BEOWULF MINING PLC

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

Company Number 02330496

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COMPANY PROFILE

Beowulf Mining plc ("Beowulf" or the "Company") is listed on London's Alternative Investment Market ("AIM") (Ticker: BEM) and Stockholm's Spotlight Exchange (Ticker: BEO).

Beowulf is a mineral exploration and development company focused on becoming a European supplier of minerals required for the green transition.

The Company is advancing the Kallak iron ore project ("Kallak") located approximately 40 kilometres ("km") west of Jokkmokk in the County of Norrbotten, Northern Sweden, 80 km southwest of the major iron ore mining centre of Malmberget, and approximately 120 km to the southwest of LKAB's Kiruna iron ore mine. Metallurgical test-work has demonstrated that Kallak has the potential to produce a market-leading high-grade iron concentrate that is expected to be highly sought-after to support the decarbonisation of the steel industry in Europe and further afield.

On 22 March 2022, the Company's wholly-owned subsidiary, Jokkmokk Iron Mines AB ("Jokkmokk Iron"), was awarded an Exploitation Concession for the Kallak North deposit ("Kallak North"). This permit provides exclusive mining rights in the defined areas for a period of 25 years. Kallak North has an estimated Mineral Resource of 111 million tonnes (Mt) in the Measured and Indicated category, with an average grade of 28 per cent iron content and a further 25 Mt in the Inferred category, with an average grade of 28.3 per cent iron content. In the Kallak area, the Company has additional defined Mineral Resources and exploration targets which could support a longer life mining operation beyond Kallak North. On 24 January 2023, Beowulf released a Scoping Study from Kallak North demonstrating the preliminary technical and economic viability of Kallak. The Scoping Study envisaged an open pit mining operation producing an average of 2.5 Mt per year of concentrate with an average grade of 69 per cent iron content over an initial 14 year mine life. A Preliminary Feasibility Study ("PFS") for Kallak was initiated on 24 October 2023. Significant progress has been made towards the completion of the PFS including updated metallurgical test-work which demonstrated the potential for Kallak to produce 2.7 Mt per year of a concentrate with a grade of over 70 per cent iron content and assisted in defining the updated process flowsheet. Environmental baseline studies were progressed through the year and the formal consultation process was initiated in preparation for the Environmental Impact Assessment ("EIA") and subsequent Environmental Permit application.

Beowulf's 100 per cent owned subsidiary, Grafintec Oy ("Grafintec"), is focused on developing a graphite anode material processing plant ("GAMP") in Finland. In March 2025, the Company announced robust economics from a PFS for the GAMP with an after-tax net present value of US$924 million and an internal rate of return of 37 per cent. The GAMP PFS considers a three-stage process involving spheronisation, purification and coating with initial production of 25,000 tonnes of Coated Spherical Purified Graphite ("CSPG") per year with the potential to expand to an annual production of 75,000 tonnes of CSPG delivering further economic upside. The Company continues to receive support from Business Finland, the Finnish governmental organisation for innovation funding and investments and is also well located to benefit from further EU and Finnish initiatives to support the clean energy transition. Grafintec also holds a number of exploration properties, including Aitolampi, which is one of Europe's largest flake graphite resources, with a Mineral Resource Estimate of 26.7 Mt at 4.8 per cent total graphic carbon ("TGC") for 1,275,000 tonnes of contained graphite. Additionally, the Rääpysjärvi exploration permit, which is located 8 km from Aitolampi, is early stage but appears to have a similar potential scale as Aitolampi and also has significant high-grade potential based on surface sampling. Both projects could represent future feed for the GAMP, thereby creating a fully vertically integrated Finnish graphite business.

Beowulf also holds a number of prospective exploration assets both in Kosovo, through its wholly owned subsidiary Vardar Minerals Ltd ("Vardar"), as well as in the Nordics. At the end of 2023, Beowulf owned a 61.1 per cent interest in Vardar but on 4 March 2024, the Company announced that it had reached agreement with the minority holders of Vardar to consolidate 100 per cent of Vardar and its subsidiaries through the issue of new Beowulf shares. The transaction was concluded on 8 April 2024. During 2024, Vardar's exploration programme consisted of geological mapping, surface sampling and drone magnetic surveys over its extensive exploration licences.

COMPANY PROFILE (continued)

Company's Purpose

The Company's purpose is to be a responsible and innovative resource company that creates value for our shareholders, local stakeholders, wider society, and the environment, through sustainably producing critical raw materials, which includes iron ore and graphite, needed for the transition to a Green Economy.

The Company's approach is to work in partnership with local communities and stakeholders.

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to introduce the Annual Report for 2024.

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

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

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

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

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

J Röstin
Non-Executive Chairman
22 May 2025

REVIEW OF OPERATIONS AND ACTIVITIES

Sweden

Permits

Beowulf, via its subsidiary Jokkmokk Iron Mines AB ("JIMAB"), held five exploration permits in Sweden with one having an application for its extension lodged, and one Exploitation Concession, at the end of 2024, as set out in the table below:

Exploration Permit Name	Licence no.	Area (hectares)	Valid from	Valid to
Kallak nr 101	2023:165	397	26/10/2023	26/10/2026
Kallak nr 102[1]	2025:38	285	09/04/2025	09/04/2028
Parkijaure nr 6[2]	2019:81	999	10/10/2019	10/10/2027
Parkijaure nr 7	2021:47	2,212	16/06/2021	16/06/2027
Parkijaure nr 8	2024:30	2,440	27/02/2024	27/02/2027

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

Notes:
(1) Following the expiry of licence Parkijaure nr 2 on 18/01/2025, an exemption from the moratorium which follows the end of the full term of a licence, was applied for and granted and new licence Kallak nr 102 covering the same area was granted on 09/04/2025.
(2) The licence expired on 10/10/2024 and an application for a licence extension was lodged and approved following the year end.
(3) An application for the Exploitation Concession was lodged on 25 April 2013 (Mines Inspector Official Diary nr 559/2013) and an updated, revised and expanded application was submitted in April 2014. On 21 September 2016, the Company submitted a letter to the Mining Inspectorate of Sweden, revising its application boundary to encompass both the Concession Area, delineated by the Kallak North orebody, and the activities necessary to support a modern and sustainable mining operation. On 22 March 2022, the Minister of Enterprise and Innovation, announced the award of the Concession for Kallak nr 1.

Kallak Introduction

The Kallak iron ore deposit is located approximately 40 km west of Jokkmokk in the County of Norrbotten, northern Sweden, 80 km southwest of the major iron ore mining centre of Malmberget, and approximately 120 km to the southwest of LKAB's Kiruna iron ore mine.

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

Kallak is well positioned as a potential secure and sustainable supplier of market-leading high-grade iron concentrate to support the decarbonisation of the steel sector.

Kallak Resource

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

On 25 May 2021, the Company published a Mineral Resource Estimate ("MRE") and Exploration Target Upgrade, prepared by independent consultant Baker Geological Services ("BGS"). For Kallak North, a Measured and Indicated Resource of 111 Mt grading 28 per cent iron content was defined, with an additional Inferred Resource of 25 Mt grading 28.3 per cent iron.

REVIEW OF OPERATIONS AND ACTIVITIES (continued)

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

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

Below is a table showing the Mineral Resource Statement for the Kallak Project at a 0 per cent iron ("Fe") cut-off grade:

Deposit	Classification	Million Tonnes	Density (g/cm^3)	Fe (%)	FeO (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	S (%)
Kallak North	Measured	16	3.5	33.6	10.5	43.4	2.9	0.04	0.002
	Indicated	95	3.3	27.0	7.1	49.8	4.5	0.03	0.002
	Sub-Total	**111**	**3.3**	**28.0**	**7.6**	**48.9**	**4.3**	**0.03**	**0.002**
	Inferred	25	3.4	28.3	7.8	48.1	4.2	0.04	0.002
Kallak South North	Measured								
	Indicated	21	3.3	26.9	7.2	49.3	4.9	0.04	0.003
	Sub-Total	**21**	**3.3**	**26.9**	**7.2**	**49.3**	**4.9**	**0.04**	**0.003**
	Inferred	6	3.2	23.4	6.5	50.1	6.6	0.05	0.004
Kallak South South	Measured								
	Indicated								
	Sub-Total								
	Inferred	8	3.3	26.1	12.0	50.1	5.2	0.05	0.009
Total	Measured	16	3.5	33.6	10.5	43.4	2.9	0.04	0.002
	Indicated	116	3.3	27.0	7.1	49.7	4.6	0.03	0.002
	Sub-Total	**132**	**3.3**	**27.8**	**7.5**	**48.9**	**4.4**	**0.03**	**0.002**
	Inferred	39	3.3	27.1	8.5	48.8	4.8	0.04	0.004

Notes:
(1) Mineral Resources, which are not Mineral Reserves, have no demonstrated economic viability.
(2) The effective date of the Mineral Resource is 9 May 2021.
(3) The Open Pit Mineral Resource Estimate was constrained within lithological and grade-based solids and within an optimised pit shell defined by the following assumptions; base case metal price of USD130 / tonne for a 65 per cent Fe concentrate; Fe recovery of 71 per cent at Kallak North, 86 per cent at Kallak South North and 94 per cent at Kallak South South; Fe concentrate grades of 68 per cent at Kallak North, 70 per cent at Kallak South North and 69 per cent at Kallak South South; Processing costs of USD6.8 / t wet; Selling cost of USD21.0 / t wet concentrate; Mining cost of Ore of USD3.3 / t, mining cost of waste of USD3.0 / t and an incremental mining cost per 10 m bench of USD0.05 / t; Wall angles of 30° within the overburden and 47.5° in the fresh rock.
(4) Mineral Resources have been classified according to the PERC Standards 2017, by Howard Baker (FAusIMM(CP)), an independent Competent Person as defined in the PERC Standard 2017.
(5) FeO refers to the iron oxide, magnetite (Fe_3O_4 or $FeO.Fe_2O_3$) and not haematite (Fe_2O_3), SiO_2 refers to silica, the chemically resistant dioxide of silicon, Al_2O_3 refers to alumina, an oxide of aluminium, p refers to phosphorous and S refers to sulphur.

REVIEW OF OPERATIONS AND ACTIVITIES (continued)

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

On 22 March 2022, the Swedish Government awarded an Exploitation Concession for Kallak North; attached to the decision were 12 conditions for the Company to comply with. The Company's legal advisers reviewed the Government's decision and the conditions attached to it and, with respect to the conditions, were satisfied that these were matters the Company would naturally expect to address during project development and the Environmental Court process.

An application was subsequently filed with the Supreme Administrative Court by two Sami villages, Jåhkågasska tjiellde and Sirges, and Naturskyddsföreningen, associations for the protection of the environment, at municipality, county and country level, for a judicial review of the Government's awarding of the Exploitation Concession. They argued that the Government did not have the right to make the decision in question, with reference to the fact that it would be contrary to legal rules in support of nature conservation and the national interest of reindeer husbandry. They argued that the government's decision had no legal basis and that the Court should therefore declare the decision invalid.

2023 Update

On 24 January 2023, Beowulf announced the positive economic results of the Kallak North Scoping Study, forming part of the larger Kallak project, prepared by independent consulting firm SRK Consulting (UK) Ltd. The Scoping Study presented a ‘Base Case’ solely focused on the Kallak North deposit, incorporating a MRE with effective date of 9 May 2021 and an economic assessment for a mining operation producing up to 2.7 Mt per annum of high-grade iron concentrate over a production life of 14 years. The scoping study economic highlights include a Net Present Value at a discount rate of 8 per cent (NPV_8) of US$177 million, Internal Rate of Return of 14.5 per cent and a Payback Period of approximately 4.5 years from commencement of construction activity. The 'Base Case' assumes two-thirds of Kallak production is sold to the Blast furnace market and one-third is sold to the higher premium Direct Reduction market, consistent over the 14 years production life.

Prior to the initiation of the PFS for Kallak, a strategic review was completed to properly consider the results of the Scoping Study, identify any shortfalls and ensure the scope of the PFS was appropriate and would deliver a robust study. The PFS was subsequently initiated on 24 October 2023 following the appointment of lead consultant SLR Consulting. Environmental baseline studies, including cultural heritage surveys, nature values and biodiversity assessment, sound and vibration monitoring, were progressed through the year in preparation for the EIA and subsequent Environmental Impact application.

An oral hearing was held by the Supreme Administrative Court in September 2023, following which the applicant (the lawyer representing the Sami villages) filed a further submission and to which the Court invited the Government to respond. The submission primarily related to environmental impacts, a number of which are subject to the ongoing environmental baseline studies and will form part of the Environmental Impact Assessment and subsequent Environmental Permit application.

2024 Update

On 18 January 2024 the Swedish Government provided the Supreme Administrative Court with a formal response to the applicant’s previous submission. In a comprehensive response the Government endorsed the original decision to award the Exploitation Concession. The Government further emphasised its support for the project stating that the Kallak Project is of national interest.

REVIEW OF OPERATIONS AND ACTIVITIES (continued)

On the 25 June 2024 the Supreme Administrative Court delivered its verdict, upholding the Government's awarding of the Exploitation Concession for Kallak and therefore the concession and all attaching conditions remain in full force.

Over the course of 2024, JIMAB continued to make significant progress in the preparation of the Kallak PFS and Environmental Permit application under the leadership of Dmytro Siergieiev, who was appointed as Project Director, Jokkmokk Iron, in May 2024. Dmytro is supported across both the technical and environmental workstreams by a team of consultants who are industry-leading experts in their respective disciplines.

Studies undertaken in preparation for the Environmental Permit application include nature values and biodiversity inventories, hydrogeology, waste characterisation, air quality and cultural heritage assessments. The Consultation Process, a key element of the Kallak EIA and Environmental Permit application, was initiated in September 2024. The objective of the Consultation Process is to enable Jokkmokk Iron to capture the views of local stakeholders and Government agencies and authorities to better understand, minimise and mitigate impacts relating to the future development of Kallak.

Various technical work streams that will feed into the PFS have also been progressed. Metallurgical test-work demonstrated the ability for Kallak to produce a market leading concentrate with >70 per cent Fe content and very low impurities making it a suitable feedstock for the decarbonisation of the steel industry. Importantly, test-work has indicated that this concentrate can be produced through physical separation with no chemicals used in the upgrading process. Geotechnical investigative studies were completed on the planned open pit and the site for the tailings management facility, the waste rock dump, the beneficiation plant and other critical on-site infrastructure. A trade-off study was initiated on potential transportation solutions from the mine to the planned rail terminal, approximately 40 km away on the Inlandsbanan with options including trucking, a conveyor and a pipeline. The pipeline was selected as the preferred option due to its minimal social and environmental impact, high reliability and low operating costs that more than off-set the initial capital cost.

A modest drilling programme, designed to convert some Inferred category resource into the higher confidence Measured and Indicated categories, was deferred into 2025 to allow the Company to focus resources on the critical Environmental Permit related workstreams.

The Environmental Permit process is expected to determine the overall timeframe for the ultimate development of Kallak and therefore workstreams directly relating to the application have been prioritised. The Company has made significant progress in developing an open and transparent dialogue with local stakeholders and Government authorities and agencies and remains committed to maintaining this approach.

Finland

Graphite Anode Material Plant ("GAMP")

Introduction

In January 2023, Grafintec awarded a PFS contract to engineering consultant, RB Plant, to assess the technical, economic, statutory, regulatory and commercial options for a natural flake graphite anode material plant in Finland. The study focused on the Coating stage of the anode material processing and was aligned with the objectives of the funding received from Business Finland as part of the BATCircle2.0 consortium, Business Finland's Circular Ecosystem of Battery Metals project and a component of the Business Finland Smart Mobility and Batteries programme.

2023 Update

The results of the PFS were announced on 20 July 2023, envisaging importing Spherical Purified Graphite ("SPG") and producing an initial 20,000 tonne per annum of Coated Spherical Graphite ("CSPG"), for sale to anode manufacturers. The economics of the study were extremely positive with an after-tax NPV8 of US$242 million, an Internal Rate of Return of 39 per cent, and a Payback Period of 2.4 years.

REVIEW OF OPERATIONS AND ACTIVITIES (continued)

The development plan for GAMP, announced on 26 September 2023, considered a three-phase development with the initial phase focused on the final processing stage in the production of graphite anode materials, namely the Coating stage. The second phase of the development plan was to incorporate the full process comprising three stages into the plant. Graphite concentrate would be imported from third parties and this would then be Spheronised, Purified and Coated, producing 20,000 tonnes per year of CSPG. The final phase 3 of the original plan envisaged an expansion of production to 60,000 tonnes of CSPG per year of product.

The Company signed an agreement with the municipality of Korsholm to secure a new site at the GigaVaasa industrial hub (Plot 1, Block 3017) to establish a GAMP in February 2023, renewed the agreement for a further six months in June 2023 and again in February 2024.

With the introduction of export controls by China on 1 December 2023, the Company updated its strategy, adopting a fast-track development of the full GAMP. Independent consultant Dorfner Anzaplan GmbH ("Anzaplan"), who were already undertaking test-work on behalf of the Company, were appointed as lead consultant to update and enhance the Coating stage PFS and complete a PFS for the full process route, namely Spheronisation, Purification and Coating.

2024 Update

On 17 January 2024, the Company announced an updated strategy for GAMP to build the three-stage processing plant at the outset comprising Spheronisation, Purification and Coating. Graphite concentrate feed will initially be sourced from third-party mines and the GAMP will then process this material and produce CSPG.

Test-work in support of the GAMP PFS continued during 2024, initially demonstrating the ability to micronise and spheronize the graphite concentrate to form uniform Spherical Graphite (“SG”). Optimisation work improved the yield of the process from ~50 per cent to 60 per cent and thereby increased the overall planned output of the plant from an initial target of 20,000 tonnes per year to ~25,000 tonnes per year with both medium SG and fine SG fractions. Purification test-work was subsequently completed on the SG to remove impurities an increase the fixed carbon content to >99.95 per cent required for battery applications producing SPG. Optimisation of the caustic baking process demonstrated the potential to achieve battery-grade material at lower temperatures and with less reagents, indicating the potential to significantly reduce operating costs.

Further test-work on the wastewater stream, a secondary process, demonstrated the ability to recover and recycle over 90 per cent of sodium hydroxide, the critical reagent in the process. This not only reduces the need for primary sodium hydroxide but also the overall environmental footprint of the plant. High quality calcium carbonate is produced as a by-product of this wastewater treatment and may be used for neutralisation of the acidic wastewater or potentially sold to other industries.

Coating and further electro-chemical test-work was initiated on the SPG and concluded in early 2025.

Grafintec was successful in completing the BATCircle2.0 project with €530,000 grant funding received from Business Finland and was subsequently awarded a further €232,000 grant funding from Business Finland, as part of the BATCircle3.0 consortium, in support of the development of GAMP. The site reservation in the GigaVaasa industrial hub expired in August 2024 and, following positive and constructive ongoing discussions with the municipality of Korsholm and the GigaVaasa team, Grafintec has opted not to apply for an extension. The Company continues to engage in constructive dialogue with GigaVaasa as well as a number of other potential sites in Finland.

2025 Update

The PFS was completed and the financial results were announced on the 10 March 2025 demonstrating extremely positive economics with a Phase 1 post-tax NPV_8 of €924 million and post-tax IRR of 37 per cent over 25 years with initial capital cost of €225 million with a pay-back period of 3 years from initial production. Further upside is demonstrated with the Phase 2 expansion to 75,000 tonnes per year of CSPG production with a post-tax NPV_8 of €2.2 billion and post-tax IRR of 38 per cent over 25 years.

REVIEW OF OPERATIONS AND ACTIVITIES (continued)

Exploration Permits

Beowulf, via its wholly-owned subsidiary, Grafintec, held five exploration permits in Finland at the end of 2024, as set out in the table below:

Exploration Permit Name	Licence no.	Area (hectares)	Notes
Pitkäjärvi 1	ML2016:0040-02	407	Extension permit granted by TUKES on 27/42021 which remained valid until 26/4/2024. A further extension to the licence was applied for on 15/3/2024 and was granted on 26/6/2024. This decision was appealed by Heinävesi Municipality although the appeal was rejected by the Eastern Finland Administrative Court on 9 April 2025. No further appeals have been received and therefore the permit became legally binding for 3 years effective from 9 April 2025.
Rääpysjärvi 1	ML2017:0104	716	Exploration permit granted. The permit gained legal force 21/6/2021 and is valid to 20/6/2025.
Karhunmäki 1	ML2019:0113	889	Permit relinquish notification was submitted to TUKES on 12/12/2024 and became effective on 15/1/2025.
Luopioinen 1	ML2022:0004	217	Exploration permit application submitted 28/1/2022 and remains subject to review and approval by TUKES. The permit has therefore not gained legal force yet.
Emas 1	VA2022:0077 / ML2023:0076	2,565 / 1,569	Approved reservation granted by TUKES on 17/1/2023 and valid until 17/1/2024. Application for exploration permit submitted 28/2/2022 and remains subject to review and approval by TUKES. The permit has therefore not yet gained legal force.
Pirttikoski 1	VA2024:0052	1,813	Approved reservation granted by TUKES 7/11/2024. Exploration permit application to be submitted before reservation expiry on 17/10/2025.

Grafintec's exploration programme is targeted at securing long-term sustainably produced primary raw material supply to support a Finnish graphite anode value chain. The Company has a rolling programme of exploration permit and claim reservation applications and exploration permit renewals. TUKES (the permitting authority) processes the Company’s applications, which if deemed satisfactory, are published as a ‘Hearing’ for one month, during which time appeals can be submitted.

Aitolampi (Pitkäjärvi 1 Exploration Permit) – Graphite

Introduction

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

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

REVIEW OF OPERATIONS AND ACTIVITIES (continued)

The resource contains graphite of almost perfect crystallinity, and a high proportion of fine and medium flake, which is an important prerequisite for high tech applications, such as anode materials for lithium-ion batteries.

Purification results indicate that concentrates meet the purity specification of 99.95 per cent Total Carbon (C(t)) for lithium-ion batteries.

Mineral Resource Estimate

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

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

In total, an Indicated and Inferred Mineral Resource of 26.7 Mt at 4.8 per cent TGC for 1,275,000 tonnes of contained graphite was reported. All material is contained within two graphite mineralised zones, the eastern and western lenses, interpreted above a nominal 3 per cent TGC cut-off grade. At a cut-off grade of 5 per cent TGC cut, an Indicated and Inferred Mineral Resource of 11.1 Mt at 5.7 per cent TGC for 630,000 tonnes of contained graphite was defined based on the grade-tonnage curve for the resource.

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

Zone	Classification	Million Tonnes	TGC %	S %	Density (t/m^3)	Contained graphite (kt)
Western lens	Indicated	9.2	5.1	5	2.8	468
	Inferred	8	5.2	4.7	2.8	419
	Indicated + Inferred	**17.2**	**5.2**	**4.8**	**2.8**	**887**
Eastern lens	Indicated	1.8	4.1	4.4	2.82	74
	Inferred	7.7	4.1	4.5	2.82	314
	Indicated + Inferred	**9.5**	**4.1**	**4.5**	**2.82**	**388**
Total	Indicated	**11**	**4.9**	**4.9**	**2.8**	**542**
	Inferred	**15.7**	**4.7**	**4.6**	**2.8**	**733**
	Indicated + Inferred	**26.7**	**4.8**	**4.7**	**2.81**	**1,275**

REVIEW OF OPERATIONS AND ACTIVITIES (continued)

Kosovo

Vardar Minerals Limited ("Vardar")

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

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

Licence Number	Term[1]	Licence	Valid From	Valid To	Area (km^2)
2879	2nd	Mitrovica	11/03/2022	27/01/2024	27.1
3318[2]	*1st*	*Mitrovica Pending*	*2025*	*2028*	*27.1*
2878	2nd	Viti N	22/03/2022	27/01/2024	35.5
3319[2]	*1st*	*Viti N Pending*	*2025*	*2028*	*29.7*
2912	2nd	Viti E	11/03/2022	27/01/2024	44.1
3317[2]	*1st*	*Viti E Pending*	*2025*	*2028*	*38.8*
2935	1st	Shala	11/03/2022	25/02/2025	87.5
3436[2]	*2nd*	*Shala*	*2025*	*2028*	*43.7*
3122	1st	Shala East	06/09/2022	17/08/2025	78.8
3123	1st	Shala West	22/10/2022	11/10/2025	36.2
3054	*2nd*	*Zvecan*	*27/06/2022*	*14/05/2024*	*0.64*
3350[2]	*1st*	*Zvecan Pending*	*2025*	*2028*	*1.3*

[1] Refers to whether the licence has been renewed e.g. 2nd means licence has been renewed after its 1st term.
[2] Refers to licences that are currently under application. See explanation below.

The original Mitrovica, Viti North and Viti East licences expired on 24 January 2024 and Zvecan on 14 May 2024 in accordance with their terms. Following dialogue with the Independent Commission for Mines and Minerals ("ICMM") in Kosovo, applications for new licences were submitted and formal confirmation of receipt was provided by the ICMM for the initial three on 22 February 2024 and Zvecan on 14 May 2024. Exploration licence applications are reviewed by the ICMM in Kosovo and ultimately granted by the Board of ICMM. The Government disbanded the Board of ICMM in October 2023 thus the licence applications remain pending until the new Board is appointed. With the licence applications formally lodged with ICMM, no other party may apply for licences over the same area. The Company is confident that the licences will be granted by ICMM in due course and will update the market accordingly. As these applications are for new licences, they will be valid for an initial three-year period from the date of granting after which they may be extended twice, for two-year periods with a reduction in the land holding of 50 per cent on each occasion.

Following the end of 2024, the Shala licence expired. A renewal application for approximately 50 per cent of the licence was formally lodged with ICMM although remains pending.

Exploration Overview

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

The Tethyan Belt of south-east Europe can be regarded as Europe's chief copper-gold (lead-zinc-silver) province. Kosovo has seen very limited exploration since the 1980s. The Mitrovica, Shala and Viti licences occur within calc-alkaline magmatic arc(s) which developed during the closure of the Neotethys Ocean, and are prospective for epithermal gold, lead-zinc-silver replacement deposits and porphyry related copper-gold mineralisation.

REVIEW OF OPERATIONS AND ACTIVITIES (continued)

Mitrovica

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

Shala

During 2022, three Shala exploration licences were approved, extending to the north and northeast of the Mitrovica licence, its polymetallic epithermal system and associated lead-zinc-silver and gold-silver-copper mineralisation. The new areas are situated in the prospective Vardar lead-zinc-silver belt along trend from historical mining districts.

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

Viti

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

Zvecan

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

2024 Update

On 4 March 2024, Beowulf announced that agreement had been reached with the minority holders of Vardar to acquire their shares and move from the 61.1 per cent to 100 per cent ownership in an all-share transaction. The transaction was concluded on 9 April 2024 with the issue of 52,326,761 Beowulf shares to the Vardar minority holders. The new Beowulf shares remain subject to a 12-month lock-in agreement.

The consolidation provides Beowulf with full control and flexibility to drive the development of Vardar including reviewing acquisition, divestment, joint venture and strategic investment opportunities. In connection with the transaction, Ismet Krasniqi, Vardar's local partner in Kosovo, was appointed to the Board of Vardar and continues to support the company's development.

During the year, exploration activity focused on the Shala licences with the Mitrovica, Viti and Zvecan licences subject to renewal. Low-cost mapping and surface sampling to define and refine exploration targets was undertaken during the year.

REVIEW OF OPERATIONS AND ACTIVITIES (continued)

ESG

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

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

- Goal 7: Affordable and Clean Energy
  - Target 7.2 - By 2030, increase substantially the share of renewable energy in the global energy mix.

  - Through the production of graphite anode material for use in the manufacture of lithium-ion batteries, the Company intends to support the growth in energy storage capacity, a critical element of the transition to renewable energy.

- Goal 8: Decent work and economic growth
  - Target 8.2 - Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.
  - Target 8.4 - Improve progressively, through to 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.
  - Target 8.5 - By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.

  - Beowulf is focused on developing the Graphite Anode Material Plant ("GAMP") in Finland, an innovative processing facility to produce anode material for the lithium-ion battery sector. The processing facility will utilise technology that has significant environmental advantages over the currently employed methodologies including using less energy and avoiding the use of extremely toxic reagents.
  - Through extensive test-work undertaken in preparation for the development of the GAMP, the Company has demonstrated that a significant proportion of the regents used in the process may be recycled, thereby improving the overall efficiency of the operation and reducing the waste material.
  - Phase 1 production is expected to employ a total of 85 personnel with the majority being in highly-skilled technical roles, including metallurgical and process engineers, and plant operators. There will also be management and administrative roles. The Phase 2 expansion from an output of 25,000 tonnes per year to 75,000 tonnes per year, will see at least a doubling of the work-force.
  - In addition to the GAMP development, Beowulf is planning to develop the Kallak Iron Ore Project in northern Sweden (the "Kallak Project"). As a greenfield operation, the Company is able to consider all new innovation and technology in the development plan for the mine with the objective of improving efficiency and productivity, whilst also enhancing safety and the environmental impact of the mine. For example, the Company is actively engaging with a number of innovative Nordic vehicle manufacturing companies who are developing autonomous battery-operated mining trucks. These trucks are generally significantly smaller than conventional mining trucks and have the advantage of being safer and more reliable, reducing the environmental impact of a diesel mining fleet and further require smaller mine site infrastructure including ramps and roadways, thereby making the whole operation more efficient. A further innovation that is being considered is the use of nitrate-free explosives. The Company has signed a Memorandum of Understanding with Hypex Bio to further investigate the use of its developed and patented hydrogen-peroxide based explosives.
  - The Company intends to establish a diversity and equality employment policy and framework to ensure that it offers a positive working environment and opportunities for all people.

REVIEW OF OPERATIONS AND ACTIVITIES (continued)

- Goal 9: Industry, innovation and infrastructure
  - Target 9.1 - Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.
  - Target 9.4 - By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

  - The development of the GAMP will be a major industrial development, employing new innovative technology with significant environmental benefits over the current conventional anode production technologies.
  - At the Kallak Project a number of innovations are being considered. Amongst these is to use a pipeline to transport the product in slurry form from the mine site to the railway approximately 40 km away. The conventional approach would be to use a fleet of road trucks although this comes with significant social and environmental impacts. Kallak is forecast to produce a total of 2.7 million tonnes of concentrate per year. If trucks were used this would equate to a 90 tonne truck passing along the road every six minutes in each direction for 20 hours of every day. Electric truck solutions had been considered but there would be significant impact both on those living along and using the 40 km stretch of road as well as the indigenous reindeer herders. The pipeline therefore offers an excellent solution and has the added benefit of being extremely reliable and low cost although there is a higher initial capital cost.

- Goal 12: Responsible production and consumption
  - Target 12.2 - By 2030, achieve the sustainable management and efficient use of natural resources.
  - Target 12.5 - By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
  - Target 12.6 - Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

  - Optimisation studies undertaken on the GAMP have demonstrated the ability to reduce the temperature of the process and recycle a significant proportion of reagents. This reduces the primary reagent requirement and energy consumption with significant environmental benefits.

- Goal 13: Climate Action
  - Target 13.2 - Integrate climate change measures into national policies, strategies and planning.

  - The GAMP is focused on supporting the lithium-ion battery sector so directly supporting the transition to renewable energy and reducing the reliance on carbon dioxide emitting fossil-fuels. The process demonstrated by the Pre-Feasibility Study has the advantage of having a significantly lower carbon dioxide footprint when compared with synthetic graphite and conventional natural graphite processes.
  - As discussed above, a range of solutions are being considered for the development of Kallak including the use of battery-operated mining trucks. Further, the pipeline solution further reduces the reliance on fossil fuels.

- Goal 15: Life on Land
  - Target 15.1: Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.
  - Target 15.2: Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

REVIEW OF OPERATIONS AND ACTIVITIES (continued)

- Target 15.4: By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development.
- Target 15.5: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and protect and prevent the extinction of threatened species.
- Target 15.6: Promote fair and equitable sharing of the benefits arising from the utilisation of genetic resources and promote appropriate access to such resources, as internationally agreed.

- Beowulf is committed to responsible stewardship of the natural environment in which it operates. While the GAMP will be developed within an industrial site, the process being employed is more environmentally sustainable than the conventional process which uses hydrofluoric acid.
- At the Kallak project, managing the natural environment is particularly critical. The project is located in an area with a number of competing interest including forestry, hunting and berry picking but it is also used by the Sami for reindeer migration and grazing. Beowulf has completed significant baseline inventory studies and is working closely with local stakeholders to ensure we understand the likely impacts a mining operation will have and to find solutions to mitigate these impacts if they cannot be avoided. The Company has a collaboration agreement with the Sami village to support a Reindeer Herding Analysis which aims to identify the specific issues for the Sami. In addition, the Company will complete a World Heritage Impact Assessment to assess the potential direct and indirect impacts the mine development would have on the Laponia World Heritage Site which lies to the north of the project.

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

The Company's ESG Policy is available on the website following the link:
https://beowulfmining.com/aboutus/esg-policy/

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Ed Bowie – Chief Executive Officer ("CEO")

Mr Bowie was appointed as CEO on 7 August 2023. He has over 25 years' experience in the natural resources sector having worked in corporate, advisory and fund management roles and across a broad range of commodities and jurisdictions.

Ed began his career as an exploration geologist for SAMAX Gold in Tanzania and was involved in the discovery of the Kukuluma and Matandani orebodies that led to SAMAX's acquisition by Ashanti Goldfields in 1998. On returning to the UK, he worked in equity research and investment banking before launching the London-listed Altus Resource Capital fund in 2009. Ed managed the fund until the end of 2014 out-performing the FTSE Gold Mines and S&P/ TSX Global Gold Mining indices over the period. In 2015 Ed joined AIM-listed Amara Mining plc in a corporate development role, establishing and running the process that led to the company's acquisition by Perseus Mining in 2016. More recently Ed has supported AIM- and TSX- listed Brazilian gold miner, Serabi Gold plc, in a corporate development capacity.

Ed is the Non-Executive Chairman of AIM-listed Cora Gold Ltd, the Mali focused gold development company and a member of the investment committee of The Impact Facility, an impact investment vehicle focused on artisanal and small-scale gold mining in East Africa. He holds an MA in Earth Sciences from Oxford University having been awarded a scholarship and an MSc in Mineral Deposit Evaluation achieving distinction and having been awarded a scholarship from Imperial College, London.

Johan Röstin – Non-Executive Chairman

Mr Röstin was appointed to the Beowulf Mining Board on 7 November 2022. On 3 May 2023 Johan assumed the role of Interim CEO and Executive Chairman following the resignation of Kurt Budge, former CEO, until Ed Bowie was appointed on 7 August 2023.

Johan spent three years as CEO of ferry operator ForSea between 2017-2020, and before that was CEO of Copenhagen Malmo Port AB, 2009-2017. He has significant experience in infrastructure, logistics, capital investments and permitting processes, and has held Board, executive and senior management positions during his career.

In his role at ForSea, Mr Röstin led the company to create a new brand, a stronger organisation and set the company on its sustainability journey.

Christopher Davies - Non-Executive Director

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. He was Manager for the exploration and development of a graphite deposit in Tanzania and has been involved with due diligence studies on graphite deposits in East Africa and Sri Lanka.

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 Resources until March 2012 and Country Manager for SAMAX Resources in Tanzania, which was acquired by Ashanti Goldfields in 1998 for US$135 million.

Chris holds a BSc Hons Geology from Aberystwyth University in Wales, and an MSc DIC Mineral Exploration from Imperial College, London. He is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusImm).

BOARD OF DIRECTORS AND SENIOR MANAGEMENT (continued)

Mikael Schauman – Non-Executive Director

Mr Schauman joined the board of Beowulf on 7 July 2023. Mikael, a Swedish national, has been involved in base metals for the past 40 years. Mikael is versed in the field of mining, management of mining companies as well as the commercialisation of the products.

Mikael holds a BSc in Finance from Stockholm School of Economics. He started his career at Boliden and subsequently spent 18 years at various commodity trading companies. For the past 16 years he served in the senior management of Lundin Mining Corporation as VP and SVP Commercial. In this role he had sole responsibility for the company's commercial organisation and world-wide sales. Mikael, at the same time, actively contributed to increasing growth within Lundin Mining, for example via the acquisitions and mergers made over the years. In the role of senior manager, he has also contributed to developing the groups sustainability work.

Senior management

Rasmus Blomqvist – Managing Director Grafintec

Mr. Blomqvist, the founder of Grafintec (formerly Fennoscandian Resources), joined the Company in January 2016. Mr. Blomqvist has been working in exploration and mining geology for over 13 years and holds an MSc in Geology and Mineralogy from Åbo Akademi University, Turku Finland.

Since 2012, Mr. Blomqvist has been exploring for flake graphite within the Fennoscandian shield and is one of the most experienced graphite geologists in the Nordic region. Prior to Grafintec, Mr. Blomqvist was Chief Geologist for Nussir ASA, managing its exploration team and achieving significant exploration success for the company.

Prior to Nussir, Mr. Blomqvist worked as an independent consultant for several international mining companies including Mawson Resources, Tasman Metals and Agnico Eagle and has experience in graphite, gold, base metals and iron ore, within the Nordic region.

Mr Blomqvist is a member of the Australasian Institute of Mining and Metallurgy ("AusIMM").

Dmytro Siergieiev – Project Director Jokkmokk Iron Mines AB

Originally from Ukraine, Dmytro has been residing in Northern Sweden since 2007 and is fluent in Swedish. He holds an MSc in Hydrogeology from Kyiv National University, an MSc in Geochemistry, and a PhD in Applied Geology from the Luleå University of Technology.

Since 2015, Dmytro has been working at Sweco, the leading architecture and engineering consultancy, focusing solely on mine environment projects in Scandinavia and internationally. During this time, he has served as assignment leader, business development manager, and most recently team leader for Sweco's mine environment unit. Within this role, Dmytro has overseen a broad range of assignments focused on mine development, operation and permitting.

Dmytro is an accomplished project manager with a strong technical background and excellent interpersonal skills. His immediate tasks will be to oversee and propel the ongoing Pre-Feasibility Study and environmental work in preparation for the environmental permitting process.

Company secretary

One Advisory

ONE Advisory Limited is an AIM specialist advisory and administration firm, responsible for ensuring that Board procedures are followed and that the Company applies with all applicable rules, regulations and obligations governing its operation, as well as helping the Chair to maintain excellent standards of corporate governance.

STRATEGIC REPORT

The Directors present their strategic report for the year ended 31 December 2024.

Principal activity

The principal activities of the Group are the exploration, development and processing of iron ore, graphite, base and precious metals in the Nordic Region and Kosovo. A detailed review of the mining activities can be found under Review of Operations and Activities on pages 5 to 16. The Group is registered in and controlled from the United Kingdom.

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 £1,771,325 (2023: loss of £2,863,959). A comprehensive review of the business is given under the Chairman's Statement on page 4 and Review of Operations and Activities on pages 5 to 16.

Principal risks and uncertainties

The principal risks and uncertainties facing the Group are detailed below:

Description	Risk	Risk rating pre-mitigation	Mitigating action	Risk rating post-mitigation
Political Risk	The Company could be exposed to macro-political risk or sovereign risk.	MEDIUM	The Company actively monitors developments on the geopolitical stage, and where appropriate engages advisers and the British Embassy to support its in-country operations. It is not foreseeable that events in Ukraine will negatively impact the Company's business. China has a dominant position in many commodity markets and can, as evidenced by the export controls imposed on graphite in December 2023, impact trade and pricing of certain commodities. While this may cause market uncertainty, the Company's portfolio of assets, focusing on supplying the European market with raw materials, is aligned with the EU's Critical Raw Materials Act and should ultimately be a beneficiary of the desire to improve supply chain security for domestic markets. The Nordics are seen to be low-risk countries by investors. As Kosovo is seeking EU accession its institutions are well supported by the EU and the UK.	LOW

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

Climate Emergency	The Company's activities could be negatively impacted by adverse climate events.	MEDIUM	The Company operates in relatively hospitable environments and its activities are unlikely to be directly impacted by adverse climate events. Further the Company, particularly on the more advanced Kallak and GAMP projects, monitors weather and climate conditions and will therefore be able to react and adapt its activities.	LOW
European Climate Law	EU countries must cut greenhouse gas emissions by at least 55 per cent by 2030, compared to 1990 levels, and to become climate-neutral by 2050. There is a risk that electrical vehicles and machines are not available.	LOW	Mining operations will have Net Zero Emissions by using electrical vehicles and fossil free electricity.	LOW
Unable to raise sufficient funds	Unable to raise sufficient funds to invest in project portfolio and cover corporate costs	MEDIUM	Raise capital in a timely manner, as evidenced by current management's track record. Ensure forecasting is accurate, and expenditure controls are in place to optimise cash resources. The £4.3 million capital raise completed in April 2024, increased the Company's cash resources as will the capital raise announced on 21 March 2025.	MEDIUM
Long term adverse changes in commodity prices	Prices for iron ore, graphite, and other commodities may affect the viability of the Company's projects	MEDIUM	The Company identifies and invests in high quality projects that are attractive to the market. The Company will manage capital and operating expenditures to maximise shareholder returns. When it comes to iron ore and graphite, these commodities will be needed for the Green Transition.	MEDIUM
Not discovering an economic mineral deposit	Very few projects go through to be developed into mines	HIGH	Early studies and testwork give confidence that the Company is allocating capital appropriately. With Kallak Iron Ore Project and Grafintec we have quality assets, benefitted by excellent infrastructure, including access to renewable power, and positioned in proximity to European markets in need of primary raw material supply to achieve a Green Transition.	MEDIUM TO LOW

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

Revocation of, and failure to renew licences	Licence awards can be appealed and subject to conditions which, if not satisfied, may lead to the revocation of the licence. With respect to the Kallak North Exploitation Concession, the Government's decision to grant the Exploitation Concession was initially appealed but the original decision was ultimately upheld by the Supreme Administrative Court following in June 2024. In Finland, the extension of the Pitkäjärvi permit granted by TUKES in June 2024 was appealed but on 9 April 2025, the Eastern Finland Administrative Court rejected the appeal. In Kosovo, a number of licence applications have been submitted but remain subject to approval by ICMM. Further, on a number of existing licences, the minimum expenditure requirements have not been met over the last year. Whilst there has been no prior experience of penalties incurred as a result of not meeting minimum expenditure requirements, there is no certainty that penalties won’t be introduced going forward.	MEDIUM	In all cases, the Company diligently manages its licences to ensure full compliance. A monthly status report is generated for monitoring purposes and action. In both Sweden and Finland, opposition to mining development is generating appeal/court induced delays into permitting processes. In Kosovo, slow administrative processes have caused delays in the receipt of licence renewals. Close dialogue is maintained with authorities and the minimum expenditure requirements are being more closely monitored. In all cases, the Company aims to satisfy application requirements and, although there may be delays, the expectations remains that all permits and renewals will ultimately be received.	LOW

STRATEGIC REPORT (continued)

Performance measurement

The ongoing performance of the Company is managed and monitored using a number of key financial and non-financial indicators ("KPIs") on a monthly basis:

Financial:

i. ***Administration expenses***

Overheads are managed versus budget and forecast on a monthly basis. The Company has a history of tightly managing its expenses. The underlying group overhead expenses were lower than the previous year at £1,658,763 (2023: £2,501,263), the decrease in administrative expenses was due to the following: salary costs of £241,407 (2023: £483,221), primarily due to group directorship changes in the prior year; legal and professional fees of £518,604 (2023: £782,175), primarily due to non-recurring advisor fees in relation to the group directorship changes within the prior year; downstream processing costs of £71,731 (2023: £212,762), due to the development costs meeting the criteria for capitalisation during the year; foreign currency loss of £98,083 (2023: £150,224), primarily due to revaluation of foreign currency denominated bank accounts; PR costs of £49,899 (2023: £97,515); audit and accountancy fees of £87,188 (2023: £122,174); and share-based payment expense of £326,627 (2023: £387,668). The Company recognised an expected credit loss of £467,651 (2023: £1,001,537), which was lower than the previous year due to a reasonable change of the probabilities in the prior year.

ii. ***Cash position***

The Company analyses the expenditure of each subsidiary on a monthly basis. It also manages monthly cash flow for the Group versus budget and forecast. The financial strategy is to ensure that the Company at a minimum has sufficient funds to undertake its committed expenditure and meet its financial obligations.

With the ongoing PFS and environmental work streams at Kallak and ongoing activity at GAMP, the key objective of the Company was to ensure capital was available to fund this activity and maintain the tight timelines. The Group demonstrates a commitment to financial stability as shown by a year-end cash position of £0.88 million (2023: £0.91 million), and following the announcement of the Placing, SDR Rights Issue and UK Retail Offer in March 2025 with an objective to raise a minimum of £2.1m and up to a total of £4.5 million, along with the Company securing a short-term bridging loan of SEK 10 million (approx. £740k) to continue advancing its projects ahead of the capital raise being finalised, the Company has sufficient funding for project development activities and general working capital. The current management team has a consistent track record of raising capital in a timely manner.

iii. ***Exploration expenditure by project***

The Company controls its exploration and development spend by project versus budget and in relation to its available cash resources. If the results of exploration do not meet expectations, then budgeted activities are re-evaluated or even cancelled. Evaluation of early-stage projects is approached in a cost-effective way. The Group determines whether there are any indicators of impairment of its exploration assets on an annual basis. This approach is best evidenced through the oversight at a board level. The Company has identified that the project held at Karhunmäki does not justify continued investments, and as such has recorded an impairment charge for its carrying value of £72,563 in the year.

STRATEGIC REPORT (continued)

Non-financial:

iv. ***Licence renewal compliance***

It is important from a risk management perspective that the Company monitors the expiry dates of its exploration permits. This is managed internally although the Company does use external service providers to assist with renewal applications and specific permitting issues in Sweden and Finland. In Kosovo, licences are awarded with minimum expenditure requirements. Vardar has not always met these requirements and in theory, ICMM could impose fines for failure to meet minimum expenditure requirements although this has never been done previously. At the date of signing of this report, while some licence applications remain pending and certain licences in Kosovo have not met their minimum expenditure requirements, the overall status for all licences is good.

<u>Section 172 Companies Act Statement</u>

This section serves as our s172 Statement and should be read in conjunction with the Strategic Report and the Company's Corporate Governance Statement contained within this Annual Report.

The Board of Directors confirms that during the year under review, it has acted to promote the long-term success of the Group for the benefit of shareholders, whilst having due regard to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006, being:

(a) the likely consequences of any decision in the long term;
(b) the interests of employees;
(c) the need to foster the business relationships with suppliers, customers and others;
(d) the impact of the Group's operations on the community and the environment;
(e) the desirability of maintaining a reputation for high standards of business conduct; and
(f) the need to act fairly between all shareholders.

This statement describes how the Directors have regard for s172 Matters.

The Company Secretary sets out the s172 Matters in all Board meeting packs to ensure these are front of mind, and the Directors are reminded of their duty under s172(1) at the start of each Board meeting. Consideration of the broader s172 matters forms an integral part of Board discussion; the Directors as a matter of course have regard to the need to maintain a reputation for high standards of business conduct, the need to act fairly between shareholders, and the long-term consequences of their decisions. Stakeholder considerations on the whole will be brought to the Board's attention through reports and presentations given during the Board meetings. These considerations are referenced in meeting papers as relevant, and discussions recorded in the meeting minutes.
Engagement with our shareholders and wider stakeholder groups plays an essential role throughout our business. We recognise the importance of open and transparent communication with each of our stakeholder groups, so that we can understand their specific interests, and foster effective and mutually beneficial relationships. We understand that each stakeholder group requires a tailored engagement approach to foster effective and mutually beneficial relationships. We seek to maximise the benefits to host communities in which we operate, while minimising negative impacts to effectively manage issues of concern.

The Board makes a conscious effort to understand the principal issues that matter to each stakeholder group and any conflicting interests. Our understanding of stakeholders is then factored into boardroom discussions, regarding the potential long-term impacts of our strategic decisions on each group, and how we might best address their needs and concerns.

The Board regularly reviews our principal stakeholders and how we engage with them. The stakeholder voice is brought into the boardroom by the Director's direct engagement with senior operations management on matters in need of attention.

STRATEGIC REPORT (continued)

Section 172 Companies Act Statement (continued)

The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making. The Company remains committed to working constructively - and in good faith - with all stakeholders and engaging in meaningful dialogue.

Shareholders have the opportunity to discuss issues with the Board and provide feedback at any time. Further information is available on the Company's website https://beowulfmining.com/.

The table below acts as our s172(1) statement by setting out the key stakeholder groups, their interests and how Beowulf has engaged with them over the reporting period. However, given the importance of stakeholder focus, long-term strategy and reputation, these themes are also discussed throughout this Annual Report.

Stakeholder	**Why is this stakeholder group important for the Company's long-term success and what are their interests?**	**How we engage**
Investors	Our shareholders expect us to operate efficiently and cost effectively to maximise long-term value creation. Ultimately, the Company operates for the long-term benefit of its shareholders. Their Interests: Sustainability ESG performance Ethical behaviour Company reputation Comprehensive review of financial performance of the business over the long-term Awareness of long-term strategy and direction	•Transparency in all communications • Regular updates from Executive and non-executive directors, as well as from advisers and investment banks who have the relationships with certain of the underlying shareholders and meetings with investors. • The AGM, investor roadshows and other conferences represent further opportunities for direct shareholder engagement with the Board. • Keeping shareholders up to date with the Company's activities through our Annual Report, Company's website, stock exchange announcements, press releases and regular reports and analyses for investors and shareholders.
Employees and contractors	Our employees play a central role in delivering the Group's long-term strategy and in delivering the standards of service our customers expect. Their Interests: Terms and conditions of contract Health and safety Human rights and modern slavery	• The Board constantly seek opportunities to engage with the wider workforce directly, either through site visits to the various projects or employee attendance at Board meetings. • The Company provides ongoing training and development opportunities to certain employees and have taken appropriate steps for having policies relating to Modern Slavery and whistleblowing to discourage unethical business conduct, thus ensuring its employees are protected.

STRATEGIC REPORT (continued)

Section 172 Companies Act Statement (continued)

Government and regulatory bodies	Compliance with all applicable legal and regulatory obligations is key to our long-term success Their Interests: Compliance with regulations Employee pay, conditions and welfare Health and Safety Company reputation Environmental impact Insurance	• We ensure our demonstrable compliance with established national and international environmental social governance and ethical standards. • Establish and maintain good relations with responsible authorities and always seek dialogue with them to fulfil our obligations. • Ongoing communication with the Swedish Government • Engagement with the Mining Inspectorate of Sweden • Kallak Consultation Process • Monthly KPIs on licence conditions compliance
Environmental agencies and interest groups	We have an important role to play as a custodian of exploration and mining land ensuring that our long-term growth is sustainable and minimises our environmental footprint. Their Interests: Sustainability Biodiversity, energy, water and waste management Climate change	• The Board takes its ESG responsibilities seriously as set out in the review of operations on page 14 of this report. • The board receives periodic reports on our broader ESG activities. We appreciate that societal expectations on corporates to tackle climate change continue to change, and we will continue to look at new and innovative ways of reducing our carbon footprint. • We will implement an ESG management framework to govern the whole life cycle of the mine development – from initial conceptual and feasibility studies, through operation, to progressive closure and restoration. • We will require our supply chain to meet our ESG standards as part of our sustainable and responsible procurement and codes of conduct.

STRATEGIC REPORT (continued)

Section 172 Companies Act Statement (continued)

Community	We have an important role to play in supporting the communities in which we operate. Sustainability Community engagement Human Rights	• The Company is completing Environmental Impact Assessments at Kallak and GAMP, both of which include measuring baseline environmental data so that future impacts of the Company's activity can be measured and mitigated. As part of this process, we consult with local communities to ensure we are transparent with our development plans and to build a collaborative approach to growing our businesses. • As part of this ongoing consultation process, we arrange meetings with the Sami villages in the Kallak area on at least a quarterly basis to appraise them of our activity and future plans.

On behalf of the board:

Mr E Bowie
Chief Executive Officer
22 May 2025

DIRECTORS' REPORT

The Directors present their report, together with the audited financial statements of the Group and Company, for the year ended 31 December 2024.

Directors

Since 1 January 2024, the following Directors have held office:

Mr E Bowie
Mr C Davies
Mr J Röstin
Mr M Schauman

Dividends

No dividends will be distributed for the year ended 31 December 2024 (2023: Nil).

Going concern

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

As disclosed in Note 28, on 21 March 2025, in conjunction with the Company's announced right issue, the Company entered into a short-term bridging loan of SEK 10 million (approx. £740k) with the underwriters of the rights issue to ensure that the Company has sufficient financial resources to continue advancing its projects ahead of the rights issue and broader capital raise being finalised. The bridging loan accrues interest of 1.5 per cent per 30-day period, has an administrative charge of 5 per cent and is repayable on 30 June 2025. The bridging loan is due to be repaid using part of the proceeds from the capital raise on the right issue, noted below.

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

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

Directors' and officers' indemnity insurance

The Group has made qualifying third-party indemnity provisions for the benefit of its Directors and Officers. These were made during the period and remain in force at the date of this report. Further details of these agreements can be found in the remuneration report on page 31.

DIRECTORS' REPORT (continued)

Significant shareholdings

The Directors are aware of the following interests, directly or indirectly, in three per cent or more of the Group's ordinary shares as at 31 December 2024:

Shareholders	Shares	%
Brian Wolfgang Jensen	2,519,408	6.49

The number above has not been updated for the results of the Capital Raise as at the date of signing the exact number of shares was unknown.

Authority to issue shares

Each year at the Company's Annual General Meeting (AGM) the Directors seek authority to allot ordinary shares.

The authority, when granted, lasts until the conclusion of the next AGM (unless renewed, varied or revoked by the Company prior to, or on, such date). At the AGM held on 14 June 2024, the Directors were granted authority to allot ordinary shares generally up to an aggregate nominal value of £1,294,826, and authority to allot ordinary shares for cash on a non-pre-emptive basis up to an aggregate nominal value of £388,448 (2023: £231,437).

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. Under the Service Agreement between the Company and Ed Bowie, in the event of a change of control, Mr Bowie is eligible to receive up to two years annual salary.

Other than the above, 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 28 to the financial statements.

Financial risk management objectives and policies

Financial risk management policies and objectives for capital management are provided within Note 23 to the financial statements.

DIRECTORS' REPORT (continued)

Future developments within the business

Since the award of the Exploitation Concession for Kallak North, the Company is focused on project development, environmental permitting, de-risking the project and increasing value, while delivering on environmental and social goals, balancing cost and benefit.

The Company's overall objective is to have Kallak in production, developing the mine alone or in partnership. The present Government of Sweden has promised to shorten and simplify the processes for environmental permits to secure the pace of the Climate Emergency and the Green transition. The Company will be doing all it can to make the ambitious timeline achievable.

Grafintec's strategy remains to build an anode value chain in Finland. The Company's exploration programme is targeted at securing long-term sustainably produced primary raw material supply to feed downstream processing. Grafintec completed the PFS for the GAMP in March 2025. Further pilot test work, the DFS, and environmental permitting will be advanced during 2025 and 2026 which would allow construction to take place during 2027 and 2028 and production from 2028 to 2029.

The Company's ownership of Vardar provides diversification, in geography and commodity exposure, to highly prospective exploration opportunities in the Tethyan Belt. The consolidation of 100 per cent of Vardar during 2024 provided the Company with full control and increased optionality to consider value accretive ways to grow Vardar including through acquisitions, divestments or joint ventures. The Company's investment priorities across its portfolio remain subject to funding being available.

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.

DIRECTORS' REPORT (continued)

Directors' responsibilities statement

The Directors are responsible for preparing the strategic report, directors' report, annual report and the financial statements in accordance with applicable laws 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 UK adopted International Accounting Standards ("UK-IAS"). 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 AIM and the rules of the Spotlight Stock Market in Sweden.
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 UK-adopted International Accounting Standards, 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.

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 they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Auditor

PKF Littlejohn LLP were appointed as auditor during the year and a resolution to re-appoint them will be proposed at the Group's forthcoming Annual General Meeting.

Annual general meeting

The Notice of Meeting including details of the proposed resolutions will be posted to shareholders in due course and will appear on the Company's website.

On behalf of the board:

Mr E Bowie
Chief Executive Officer
22 May 2025

DIRECTORS' REMUNERATION REPORT

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

Executive Directors' terms of engagement

Mr Bowie held the role of Chief Executive Officer for the year ended 31 December 2024. His annual salary was £210,000.

Non-Executive Directors' terms of engagement

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

Mr Röstin annual fee is 500,000 SEK per annum (approx. £37,000) (2023: £38,000). Mr Röstin has a consultancy agreement with the Company for the provision of advice over and above his Non-Executive duties. In 2024, he was paid £42,451 (2023: £144,711) under this agreement. Mr Röstin has a one month notice period under his letter of appointment.

Mr Davies annual fee is £36,000 per annum (2023: £36,000). Mr Davies has a consultancy agreement with the Company for the provision of exploration advice over and above his Non-Executive duties. In 2024, he was paid £6,000 (2023: £20,750) under this agreement. Mr Davies has a one month notice period under his letter of appointment.

Mr Schauman annual fee is £33,000 per annum (2023: £33,000). Mr Schauman has a notice period of one month under his letter of appointment.

Indemnity Agreements

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

DIRECTORS' REMUNERATION REPORT (continued)

Aggregate Directors' Remuneration

The remuneration paid to the Directors in accordance with their agreements are outlined per the years below:

31 December 2024

Name	Position	Salary & Fees[1]	Benefits	Pension[3]	Share-based payments	2024 Total
		£	£	£	£	£
Mr E Bowie	Chief Executive Officer	210,000	-	10,500	110,242	330,742
Mr C Davies	Non-Executive Director	42,000	-	-	32,839	74,839
Mr J Rostin	Non-Executive Director	79,350	-	-	39,687	119,037
Mr M Schauman	Non-Executive Director	33,000	-	-	19,843	52,843
Total		364,350	-	10,500	202,611	577,461

31 December 2023

Name	Position	Salary & Fees[1]	Loss of office[4]	Benefits[2]	Pension[3]	Share-based payments	2023 Total
		£	£	£	£	£	£
Mr E Bowie	Chief Executive Officer	84,457	-	-	4,375	-	88,832
Mr C Davies	Non-Executive Director	56,750	-	-	-	31,122	87,872
Mr J Rostin	Non-Executive Director	182,539	-	-	-	-	182,539
Mr K Budge[4]	Chief Executive Officer	87,510	210,000	526	10,500	290,412	598,948
Mr M Schauman	Non-Executive Director	16,500	-	-	-	-	16,500
Total		427,756	210,000	526	14,875	321,534	974,691

Notes:
(1) Does not include expenses reimbursed to the Directors.
(2) Personal life insurance policy
(3) Employer contributions to personal pension.
(4) Kurt Budge resigned as CEO effective 3 May 2023. The payment for loss of office represents the payment of his notice period of 12 months.

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

The beneficial and other interests of the Directors holding office on 31 December 2024 in the issued share capital of the Company were as follows:

Ordinary shares	**31 December 2024**	**31 December 2023**
Mr E Bowie	261,890	-
Mr C Davies	26,668	3,718
Mr J Rostin	206,547	-
Mr M Schauman	62,500	-

The number of shares in the comparative year have been adjusted for the effect of a 50 to 1 share consolidation (refer to Note 16).

DIRECTORS' REMUNERATION REPORT (continued)

As at 31 December 2024, the following options were held by Directors, of which 511,667 options have vested.

Ordinary shares under option	Number	Exercise price	Expiry date
Mr E Bowie	1,000,000	37.5 pence	17 April 2034
Mr J Rostin	360,000	37.5 pence	17 April 2034
Mr C Davies	180,000	37.5 pence	17 April 2034
Mr M Schauman	180,000	37.5 pence	17 April 2034
Mr C Davies	40,000	262.5 pence	27 September 2032

As at 31 December 2023, the following options were held by Directors, of which, 745,000 options have vested.

Ordinary shares under option	Number	Exercise price	Expiry date
Mr K Budge	70,000	367.5 pence	14 January 2024
Mr K Budge	190,000	262.5 pence	27 September 2032
Mr K Budge	40,000	5 pence	27 September 2032
Mr K Budge[1]	245,000	103 pence	27 July 2028
Mr C Davies	50,000	367.5 pence	14 January 2024
Mr C Davies	40,000	262.5 pence	27 September 2032

[1]Kurt Budge was granted options as part of the settlement amount agreed following his resignation on 3 May 2023.

The number of options in the prior year have been adjusted for the effect of a 50 to 1 share consolidation (refer to Note 16).

On behalf of the remuneration committee

Chris Davies
Non-Executive Director
22 May 2025

CORPORATE GOVERNANCE STATEMENT

It is the responsibility of the Chairman of the Board of Directors of the Company to ensure that the Group has both sound corporate governance and an effective Board. The Chairman's principal responsibilities are to ensure that the Group and the Board are acting in the best interests of shareholders, and by making sure that the Board discharges its responsibilities appropriately. This includes creating the right Board dynamic and ensuring that all important matters and strategic decisions receive adequate time and attention at Board meetings.

The Company formally adopted the Quoted Companies Alliance Corporate Governance ("QCA Code") in September 2018. This report follows the QCA Code guidelines and explains how we have applied the guidance. The Board considers that the Group complies with the QCA Code so far as it is practicable having regard to the size, nature and current stage of development of the Company. The Board recognises that the Company does not fully comply with the 10 principles and general provisions of the QCA Code but does use it as a benchmark in assessing its corporate governance standards. Areas of non-compliance are disclosed in the text below. Further details of the Company's compliance with the QCA code can be found in the Corporate Governance section of the Company's website: https://beowulfmining.com/wp-content/uploads/2024/02/BEM-QCA-Code-Chairs-Statement-Feb24.pdf

The Board believes that application of the QCA Code supports the Company's medium to long-term development whilst managing risks, as well as providing an underlying framework of commitment and transparent communications with stakeholders. It also seeks to develop the knowledge shared between the Company and its stakeholders.

During 2024, the key corporate governance activity undertaken by the Company was the development of a new remuneration policy for the Company (**Policy**). The Policy was reviewed and recommended to the Board by the Remuneration Committee and approved by the Board of Directors. The Board is of the opinion that the Policy is commensurate with the size, nature and current stage of development of the Company.

In preparation for the application of the 2023 QCA Code, which will be adopted in the next financial year, the Board also approved an updated Terms of Reference for the Remuneration Committee. Further description of the changes to these Terms of Reference are set out under 'Remuneration Committee' below.

Strategy, Risk Management and Responsibility

A description of the Company's business model and strategy can be found on page 3, and the key challenges in their execution can be found on pages 19 to 21.

The Board is responsible for the monitoring of financial performance against budget and forecast and the formulation of the Group's risk appetite including the identification, assessment and monitoring of the Company's principal risks. The Audit Committee (see page 36) has delegated responsibility for the oversight of the Company's risk management and internal controls and procedures and for determining the adequacy and efficiency of internal control and risk management systems. The Board monitors its internal control procedures and risk management mechanisms and conducts an annual review, when it assesses both for effectiveness. This process enables the Board to determine if the risk exposure has changed during the year and these disclosures are included on pages 19 to 21.

In setting and implementing the Company's strategies, the Board, having identified the risks, seeks to limit the extent of the Company's exposure to them having regard to both its risk tolerance and risk appetite.

Directors

The Board comprises the Non-Executive Chairman, Johan Röstin, Chief Executive Officer, Ed Bowie and Independent Non-Executive Directors, Chris Davies and Mikael Schauman. The Board considers that the current size and composition of the Board is aligned to the QCA principles is appropriate for the complexity of the business and its strategy.

CORPORATE GOVERNANCE STATEMENT (continued)

For the year under review Chris Davies held 26,668 Ordinary Shares (2023: 3,718) and held 220,000 options (2023: 90,000 options) over Ordinary Shares. Chris Davies entered into a consultancy agreement with the Company in 2017. The agreement compensates Chris Davies for the support that he gives, beyond his role as an Independent Non-Executive Director, where the Company is undertaking M&A due diligence and where a review of exploration activities is required. The level of compensation Chris Davies received under the consultancy agreement for the period under review is not material. Neither Chris Davies nor the other Directors believe his options or consultancy agreement are significant in assessing his independence.

All Directors are encouraged to challenge and to bring independent judgement to bear on all matters, both strategic and operational. Biographical details of the Directors can be found on the Group's website www.beowulfmining.com.

During the reporting period as Independent Non-Executive Chairman, Johan Röstin, and the other Independent Non-Executive Directors, Chris Davies and Mikael Schauman, dedicated approximately between two to four days per month to the Group's business. The Board is satisfied that each of the Directors are able to allocate sufficient time to the Group to discharge their responsibilities effectively. The Board met formally on nine scheduled occasions and five unscheduled occasions during the year. All meetings, with the exception of two of the unscheduled occasions, were attended by all Directors. The Board's sub-committees, the Audit and Remuneration Committees, each met twice during the year

The Directors believe that the Board, as a whole, has a broad range of commercial and professional skills, enabling it to discharge its duties and responsibilities effectively and that the Non-Executive Directors have a sufficient range of experience and skills to enable them to provide the necessary guidance, oversight and advice for the Board to operate effectively. All Directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational.

The Board annually reviews the appropriateness and opportunity for continuing professional development, whether formal or informal. The Directors also endeavour to ensure that their knowledge of best practices and regulatory developments is continually up to date by attending relevant seminars and conferences.

The Directors consider that the Company and Board are not yet of a sufficient size for a full Board evaluation to make commercial and practical sense. Therefore, the Board accepts that the Company does not comply with this aspect of the QCA Code, although in frequent Board meetings/calls, the Directors can discuss any areas where they feel a change would be beneficial for the Company, and the Company Secretary remains on hand to provide impartial advice. As the Company grows, it intends to expand the Board and, with expansion, re-consider the need for a formal Board evaluation.

Advisers

One Advisory Limited has been contracted by the Company to act as Company Secretary and has been given the responsibility for ensuring that Board procedures are followed and that the Company complies with all applicable rules, regulations and obligations governing its operation, including assistance with Board and shareholder meetings and Market Abuse Regulations ("MAR") compliance. One Advisory Limited also supports the Board in its development of the Company's corporate governance responsibilities, assisting with the Company's application of the QCA Code and compliance in relation to disclosures required on the Company's website under AIM Rule 26.

The Company's Nomad is consulted on all relevant matters and all Directors have access to independent professional advice, if required.

Neither the Board nor its Committees have sought external advice on a significant matter during the year under review.

CORPORATE GOVERNANCE STATEMENT (continued)

Culture

The Directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge.

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will in turn affect the performance of the Company. The Directors are also aware that the tone and culture set by the Board will greatly affect all aspects of the Company. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long-term value to its shareholders, and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. The Company seeks to provide effective communication through Interim and Annual Reports, along with Regulatory News Service announcements and trading updates on the Company's website, www.beowulfmining.com. Shareholders can also sign up to receive news releases directly from Beowulf by email. In normal circumstances Beowulf also maintains a dialogue with shareholders through formal meetings such as the AGM, which provides an opportunity to meet, listen and present to shareholders.

The Company is open to receiving feedback from key stakeholders and will take action where appropriate. The key contact for shareholder liaison at the time of writing is Ed Bowie. Information on the Investor Relations section of the Group's website (www.beowulfmining.com) is kept updated and contains details of relevant developments, presentations and other key information.

The Company has implemented, inter alia, the following policies to help ensure appropriate values and behaviours:

- an Anti-Bribery and Corruption Policy;
- a Whistleblowing Policy;
- a Social Media Policy;
- a Securities Dealing Policy; and
- an Inside Information and Delayed Disclosure Policy.

A large part of the Company's activities is centred upon an open and respectful dialogue with shareholders, contractors, regulators and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does.

The Directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge.

The Company has close ongoing relationships with a broad range of its stakeholders such as local indigenous communities and adjacent landowners and through constructive dialogue provides them with the opportunity to raise issues and provide feedback to the Company. The Company works closely with the communities in which it operates, sharing its plans and ideas for the projects being developed, and listening to any concerns and addressing any issues raised. Beowulf remains firmly committed to the responsible development of a modern, sustainable and innovative mining operation in partnership with the local community.

Audit Committee

The Audit Committee is formed of Johan Rostin and Mikael Schauman, who chairs the Committee. The Committee is responsible for ensuring that the financial performance, position and prospects of the Group are properly monitored and reported on and for meeting the auditor and reviewing audit reports relating to the accounts. The Audit Committee meet as and when required, at appropriate times in the reporting and audit cycle. The Audit Committee is required to report formally to the Board on its proceedings after each meeting on all matters for which it has responsibility. The Committee's Terms of Reference are available to view on the Company's website at www.beowulfmining.com.

CORPORATE GOVERNANCE STATEMENT (continued)

The Board notes that additional information supplied by the Audit Committee has been disseminated across the whole of this Annual Report, rather than included as a separate Committee Report.

Remuneration Committee

The Remuneration Committee comprises Johan Röstin and Chris Davies, who chairs the Committee. The Committee met twice during the year under review. The Committee is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of shareholders and the performance of the Company. As described above, during 2024 the Committee reviewed and recommended to the Board a Remuneration Policy which is commensurate with the size, nature and current stage of development of the Company.

A Remuneration Committee Report is included on pages 31 to 33. The Committee's Terms of Reference are available to view on the Company's website at www.beowulfmining.com. The Terms of Reference of the Committee were recommended to and approved by the Board of Directors during the year in preparation for the Company's transition to the 2023 QCA Code. The updates to the Terms of Reference centred around that Committees responsibilities in relation to the Remuneration Policy and explicitly highlight the considerations of the Committee when proposing the Policy.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEOWULF MINING PLC

Opinion

We have audited the financial statements of Beowulf Mining Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Consolidated Statement of 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 notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the Group and Parent Company will need to raise further funds within the 12 months following the date of approval of the financial statements, in order to continue to realise assets and meet liabilities as they fall due in the normal course of business. As stated in note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- critically reviewing the cashflow forecasts and budgets prepared by management for the 12 month period to 31 May 2026, corroborating and providing challenge to key assumptions and inputs used, including reviewing license agreements to confirm that committed expenditure is appropriately included in forecasts;
- comparing forecast expenditures to current year actual results and corroborating any significant variances;
- obtaining an understanding of cash preservation measures, and corroborating to supporting documentation where applicable;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEOWULF MINING PLC (continued)

- comparing historic forecasts to the actual results in the year to assess the accuracy of the forecasting process; and
- reviewing post year-end bank statements and management information to ascertain the Group's and the Parent Company's latest financial position and post year-end performance, and comparing this to the forecasts.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures.

We determined materiality for the Group and Parent Company financial statements to be:

	Group		**Parent Company**	
	£	**Basis**	**£**	**Basis**
Overall materiality	258,000	1.5% of gross assets	250,000	1.25% of gross assets
Performance materiality	154,000	60% of materiality	150,000	60% of materiality
Triviality	12,000	5% of materiality	12,000	Group triviality

In determining Group materiality, we consider gross assets to be the main driver of the business as the Group is in the exploration stage and no revenues are currently being generated. The percentage applied to this benchmark of 1.5% has been selected to bring into scope all significant classes of transactions, account balances and disclosures relevant for the shareholders, and also to ensure that matters that would have a significant impact on the financial statements were appropriately considered.

In determining Parent Company materiality, we consider gross assets to be the primary measure used by the shareholders in assessing the performance. As the Parent Company does not generate revenue, its primary balance consists of investments in subsidiaries. A 1.25% threshold has been selected to ensure that all significant transaction classes, account balances, and disclosures relevant to shareholders are appropriately included. Additionally, this benchmark ensures that matters with a significant impact on the financial statements are properly considered.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures. We set the performance materiality at 60% of materiality for both the Group and Parent Company.

In determining performance materiality, we considered the following factors:

- Our knowledge of the Group and Parent Company and its environment, including industry specific trends;
- Significant transactions during the year; and
- The level of judgement required in respect of the key accounting estimates.

We agreed with the audit committee that we would report all individual audit differences identified for the Group during the course of our audit in excess of £12,000 (Parent Company: £12,000) together with any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEOWULF MINING PLC (continued)

Whilst performance materiality for the Group was set at £154,000, we also assessed performance materiality for in-scope entities. We assessed there to be four material entities in the group, one in the UK, one in Sweden, one in Finland and one in Kosovo. Full scope audits were performed on the UK Parent Company by us as group auditor, and on the Swedish and Finnish entities by component auditors in each jurisdiction. Audit procedures on certain account balances and classes of transaction were performed on the Kosovan entity by us as group auditor. Aside from the Parent Company, materiality for which is detailed above, these three entities were audited to a performance materiality ranging from £77,000 to £115,500, representing an appropriate percentage of the Group's performance materiality according to their relative asset contribution and our assessment of inherent risk. Therefore, we conclude that this approach provides sufficient coverage of both significant and residual risks. The concept of materiality was applied throughout the audit, from planning to execution, as well as in evaluating the impact of misstatements.

Our approach to the audit

In designing our audit approach, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we assessed the areas requiring the board and management to make subjective judgements, for example in respect of significant accounting estimates including the carrying value of intangible assets and management override of controls.

An audit was performed on the financial information of the Group's four in-scope components as detailed in the previous section. Two of the four components, Sweden and Finland, were audited by component auditors.

The Group audit team provided instructions to component auditors regarding significant areas to be covered, including the relevant risks described below, and the required reporting information. The Group team visited the two component locations in Sweden and Finland to assess audit risk and strategy, conducting component file reviews accordingly. Discussions were held at all stages of the process with component auditors across all locations, and appropriate reporting appendices were received and reviewed in accordance with our instructions.

The audit of the Kosovan component, the Parent Company and the Group consolidation were performed in the United Kingdom by the Group audit team. Additionally, the Group audit team performed top-up work the Key Audit Matter relating to impairment of intangible assets, supplementing the work conducted by the Swedish and Finnish component auditors.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material uncertainty related to going concern section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEOWULF MINING PLC (continued)

Key Audit Matter	How our scope addressed this matter
Carrying value and assessment of impairment of intangible exploration evaluation assets (Note 8)	
The intangible exploration and evaluation asset represents capitalised exploration costs in respect of the Group's key projects in Finland, Sweden and Kosovo, and is the most significant asset on the Group's statement of financial position at the year end. There is a risk that the carrying value of intangible assets is not recoverable and an impairment charge is required. **Given the early stage of development of the projects, management is required to exercise significant judgement in assessing the recoverability of these assets. As a result of the level of judgement required, we have determined this to be a key audit matter.**	Our work is this area included: • Obtaining confirmation that the Group has good title to the applicable exploration licences; • Reviewing management's assessment of impairment in accordance with the requirements of IFRS 6, providing challenge to, and corroborating, key assumptions made in the assessment; • Holding discussions with management, reviewing publicly available information, including Regulatory News Service ('RNS') announcements and available technical reports, and reviewing Board Minutes to understand developments in the year and future plans at each project, and to identify potential indicators of impairment; • Where an impairment has been recorded during the year in respect of one or more licences, reviewing the circumstances leading to the impairment and ensuring this has been recorded at an appropriate amount; and • Reviewing disclosures in the financial statements to ensure that they are complete and in accordance with IFRS 6. *Key observations* Based on the audit work performed, we do not consider the carrying value of intangible assets at the year end to be materially misstated. However, we draw attention to the disclosures made in the "Review of Operations and Activities" section of the Annual Report in relation to the status of Kosovan licences, a number of which are currently under application. Should the renewals be unsuccessful for any reason, this would result in impairment to the related intangible assets.
Valuation of investments and intercompany receivables (Notes 10 and 11)	

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEOWULF MINING PLC (continued)

The Parent Company holds £4,094k of investments in subsidiaries and £14,993k of intercompany loans relating to its interest in Jokkmokk Iron Mines AB, Grafintec Oy and Vardar Minerals Ltd. These are the most significant assets on the Parent Company's statement of financial position. There is a risk of material misstatement surrounding the recoverability of investments in subsidiaries and intercompany receivables. The carrying value of these investments and receivables is ultimately dependent on the value of the underlying assets. The key underlying assets are exploration projects which are at an early stage of exploration making it difficult to definitively determine their value. As a result of the level of judgement required, we have determined this to be a key audit matter.	Our work in this area included: • Confirming ownership of investments; • Reviewing the investment balances for indicators of impairment in accordance with IAS 36; • Considering the appropriateness of the methodology applied by management in their assessment of the recoverable amount of intragroup loans, and the calculation of any expected credit loss provisions against these balances, in accordance with the requirements of IFRS 9; • Evaluating the recoverability of investments and intragroup loans by reference to underlying net asset values and exploration projects; and • Evaluating the presentation and disclosures in the financial statements in accordance with IFRS.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the Group and Parent Company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEOWULF MINING PLC (continued)

- 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the Group and Parent Company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and Parent Company financial statements, the directors are responsible for assessing the Group and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the Group and Parent Company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through detailed discussions with management about and potential instances of non-compliance with laws and regulations both in the UK and in overseas subsidiaries. We also selected a specific audit team based on experience with auditing entities within this industry of a similar size.

- We determined the principal laws and regulations relevant to the Group and Parent Company in this regard to be those arising from:
  - Companies Act 2006;
  - AIM Listing Rules;
  - Quoted Companies Alliance (QCA) Corporate Governance code;
  - UK tax and employment law;
  - Anti-bribery and money laundering regulations; and
  - Local mining laws and regulations in Sweden, Finland and Kosovo.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Group and Parent Company with those laws and regulations. These procedures included, but were not limited to:
  - Making enquiries of management;
  - Reviewing legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations; and
  - Reviewing minutes of meetings of those charged with governance and Regulatory News Service announcements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEOWULF MINING PLC (continued)

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the carrying value and assessment of impairment of intangible exploration assets, and the valuation of investments and intercompany receivables. We addressed this by challenging the assumptions and judgements made by management in relation to this balance. The work performed on this area is disclosed above.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and reviewing significant transactions in the banks statements to identify potentially large or unusual transactions that do not appear to be in line with our understanding of business operations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: *www.frc.org.uk/auditorsresponsibilities*. This description forms part of our auditor's report.

Use of our report

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 Parent 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.

Imogen Massey (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
22 May 2025

15 Westferry Circus
Canary Wharf
London E14 4HD

CONSOLIDATED INCOME STATEMENT

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

The notes on pages 53 to 89 form part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

The notes on pages 53 to 89 form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

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

Mr Ed Bowie – Director

The notes on pages 53 to 89 form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION

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

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

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

Mr Ed Bowie – Director

The notes on pages 53 to 89 form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

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

The notes on pages 53 to 89 form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY

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

The notes on pages 53 to 89 form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

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

Major non-cash transactions

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

The notes on pages 53 to 89 form part of these financial statements

COMPANY STATEMENT OF CASH FLOWS

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

Non-cash transactions

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

The notes on pages 53 to 89 form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Material accounting policy information

Nature of operations

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

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

Going concern

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

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

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

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

Basis of preparation

The consolidated and individual Company financial statements have been prepared in accordance with UK adopted international accounting standards. The policies have been consistently applied to both the parent Company and Group. The financial statements are presented in GB Pounds Sterling. They are prepared on the historical cost basis or the fair value basis where the fair valuing of relevant assets and liabilities has been applied.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. Material accounting policy information (continued)

The conditions to qualify for merger relief are:

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

Merger relief was applied in acquisition of Grafintec and Vardar, in which the Company obtained 100% of the share capital of Grafintec and Vardar for shares issued by the Company. Further details of these acquisitions are outlined in note 10.

New standards, amendments and interpretations

Standards and interpretations adopted during the year

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

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

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

Standards, amendments and interpretations that are not yet effective

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

The following amendments are effective for the period beginning 1 January 2025:

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Significant accounting judgements, estimates and assumptions

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

Sources of estimation and uncertainty

Exploration assets

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

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

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

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

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

Development costs

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

Valuation of share-based payments

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

Expected credit losses

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

Estimations were made regarding the credit risk of the counterparty and the underlying probability of default in each of the credit loss scenarios. The scenarios identified by management included Production, Divestment, Fire-sale and Failure. These scenarios considered technical data, necessary licences to be awarded, the Company's ability to raise finance, and ability to sell the project. A reasonable change in the probability weightings of both the downside scenarios of failure and fire-sale of 3% would result in further impairment of £923,585 (2023: £789,297).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. Material accounting policy information (continued)

Basis of consolidation

(i) Subsidiaries and acquisitions

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

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

Non-controlling interests in subsidiaries are presented separately from the equity attributable to equity owners of the parent Company. When changes in ownership in a subsidiary do not result in a loss of control, the non-controlling shareholders' interests are initially measured at the non-controlling interests' proportionate share of the subsidiaries net assets. Subsequent to this, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. When the subsidiary is fully consolidated, the difference of the carrying amount of the non-controlling interest and the consideration paid is recognised directly in equity, attributable to the parent (Refer to note 15). Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(ii) Transactions eliminated on consolidation

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

Intangible assets – deferred exploration costs

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

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

Exploration and evaluation activities include:

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. Material accounting policy information (continued)

Intangible assets – capitalised development costs

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

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

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

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

Impairment

Exploration assets

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

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

(i) unexpected geological occurrences that render the resource uneconomic;
(ii) title to the asset is compromised;
(iii) variations in mineral prices that render the project uneconomic;
(iv) substantive expenditure on further exploration and evaluation of mineral resources is neither budgeted nor planned; and
(v) the period for which the Group has the right to explore has expired and is not expected to be renewed.

Development costs

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

Property, plant and equipment

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. Material accounting policy information (continued)

Leased assets

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

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

Investments in subsidiaries

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

Cash and cash equivalents

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

Financial assets

The Group classifies its financial assets at amortised cost and at fair value through profit or loss. Management determines the classification of its financial assets at initial recognition.

Amortised cost

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. Material accounting policy information (continued)

Fair value through profit or loss

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

Financial liabilities

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

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

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

Share capital

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

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

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

Taxation

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. Material accounting policy information (continued)

Foreign currencies

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

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

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

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

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

Share-based payment transactions

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

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

Where equity instruments are granted to persons other than employees, the income statement or share premium account, if appropriate, are charged with the fair value of goods and services received. Where the equity instrument is cancelled or lapsed, the Group shall account for the cancellation as an acceleration of vesting, and shall therefore recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

Government grants

Government grants received on capital expenditure are generally deducted in arriving at the carrying amount of the asset purchased. Grants for revenue expenditure are recorded gross in the Group income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. Employees and directors

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

Directors' remuneration is as follows:

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

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

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

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

	Group 2024 Number	Group 2023 Number	Company 2024 Number	Company 2023 Number
Directors	4	3	4	3
Employees	12	12	-	-

3. Finance income and costs

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Loss before tax and auditor's remuneration

a. The loss before tax is stated after charging:

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

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

b. Auditor's remuneration

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

5. Income tax

Analysis of tax expense

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

Factors affecting the tax expense

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Income tax (continued)

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

6. Grant income

	2024	2023
	£	£
Business Finland	3,395	96,750
Other	166	-
	3,561	96,750

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

7. Basic and diluted loss per share

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

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

Weighted average number of ordinary shares

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Intangible assets – Group

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

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

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

Total Group exploration costs of £15,521,317 (2023: £14,797,833) are currently carried at cost in the financial statements. The Group will need to raise funds and/or bring in joint venture partners to further advance exploration and development work. An amount of £236,112 was recorded against the projects for services provided by the Directors during the year (2023: £183,034).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Intangible assets – Group (continued)

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

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

To support a sustainable graphite anode value chain in Finland, Grafintec is focused on expanding its resource footprint and increasing its raw materials' inventory, primary and recycled, feeding downstream processing, leveraging renewable power, targeting net zero CO2 emissions across the supply chain.

The Company's most advanced natural flake graphite project, Aitolampi, has an Indicated and Inferred Mineral Resource of 26.7 Mt at 4.8 per cent TGC for 1,275,000 tonnes of contained graphite.

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

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

In the year, an impairment provision of £72,563 was recognised for project costs capitalised for projects at Karhunmäki (2023: £350,158 in projects Ågåsjiegge and Åtvidaberg). In respect of the other licence areas, no impairment indicators have been identified. The impairment is charged as an expense and included within the consolidated income statement.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. Property, plant and equipment

Group

	Office equipment £	Motor vehicles £	Machinery & equipment £	Computer equipment £	Total £
Cost					
At 1 January 2023	2,953	148,696	133,846	1,499	286,994
Additions	-	-	6,046	1,006	7,052
Disposals	-	-	-	(1,499)	(1,499)
Reclassification	1,806	(7,330)	5,524	-	-
Foreign exchange movements	(126)	(6,151)	(5,255)	-	(11,532)
At 31 December 2023	4,633	135,215	140,161	1,006	281,015
Depreciation					
At 1 January 2023	2,829	79,589	74,197	665	157,280
Charge for year	741	19,416	22,886	233	43,276
Disposals	-	-	-	(856)	(856)
Foreign exchange movements	(102)	(3,586)	(2,752)	-	(6,440)
At 31 December 2023	3,468	95,419	94,331	42	193,260

Group

	Office equipment £	Motor vehicles £	Machinery & equipment £	Computer equipment £	Total £
Cost					
At 1 January 2024	4,633	135,215	140,161	1,006	281,015
Disposals	(3,179)	-	(1,950)	-	(5,129)
Foreign exchange movements	(146)	(7,664)	(8,318)	-	(16,128)
At 31 December 2024	1,308	127,551	129,893	1,006	259,758
Depreciation					
At 1 January 2024	3,468	95,419	94,331	42	193,260
Charge for year	390	12,069	13,427	241	26,127
Disposals	(2,401)	-	(1,950)	-	(4,351)
Foreign exchange movements	(149)	(5,416)	(6,398)	-	(11,963)
At 31 December 2024	1,308	102,072	99,410	283	203,073
Net book value					
At 31 December 2024	-	25,479	30,483	723	56,685
At 31 December 2023	1,165	39,796	45,830	964	87,755

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. Property, plant and equipment (continued)

Company

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

Company

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. Investments

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

Listed investments

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

Shares in subsidiaries

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. Investments (continued)

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

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

Step up interest in Vardar Minerals

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

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

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

The Group consists of the following subsidiary undertakings:

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

(1) Indirectly held
(2) Effective interest

The registered offices of the subsidiary undertakings as are follows:

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Loans and other financial assets

Group

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

Company

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

Reconciliation of provisions against receivables arising from lifetime ECLs

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

The Directors have also assessed the cash flow scenarios of the above considerations. Estimations were made regarding the credit risk of the counterparty and the underlying probability of default in each of the credit loss scenarios. The scenarios identified by management included Production, Divestment, Fire-sale and Failure. These scenarios considered technical data, necessary licences to be awarded, the Company's ability to raise finance, and ability to sell the project. The expected credit loss is calculated based on the Fire-Sale and Failure outcomes, being the outcomes with an expected value of less than the carrying value of loans. A reasonable change in the probability weightings of 3% to failure and fire-sale would result in further impairment of £923,585 (2023: £789,297).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Right of use assets

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

13. Trade and other receivables

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Cash and cash equivalents

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

15. Non-controlling interests

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

	2024	2023
	£	£
Balance at 1 January	514,430	568,732
Total comprehensive loss allocated to NCI	(37,784)	(102,443)
Effect of step acquisitions	(476,646)	48,141
Total	-	514,430

	2024	2023
	£	£
Wayland Copper Limited	-	(164,573)
Vardar Minerals Limited	-	679,003
Total	-	514,430

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. Non-controlling interests (continued)

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Share capital

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

The number of shares in issue was as follows:

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

	Number of Deferred A shares
Balance at 1 January 2023	-
Issued during the year	-
Balance at 31 December 2023	-
Issued during the year	1,157,187,463
Balance at 31 December 2024	1,157,187,463

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Share capital (continued)

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

	Share capital	Share premium	Total
	£	£	£
At 1 January 2023	8,317,106	24,689,311	33,006,417
Issue of new shares	3,254,769	2,452,133[2]	5,706,902
At 31 December 2023	11,571,875	27,141,444	38,713,319

All issues are for cash unless otherwise stated.

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Share-based payments

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

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

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Reserves

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

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

19. Trade and other payables

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. Lease liabilities

Nature of leasing activities

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

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

	2024 No.	2023 No.
Number of active leases	2	2

Lease liabilities at year end

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

Analysis of lease liabilities

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. Lease liabilities (continued)

Analysis of gross value of lease liabilities

Maturity of the lease liabilities is analysed as follows:

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

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

21. Borrowings

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Changes in liabilities from financing activities

Group	Leases £	Borrowings £	Total £
Opening balance 1 January 2024	37,628		37,628
Cash movements			
Borrowings advancements	-	723,881	723,881
Lease payments	(27,132)	-	(27,132)
Funds repaid	-	(758,319)	(758,319)
Finance cost	2,187	59,147	61,334
Effect of FX	(3,941)	(24,709)	(28,650)
Total	8,742	-	8,742
Non-cash movements			
Lease additions	22,001	-	22,001
Closing balance 31 December 2024	30,743	-	30,743

Group	Leases £	Borrowings £	Total £
Opening balance 1 January 2023	19,377	1,845,947	1,865,324
Cash movements			
Lease payments	(23,648)	-	(23,648)
Total	(4,271)	1,845,947	1,841,676
Non-cash movements			
Lease additions	43,126	-	43,126
Lease disposals	(1,974)	-	(1,974)
Finance cost	2,420	195,304	197,724
Funds repaid	-	(2,038,433)	(2,038,433)
Effect of FX	(1,673)	(2,818)	(4,491)
Closing balance 31 December 2023	37,628	-	37,628

Company	Borrowings £	Total £
Opening balance 1 January 2024	-	-
Cash movements		
Borrowings advancements	723,881	723,881
Finance cost	59,147	59,147
Funds repaid	(758,319)	(758,319)
Effect of FX	(24,709)	(24,709)
	723,881	723,881
Closing balance 31 December 2024	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Changes in liabilities from financing activities (continued)

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

23. Financial instruments

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

The Group and Company hold the following financial instruments:

Group

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

Company

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Financial instruments (continued)

Group

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

Company

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Financial instruments (continued)

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

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

a) Market risk

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

i) Foreign exchange risk

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Financial instruments (continued)

Sensitivity analysis

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

Group

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

Company

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

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

ii) Interest rate risk

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

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

b) Credit risk

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Financial instruments (continued)

The amounts used by the subsidiaries are as follows:

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

Reconciliation of provisions against receivables arising from lifetime ECLs

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

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

i) Commodity price risk

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

c) Liquidity risk

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Financial instruments (continued)

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

31 December 2024	Less than 3 months £	Between 3 and 12 months £	Between 1 and 2 years £
Trade and other payables	508,124	-	-
Lease liabilities	5,505	15,222	10,016
	513,629	15,222	10,016

31 December 2023	Less than 3 months £	Between 3 and 12 months £	Between 1 and 2 years £
Trade and other payables	433,662	-	-
Lease liabilities	6,282	17,940	15,597
	439,944	17,940	15,597

d) Capital management

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

The Group does not have any externally imposed capital requirements.

Group

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Financial instruments (continued)

Company

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

24. Segment reporting

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. Segment reporting (continued)

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

[1]Expenses include administrative expenses, impairment and finance costs.

25. Related party disclosures

Transactions with subsidiaries

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. Related party disclosures (continued)

Transactions with other related parties

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

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

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

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

26. Capital commitments

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

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

27. Contingent liabilities

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

28. Events after the reporting date

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

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

COMPANY INFORMATION

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Mr E Bowie
Mr C Davies
Mr J Röstin
Mr M Schauman

Secretary

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