OTHER FINANCIAL ASSETS - Group

	Loans to Joint ventures £	Financial fixed assets £	Totals £
At 1 January 2014	141,751	116,588	258,339
Advances made in the year	307,712	-	307,712
Disposals in the year			
Reclassification as intra-group loan	-	(49,205)	(49,205)
following acquisition	(449,463)	-	(449,463)
Foreign exchange movements	-	(14,121)	(14,121)
At 31 December 2014	-	53,262	53,262
At 1 January 2015	-	53,262	53,262
Foreign exchange movements	-	(1,205)	(1,205)
Disposal in the year	-	(119)	(119)
At 31 December 2015	-	51,938	51,938

Notes To The Consolidated Financial Statements

11. LOANS AND OTHER FINANCIAL ASSETS - Company

	Loans to group undertakings £	Loans to joint ventures £	Financial assets £	Totals £
At 1 January 2014	5,509,494	141,751	2,784	5,654,029
Advances made in the year	1,525,253	307,712	-	1,832,965
Reclassification as intra-group loan following acquisition	449,463	(449,463)	-	-
At 31 December 2014	7,484,210	-	2,784	7,486,994
At 1 January 2015	7,484,210	-	2,784	7,486,994
Advances made in the year	368,504	-	-	368,504
Impairment of investments	(787,396)	-	-	(787,396)
At 31 December 2015	7,065,318	-	2,784	7,068,102

In the financial year ended 31 December 2015, the Directors have taken the view that the loans due from of Norrbotten Mining, Wayland Copper, and Wayland Copper AB should be fully impaired. The Directors have adopted this view as the underlying exploration assets of these companies are unlikely to yield future economic benefits. All intercompany loans are interest free and repayable on demand. The loans are classified as non-current assets of the Company as there is there is no expectation of recovery at this time.

Further details of the transactions in the year are shown within related parties disclosure note 21.

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Other receivables	2,204	992	-	-
VAT	15,716	17,846	9,692	15,405
Prepayments and accrued income	64,410	23,607	64,410	23,607
	82,330	42,445	74,102	39,012

13. DERIVATIVE FINANCIAL ASSETS

In August 2014, as part of a two stage subscription to raise, in aggregate, £1.738 million (before expenses) from certain new shareholders, the Company issued 17,924,000 Ordinary Shares at a price of 3p per share to Lanstead with a value of £537,720. The Company simultaneously entered into an equity swap price mechanism with Lanstead for 75 per cent of these shares with a reference price of 4p per share. All 17,924,000 Ordinary Shares were allotted with full rights on the date of the transaction.

In September 2014, following the receipt of shareholders' approval at a duly convened general meeting, the Company issued a further 15,409,333 Ordinary Shares at a price of 3p per share to Lanstead with a value of £462,280. The Company entered into an equity swap price mechanism on the same basis as in August 2014. All 15,409,333 shares were allotted with full rights on the date of the transaction.

Accordingly, pursuant to the above arrangements, of the aggregate subscription proceeds of £1 million received from Lanstead, £850,000 (85 per cent) was invested by the Company in the equity swap agreements with the remaining £150,000 (15 per cent) available for general working capital purposes.

The Company also issued, in aggregate, a further 4,500,000 Ordinary Shares to Lanstead as a value payment in connection with the equity swap agreements.

On 7 January 2015, it was mutually agreed to accelerate all settlements under the Equity Swap Agreements between Lanstead and the Company for an amount of £150,000 which equated to the approximate total fair value of the derivative financial asset at 31 December 2014.

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Bank accounts	352,914	186,889	349,013	165,398
	352,914	186,889	349,013	165,398

15. NON-CONTROLLING INTERESTS

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

Summarised financial information reflecting 100% of the underlying subsidiary's relevant figures is set out below:

	2015 £	2014 £
Administrative expenses	(2,395)	(2,485)
Impairment of intangibles	(838,493)	-
Loss after tax	(840,888)	(2,485)
Loss allocated to NCI	(292,208)	(864)
Other comprehensive income allocated to NCI	4,613	(6,475)
Total comprehensive income allocated to NCI	(287,595)	(7,339)
Non-current assets	-	829,786
Current assets	9,405	2,067
Current liabilities	(465,408)	(460,245)
Net (liabilities)/assets	(456,003)	371,608

Notes To The Consolidated Financial Statements

16. SHARE CAPITAL

	2015		2014	
	Number	£	Number	£
Allotted, called up and fully paid				
At 1 January	345,259,849	3,452,598	282,827,365	2,828,273
Issued during the year	85,053,975	850,540	62,432,484	624,325
At 31 December	430,313,824	4,303,138	345,259,849	3,452,598

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 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 1p each at a premium of 0.2p per share. This was fully paid in cash.

In June 2015, the Company issued 2,035,457 new ordinary shares of 1p each at a premium of 1.25p 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 1p each at a premium of 0.25p per share. This was fully paid in cash.

In July 2015, the Company issued 617,284 ordinary shares of 1p at a premium of 1.025p 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 2.025p 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 2.025p for which the Company received proceeds of £12,500 and issued 617,284 new ordinary shares.

Shares issued in 2014

In August 2014, the Company raised £1,600,000 before fees and expenses by way of a subscription of 53,333,333 new Ordinary Shares of 1p each at a premium of 2p per share. £850,000 of the proceeds was satisfied by the issue of derivative financial instruments with the balance of £750,000 being issued for cash.

In August 2014, the Company issued 4,500,000 new Ordinary Shares of 1p each allotted as fully paid at a premium of 2p per share, in settlement of fees in respect of the above subscription.

In September 2014, the Company raised £137,974 before fees and expenses by way of a subscription of 4,599,151 new Ordinary Shares of 1p each allotted as fully paid for cash at a premium of 2p per share.

17. SHARE-BASED PAYMENTS

Reconciliation of outstanding share options

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 2015	Number of options 2015	Weighted average exercise price 2014	Number of options 2014
Outstanding at 1 January	27.253p	5,054,222	27.253p	4,054,222
Granted during the year	1.660p	17,000,000	4.000p	1,000,000
Lapsed during the year	24.498p	(2,024,222)	-	-
Outstanding at 31 December	4.649p	20,030,000	22.652p	5,054,222
Exercisable at 31 December	8.544p	8,696,667	27.253p	4,054,222

During the year 17,000,000 (2014: 1,000,000) options were granted to acquire ordinary shares at an exercise price of 1.66p per share. The options have vesting period of one third vesting immediately, one third on the first anniversary and one third on the second anniversary.

The options outstanding as at 31 December 2015 have an exercise price in the range of 1.66p to 30.00p (2014: 4.00p to 45.00p) and a weighted average remaining contractual life of 4.14 years (2014: 2.37 years).

The fair value of services received during the year in return for share options granted is based on the fair value of share options granted, measured using the Black-Scholes model, with the following inputs:

Fair value at grant date	0.708p
Share price	1.25p
Exercise price	1.66p
Expected volatility	170.90%
Option life	5 years
Risk-free interest rate	1.58%

The expected volatility was determined by reviewing the actual volatility of the Company's share price in the five years preceding the date of granting the option.

There is an equity-settled share-based payments expense for the options of £63,375 (2014: £1,558) for the year.

The fair value of options granted in 2014 and vesting in 2015 were as follows:

Fair value at grant date	0.677p
Share price	2.45p
Exercise price	4.00p
Expected volatility	48.01%
Option life	5 years
Risk-free interest rate	0.46%

The expected volatility was determined by reviewing the actual volatility of the Company's share price in the five years preceding the date of granting the option.

Notes To The Consolidated Financial Statements

Reconciliation of outstanding share warrants

	Weighted average exercise price 2015	Number of Warrants 2015
Outstanding at 1 January		-
Granted during the year	2.025p	1,234,568
Exercised during the year	2.025p	(1,234,568)
Outstanding and Exercisable at 31 December 2015		-

During the year warrants were issued to Beaufort Securities Limited, the Company's joint broker, in accordance with their letter of engagement. No expense has been recognised with respect to these warrants as warrants were issued and exercised immediately. The fair value of the warrants was £25,000.

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 at par.
Revaluation reserve	Gains/losses arising on the revaluation of the Group's listed investments.
Capital contribution reserve	The capital contribution reserve represents historic non-cash contributions to the Company from equity holders.
Share based payments 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.
Accumulated losses	Accumulated losses comprise the Group's cumulative accounting profits and losses since inception.

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Current:				
Trade payables	85,520	173,686	21,773	96,123
Amounts owed to participating interests re Ballek Joint Venture	9,658	9,658	-	-
Social security and other taxes	7,989	11,608	6,080	7,716
Other payables	5,081	40,594	933	29,642
Accruals and deferred income	109,113	54,552	70,280	44,017
	217,361	290,098	99,066	117,498

20. FINANCIAL INSTRUMENTS

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

The Group and Company hold the following financial instruments:

	Group			Company		
	Fair value Through profit or loss	Held at amortised cost	Total	Fair value through profit or loss	Held at amortised cost	Total
	£	£	£	£	£	£
At 31 December 2015						
Financial assets						
Cash and cash equivalents	-	352,914	352,914	-	349,013	349,013
Trade and other receivables	-	82,330	82,330	-	64,410	64,410
Loans to group undertakings	-	-	-	-	7,065,318	7,065,318
Other financial assets	-	51,938	51,938	-	2,784	2,784
	-	487,182	487,182	-	7,481,525	7,481,525
Financial liabilities						
Trade and other payables	-	209,473	209,473	-	92,986	92,986

	Group			Company		
	Fair value through profit and loss	Held at amortised cost	Total	Fair value through profit And loss	Held at amortised cost	Total
	£	£	£	£	£	£
At 31 December 2014						
Financial assets						
Cash and cash equivalents	-	186,889	186,889	-	165,398	165,398
Trade and other receivables	-	174,599	174,599	-	23,607	23,607
Loans to group undertakings	-	-	-	-	7,484,210	7,484,210
Derivative financial assets	150,000	-	150,000	150,000	-	150,000
Other financial assets	-	53,262	53,262	-	2,784	2,784
	150,000	414,750	564,750	150,000	7,675,999	7,825,999
Financial liabilities						
Trade and other payables	-	278,490	278,490	-	169,782	169,782

Notes To The Consolidated Financial Statements

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 and Sterling.

The Group's and Company's net exposure to foreign currency risk at the reporting date is as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	£	**£**	**£**	**£**
Net foreign currency financial (liabilities)/assets				
Swedish Krona	(86,332)	(72,634)	5,656	917
Total net exposure	(86,332)	(72,634)	5,656	917

Sensitivity analysis

A 10 per cent strengthening of sterling against the Swedish Krona at 31 December 2015 would have increased/(decreased) equity and profit or loss by the amounts shown below:

Group

	Profit or loss		Equity	
	2015	**2014**	**2015**	**2014**
	£	**£**	**£**	**£**
Swedish Krona	8,633	7,263	8,633	7,263

Company

	Profit or loss		Equity	
	2015	2014	2015	2014
	£	£	£	£
Swedish Krona	(566)	(92)	(566)	(92)

A 10 per cent weakening of sterling against the Swedish Krona at 31 December 2015 would have an equal but opposite effect on the amounts shown above.

ii) Commodity Price Risk

The principal activity of the Group is the exploration for iron ore in Sweden and graphite in Finland, 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.

iii) 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 twelve month's 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.

b) Credit Risk

The Group's principal financial assets are the cash and cash equivalents, derivative financial assets (2014 only), 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 acceptable credit ratings.

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. In the financial year ended 31 December 15, the parent company impaired loans to subsidiaries of £787,395, representing the total loaned to Norrbotten Mining AB, Wayland Copper AB and Wayland Copper Limited, further details are provided in Note 21.

	2015 £	2014 £
Jokkmokk Iron Mines AB	7,065,318	6,699,971
Norrbotten Mining AB	-	334,776
Wayland Copper Limited and its subsidiary Wayland Sweden AB	-	449,463
	7,065,318	7,484,210

c) Liquidity Risk

To date the Group and Company have relied on shareholder funding to finance its 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. In addition, the Group and Company do not have any borrowings and only have trade and other payables with a maturity of less than one year.

d) Classes of Financial Instruments

The Group measures the fair value of its financial assets and liabilities in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1:	Quoted prices (unadjusted) in active markets for identical assets and liabilities;
Level 2:	Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3:	Inputs for the asset or liability that are not based on observable market data

Notes To The Consolidated Financial Statements

Level 2 fair value measurement of derivative financial assets at 31 December 2015:

	2015 £	2014 £
At 1 January 2015	150,000	1,645,610
Value recognised on inception (notional)	-	850,000
Consideration received	(150,000)	(312,775)
Loss on revaluation of derivative financial asset	-	(2,032,835)
	-	150,000

As the consideration is variable depending upon the Company's share price, the derivative financial asset is revalued through the income statement with reference to the Company's closing share price.

Capital Management

The Company's capital consists wholly of ordinary shares. 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.

21. RELATED PARTY DISCLOSURES

Transactions with subsidiaries

During the year, cash advances of £368,502 (2014: £1,525,253) were made to Jokkmokk Iron Mines AB. The advances are held on an interest free inter-group loan which has no terms for repayment. At the year end the inter-group loan amounted to £7,065,318 (2014: £6,699,971).

The company has previously transacted with Norrbotten Mining AB creating an interest free inter-group loan which has no terms for repayment. The inter-group loan balance of £337,933 (2014: £334,776) was fully impaired in the year, in-line with the impairment of the entity's exploration asset.

During the year, cash advances of £Nil (2014: £307,712) were made to Wayland Copper Group, formerly a joint venture entity which became a subsidiary on 1 October 2014. The advances are held on an interest free inter-group loan which has no terms for repayment. At the year end the inter-group loan amounted to £nil as the existing loan of £449,463 was impaired in accordance the impairments of the exploration assets of both entities within the Wayland Copper Group (2014: £449,463).

Transactions with other related parties

Key management personnel compensation

The key management personnel of the Company during the year were the Directors. The aggregate compensation paid to key management personnel of the Company is set out below:

	2015 £	2014 £
Short-term employee benefits (including employers' national insurance contributions)	221,692	464,368
Termination benefits	23,500	30,000
	245,192	494,368

Mr Metcalf, a Director who served during the year had fees outstanding of £1,757 (2014: £nil) in relation to fees incurred during the year.

In addition, aggregate consideration paid to related parties in respect of director's services during the year was £69,029 (2014: £354,348). In respect of the termination benefits, £23,500 was paid during the year, representing the last instalment due under the termination arrangement.

22. EVENTS AFTER THE REPORTING DATE

Acquisition of Fennoscandian

On 11 January 2016, the Company announced it had acquired 100% of the share capital of Fennoscandian, a privately owned company based in Finland with a portfolio of four early-stage graphite exploration projects. The total consideration for the acquisition is 2.55 million ordinary shares in the capital of the Company. The transaction will consist of an initial payment of 2.1 million shares with a deferred payment of 450,000 shares. In addition, two equal tranches of shares will be issued on achievement of certain performance milestones. The total number of ordinary shares that may be issued, if all performance milestones are achieved, is 6.75 million ordinary shares.

Share Issues post year end

On 11 February 2016, the Company issued 729,329 new ordinary shares of 1p 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 due to our joint broker.

Subscription to raise £1.25 million

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.

Exercise of over-allotment option

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.

Appointment of Non-Executive Director

On 4 April 2016, Chris Davies joined the Company as a Non-Executive Director. Details of Chris' background can be found under Board of Directors.

Company Information

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Mr K R Budge
Mr C Davies

Secretary

Mr L O'Donoghue

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