ANNUAL REPORT

AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

BEOWULF MINING PLC

GROUP OF COMPANIES

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Company Information

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Chairman's Statement

I am pleased to present the Group's results for the year ended 31 December 2013. Beowulf currently has five exploration projects in northern Sweden primarily prospecting for iron, copper and gold. The results show that the Group incurred a loss before and after taxation for the year of £2,186,514 (2012: loss of £1,295,692) reflecting our significant drilling programmes, on-going exploration activities, corporate costs, a further impairment charge and the fair value loss on derivative financial assets. Accordingly, no dividend is proposed for the year ended 31 December 2013.

Kallak iron ore project

The Kallak North and Kallak South deposits, held by the Group's wholly owned Swedish operating subsidiary, Jokkmokk Iron Mines AB ("JIMAB"), have continued to form the main focus of our activities and continue to show great potential.

In April 2013, we were pleased to release an updated JORC Code compliant resource estimate undertaken by Geovista AB ("GeoVista") for the Kallak North deposit comprising 88.8Mt of Indicated Resources grading at 27.7% iron (Fe) and 55.3Mt of Inferred Resources grading at 28.2% Fe. GeoVista recommended that JIMAB conduct further drilling and seek to obtain a better understanding of the distribution and proportion of magnetite/hematite in the different parts of the mineralisation.

Although progress at Kallak was hampered by a combination of criminal damage by protestors and unfavourable ground conditions, approximately 4,124m of drilling over 16 holes was completed at Kallak South over the course of 2013. An initial phase of 1,546m of drilling over 9 holes was also completed at Kallak North in August 2013, with a further 615m of drilling subsequently completed on the second phase prior to a temporary suspension of works being requested by the local Sami community.

Assay results from our 16 hole 2013 drill programme at Kallak South were encouraging, including one hole, KAL 13 059, containing a 8.8m section with an average grade of 38.31 per cent. Fe. Similarly, the initial assay results for Kallak North were also positive including one hole, KAL 13 122, with a 90.20m section at an average grade of 41.37 per cent. Fe.

With regards to JIMAB's test mining sampling programme on Kallak North during the summer, 500 tonnes of material was successfully extracted and sent to the Geological Survey of Finland's ("GTK") facilities in Finland being one of the few installations globally to offer analytical services of the requisite highest standards. It was encouraging to report that their preliminary analysis has demonstrated that a magnetite concentrate, of the preliminary targeted 69-70 per cent. Fe grade is capable of being produced at high recovery levels via a simple and straightforward process. Good grades, high recovery factors and a simple process offer a winning combination.

An initial report from GTK is expected to be received at the end of March 2014 and, in light of the success of the initial pilot scale test work, it is currently anticipated that further analysis will be undertaken later this year with sufficient test material remaining in storage at the test facility.

The pilot scale test work will assist us in designing the future processing facilities required at Kallak in order to make commercial product(s) from the ore and forms an important component of our ongoing plans to progress the Kallak project area from exploration towards production.

We have also continued with our transport studies, with a revised and updated report received recently. Transport considerations are vital when millions of tonnes of ore material are intended to be moved per annum involving both considerable costs and community issues. We continue to strive to attain the same level of coordination and cooperation with the local Sami community at Kallak that we currently maintain at Ballek. For example, we met with certain Sami representatives in November 2013 and attended an open meeting in Jokkmokk in December 2013, as well as hosting an 'open office' forum in Jokkmokk in January 2014. Despite contacting the official Sami representatives four times prior to the January meeting, no response was received. This is disappointing as we believe that there is much to discuss with them and would value their thoughts and input on many topics, especially our current transportation plans for the Kallak project. The planning and subsequent construction of transport links takes a considerable amount of time and engaging in open dialogue would enable us to learn of the local Sami community's practical issues and concerns and assist us in seeking ways to address them.

More 'open office' events are planned for 2014 as we endeavour to engage and discuss our plans with the Sami and the wider community.

The Jokkmokk town council also hosted a number of open discussions in late 2013 which were well attended. These enabled the Swedish Mining Inspectorate and the local town and County authorities to set out the facts in respect of potential mining activity and afforded an opportunity for questions to be raised. The general consensus was that such discussions were a very worthwhile exercise with further similar sessions planned during 2014. These events form part of a wider consultation process whereby both the community and the country need to decide the way forward for the northern region and the role for mining activity.

It is clear that the northern region needs new jobs to be created and that our Kallak project could potentially provide such employment opportunities; we currently estimate that the Kallak project could deliver approximately 250 positions with another 1,250 jobs being indirectly created. A Swedish politician has recently put the issue of mining in perspective when he commented that in Sweden mining currently occupies 20,500 hectares, golf courses 28,500 hectares and reindeer husbandry 22 million hectares. A local politician in Jokkmokk has also stated his belief that it is possible to have mining, tourism and reindeer herding all operating in the area; a view with which we concur.

We continue to work on our Exploitation Concession application for Kallak North further to the County Administrative Board of Norrbotten's request for further information as announced in late November 2013. Such requests are common and were expected, and we are utilising a number of experienced consultants to assist us with this process.

Our confidence in the considerable mineral potential of the Kallak area, prompted our registration in December 2013 of an application for a new exploration permit, Ågåsjiegge nr2, covering an area of 6,836 hectares, which has recently been approved by the Swedish Mining Inspectorate. The Geological Survey of Sweden ("SGU") has conducted some work on this area in the past and historically estimated that the area may contain 74-75 million tonnes of magnetite iron ore. The western border of the envisaged new permit area is adjacent to the Group's existing Kallak project area and, based on the available historic geological information and geophysical results, JIMAB currently believes that there is a strong likelihood that the geological structures hosting the iron mineralisation at Kallak are repeated in the Ågåsjiegge area. To date, no JORC Code compliant or equivalent international standard of resource estimate has been established. Accordingly, we intend to drill on Ågåsjiegge nr2 in due course in order to prove up the licence area and seek to establish such a resource estimate.

Ballek copper-gold joint venture project

In mid December 2013, we commenced an additional drill programme at Ballek where we hold operatorship of a joint venture project alongside Energy Ventures Limited. Ballek is a copper resource and initial field results look encouraging with sulphides being visible in a number of the drill cores. We plan to drill up to 3,000m over eight holes under the existing work plan which remains valid until 30 April 2014.

We have established a good working relationship with the Sami community at Ballek whereby we can engage in open discussion on any issues of concern. Accordingly, there is no suspension entitlement in the work plan such that our work can proceed without interruption.

The contractor at Ballek, Dala Prospektering AB, is currently utilising a single rig and has completed approximately 1,050m of the drill programme. To date, we have completed three holes (BAL 13 001, BAL 13 002 and BAL 13 007) and are presently drilling the fourth hole labelled BAL 13 005.

The primary objective of the current campaign is to test previously indicated copper targets at increased depths, as defined by historical deep sensing geophysical ground surveys, carried out by GeoVista. In particular, it is targeting some pronounced deep lying Induced Polarisation (IP) targets located close to the previously identified copper-gold targets of Kvarnbäcken and Sågberget in the central parts of the project area. We look forward to receiving and reporting initial assay results for this ongoing drill campaign in due course.

Other projects

As the Company has continued to concentrate its resources principally on its wholly owned Kallak iron ore project and, to a lesser extent, its Ballek joint venture project, its remaining portfolio awaits future development. Other attractive portfolio assets include the Grundträsk gold project and the Munka licence area in northern Sweden, which covers approximately 800 hectares and hosts Sweden's largest, drill confirmed deposit of molybdenum.

The Board continues to seek additional assets to complement the Group's existing portfolio and assess other attractive development opportunities including potential joint venture partners.

Corporate

As reported previously, Agricola Resources plc ("Agricola") was delisted from PLUS with effect from 1 November 2012 and to date has been unable to conclude a suitable acquisition and requisite fundraising. Accordingly, the Board has decided that it is appropriate to recognise an impairment expense of £184,558 in this reporting period in order to fully impair the remainder of the Company's holding of convertible loan notes in Agricola and the accrued interest thereon. Agricola may well complete a suitable transaction in due course however, the Board believes it to be prudent to impair the remainder of the Company's position in Agricola at this time.

In July and August 2013, the Company raised, via a two stage subscription, an aggregate amount of £4.125m (before expenses) at a price of 6.25p per share and simultaneously entered into certain equity swap agreements with the principal subscriber, Lanstead Capital L.P. ("Lanstead"). Such monies will enable us to accelerate our drill programmes at Kallak, complete our drilling at Ballek and fund the ongoing pilot scale test work and other metallurgical studies.

Further to the swap agreements, the Company receives settlements on a monthly basis from Lanstead based on the Company's share price performance. Our share price has suffered recently due to the generally poor market sentiment with respect to natural resource stocks, but the arrangement will enable us to secure much of the potential upside arising from our anticipated news flow in 2014.

Accordingly, the Group remains well funded for its planned 2014 exploration activities with approximately £1.98m of cash resources held at the year end. Possessing such funds puts us in a strong position vis-à-vis many other exploration companies.

Outlook

Whilst there are clear signs of progress in Sweden there has also been improvement in the outlook for the global economy.

China is expected to import in the region of 850 million tonnes of iron ore in 2014 reflecting demand from the automotive and railway industries. While China's economy continues to grow, albeit at a slower pace than previous years, markets in the USA and EU appear to be strengthening. Steel production for January 2014 in the EU rose 7.3 per cent. in comparison with January 2013.

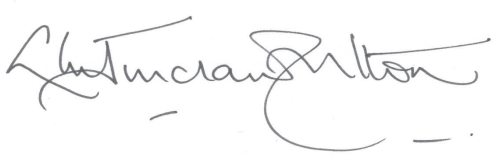
Major iron ore exporters, South Africa and Ukraine, are currently experiencing uncertainties which could serve to potentially boost iron ore prices.

Capital markets also generally seem to be slightly more positive although remaining cautious of the natural resource sector. Sentiment may improve in 2014 but it will take time.

Beowulf's well situated portfolio of quality assets spans a diverse range of commodities. Our strategy remains to primarily focus our efforts and work programmes on iron ore at Kallak and, to a lesser extent, copper at Ballek.

We look forward to receiving and reporting further results from our extensive ongoing drilling campaigns on both Kallak South and Kallak North and the initial results from our drilling at Ballek as we seek to prove up their potential.

I would again like to thank all of our employees, consultants, contractors, advisers, shareholders and other stakeholders for their continuing interest and valued support with the Group's further development.



Clive Sinclair-Poulton
Executive Chairman

28 February 2014

Review

Of Operations And Activities

Introduction

Sweden continues to be a prominent mining country, the largest iron ore (mostly magnetite) producer in the EU and one of the leading producers of base and precious metals. It provides modern, efficient and well-established infrastructure, excellent power accessibility/affordability, a highly skilled mining and exploration workforce, extremely low sovereign risk and a very strong mining culture, built up over many decades. Almost all current iron ore production is located in the Norrbotten County of northern Sweden at the Kiruna and Malmberget deep underground mines owned by the state owned company, Luossavaara-Kiirunavaara AB ("LKAB").

Beowulf has been active in northern Sweden since 2003, focussing its activities on areas with high exploration potential for principally iron, copper, gold and molybdenum in the Västerbotten and Norrbotten counties. Reflecting the consistently encouraging exploration results from the Kallak iron ore deposits, the Kallak project has been the principal focus of the Group's exploration and development work in recent years.

The Kallak project, a major iron ore discovery, comprises two closely located deposits, Kallak North and Kallak South. It remains at the development stage with extensive, closely spaced, drilling programmes ongoing at both deposits seeking to better define the size and quality of the resource and enhance the current independent JORC Code compliant resource estimate. Since commencing drilling on the deposits in 2010, the Group has completed more than 22,700m of drilling.

A comprehensive application for an exploitation concession for the Kallak North deposit, located within the Kallak nr1 permit area, was submitted to the Swedish Mining Inspectorate in April 2013 and, further to a request from the County Administrative Board of Norrbotten ("CAB") in November 2013, a revised and expanded application was submitted in April 2014, with a formal decision awaited.

In late February 2013, the potential benefits and importance of the Kallak project were acknowledged by the Geological Survey of Sweden ("SGU") via its designation of a significant proportion of the main project area (parts of the Kallak nr1 and Parkijaure nr2 and nr3 licences) as a Swedish Area of National Interest for minerals. This privileged status reflects, inter alia, the perceived potential of the project in Sweden and aids our plans to progress the project towards potential future production.

During the summer of 2013, the Group successfully completed a pilot scale test mining programme on the Kallak North deposit to obtain large samples for metallurgical testing. Approximately 500 tonnes of ore material were transferred to the Geological Survey of Finland's ("GTK") facility at Outukumpu in Finland with encouraging initial test results reported in March 2014 and further test work planned for later this year.

In December 2013, the Group also commenced a new drilling campaign at its Ballek copper-gold JV project in the Arjeplog municipality in the Norrbotten county, where it acts as operator. Approximately 2,039m, out of a planned up to 3,000m programme, were drilled across eight holes prior to the scheduled expiry of the work plan on 30 April 2014. A new workplan has since been secured, covering the period to 31 May 2015, to enable the remaining approximately 1,000m of drilling to be completed later this year.

In line with the Company's principal strategic focus on its promising Kallak North and Kallak South iron ore desposits, the Board has recently decided not to apply for an extension, and therefore relinquish the Group's non-core Majves nr3 exploration permit, in order to reduce exposure to escalating annual permit renewal fees and concentrate resources on those projects which offer the best potential for generating long term shareholder value.

The exploration permits and exploitation concession application are governed by the Swedish Minerals Act (1991:45) (the "Act"), which was subject to amendments in 1993, 1998 and 1999. The Act accords that an exploration permit is granted for an initial period of three years from the date of issue and can be subsequently extended for up to a further three years by way of annual extensions. The period of validity of the permit can be further extended by up to four years on special grounds and, on exceptional grounds, a further maximum of five years. The longest possible period of validity for any one permit is therefore fifteen years, after which an application for an exploitation concession must be made. After each three year period the permit fee cost per hectare is increased. An exploitation concession is granted for a period of twenty-five years and can be extended by ten years at a time without application if regular exploitation is in progress when the period of validity expires. Further information on the permits can be obtained from the Mining Inspectorate of Sweden (Bergsstaten) in Luleå (Varvsgatan 41, SE-972 32, Luleå, Sweden, www.bergsstaten.se).

Current exploration permits

Beowulf, via its subsidiaries, currently holds 14 exploration permits together with one registered application for an exploitation concession, in northern Sweden, as set out in the table below:

Permit Name / Mineral(s)	Permit ID	Area (km²)	Date Granted/Valid From	Valid Until
Arjeplog Region				
Ballek nr2 (Cu)*	2005:069	13.59	21/04/2005	21/04/2015
Ballek nr3 (Cu)*	2005:098	4.69	24/05/2005	24/05/2015
Munka nr10 (Mo)^	2009:178	8.00	03/11/2009	03/11/2015
Jokkmokk Region				
Parkijaure nr3 (Fe)**	2011:135	4.17	11/08/2011	11/08/2014
Parkijaure nr2 (Fe)**	2008:020	2.85	18/01/2008	18/01/2016
Kallak nr1 (Fe)**µ	2006:197	5.00	28/06/2006	28/06/2016
Kallak nr2 (Fe)**	2011:097	22.19	22/06/2011	22/06/2014
Kallak nr3 (Fe)**	2012:100	5.56	09/08/2012	09/08/2015
Parkijaure nr4 (Cu)**	2012:059	15.71	04/05/2012	04/05/2015
Parkijaure nr5 (Fe)**	2013:036	12.97	04/03/2013	04/03/2016
Nautijaure nr1 (Cu)**	2012:057	106.19	04/05/2012	04/05/2015
Ågåsjiegge nr2 (Fe)**	2014:010	68.36	24/02/2014	24/02/2017
Skellefte Mining District				
Grundträsk nr6 (Au)^	2010:161	15.53	04/11/2010	04/11/2016
Grundträsk nr4 (Cu)^	2008:107	20.63	28/05/2008	28/05/2014†
TOTAL		**305.44**		

Notes:

* - the Ballek permits are held by Wayland Sweden AB which is a wholly owned subsidiary of the joint venture company, Wayland Copper Limited ("Wayland Copper"). Beowulf has an effective 58 per cent. ownership interest in Wayland Copper and is the operator of the Ballek project.

** - held by Beowulf's wholly owned subsidiary, JIMAB.

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

µ - an application for an exploitation concession was originally lodged on 25 April 2013 (Mines Inspector Official Diary nr 559/2013) and an updated, revised and expanded application was submitted in April 2014.

† - extension application has been lodged and approval is pending.

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

Kallak Iron Ore Project

The Kallak project is located in the Jokkmokk municipality north of the Arctic Circle, approximately 40km west of Jokkmokk city centre and 80km southwest of the major iron ore mining centre of Malmberget in the Norrbotten County in northern Sweden. The 2.3 billion tonne Kiruna iron ore mine, the world's second largest underground mine, is located approximately 120km to the northeast. LKAB owns and operates both the Kiruna and Malmberget iron ore mines, as well as the Luleå-Malmberget-Kiruna-Narvik railway route used to transport iron concentrates and pellets.

With one new licence area registered during 2014, Ågåsjiegge nr2, the project now covers a total area of approximately 243km^2, comprising nine separate licences (Kallak nr1, Kallak nr2, Kallak nr3, Parkijaure nr2, Parkijaure nr3, Parkijaure nr4, Parkijaure nr5, Nautijaur nr1 and Ågåsjiegge nr2). The project area has steadily been increased since the initial licence, Kallak nr1, was granted in 2006 through to the most recent permit, Ågåsjiegge nr2, granted in February 2014.

All of the Kallak permits are held by Beowulf's wholly owned subsidiary, JIMAB. However, further to the acquisition in September 2010 of the Parkijaure nr2 and nr3 permits from Tasman Metals Limited ("Tasman"), a Canadian company listed on the TSX Venture Exchange, Tasman retains a 1.5 per cent. net smelter royalty on any future production from these two particular permit areas.

The project area potentially forms a new large mining province in northern Sweden, preliminarily defined by management as the "Jokkmokk Mining District". This province hosts the major Kallak iron ore deposits as well as a number of still unexplored prospects in a geological environment of high potential to hold further iron-oxide copper-gold ("IOCG") type deposits.

Area description and accessibility

The Kallak project area comprises forested, low hilly ground close to a main paved road between Kvikkjokk and Jokkmokk. Local infrastructure is excellent with all-weather gravel roads passing through the project area and all parts easily reached by well used forestry tracks. A major hydroelectric power station with associated electric power-lines is located only a few kilometres to the south east. There are no human settlements within the project area, with the closest villages being Björkholmen, approximately two kilometres to the northwest, and Randijaur approximately three kilometres to the east. Transit to and from the area may temporarily, in early spring time and late autumn, be affected by the seasonal migrating routes of reindeer belonging to two local Sami tribes. The nearest railway (the 'Inland Railway Line') passes approximately 40km to the east. This railway line is connected at Gällivare with the 'Ore Railway Line', which is used by LKAB for delivery of their ore material to the Atlantic harbour at Narvik (Norway) or to the Botnian Sea harbour at Luleå (Sweden).

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

Kallak North and Kallak South deposits

Iron mineralisation was first discovered in the Kallak area by the SGU in 1947/48. Between 1968 and 1970, detailed ground geophysical surveys were carried out by the SGU over the entire area of interest including closely grid spaced magnetic, gravimetric and electromagnetic measurements. Some limited diamond drilling was also carried out. Two iron ore deposits were discovered, separated by only a few hundred metres in distance. Located in the same geological structures, the deposits may well be connected at depth and have been defined by the Company as the Kallak North and Kallak South deposits respectively.

The deposits are outcropping and consist of so called "quartz banded magnetite iron ore type", comprised of fine grained banded magnetite and minor hematite, interlayered with quartz, feldspar and some hornblende. The dominant host rock is a grey, altered volcanite. The deposits occur in a north-south oriented syncline of altered sediments and felsic volcanic rocks of early Proterozoic age within granitic gneisses.

The deposits are up to 300m wide at surface outcrop and located on topographically high ground. The northern deposit has a confirmed length extension of more than one kilometre and the southern deposit has a total length of more than two kilometres. Drilling has confirmed, in single drillholes, mineralised vertical depth extensions to more than 300m at both deposits. The mineralised structures at both Kallak North and Kallak South are almost vertically dipping, generally covered by only shallow (<2m) glacial overburden and, as such, are highly amenable to potential open pit mining. Some sections of the Kallak South deposit have, however, been found to be covered by more extensive glacial overburden covering the outcropping mineralised stuctures.

Kallak North drilling operations from 2012 to date

Following the initial drilling of 3,757.8m over 32 holes at Kallak North in 2010 and a further 1,234m drilled during 2011, the Company announced a maiden independent JORC Code compliant Inferred Resource estimate of 131.6Mt grading at 28% iron (Fe) in November 2011. This resource estimate was completed by the independent consultants GeoVista AB ("GeoVista") and covered the Kallak North deposit. An exploration target, based on geomagnetic and gravimetric data modelling, was also established for Kallak South of approximately 200Mt to 230Mt grading at 31% Fe.

The 2012 drill programme at Kallak North comprised two parts and was successfully completed in accordance with the requisite work plan. This programme was primarily aimed at further determining the strike length and depth extension to both the central and southern sections of the Kallak North deposit, as well as seeking to more precisely define the deposit's eastern and western limits.

The initial phase of the programme was completed in July 2012 and comprised approximately 1,572m of drilling predominantly as extensions to eight pre-existing inclined holes. Following formal approval from CAB and the Mining Inspector, JIMAB then proceeded with the second part of the drill programme with fifteen holes being completed comprising approximately 3,977m of drilling. Accordingly, 23 holes, in aggregate, were completed in 2012 on the Kallak North deposit, comprising 5,549m of drilling. The analytical results received formed the data source for a new upgraded resource estimate by GeoVista for the Kallak North deposit released in early April 2013 (as detailed further below).

In summary, the 2012 drill campaign was successful in defining a significant extension of the Kallak North deposit towards the south. Wide and high grade hematite rich sections were also confirmed in the most southerly extension of the deposit from the new detailed geological evidence obtained. As a result, JIMAB embarked on further exploration work as the southern limit of the deposit remains open and has yet to be completely defined.

Upgraded JORC Code Compliant Resource Estimate for the Kallak North deposit

In early April 2013, an upgraded independent JORC Code compliant resource estimate for the Kallak North deposit was completed by GeoVista. The updated mineral resource estimate showed 88.8Mt Indicated Resources, grading at 27.7% Fe, and 55.3Mt Inferred Resources, grading at 28.2% Fe, modelled and reported at a 20% iron (Fe) cut-off and down to a vertical depth of 200m to 350m, as summarised in the table below:

JORC Resource Category	Tonnes	Grade		
	(Mt)	Fe (%)	S (%)	P (%)
Indicated	88.8	27.7	0.036	0.002
Inferred	55.3	28.2	0.002	0.001

The estimate was based principally on a database of geological and analytical (geochemical) information from 51 diamond drillholes totalling approximately 10,800m of drilling on Kallak North conducted between 2010 and 2012. The database included 3,034 assays for Fe, as well as Phosphorus, Sulphur and other potentially deleterious elements. Drill core sample lengths varied between 0.6m and 9.6m, but were generally under four metres.

GeoVista was assisted in its geological interpretation by independent consultants from Micon International Co. Limited ("Micon") and AB Scandinavian GeoPool Limited. The raw assay data was evaluated and composited to 5m lengths, using Gemcom Surpac's software "best fit" function, and used to test modelling algorithms which were compared and checked for validity.

GeoVista considers that there is potential for further tonnage to be discovered at depth in the southern and northern parts of the Kallak North deposit and recommended, inter alia, that JIMAB conduct further drilling on the deposit and seek to obtain a better understanding of the distribution and proportion of magnetite/hematite in the different parts of the mineralisation.

In line with GeoVista's recommendations, in early April 2013, JIMAB filed and notified a new work plan in respect of a planned additional 40 hole exploratory drilling programme of up to approximately 11,000m at Kallak North. The principal objective of the programme is to ascertain the extent of the ore zones at greater depths at the northern and southern parts of the deposit.

In August 2013, the initial phase of the campaign comprising 1,546m over nine holes was completed and, thereafter, a further 615m of drilling on the second phase was completed prior to the local Sami community requesting a temporary suspension of works, in accordance with their entitlement under the current work plan which remains valid until 31 October 2015.

JIMAB recommenced the second phase of its drill programme in early March 2014 and, as at the end of May 2014, a total of approximately 1,191m of drilling across four holes had been completed, reflecting the severe weather conditions and, more recently, less conducive boggy ground conditions serving to hinder the rate of drilling.

Drilling to date has principally been focused on the southern part of Kallak North at depth, where little drilling has been performed previously. It is currently intended that the infill programme will subsequently move on to the central and northern parts of the deposit and again target mineralisation at depth.

The initial assay results have confirmed the presence of high grades of iron over significant intercepts in most drillholes on the southern part of the deposit. For example, hole KAL 13 122 contained a 90.20m section with an average grade of 41.37 per cent. Fe.

Further assay results for the ongoing drill campaign are anticipated to be received in Q3 2014.

Kallak South drilling operations from 2012 to date

In late November 2012, the Mining Inspector approved JIMAB's work plan in respect of its planned, fully funded, extensive Kallak South drilling campaign. JIMAB proceeded to issue formal notice to the local Sami community of its intention to initiate drilling operations within the Parkijaure nr2 and Kallak nr1 permit areas in early December 2012. Operations were planned to commence in the northern part of the Kallak South deposit, where frozen ground conditions were required in order to minimise the environmental impact from deployment of the drill rigs on to the selected drill sites.

The campaign is principally targeting a maiden JORC Code compliant resource estimate for the Kallak South deposit as well as seeking to determine whether the Kallak South and Kallak North deposits are geologically connected.

JIMAB conducted limited snow clearing operations and drill site access preparation works prior to receiving a request from the Sami community to temporarily suspend operations further to their entitlement under the then prevailing work plan. Following expiry of the eight week suspension entitlement, JIMAB served notice of its intention to recommence its operations in early February 2013 and approximately 4,124m of drilling over 16 holes was completed prior to the scheduled expiry of the work plan at the end of October 2013.

Drilling recommenced on 12 March 2014 further to JIMAB renewing the requisite drilling work permit. The current work plan, for up to a total of approximately 18,000m of drilling, remains valid until 31 December 2015. As at the end of May 2014, a further 5,051m had been drilled across a further sixteen holes reflecting, to an extent, the adverse weather and ground conditions encountered.

The results of the drilling completed in 2013 have confirmed the presence of high grade sections of iron mineralisation over significant widths in all drill tested sections across the northerly part of the Kallak South deposit. However, as noted in the initial assay results reported in August 2013, the iron mineralisation appears to be split up and intersected by abundant sections of barren intrusions of pegmatites and granitic zones of varying widths. This makes geological interpretation more difficult with respect to connecting the individual mineralised sections between each drill profile. The iron mineralisation encountered is similar to that previously reported, being mostly comprised of fine grained magnetite, partly associated with hematite, in quartz banded gneissic host rock.

Further detailed interpretation of the initial results obtained is ongoing with a view to better defining the remaining drilling planned for the Kallak South area.

Further assay results for the ongoing drill campaign are anticipated to be received in Q3 2014.

Metallurgical test work on Kallak North material

Metallurgical bench scale tests, including Davis Tube Recovery (DTR) tests were completed in 2010 by MINPRO AB ("MINPRO") of Strassa, Sweden (www.minpro.se) on ore grade material from drillholes on the Kallak North deposit. The tests were directed towards the production of a high grade magnetite pellet feed product for use by potential clients. Traditional treatment of the ore material by fine grinding and wet magnetic separation resulted in a clean magnetite pellet feed product containing 68.0% iron corresponding to a recovery of 85.1%. The head grade ore material contained 39.8% iron, 33.1% SiO_2, 0.57% MnO, 0.09% P2O5, 0.10% TiO_2 and 0.007% S. Further testing by MINPRO, using flotation techniques combined with wet magnetic separation, resulted in a final, high grade pellet feed product containing 70.4% iron with low levels of contaminants such as phosphorous, manganese, sulphur and titanium. By general industry standards, this product is considered to be of high commercial quality and of direct potential interest to the international steel market.

In 2012, JIMAB commissioned MINPRO to perform further DTR tests, as well as bench scale grinding and magnetic separation test work, on composite samples extracted from six separate sections across the Kallak North deposit guided by advice from Micon. Each section selected, spaced approximately 200m apart, was approximately 50m in length running in an east-west direction across the deposit. The distance between the most northerly and southerly selected intersections is close to 800m. Accordingly, a significant part of the presently known length of the Kallak North deposit has been tested. Each of the six samples weighed close to 125kg. The main scope of the test work was to establish a variability pattern in the mineral processing versus standardised test work, with the results obtained used in planning the Group's test mining sampling programme at Kallak North and the subsequent mineral processing tests at both a laboratory and pilot scale.

The last DTR test results obtained were encouraging, producing concentrate with grades varying between 68.9 - 70.3% iron content after grinding to liberation, which confirms that concentrates of a marketable pellet feed composition can be produced using wet, low intensity magnetic separation techniques (WLIMS). Both the DTR tests and bench scale tests showed that for the southernmost part of the Kallak North deposit, WLIMS will need to be complemented by further separation methods, such as gravity and wet, high gradient magnetic separation techniques (HGMS), in order to recover its hematite content.

Pilot scale test work on Kallak North material

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

GTK's initial report in respect of its test work was received in Q1 2014. Approximately 60 tonnes of the general composite bulk sample was tested during a two-week pilot campaign, primarily focusing on establishing recovery and product quality parameters for the magnetite content. Average iron (Fe) content for the submitted sample was 29.5 per cent. The proportion of magnetite to hematite in the sample was established to be approximately 3.4:1.

The magnetite beneficiation circuit was conventional and straightforward, consisting of rod milling with rougher-scavenger cobbing LIMS (Laboratory Information Management System) pre-concentration, followed by ball mill re-grinding together with six cleaner LIMS stages to achieve the final magnetite product. The grade and recovery levels were excellent. The amount of dry magnetite concentrate produced for downstream test work was approximately 2.7 tonnes, grading at 69.4 per cent. Fe at a magnetite recovery of approximately 95 per cent. Average silica content in the final product was 4.2 per cent. and the levels of sulphur and phosphorous were insignificant, being below 0.01 per cent. The end product fineness was 80 per cent. passing 25 microns.

The secondary objective, to produce a concentrate of the hematite content, was successful in respect of the quality aspect. A 0.36 tonne sample of dry hematite iron concentrate was produced, at an average grade of 66.6 per cent. Fe, containing 3.3 per cent. silica, 0.03 per cent. phosphorous and less than 0.02 per cent. of sulphur. The fineness was 80 per cent. passing 170 to 175 microns. Several different flow sheet options were tested in order to maximise the hematite recovery, without fully reaching the desired levels. The best beneficiation result was achieved using a combination of spiral separators, supported by SLon HGIMS (High-Gradient Magnetic Separator). Recovery remained at below 30 per cent. The short test work period did not enable optimisation of the hematite beneficiation section. Process mineralogy studies proved that the hematite losses were mostly occurring in the very fine particle sizes.

Based on the successful results achieved, JIMAB commissioned GTK to proceed with a second stage of pilot testing, focusing on the different ore comminution options and enhancement of the hematite recovery. This additional test work is currently scheduled to be performed during December 2014.

Transport studies

The assessment of logistics options is a key component in bringing Kallak North into future production with thousands of tonnes of ore needing to be transported daily. Work has therefore continued with respect to planning how best to transport the ore, with further updates and a formal report having been received recently from our appointed consultants. Further work is planned in this area and discussions are ongoing with Traffikverket, the Swedish Transport Commission, and the ports of Narvik and Lulea.

Application for an Exploitation Concession for Kallak North

In April 2013, JIMAB submitted an application to the Swedish Mining Inspectorate for an exploitation concession (mining licence) for Kallak North located in the Kallak nr1 permit area. Further to the Swedish Mining Inspectorate's consultation process, in late November 2013 CAB raised a number of queries and additional information requests on certain aspects of the Environmental Impact Assessment ("EIA") component of JIMAB's application, as is usual and expected for an application of this nature. JIMAB consequently worked diligently with its appointed expert consultants to address these queries and in late April 2014 submitted an updated and enhanced application.

The revised and expanded submission, with a number of supplements to the EIA along with further technical description and commentary, is nearly 400 pages long and, we believe, provides comprehensive responses to CAB's queries and presents a strong case for the granting of the concession. We look forward to receiving a response and a formal decision from the Swedish Mining Inspectorate in due course.

In accordance with Swedish mineral legislation and regulations, a concession shall normally be granted if: (i) a mineral deposit has been found which can probably be exploited economically; and (ii) if the location and nature of the deposit does not make it inappropriate that the applicant is granted the concession requested.

Ballek Copper-Gold JV Project

The Ballek project, where Beowulf acts as operator, comprises two exploration permits (Ballek nr2 and Ballek nr3) in the Arjeplog municipality in northern Sweden held by the Group's subsidiary, Wayland Sweden AB ("Wayland"). The Group is interested in 58 per cent. of Wayland further to the terms of a joint venture agreement with Energy Ventures Limited.

The project area contains the Lulepotten deposit on which a maiden independent JORC Code compliant Inferred Resource estimate was compiled and reported in September 2008 of 5.4Mt, grading at 0.8% Cu and 0.3g/t Au, representing a total of 43,000 tonnes of contained copper metal and 52,000 ounces of contained gold at a cut-off value of 0.3% for copper. A number of further registered minor copper deposits are also known within the area. In 2013, Wayland notified and disseminated a work plan to the Mining Inspector and the relevant land owners and users in respect of a 3,000m drill programme intended to test four deep lying IOCG targets of Olympic Dam type on both the Ballek nr2 and nr3 permit areas.

The drill programme commenced in December 2013, and a total of 2,039m of drilling across eight holes was completed prior to the scheduled expiry of the work plan on 30 April 2014 with progress hampered by poor ground conditions and severe weather conditions. One of the three tested targets had notable copper sulphides occurring at shallow depths. This particular target, defined as Ballek West, is located less than three kilometres north east and in direct strike direction and in similar geological structures as those of the Lulepotten deposit. Initial assay results are expected to be received in Q3 2014.

A new workplan has since been secured, covering the period to 31 May 2015, which will enable the remaining 1,000m of the originally envisaged programme to be completed later this year on one of the remaining targets. This drilling programme is currently intended to be started in August 2014 and, in particular, will be targeting some pronounced deep lying Induced Polarisation ("IP") targets located close to previously identified copper-gold targets at Kvarnbäcken in the cental parts of the project area.

Grundträsk Project

The Grundträsk Project, focused solely on gold, comprises two exploration permits (Grundträsk nr4 and Grundträsk nr6). The project covers a total area of approximately 36km2 located in the Skellefte Mining District of northern Sweden. There is little outcrop and the land is currently used for forestry. There is good infrastructure in place, with the area being served by a network of forest roads, including the paved main road from Skellefte to Malå, which passes through the licence area. Water and electricity supplies are also both available locally. Grundträsk has potential for a shallow depth gold resource, with gold bearing sulphide mineralisation starting at shallow depths of less than 12 metres, suggesting that any deposit will most likely be amenable to open pit mining.

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

In 2010, the Company commissioned GeoVista to conduct an overview of historical diamond drilling by the Company and reprocess and interpret all available ground geophysical data with a view to outlining the next phase of exploration work, including potential diamond drilling to further define gold targets of possible economic interest.

GeoVista's report outlined a number of recommendations for future work. Specifically, a more systematic diamond drilling programme in grid based profiles across the pronounced IP anomaly, which historic drilling has proven to host sulphide and gold mineralisation. In order to obtain a better resolution and sensing of deeper structures to guide drilling, it was suggested that three lines of spectral IP with dipole-dipole configuration be carried out across the main Grundträsk IP anomaly. A pronounced, undrilled IP anomaly, was also outlined in the Grundträsk nr6 permit area.

In May 2013, the Company's Swedish subsidiary, Norrbotten Mining, submitted a workplan to the Mining Inspector outlining additional exploration work including a potential future drill programme on the Grundträsk project area in order to further define the widths and extensions of the existing gold targets.

Munka Project

The Munka molybdenum deposit is located in the municipality of Arjeplog approximately 40km northwest of the Ballek project area. The deposit has been confirmed from historic drilling to extend over 800m in length with parallel mineralised lenses of varying width to in excess of 20m. Between 1973 and 1977, a total of 67 holes were drilled by the SGU for approximately 10,000m. Based on the results of this historic drilling, the SGU estimated resources at up to 100m depth to be 1.7 million tonnes grading at 0.156% molybdenum (Mo). This historic estimate does not comply with current JORC Code or 43-101 international standards. At the estimated tonnage, the Munka deposit represents the largest molybdenum deposit in Sweden. Recent finds of high grade glacial boulders of unknown, non drilltested, bedrock sources indicate that the deposit may be significantly larger.

Beowulf has reviewed all of the available data on the Munka deposit registered at the SGU's offices at Malå. All drill cores presently stored at the SGU's offices have been re-checked with further complementary analysis subject to Beowulf's control. With additional control studies in the field and some further limited drilling, Beowulf anticipates being able to rapidly achieve a JORC Code compliant resource estimate.

Some additional field studies were conducted during 2012 and 2013 in the project area, and new drill sites were laid out and registered by the Company for a potential future drill programme. The most recent licence extension was granted by the Mining Inspector until 3 November 2015.

GOVERNANCE

Group strategic report

The Directors present their strategic report for the Company and the Group for the year ended 31 December 2013.

The Strategic Report is now a statutory requirement under section 414A of the Companies Act 2006 (the "Act") (Strategic Report and Directors' Report) Regulations 2013 and is intended to provide fair and balanced information that enables the Directors to be satisfied that they have complied with s172 of the Act, which sets out the Directors' duty to promote the success of the Company.

PRINCIPAL ACTIVITY

The principal activity of the Group in the year under review was that of exploration for world-class iron, copper and gold deposits. Exploration activities are primarily carried out in Sweden, but the Group is controlled, financed and administered within the United Kingdom which remains the principal place of business.

REVIEW OF THE BUSINESS

The results of the Group for the year are set out in the Statement of Profit and Loss and show a loss after taxation for the year of £2,186,514 (2012: £1,295,692). A comprehensive review of the business is given in the Review of Operations and Activities report.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks faced by the Group are as follows:

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

ON BEHALF OF THE BOARD:

Mr E Taylor - Director
Date: 16 June 2014

Report
of the Directors

GOVERNANCE

The directors present their report together with the audited financial statements of the Group for the year ended 31 December 2013.

DIVIDENDS
No dividends will be distributed for the year ended 31 December 2013.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
The directors during the year under review were:

Mr C Sinclair-Poulton
Dr Jan-Ola Larsson
Mr F Boman
Mr A C R Scutt
Mr E Taylor

The beneficial and other interests of the directors holding office on 31 December 2013 in the issued share capital of the Company were as follows:

Ordinary 1p shares

	31.12.13	1.1.13
Mr C Sinclair-Poulton[1]	1,332,500	1,332,500
Dr Jan-Ola Larsson	650,000	650,000
Mr F Boman	-	-
Mr A C R Scutt[2]	475,000	475,000
Mr E Taylor[3]	294,506	294,506

Notes:
1. Includes 100,000 shares held by Merchant Adventurers Company Limited, a company of which Mr Sinclair-Poulton is a director and shareholder.
2. Includes 100,000 shares held by his wife, 275,000 shares held by Scutt/Rickwood and 100,000 shares held by Scutt/Robinson in Mr Scutt's capacity as a non-member trustee of two investment clubs.
3. Includes 169,506 shares held by his spouse.

Ordinary shares under option

	Number	Exercise price	Expiry date
Mr A C R Scutt	250,000	7p	24 Sept 2015
Mr E Taylor	250,000	7p	24 Sept 2015
Mr C Sinclair-Poulton	1,500,000	30p	7 Dec 2016
Dr Jan-Ola Larsson	700,000	30p	7 Dec 2016
Mr F Boman	700,000	30p	7 Dec 2016
Mr E Taylor	290,000	30p	7 Dec 2016

INFORMATION ON DIRECTORS

Clive Sinclair-Poulton
Executive Chairman

Aged 58, Mr Sinclair-Poulton studied law at Cambridge University graduating in 1978, before starting a twenty year career in investment banking in London with Citibank and Security Pacific (now Bank of America) as well as stockbrokers Hoare Govett.

After founding and then selling a stockbroking firm Mr Sinclair-Poulton became a founding shareholder and the Executive Chairman of AIM traded themutual.net (AIM:TMN). He has been involved in natural resources for more than fifteen years.

Most recently, Mr Sinclair-Poulton was a founding member of Tanzania Gold Limited which, following a reverse take-over, was first renamed Tanzania Gold plc before becoming Bezant Resources plc. He was CEO of AIM listed Bezant Resources plc (AIM:BZT), with copper and gold assets in Tanzania and the Philippines, until he stepped down in February 2008. He is also Executive Chairman of Agricola Resources plc and a director of both Kazakh Resources Limited and South Island Developments Limited and currently resides in Ireland.

Anthony Scutt ACIS
Non-executive Director

Aged 74, Mr Scutt is a Chartered Secretary and a Certified Internal Auditor with the U.S. Institute of Internal Auditors. He has 34 years of financial management experience with Shell International Petroleum, working in many parts of the world, including Madagascar, East and Central Africa, Gabon, Vietnam, Cambodia, the Philippines, and latterly as the Chief Internal Auditor of Shell U.K.

Mr Scutt then went on to become an investment analyst, writer and investor, and was one of the very first investors and supporters of Beowulf. He is also a Non-executive Director of AIM listed companies Starvest plc and Oracle Coalfields plc, and a Non-executive Director of Agricola Resources plc.

Jan-Ola Larsson
Technical Director

Aged 72, Dr Larsson holds a geology degree from Uppsala University in Sweden and a PhD in geochemistry from Imperial College of Science and Technology, London University.

Dr Larsson has over 30 years of varied experience in Canada, Brazil and Sweden. Previously held positions include Head of Geochemistry and Geological Survey of Sweden, LKAB Exploration Company and Barringer Research Ltd., and Exploration Manager for Tetron Mineracao S/A and North Star Diamonds AB

Fred Boman
Production Director

Aged 70, Mr Boman holds an MSc. degree in Mining and Mineral Processing from the Royal Institute of Technology (KTH), Stockholm, Sweden. He has more than 35 years' experience in the mining industry with over 25 years' service in various senior management positions both in Sweden and overseas. His previous positions include Vice President and Head of Engineering and R&D at Boliden AB, President and CEO of Boliden International Mining AB, CEO and President of Midroc Gold Limited and Managing Director of Dragon Mining Sweden AB.

Mr Boman currently serves on the board of a number of private companies and is a member of the Association for Mining and Metallurgical Engineers of Sweden. He is also a qualified person accredited by the Swedish Mining Association.

Edward Taylor
Non-executive Director and Company Secretary

Aged 66, Mr Taylor has worked in various accounting, human resources, administration and Company Secretary positions in the natural resources sector. He has worked for Hardy Oil & Gas (now British Borneo Oil and Gas plc), Enterprise Oil plc and LASMO (now AGIP (UK) plc).

Mr Taylor is a Non-executive Director of Valiant Investments Plc and a Director of Tearne Foulsham Limited.

FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash and cash equivalents, investments and financial assets, derivative financial assets and various items such as trade receivables, trade payables, accruals and prepayments that arise directly from its operations.

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

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy throughout the year has been to ensure that it has adequate liquidity to meet its liabilities when due by careful management of its working capital.

Credit Risk

The Group's principal financial assets are the cash and cash equivalents, derivative financial assets and the loans and taxation receivables as recognised in the balance sheet, and which represent the Group's maximum exposure to credit risk in relation to financial assets.

Fair Values of Financial Assets and Liabilities

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

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 income or the value of its holdings in financial instruments.

Capital Management

The Group's capital consists wholly of ordinary shares. The Board's policy is to preserve a strong capital base in order to maintain investor, creditor and market confidence and to safeguard the future development of the business, whilst balancing these objectives with the efficient use of capital.

Commodity Price Risk

The principal activity of the Group is the exploration for iron, copper and gold in Sweden, and the principal market risk facing the Group is an adverse movement in the price of such commodities. Any long term adverse movement in commodity prices would affect the commercial viability of the Group's various projects.

GOING CONCERN

The Directors have considered the cashflow requirements of the Group over the next 12 months. The Group will need to raise additional funds in due course if it is to finance its operational costs and continue exploration and development as planned. Whilst it is difficult in the current economic environment to generate the extra funds required, the Directors expect to meet the funding requirements and therefore believe that the going concern basis is appropriate for the preparation of the financial statements.

SUBSTANTIAL SHAREHOLDINGS

The directors are aware of the following who were interested, directly or indirectly, in 3% or more of the Group's ordinary shares on 31 December 2013:

Lanstead Capital L.P. - 70,713,278 shares (25.00%)

Sunvest Corporation Limited - 11,250,000 shares (3.98%)

Mrs C C Rowan - 10,189,485 shares (3.60%)

AUTHORITY TO ISSUE SHARES

Each year at the AGM the Directors seek authority to allot shares. The authority, when granted, lasts until the next AGM (unless renewed, varied or revoked by the Company prior to or on such date). At the last AGM held on 4 July 2013, shareholders gave authority for the Directors to allot equity securities for cash up to an aggregate nominal value of £315,641. At a General Meeting held on 12 August 2013, shareholders gave authority for the Directors to allot equity securities for cash up to an aggregate nominal value of £832,607)

HEALTH AND SAFETY

There were no reported personal injuries or fatalities among the Company's staff or contractors during the year.

SIGNIFICANT AGREEMENTS

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

REMUNERATION REPORT

Introduction

This report has been prepared in accordance with the requirements of Schedules 2 Part 1 to the Companies Act 2006 (the Schedule) and describes how the Board has applied the Principles of Good Governance relating to Directors' Remuneration. In accordance with Section 439 of the Companies Act 2006 (the Act), a resolution to approve the report will be proposed at the Annual General Meeting of the Company at which the Financial Statements are to be approved.

Remuneration Policy

Executive remuneration packages are prudently designed to attract, motivate and retain Directors of the necessary calibre and to reward them for enhancing value to shareholders. The performance measurement of the Executive Directors and key members of senior management and the determination of their annual remuneration packages is undertaken by the Remuneration Committee. The remuneration of Non-executive Directors is determined by the Board within the limits set in the Articles of Association.

Executive Directors are entitled to accept appointments outside the Company providing the Board's permission is sought.

Non-executive Directors' terms of engagement

The Non-executive Directors have specific terms of engagement. Their remuneration is determined by the Board. In the event that a Non-executive undertakes additional assignments for the Company, the Non-executive's fee will be agreed by the Company in respect of each assignment.

Aggregate Directors' Remuneration

The remuneration paid to the Directors, inclusive of Employer's National Insurance Contributions, in accordance with their agreements, during the year ended 31 December 2013 was as follows:

	Salary & fees £	Pensions £	Termination benefits £	Share based payments £	2013 Total £	2012 Total £
Executive						
Mr C Sinclair-Poulton[1]	181,938	-	-	-	181,938	166,898
Dr J-O Larsson[2] [3]	95,481	-	-	-	95,481	90,000
Mr F Boman[3]	-	-	-	-	-	-
Non-Executive						
Mr A C R Scutt	30,802	-	-	-	30,802	30,831
Mr E Taylor[3]	-	-	-	-	-	-

Notes:

1. Fees for Mr C Sinclair-Poulton include an amount of £116,996 paid through Merchant Adventurers Company Limited.
2. Fees for Dr J-O Larsson were paid through Geoexperten.
3. The directors have an interest in companies which were paid for professional services provided, as disclosed within the related party note of these financial statements.

Each Director is also paid all reasonable expenses incurred wholly, necessarily and exclusively in the proper performance of his duties. The Group does not operate a pension scheme and has not paid any contributions to any pension scheme for Directors or employees.

CORPORATE GOVERNANCE REPORT

Corporate Governance and board composition

Effective corporate governance is a priority of the Board and outlined below are details of how the Company has applied the principles set out in The UK Corporate Governance Code (the 'Code') effective for fully listed companies from June 2010, which replaced the Combined Code on Corporate Governance revised in July 2006 by the Financial Reporting Council. Under the rules of AIM, a market operated by the London Stock Exchange plc, the Company is not required to comply with the Code and the Board considers that the size of the Group does not warrant compliance with all of the Code's requirements. The Board fully supports the principles on which the Code is based and seeks to comply with best practice in such respects as they consider appropriate for a Group of its size and nature. The Board has a wide range of experience directly relevant to the Group and its activities and its structure ensures that no one individual or Group dominates the decision making process.

Audit Committee

The Board has established an Audit Committee which comprises Anthony Scutt and Ed Taylor, the two non-executive Directors. The Audit Committee ensures the good operation of financial practices throughout the Group; ensures that controls are in place to protect the Group's assets and to ensure the integrity of financial information; reviews the interim and annual financial statements; reviews all aspects of the audit programme and provision of any non-audit services by the auditors.

Remuneration Committee

The Board has established a Remuneration Committee, which comprises Anthony Scutt and Ed Taylor, the two Non-executive Directors, and is responsible for establishing the policies of executive remuneration and determining the remuneration and benefits of the individual executive directors. The Board is responsible for establishing the policies of remuneration and determining the remuneration and benefits of the individual non-executive directors.

Nominations Committee

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

Share dealing

The Group has adopted a share dealing code for Directors and relevant employees in accordance with the AIM Rules for Companies and takes proper steps to ensure compliance by the Directors and those employees.

Relations with Shareholders

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. 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 that the financial statements comply with IFRS; 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 and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

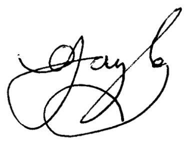
AUDITORS

The auditors, Price Bailey LLP, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Group's forthcoming Annual General Meeting.

ANNUAL GENERAL MEETING

The Group's next Annual General Meeting will be held at 10.30 a.m. on 11 July 2014 and full details of the proposed resolutions at that meeting can be found in the separate Notice accompanying the annual report and consolidated financial statements.

ON BEHALF OF THE BOARD:



Mr E Taylor - Director

Date: 16 June 2014

Report
of the Independent Auditors

We have audited the financial statements of Beowulf Mining plc Group of Companies for the year ended 31 December 2013 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's Statement, the Review of Operations and Activities, the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2013 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the Group's ability to continue as a going concern. The ability of the Group to continue to trade is dependent on the Group being able to raise sufficient funds. Based upon the current economic climate there exists a material uncertainty which may cast significant doubt as to whether the Group will be able to generate sufficient funds and therefore the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would be necessary if the Group was unable to continue as a going concern.

Emphasis of matter - Exploration costs

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 9 to the financial statements concerning the valuation of the exploration costs. The ability of the Group to continue its exploration activities and justify sufficient value to justify the carrying value of the intangible assets is dependent on them being able to generate sufficient funds. Based upon the current economic climate there exists a material uncertainty which may cast significant doubt as to whether the Group will be able to generate sufficient funds and therefore the Group's ability to continue all of its exploration activities. The financial statements do not include the adjustments that would be necessary if the Group was unable to raise these funds.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Paul Cullen FCCA (Senior Statutory Auditor)
for and on behalf of Price Bailey LLP

Chartered Accountants & Statutory Auditors
Richmond House
Ely
Cambridgeshire
CB7 4AH

Date: 16 June 2014

Consolidated

Statement of Profit or Loss

	Notes	2013 £	2012 £
CONTINUING OPERATIONS			
Revenue	2	-	-
Administrative expenses		(1,120,547)	(1,371,929)
OPERATING LOSS		(1,120,547)	(1,371,929)
Finance costs	4	(1,109,028)	(574)
Finance income	4	43,061	76,811
LOSS BEFORE INCOME TAX	5	(2,186,514)	(1,295,692)
Income tax	6	-	-
LOSS FOR THE YEAR		(2,186,514)	(1,295,692)
Loss attributable to:			
Owners of the parent		(2,186,514)	(1,295,692)
Earnings per share expressed in pence per share:	8		
Basic		-0.91	-0.62
Diluted		-0.89	-0.60

ACCOUNTS

Consolidated

Statement of Profit or Loss and Other Comprehensive Income

	2013	2012
	£	£
LOSS FOR THE YEAR	(2,186,514)	(1,295,692)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss:		
Revaluation of listed investments	(5,785)	(84,509)
Exchange translation difference	(134,986)	(32,305)
Income tax relating to items of other comprehensive income	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	(140,771)	(116,814)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(2,327,285)	(1,412,506)
Total comprehensive income attributable to:		
Owners of the parent	(2,327,285)	(1,412,506)

The notes form part of these financial statements

Consolidated

Statement of Financial Position

	Notes	2013 £	2012 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	9	5,196,482	3,334,910
Property, plant and equipment	10	1,990	769
Investments	11	19,564	25,349
Loans and other financial assets	12	116,588	194,937
Trade and other receivables	13	635,603	-
		5,970,227	3,555,965
CURRENT ASSETS			
Trade and other receivables	13	1,337,664	201,756
Cash and cash equivalents	14	1,983,616	3,697,771
		3,321,280	3,899,527
TOTAL ASSETS		9,291,507	7,455,492
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	15	2,828,273	2,104,273
Share premium account	16	14,078,466	10,858,905
Revaluation reserve	16	(105,436)	(99,651)
Capital contribution reserve	16	46,451	46,451
Share scheme reserve	16	67,760	67,760
Translation reserve	16	(167,484)	(32,498)
Retained earnings	16	(7,911,012)	(5,724,498)
TOTAL EQUITY		8,837,018	7,220,742
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	454,489	234,750
TOTAL LIABILITIES		454,489	234,750
TOTAL EQUITY AND LIABILITIES		9,291,507	7,455,492

These financial statements were approved and authorised for issue by the Board of Directors on 16 June 2014 and were signed on its behalf by:

Mr E Taylor - Director

The notes form part of these financial statements

Company

Statement of Financial Position

	Notes	2013 £	2012 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	9	-	-
Property, plant and equipment	10	1,990	769
Investments	11	254,268	260,053
Loans and other financial assets	12	5,654,029	3,839,063
Trade and other receivables	13	635,603	-
		6,545,890	4,099,885
CURRENT ASSETS			
Trade and other receivables	13	1,117,740	101,393
Cash and cash equivalents	14	1,725,171	3,340,218
		2,842,911	3,441,611
TOTAL ASSETS		9,388,801	7,541,496
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	15	2,828,273	2,104,273
Share premium	16	14,078,466	10,858,905
Revaluation reserve	16	(131,100)	(125,315)
Capital contribution reserve	16	46,451	46,451
Share scheme reserve	16	67,760	67,760
Retained earnings	16	(7,551,354)	(5,471,059)
TOTAL EQUITY		9,338,496	7,481,015
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	50,305	60,481
TOTAL LIABILITIES		50,305	60,481
TOTAL EQUITY AND LIABILITIES		9,388,801	7,541,496

The financial statements were approved and authorised for issue by the Board of Directors on 16 June 2014 and were signed on its behalf by:

Mr E Taylor - Director

The notes form part of these financial statements

Consolidated

Statement of Changes in Equity

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £
Balance at 1 January 2012	2,104,273	(4,429,363)	10,858,905	(15,142)
Loss for the year	-	(1,295,692)	-	-
Other comprehensive income	-	-	-	(84,509)
Total comprehensive income	-	(1,295,692)	-	(84,509)
Share options lapsed	-	557	-	-
Total transactions with owners	-	(1,295,135)	-	(84,509)
Balance at 31 December 2012	2,104,273	(5,724,498)	10,858,905	(99,651)
Loss for the year	-	(2,186,514)	-	-
Other comprehensive income	-	-	-	(5,785)
Total comprehensive income	-	(2,186,514)	-	(5,785)
Issue of share capital	724,000	-	3,219,561	-
Total transactions with owners	724,000	(2,186,514)	3,219,561	(5,785)
Balance at 31 December 2013	2,828,273	(7,911,012)	14,078,466	(105,436)

	Capital contribution reserve £	Share scheme reserve £	Translation reserve £	Total equity £
Balance at 1 January 2012	46,451	68,317	(193)	8,633,248
Loss for the year	-	-	-	(1,295,692)
Other comprehensive income	-	-	(32,305)	(116,814)
Total comprehensive income	-	-	(32,305)	(1,412,506)
Share options lapsed	-	(557)	-	-
Total transactions with owners	-	(557)	(32,305)	(1,412,506)
Balance at 31 December 2012	46,451	67,760	(32,498)	7,220,742
Loss for the year	-	-	-	(2,186,514)
Other comprehensive income	-	-	(134,986)	(140,771)
Total comprehensive income	-	-	(134,986)	(2,327,285)
Issue of share capital	-	-	-	3,943,561
Total transactions with owners	-	-	(134,986)	1,616,276
Balance at 31 December 2013	46,451	67,760	(167,484)	8,837,018

The notes form part of these financial statements

Company

Statement of Changes in Equity

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 January 2012	2,104,273	(4,383,263)	10,858,905
Loss for the year	-	(1,088,353)	-
Other comprehensive income	-	-	-
Total comprehensive income	-	(1,088,353)	-
Share options lapsed	-	557	-
Total transactions with owners	-	(1,087,796)	-
Balance at 31 December 2012	2,104,273	(5,471,059)	10,858,905
Loss for the year	-	(2,080,295)	-
Other comprehensive income	-	-	-
Total comprehensive income	-	(2,080,295)	-
Issue of share capital	724,000	-	3,219,561
Total transactions with owners	724,000	(2,080,295)	3,219,561
Balance at 31 December 2013	2,828,273	(7,551,354)	14,078,466

	Revaluation reserve £	Capital contribution reserve £	Share scheme reserve £	Total equity £
Balance at 1 January 2012	(40,806)	46,451	68,317	8,653,877
Loss for the year	-	-	-	(1,088,353)
Other comprehensive income	(84,509)	-	-	(84,509)
Total comprehensive income	(84,509)	-	-	(1,172,862)
Share options lapsed	-	-	(557)	-
Total transactions with owners	(84,509)	-	(557)	(1,172,862)
Balance at 31 December 2012	(125,315)	46,451	67,760	7,481,015
Loss for the year	-	-	-	(2,080,295)
Other comprehensive income	(5,785)	-	-	(5,785)
Total comprehensive income	(5,785)	-	-	(2,086,080)
Issue of share capital	-	-	-	3,943,561
Total transactions with owners	(5,785)	-	-	1,857,481
Balance at 31 December 2013	(131,100)	46,451	67,760	9,338,496

The notes form part of these financial statements

Consolidated

Statement of Cash Flows

	Notes	2013 £	2012 £
Cash flows from operating activities			
Cash generated from operations	1	(954,437)	(974,621)
Interest paid		-	(574)
Consolidation exchange rate fluctuation		-	(17,763)
Net cash from operating activities		(954,437)	(992,958)
Cash flows from investing activities			
Purchase of intangible fixed assets		(1,881,050)	(1,298,255)
Purchase of tangible fixed assets		(1,885)	(419)
Purchase of fixed asset investments		(57,023)	(59,937)
Loans to related parties		-	(27,871)
Funding of joint venture		(29,966)	(31,117)
Interest received		23,611	57,361
Net cash from investing activities		(1,946,313)	(1,360,238)
Cash flows from financing activities			
Share issue		1,325,000	-
Cost of share issue		(581,439)	-
Settlement of derivative financial asset		445,362	-
Net cash from financing activities		1,188,923	-
Decrease in cash and cash equivalents		(1,711,827)	(2,353,196)
Effect of exchange rate changes on the balance of cash held in foreign currencies at the beginning of the year		(2,328)	7
Cash and cash equivalents at beginning of year	2	3,697,771	6,050,960
Cash and cash equivalents at end of year	2	1,983,616	3,697,771

ACCOUNTS

The notes form part of these financial statements

Notes

To the Consolidated Statement of Cash Flows

ACCOUNTS

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2013	2012
	£	£
Loss before income tax	(2,186,514)	(1,295,692)
Depreciation charges	664	257
Impairment of exploration costs	-	253,142
Impairment of related party loan	135,000	135,000
Impairment of accrued interest receivable	49,558	-
Finance costs	1,109,028	574
Finance income	(43,061)	(76,811)
	(935,325)	(983,530)
(Increase)/decrease in trade and other receivables	(156,335)	38,820
Increase/(decrease) in trade and other payables	137,223	(29,911)
Cash generated from operations	(954,437)	(974,621)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the statement of cash flow in respect of cash and cash equivalents are in respect of these statement of financial position amounts:

Year ended 31 December 2013

	31/12/13	1/1/13
	£	£
Cash and cash equivalents	1,983,616	3,697,771

Year ended 31 December 2012

	31/12/12	1/1/12
	£	£
Cash and cash equivalents	3,697,771	6,050,960

The notes form part of these financial statements

Notes

To the Consolidated Financial Statements

ACCOUNTS

1. ACCOUNTING POLICIES

Reporting entity

Beowulf Mining plc is a Public Limited Company domiciled in the United Kingdom. The address of the Company's registered office is Richmond House, Broad Street, Ely, Cambridgeshire, CB7 4AH. The Group primarily is involved in the exploration for world-class iron, copper and gold deposits.

Going concern

The Directors have considered the cashflow requirements of the Group over the next 12 months. The Group will need to raise additional funds in due course if it is to finance its operational costs and continue exploration and development as planned. Whilst it is difficult in the current economic environment to generate the extra funds required, the Directors expect to meet the funding requirements and therefore believe that the going concern basis is appropriate for the preparation of the financial statements.

Compliance with accounting standards

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention.

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 revenues and expenses during the year and the amounts reported for assets and liabilities at the balance sheet date. However, the nature of estimation means that the actual outcomes could differ from those estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement of any impairment on intangible assets and the estimation of share-based payment costs. The Group determines whether there is any impairment of intangible assets on an annual basis. The estimation of share-based payment costs requires the selection of an appropriate model, consideration as to the inputs necessary for the valuation model chosen and the estimation of the number of awards that will ultimately vest.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Business acquisitions have been accounted for in accordance with IFRS 3, 'Business Combinations'. Fair values are attributed to the Group's share of net assets. Where the cost of acquisition exceeds the fair values attributed to such assets, the difference is treated as purchased goodwill and is capitalised. In the case of subsequent acquisitions of minority interests, the difference between the consideration payable for the additional interest in the subsidiary and the minority interest's share of the assets and liabilities reflected in the consolidated balance sheet at the date of acquisition of the minority interest has been treated as goodwill.

Interests in jointly controlled entities are accounted for using proportionate consolidation in accordance with IAS 31, 'Financial Reporting of Interests in Joint Ventures'. The consolidated Statement of Financial Position of the venturer includes the proportionate share of the assets that it controls jointly and its share of the liabilities for which it is jointly liable. The Income Statement of the venturer includes its share of income and expenses of the jointly controlled entity.

continued...

Notes

To the Consolidated Financial Statements - continued

1. ACCOUNTING POLICIES - continued

Intangible fixed assets - exploration costs

Expenditure on the acquisition costs, exploration and evaluation of interests in licences including related overheads are capitalised. Such costs are carried forward in the balance sheet under intangible assets and amortised over the expected period of extraction of minerals in respect of each area of interest where:

a) such costs are expected to be recouped through successful development and exploration of the area of interest or alternatively by its sale;

b) exploration activities have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active operations in relation to the areas are continuing.

An annual impairment review is carried out by the directors to consider whether any exploration or development costs have suffered impairment in value and whether necessary provisions are made accordingly.

Accumulated costs in respect of areas of interest that have been abandoned are written off to the income statement in the year in which the area is abandoned.

Exploration costs are carried at cost less provisions for impairment.

Property, plant and equipment

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

Plant and machinery - 25% on reducing balance

Investments

Fixed asset investments in listed companies are stated at open market value. The revaluation adjustment is taken to the revaluation reserve and any impairments are shown in the income statement for the year.

Fixed asset investments in subsidiary undertakings and joint venture interests are stated at cost less provision for any impairment in value.

Financial instruments

Financial assets and liabilities are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

- Cash and cash equivalents comprise cash held at bank and short term deposits
- Trade payables are not interest bearing and are stated at their nominal value
- Equity instruments issued by the Group are recorded at the proceeds received except where those proceeds appear to be less than the fair value of the equity instruments issued, in which case the equity instruments are recorded at fair value. The difference between the proceeds received and the fair value is reflected in the share based payments reserve.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Notes

To the Consolidated Financial Statements - continued

1. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

Profit and losses of overseas subsidiary undertakings are translated into sterling at average rates for the year. The statements of financial position of overseas subsidiary undertakings are translated at the rate ruling at the statement of financial position date. Differences arising from the translation of Group investments in overseas subsidiary undertakings are recognised as a separate component of equity.

Net exchange differences classified as equity are separately tracked and the cumulative amount disclosed as a translation reserve.

The principal place of business of the Group is the United Kingdom with sterling being the functional currency. Exploration costs are mainly payable in Swedish Kronor and funds are converted to Kronor as required.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

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.

Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise cash and bank balances.

Valuation of derivative financial asset

The Company has placed shares with Lanstead Capital L.P. and at the same time entered into equity swap and interest rate swap agreements in respect of the subscriptions for which consideration will be received monthly over a 24 month period as disclosed in the notes to these financial statements. The amount receivable each month is dependent on the Company's share price performance. The Directors have made assumptions in the financial statements about funds receivable at the year end. However, there is significant uncertainty underlying these assumptions due to the unpredictable nature of the Company's share price.

Notes

To the Consolidated Financial Statements - continued

1. ACCOUNTING POLICIES - continued

New standards and interpretations applied

In preparing these financial statements the Company has reviewed all new standards and interpretations, but there are no standards effective for the year commencing 1 January 2013 requiring new interpretations to be applied.

New Standards and Interpretations adopted with no effect on the financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements:

- IAS 1 Presentation of Financial Statements (amended 2011 and 2012)
- IAS 16 Property, Plant and Equipment (amended 2012)
- IAS 19 Employee Benefits (amended 2011)
- IAS 32 Financial Instruments Disclosures (amended 2012)
- IAS 34 Interim Financial Reporting (amended 2012)
- IFRS 1 First-time adoption of International Financial Reporting Standards (amended 2012)
- IFRS 7 Financial Instruments (amended 2011)
- IFRS 13 Fair Value Measurement (issued 2011)
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (issued 2011)

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year commencing 1 January 2013 and have not been applied in preparing these financial statements:

- IAS 16 Property, Plant and Equipment (amended 2013 and 2014)
- IAS 19 Employee Benefits (amended 2013)
- IAS 24 Related Party Disclosures (amended 2013)
- IAS 27 Separate Financial Statements (revised 2011 and 2012)
- IAS 28 Investments in Associates and Joint Ventures (re-issued 2011)
- IAS 32 Financial Instruments (amended 2011)
- IAS 36 Impairment of Assets (amended 2013)
- IAS 38 Intangible Assets (amended 2013 and 2014)
- IAS 39 Financial Instruments: Recognition and Measurement (amended 2013)
- IAS 40 Investment Property (amended 2013)
- IFRS 2 Share-based Payment (amended 2013)
- IFRS 3 Business Combinations (amended 2013)
- IFRS 7 Financial Instruments Disclosures (amended 2011 and 2013)
- IFRS 8 Operating Segments (amended 2013)
- IFRS 9 Financial Instruments (issued 2009 and amended 2009, 2010 and 2013)
- IFRS 10 Consolidated Financial Statements (issued 2011 and amended 2012)
- IFRS 11 Joint Arrangements (issued 2011, and amended 2012 and 2014)
- IFRS 12 Disclosure of Interests in Other Entities (issued 2011 and amended 2012)
- IFRS 13 Fair Value Measurement (amended 2013)
- IFRS 14 Regulatory Deferral Accounts (issued 2014)
- IFRS 15 Revenue from Contracts with Customers (issued 2014)
- IFRIC 21 Levies (issued 2013)

The Directors do not consider that the implementation of any of these new standards will have a material impact upon reported income or reported net assets.

2. SEGMENTAL REPORTING

The principal activity of the Group is the exploration for minerals in Sweden. All expenses are in respect of this one activity and there are no business segments requiring separate disclosure.

Notes

To the Consolidated Financial Statements - continued

3. EMPLOYEES AND DIRECTORS

	2013	2012
	£	£
Wages and salaries	86,000	103,000
Social security costs	9,744	12,149
	95,744	115,149

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

Directors	5	5

The aggregate consideration paid to third parties in respect of director's services during the year was £212,477 (2012: £172,580).

	2013	2012
	£	£
Directors' remuneration	86,000	103,000

Information regarding the highest paid director for the year ended 31 December 2013 is as follows:

	2013	2012
	£	£
Emoluments etc.	58,000	75,000

4. NET FINANCE COSTS

	2013	2012
	£	£
Finance income		
Deposit account interest	23,611	57,361
Other interest	19,450	19,450
	43,061	76,811
Finance costs:		
Bank interest	-	574
Fair value loss on derivative	1,109,028	-
	1,109,028	574
Net finance costs	1,065,967	(76,237)

ACCOUNTS

Notes

To the Consolidated Financial Statements - continued

5. LOSS BEFORE INCOME TAX

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

	2013 £	2012 £
Other operating leases	1,984	-
Depreciation - owned assets	664	257
Auditors' remuneration	22,005	13,630
Foreign exchange differences	(3,707)	(6,283)
Impairment of exploration costs	-	253,142
Impairment of convertible loan	135,000	135,000
Impairment of accrued interest receivable	49,558	-
Fair value loss on derivatives	1,109,028	-

6. INCOME TAX

Analysis of tax expense

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2013 nor for the year ended 31 December 2012.

Factors affecting the tax expense

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

	2013 £	2012 £
Loss on ordinary activities before income tax	(2,186,514)	(1,295,692)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.250% (2012: 24.500%)	(508,365)	(317,445)
Effects of:		
Potential deferred taxation on tax adjusted loss for the year	452,281	233,572
Provision against convertible loan	31,388	33,075
Losses of foreign subsidiaries	23,636	47,879
Loss arising in joint venture	1,060	2,919
Tax expense	-	-

Tax effects relating to effects of other comprehensive income

		2013	
	Gross £	Tax £	Net £
Revaluation of listed investments	(5,785)	-	(5,785)
Exchange translation difference	(134,986)	-	(134,986)
	(140,771)	-	(140,771)

6. INCOME TAX - continued

	Gross £	2012 Tax £	Net £
Revaluation of listed investments	(84,509)	-	(84,509)
Exchange translation difference	(32,305)	-	(32,305)
	(116,814)	-	(116,814)

The Group has estimated UK losses of £5,882,694 (2012: £3,937,155) and foreign losses of £297,084 (2012: £195,424) available to carry forward against future trading profits.

7. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £2,080,295 (2012: £1,088,353).

8. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted loss per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Reconciliations are set out below.

	Earnings £	2013 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(2,186,514)	241,137,381	-0.91
Effect of dilutive securities			
Options	-	4,054,222	-
Diluted EPS			
Adjusted earnings	(2,186,514)	245,191,603	-0.89

Notes

To the Consolidated Financial Statements - continued

8. EARNINGS PER SHARE - continued

	Earnings £	2012 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(1,295,692)	210,427,365	-0.62
Effect of dilutive securities			
Options	-	4,265,971	-
Diluted EPS			
Adjusted earnings	(1,295,692)	214,693,336	-0.60

9. INTANGIBLE ASSETS

	Group Exploration costs £
COST	
At 1 January 2013	3,334,910
Additions	1,881,050
Exchange differences	(19,478)
At 31 December 2013	5,196,482
NET BOOK VALUE	
At 31 December 2013	5,196,482

	Exploration costs £
COST	
At 1 January 2012	2,304,347
Additions	1,298,255
Impairments	(253,142)
Exchange differences	(14,550)
At 31 December 2012	3,334,910
NET BOOK VALUE	
At 31 December 2012	3,334,910

Total Group exploration costs of £5,196,482 are currently carried at cost in the financial statements. The Group will need to raise funds to complete its exploration activities in the long term and therefore generate sufficient value to justify the carrying value of its intangible fixed assets. If insufficient funds are raised then some of the assets may require impairment.

The impairment of exploration costs is charged to administration and included within the statement of profit or loss as an expense.

10. PROPERTY, PLANT AND EQUIPMENT

Group

	Plant and machinery £
COST	
At 1 January 2013	3,636
Additions	1,885
At 31 December 2013	5,521
DEPRECIATION	
At 1 January 2013	2,867
Charge for year	664
At 31 December 2013	3,531
NET BOOK VALUE	
At 31 December 2013	1,990

	Plant and machinery £
COST	
At 1 January 2012	3,217
Additions	419
At 31 December 2012	3,636
DEPRECIATION	
At 1 January 2012	2,610
Charge for year	257
At 31 December 2012	2,867
NET BOOK VALUE	
At 31 December 2012	769

Notes

To the Consolidated Financial Statements - continued

ACCOUNTS

10. PROPERTY, PLANT AND EQUIPMENT - continued

Company

	Plant and machinery £
COST	
At 1 January 2013	3,636
Additions	1,885
At 31 December 2013	5,521
DEPRECIATION	
At 1 January 2013	2,867
Charge for year	664
At 31 December 2013	3,531
NET BOOK VALUE	
At 31 December 2013	1,990

	Plant and machinery £
COST	
At 1 January 2012	3,217
Additions	419
At 31 December 2012	3,636
DEPRECIATION	
At 1 January 2012	2,610
Charge for year	257
At 31 December 2012	2,867
NET BOOK VALUE	
At 31 December 2012	769

11. INVESTMENTS

Group	Listed investments £
COST OR VALUATION	
At 1 January 2013	25,349
Revaluations	(5,785)
At 31 December 2013	19,564
NET BOOK VALUE	
At 31 December 2013	19,564

Notes

To the Consolidated Financial Statements - continued

11. INVESTMENTS - continued

Group

	Listed investments £
COST OR VALUATION	
At 1 January 2012	109,858
Revaluations	(84,509)
At 31 December 2012	25,349
NET BOOK VALUE	
At 31 December 2012	25,349

Company

	Shares in group undertakings £	Interest in joint venture £	Listed investments £	Totals £
COST OR VALUATION				
At 1 January 2013	9,704	225,000	25,349	260,053
Revaluations	-	-	(5,785)	(5,785)
At 31 December 2013	9,704	225,000	19,564	254,268
NET BOOK VALUE				
At 31 December 2013	9,704	225,000	19,564	254,268

	Shares in group undertakings £	Interest in joint venture £	Listed investments £	Totals £
COST OR VALUATION				
At 1 January 2012	5,009	225,000	109,858	339,867
Additions	4,695	-	-	4,695
Revaluations	-	-	(84,509)	(84,509)
At 31 December 2012	9,704	225,000	25,349	260,053
NET BOOK VALUE				
At 31 December 2012	9,704	225,000	25,349	260,053

Notes

To the Consolidated Financial Statements - continued

ACCOUNTS

11. INVESTMENTS - continued

Company

The Group or the Company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiaries

Iron of Sweden Limited
Nature of business: Exploration for minerals

	%
Class of shares:	holding
Ordinary	100.00

	2013	2012
	£	£
Aggregate capital and reserves	100	100

During 2010, Beowulf Mining plc acquired 100% of the issued share capital of Iron of Sweden Limited in order to obtain the exploration permits held by the company. Beowulf Mining plc also granted a 1.5% net smelter royalty to the vendor on any and all future mineral or metal production from the permits, plus any subsequent permits or leases that are issued to Beowulf Mining plc, its subsidiaries or associated parties covering all or part of the area covered by the original permits.

During 2011, the permits valued at £25,664 were gifted to Jokkmokk Iron Mines AB, a wholly owned Swedish subsidiary of Beowulf Mining plc. Consequently, the investment in Iron of Sweden Limited has been re-valued to £100 to reflect the issued share capital of Iron of Sweden Limited.

Jokkmokk Iron Mines AB
Country of incorporation: Sweden
Nature of business: Exploration for minerals

	%
Class of shares:	holding
Ordinary	100.00

	2013	2012
	£	£
Aggregate capital and reserves	(454,936)	(188,472)
Loss for the year	(100,227)	(193,381)

During 2011, Beowulf Mining plc acquired 100% of the issued share capital of Jokkmokk Iron Mines AB, a new company incorporated in Sweden. Exploration permits valued at £25,664 previously held by Iron of Sweden Limited were gifted to the Company in 2011 for no consideration.

During 2012, the Company transferred Swedish exploration permits and their associated costs amounting to £157,667 to the wholly owned Swedish subsidiary Jokkmokk Iron Mines AB. Permits and associated costs of £127,359 originally transferred to the subsidiary in 2011 were transferred back to Beowulf Mining plc in 2012. The costs transferred are held as an interest free inter-group loan between the companies which has no terms for repayment. No costs were transferred during 2013.

The investment in the share capital of Jokkmokk Iron Mines AB amounted to £4,909 and in accordance with the Group's accounting policies the investment is included at cost and has not been revalued.

Notes

To the Consolidated Financial Statements - continued

11. INVESTMENTS - continued

Company

Norrbotten Mining AB
Country of incorporation: Sweden
Nature of business: Exploration for minerals

Class of shares:	% holding
Ordinary	100.00

	2013 £	2012 £
Aggregate capital and reserves	(26)	2,652
Loss for the year	(3,476)	(2,043)

During 2012, Beowulf Mining plc acquired 100% of the issued share capital of Norrbotten Mining AB, a new company incorporated in Sweden. In 2012, Beowulf Mining plc transferred Swedish exploration permits and their associated costs amounting to £318,700 to Norrbotten Mining AB, creating an interest free inter-group loan between the companies which has no terms for repayment. No costs were transferred during 2013.

Joint venture

Wayland Copper Limited
Nature of business: Exploration for minerals

Class of shares:	% holding
Ordinary	50.00

	2013 £	2012 £
Aggregate capital and reserves	(415,401)	422,989
Loss for the year	(34,599)	(23,830)

Wayland Copper Limited is a Joint Venture company held, as at 31 December 2013, 50% by Beowulf Mining plc and 50% by Energy Ventures Limited, a company incorporated in Australia.

The Joint Venture company was formed in 2010 to continue the exploration of the Ballek region in Sweden, with Beowulf Mining plc transferring its licences and exploration costs and Energy Ventures Limited transferring its drilling costs in return for £225,000 equity each in Wayland Copper Limited.

The investment in share capital for the 50% holding amounted to £225,000.

Subsequent to the year end, the Group's effective interest in Wayland Copper Limited increased to 58 per cent., further to the terms of the joint venture agreement with Energy Ventures Limited, since it sole funded the latest drilling campaign.

The Group and the Company have an investment in the mining company Agricola Resources Plc ("Agricola"). Agricola's shares were withdrawn from PLUS markets on 1 November 2012 to ensure that its shareholders were properly protected whilst the company reviews its operations and future plans. Because of the current uncertainty over the future of the company, the directors have re-valued the investment to nil (2012: nil).

12. LOANS AND OTHER FINANCIAL ASSETS

Group

	Other loans £
At 1 January 2013	135,000
Other movement	(135,000)
At 31 December 2013	-

	Other loans £
At 1 January 2012	270,000
Other movement	(135,000)
At 31 December 2012	135,000

Other financial assets were as follows:

	2013 £	2012 £
Financial fixed assets	116,588	59,937

12. LOANS AND OTHER FINANCIAL ASSETS - continued

Group

During 2011, Beowulf Mining plc made a loan of £250,000 to Agricola Resources plc under terms set out in convertible loan notes, whereby the loan accrues interest at 7% above the Bank of England Base Rate and is convertible into ordinary shares of Agricola at par until 30 June 2017.

In 2010 Beowulf Mining plc made a loan of £20,000 to Agricola Resources plc under terms set out in a convertible loan note, whereby the loan accrues interest at 3% above the Bank of England Base Rate and was convertible into ordinary shares of Agricola at par until 28 February 2013. The loan was secured on Agricola's interest in a joint venture it held with L'Office des Hydrocarbures at des Mines in Morocco.

The convertible loan notes are repayable on 30 June 2017 or, at Beowulf's option, immediately upon a fundraising of more than £400,000 being completed by Agricola, or any time thereafter. At Agricola's option, the convertible loan notes were redeemable early without penalty on 30 June 2012 or at six monthly intervals thereafter. Beowulf is entitled at its sole discretion to convert all or part of the principal loan amount advanced into new ordinary shares in Agricola at a conversion price of 1 pence per ordinary share at any time. The notes are transferable subject to certain limited restrictions.

In addition, Beowulf has been granted warrants to subscribe for up to 21,000,000 additional new ordinary shares in Agricola at an exercise price of 1 pence per new Agricola ordinary share at any time prior to 30 June 2014.

Agricola's shares were withdrawn from PLUS markets on 1 November 2012 to ensure that its shareholders were properly protected whilst the company reviews its operations and future plans. With the future of the company being uncertain, the directors consider the recovery of the above loans to be in doubt and during the year increased the Group's impairment provision to £270,000 (2012: £135,000) to make full provision against the loans.

During 2010 Beowulf Mining plc entered into a joint venture agreement with Energy Ventures Limited, initially holding 50% each of the Project Company, Wayland Copper Limited.

Under the terms of the agreement a quarterly work programme and budget is prepared by the Operator and submitted to the board of directors of the Project Company for approval. Following approval, a written funding notice is issued to Beowulf Mining plc and Energy Ventures Limited showing the amount of funding which is required from them in order to finance the budget and work programme.

If a party elects to provide the requested funding they must do so within a predetermined time frame as set out in the joint venture agreement, or be deemed to have elected not to contribute to the requested funding. If a party does not elect to contribute to the requested funding, the other party shall be given the option of contributing such shortfall, in which case the parties' respective interest in the Project Company will be adjusted in accordance with the agreement.

In the event that either party's interest in the Project Company falls to 10% or less, the interest will automatically convert to a 2% 'Net Smelter Return'. The remaining party will then have the option to acquire the Net Smelter Return by serving an Option Notice and proposing an acquisition price. The offer can either be accepted or referred to an independent expert for a final and binding valuation of the Net Smelter Return.

During the year, loans of £29,996 (2012: £54,776) were made to the Project Company to extend the term of the exploration permits. At the balance sheet date, the total loans made to the Project Company amounted to £141,751 (2012: £111,785).

Notes

To the Consolidated Financial Statements - continued

ACCOUNTS

12. LOANS AND OTHER FINANCIAL ASSETS - continued

Company

	Loans to group undertakings	Loans to joint ventures	Other loans	Totals
	£	£	£	£
At 1 January 2013	3,589,494	111,785	135,000	3,836,279
New in year	1,920,000	29,966	-	1,949,966
Other movement	-	-	(135,000)	(135,000)
At 31 December 2013	5,509,494	141,751	-	5,651,245

	Loans to group undertakings	Loans to joint ventures	Other loans	Totals
	£	£	£	£
At 1 January 2012	1,629,106	57,009	270,000	1,956,115
New in year	1,960,388	54,776	-	2,015,164
Other movement	-	-	(135,000)	(135,000)
At 31 December 2012	3,589,494	111,785	135,000	3,836,279

Other financial assets were as follows:

	2013	2012
	£	£
Financial fixed assets	2,784	2,784

During 2012, the Company transferred Swedish exploration permits and their associated costs amounting to £157,667 to the wholly owned Swedish subsidiary Jokkmokk Iron Mines AB. Permits and associated costs of £127,359, originally transferred to the subsidiary in 2011, were transferred back to Beowulf Mining plc in 2012. No costs were transferred during 2013.

During the year, cash advances of £1,920,000 (2012: £1,595,305) were made to Jokkmokk Iron Mines AB. The above costs and advances are held as an interest free inter-group loan between the companies which has no terms for repayment. At the year end the inter-group loan amounted to £5,174,718 (2012: £3,254,718).

During 2012, Beowulf Mining plc transferred Swedish exploration permits and their associated costs amounting to £318,700 to Norrbotten Mining AB, creating an interest free inter-group loan between the companies which has no terms for repayment. No costs were transferred during 2013.

During the year, no cash advances (2012: £16,075) were made to Norrbotten Mining AB. The above costs and advances are held as an interest free inter-group loan between the companies which has no terms for repayment. At the year end the inter-group loan amounted to £334,776 (2012: £334,776).

The loans of £141,751 (2012: £111,785) to joint ventures are in respect of funding notices issued and the renewal of exploration permits for Wayland Copper Limited as detailed above.

Other loans of £nil (2012: £135,000) are under the terms of convertible loan notes as detailed within the Group disclosure above.

13. TRADE AND OTHER RECEIVABLES

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Current:				
Other receivables	190,383	82,386	35,500	30,108
Derivative financial assets	1,010,007	-	1,010,007	-
VAT	123,130	110,545	58,089	62,460
Prepayments and accrued income	14,144	8,825	14,144	8,825
	1,337,664	201,756	1,117,740	101,393
Non-current:				
Derivative financial assets	635,603	-	635,603	-
Aggregate amounts	1,973,267	201,756	1,753,343	101,393

Derivative financial asset

In July 2013, as part of a two stage subscription to raise, in aggregate, £4.125m (before expenses) from certain new shareholders, the Company initially issued 28,694,000 new ordinary shares of 1p each in the capital of the Company ("Ordinary Shares") at a price of 6.25p per share to Lanstead Capital L.P. ("Lanstead") for £1,793,375. The Company simultaneously entered into an equity swap with Lanstead for 75 per cent. of these shares with a reference price of 8.3333p per share (the "Reference Price"). The equity swap is for a 24 month period. All 28,694,000 Ordinary Shares were allotted with full rights on the date of the transaction.

In August 2013, following the receipt of shareholders' approval at a duly convened general meeting, the Company issued a further 35,306,000 new Ordinary Shares at a price of 6.25p per share to Lanstead for £2,206,625. The Company entered into a further equity swap on the same basis and with the same Reference Price as that outlined above. All 35,306,000 shares were allotted with full rights on the date of the transaction.

Accordingly, pursuant to the above arrangements, of the aggregate subscription proceeds of £4m received from Lanstead, £3.2m (80 per cent.) was invested by the Company in the equity swap agreements with the remaining £0.8m (20 per cent.) available for general working capital purposes.

To the extent that the Company's volume weighted average share price is greater or lower than the Reference Price at each swap settlement, the Company will receive greater or lower consideration calculated on a pro-rata basis i.e. volume weighted average share price / Reference Price multiplied by the monthly transfer amount. As the amount of the effective consideration receivable by the Company from Lanstead under the swap agreements will vary subject to the movement in the Company's share price and will be settled in the future, the receivable is treated for accounting purposes as a derivative financial asset and has been designated at fair value through profit or loss.

The Company also issued, in aggregate, a further 6,400,000 Ordinary Shares to Lanstead as a value payment in connection with the equity swap agreements.

13. TRADE AND OTHER RECEIVABLES - continued

The fair value of the derivative financial assets as at 31 December 2013 has been determined by reference to the Company's then prevailing share price and has been estimated as follows:

	Share price £	Notional number of shares outstanding £	Fair value £
Value recognised on inception (notional)	8.3333p	48,000,000	3,200,000
Consideration received to 31 December 2013		(8,896,690)	(445,362)
Loss on revaluation of derivative financial asset at 31 December 2013			(1,109,028)
Value of derivative financial asset at 31 December 2013	5.8750p	39,103,310	1,645,610

	2013 £	2012 £
Due within one year	1,010,007	-
Due after more than one year	635,603	-
	1,645,610	-

14. CASH AND CASH EQUIVALENTS

	Group 2013 £	2012 £	Company 2013 £	2012 £
Cash in hand	250	250	250	250
Bank deposit account	1,713,101	3,329,364	1,713,101	3,329,364
Bank accounts	270,265	368,157	11,820	10,604
	1,983,616	3,697,771	1,725,171	3,340,218

Notes

To the Consolidated Financial Statements - continued

15. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
282,827,365 (2012: 210,427,365) ordinary shares of 1p each	2,828,273	2,104,273

In July and August 2013, the Company raised £4,000,000 before fees and expenses by way of a subscription of 64,000,000 new Ordinary Shares of 1p each at a premium of 5.25p per share. £3,200,000 of the consideration was satisfied by the issue of derivative financial instruments with the balance of £800,000 being issued for cash.

In July and August 2013, the Company issued 6,400,000 new Ordinary Shares of 1p each allotted as fully paid at a premium of 5.25p per share, in settlement of fees in respect of the above subscription.

In August 2013, the Company issued 2,000,000 new Ordinary Shares of 1p each allotted as fully paid for cash at a premium of 5.25p per share.

The number of shares in issue is reconciled as follows:

	2013 No.	2012 No.
At 1 January 2013	210,427,365	210,427,365
Issued during the year	72,400,000	-
At 31 December 2013	282,827,365	210,427,365

16. RESERVES

Group

	Retained earnings £	Share premium £	Revaluation reserve £
At 1 January 2013	(5,724,498)	10,858,905	(99,651)
Deficit for the year	(2,186,514)	-	-
Cash share issue	-	3,801,000	-
Revaluation in year	-	-	(5,785)
Cost of share issue	-	(581,439)	-
At 31 December 2013	(7,911,012)	14,078,466	(105,436)

	Capital contribution reserve £	Share scheme reserve £	Translation reserve £	Totals £
At 1 January 2013	46,451	67,760	(32,498)	5,116,469
Deficit for the year	-	-	-	(2,186,514)
Cash share issue	-	-	-	3,801,000
Revaluation in year	-	-	-	(5,785)
Cost of share issue	-	-	-	(581,439)
Exchange translation difference	-	-	(134,986)	(134,986)
At 31 December 2013	46,451	67,760	(167,484)	6,008,745

	Retained earnings £	Share premium £	Revaluation reserve £
At 1 January 2012	(4,429,363)	10,858,905	(15,142)
Deficit for the year	(1,295,692)	-	-
Revaluation in year	-	-	(84,509)
Share options lapsed	557	-	-
At 31 December 2012	(5,724,498)	10,858,905	(99,651)

	Capital contribution reserve £	Share scheme reserve £	Translation reserve £	Totals £
At 1 January 2012	46,451	68,317	(193)	6,528,975
Deficit for the year				(1,295,692)
Revaluation in year	-	-	-	(84,509)
Share options lapsed	-	(557)	-	-
Exchange translation difference	-	-	(32,305)	(32,305)
At 31 December 2012	46,451	67,760	(32,498)	5,116,469

Notes

To the Consolidated Financial Statements - continued

ACCOUNTS

16. RESERVES - continued

Company

	Retained earnings £	Share premium £	Revaluation reserve £
At 1 January 2013	(5,471,059)	10,858,905	(125,315)
Deficit for the year	(2,080,295)	-	-
Cash share issue	-	3,801,000	-
Revaluation in year	-	-	(5,785)
Cost of share issue	-	(581,439)	-
At 31 December 2013	(7,551,354)	14,078,466	(131,100)

	Capital contribution reserve £	Share scheme reserve £	Totals £
At 1 January 2013	46,451	67,760	5,376,742
Deficit for the year	-	-	(2,080,295)
Cash share issue	-	-	3,801,000
Revaluation in year	-	-	(5,785)
Cost of share issue	-	-	(581,439)
At 31 December 2013	46,451	67,760	6,510,223

	Retained earnings £	Share premium £	Revaluation reserve £
At 1 January 2012	(4,383,263)	10,858,905	(40,806)
Deficit for the year	(1,088,353)	-	-
Revaluation in year	-	-	(84,509)
Share options lapsed	557	-	-
At 31 December 2012	(5,471,059)	10,858,905	(125,315)

	Capital contribution reserve £	Share scheme reserve £	Totals £
At 1 January 2012	46,451	68,317	6,549,604
Deficit for the year	-	-	(1,088,353)
Revaluation in year	-	-	(84,509)
Share options lapsed	-	(557)	-
At 31 December 2012	46,451	67,760	5,376,742

Notes

To the Consolidated Financial Statements - continued

17. TRADE AND OTHER PAYABLES

	Group 2013 £	2012 £	Company 2013 £	2012 £
Current:				
Trade payables	288,541	202,049	16,990	40,239
Social security and other taxes	1,903	675	1,809	675
Other payables	1,622	855	955	955
Accruals and deferred income	162,423	31,171	30,551	18,612
	454,489	234,750	50,305	60,481

18. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash and cash equivalents, loans, investments, derivative financial assets and financial assets and various items such as trade receivables, trade payables, accruals and prepayments that arise directly from its operations.

The Group's derivative financial assets relate to equity swap and interest swap agreements entered into in respect of share subscriptions for which the consideration is receivable over 24 months.

The Group holds the following financial instruments:

	Fair value through profit and loss £	Held at amortised cost £	Fair value through other comprehensive income £	Total £
At 31 December 2013				
Financial assets				
Cash and cash equivalents	-	1,983,616	-	1,983,616
Trade and other receivables	-	327,657	-	327,657
Derivative financial assets	1,645,610	-	-	1,645,610
Other financial assets	-	116,588	-	116,588
	1,645,610	2,427,861	-	4,073,471
Financial liabilities				
Trade and other payables	-	454,489	-	454,489
	-	454,489	-	454,489

	Fair value through profit and loss	Held at amortised cost	Fair value through other comprehensive income	Total
At 31 December 2012	£	£	£	£
Financial assets				
Cash and cash equivalents	-	3,697,771	-	3,697,771
Trade and other receivables	-	201,756	-	201,756
Derivative financial assets	-	57,153	-	57,153
Other financial assets	-	137,784	-	137,784
	-	4,094,464	-	4,094,464
Financial liabilities				
Trade and other payables	-	234,750	-	234,750
	-	234,750	-	234,750

The main purpose of these financial instruments is to finance the Group'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 income or the value of it's holdings in financial instruments.

18. FINANCIAL INSTRUMENTS - continued

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 Kroner and Sterling.

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

	2013 SEK	2012 SEK
Cash and cash equivalents	66,624	47,147
Receivables	323,395	511,971
Payables	(68,500)	(55,411)
	321,519	503,707

Sensitivity analysis

A 10 per cent. strengthening of sterling against the Swedish Kroner at 31 December 2013 would have decreased equity and profit and loss by the amounts shown below:

	Equity		Profit and loss	
	2013	2012	2013	2012
	£	£	£	£
Swedish Kroner	(1,512)	(4,758)	(1,512)	(4,758)

A 10 per cent. weakening of sterling against the Swedish Kroner at 31 December 2013 would have an equal but opposite effect on the amounts shown above.

ii) Commodity Price Risk

The principal activity of the Group is the exploration for iron, copper and gold in Sweden, and the principal market risk facing the Group is an adverse movement in the price of such commodities. Any long term adverse movement in the commodity prices would affect the commercial viability of the Group's various projects.

iii) Interest Rate Risk

The Group is exposed to interest rate risk on its interest bearing bank accounts and loans.

	Weighted average interest rate	2013	Weighted average interest rate	2012
	%	£	%	£
Cash and cash on hand	-	270,515	-	368,407
Short-term deposits	1.03	1,713,101	1.31	3,329,364
Borrowings	-	-	-	-
		1,983,616		3,697,771

Sensitivity analysis

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit and loss by £21,977 (2012: £43,273).

18. FINANCIAL INSTRUMENTS - continued

b) Credit Risk

The Group's principal financial assets are the cash and cash equivalents and taxation receivable 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 Company has made unsecured interest free loans of £5,174,718 (2012: £3,254,718) to Jokkmokk Iron Mines AB and £334,776 (2012: £334,776) to Norrbotten Mining AB, its Swedish subsidiaries. Although they are repayable on demand, they are unlikely to be repaid until the projects become successful and the subsidiaries start to generate revenues.

c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy throughout the year has been to ensure that it has adequate liquidity to meet its liabilities when due by careful management of its working capital.

The following table sets out its contractual financial liabilities, all of which are repayable within one year, as at 31 December:

	2013	2012
	£	£
Trade payables	452,586	234,075
Tax liabilities	1,903	675
	454,489	234,750

d) Fair Values of Financial Assets and Liabilities

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Level 2: fair value measurement of derivative financial assets at 31 December 2013:

	2013	2012
	£	£
At 1 January 2013	-	-
Value recognised on inception (notional)	3,200,000	-
Consideration received	(445,362)	-
Loss on revaluation of derivative financial asset	(1,109,028)	-
At 31 December 2013	1,645,610	-

Capital Management

The Company's capital consists wholly of ordinary shares. The Board's policy is to preserve a strong capital base in order to maintain investor, creditor and market confidence and to safeguard the future development of the business, whilst balancing these objectives with the efficient use of capital.

19. RELATED PARTY DISCLOSURES

During 2012, the Company transferred Swedish exploration permits and their associated costs amounting to £157,667 to the wholly owned Swedish subsidiary Jokkmokk Iron Mines AB. Permits and associated costs of £127,359 originally transferred to the subsidiary in 2011 were transferred back to Beowulf Mining plc in 2012. The costs transferred are held as an interest free inter-group loan between the companies which has no terms for repayment. No costs were transferred during 2013.

During 2012, the Company transferred Swedish exploration permits and their associated costs amounting to £318,700 to Norrbotten Mining AB, creating an interest free inter-group loan between the companies which has no terms for repayment. No costs were transferred during 2013.

During the year, the Company paid Tearne Foulsham Limited fees and expenses amounting to £41,155 (2012: £42,574). Mr E Taylor is a director and shareholder of this company. Expenses of £330 were outstanding at the year end (2012: nil).

During the year, the Company paid exploration fees of nil (2012: £28,605, to Geoexperten, a business owned by Dr Jan-Ola Larsson. Further fees of £108,990 (2012: £90,000) were paid to Geoexperten during the year in respect of the director's services of Dr Jan-Ola Larsson. No amounts were outstanding at the year end (2012: nil).

During the year, the Company paid fees and expenses of £119,421 (2012: £82,581) to Merchant Adventurers Company Limited, a company of which Mr C Sinclair-Poulton is a director and shareholder, in respect of the director's services of Mr C Sinclair-Poulton. No amounts were outstanding at the year-end (2012: nil).

During the year, the Company paid consultancy fees of £153,162 (2012: £147,725 exploration costs) to FHB AB, a Swedish company of which Mr Fred Boman is a director and shareholder. £12,167 (2012: nil) of this amount was outstanding at the year end.

In 2010, the Company subscribed for convertible loan notes of £20,000 issued by Agricola Resources plc, a company of which Mr A C R Scutt and Mr C Sinclair-Poulton are also directors. The convertible loan notes accrue interest at 3% above the Bank of England Base Rate and were convertible into ordinary shares in Agricola at par until 28 February 2013.

In 2011, the Company subscribed for further convertible loan notes of £250,000 issued by Agricola Resources plc. The convertible loan notes accrue interest at 7% above the Bank of England Base Rate and are convertible into ordinary shares in Agricola at par until 30 June 2017. At the year end, the Company had funded £249,145 (2012: £249,145) in respect of the convertible loan notes and £855 (2012: £855) is included in other payables and available for Agricola to draw down.

Agricola's shares were withdrawn from PLUS markets on 1 November 2012 to ensure that its shareholders were properly protected whilst the company reviews its operations and future plans. With the future of the company being uncertain, the directors consider the recovery of the above loans to be in doubt and during the year increased the Group's impairment provision to £270,000 (2012: £135,000) in order to make full provision against the loans.

During the year the Company accrued interest of £19,450 (2012: £19,450) in respect of the outstanding loans and at the balance sheet date the total interest accrued amounted to £49,558 (2012: £30,108). Full provision has been made during the year for the accrued interest as the directors consider the recovery to be in doubt.

Notes

To the Consolidated Financial Statements - continued

ACCOUNTS

19. RELATED PARTY DISCLOSURES - continued

Key management personnel compensation

The directors and key management personnel of the Company during the year were as follows:
Mr C Sinclair-Poulton (Executive Chairman)
Dr J-O Larsson (Technical director)
Mr F Boman (Production director)
Mr A C R Scutt (Non-executive director)
Mr E Taylor (Non-executive director and company secretary)

The aggregate compensation paid to key management personnel of the Company is set out below:

	2013	2012
	£	£
Short-term employee benefits	308,221	287,729
Post-employment benefits	-	-
Termination benefits	-	-
Share-based benefits	-	-
	308,221	287,729

Details of key management personnel's compensation are disclosed in the Remuneration Report included in the Directors Report.

Key management personnel equity holdings

Details of key management personnel's beneficial and other interests in the fully paid ordinary shares of the Company and share options held, are unchanged during the year and are disclosed in the Directors Report.

20. POST BALANCE SHEET EVENTS

There has not arisen in the interval between the year end and the date of this report any other item, transaction or event of a material nature, likely, in the opinion of the Directors of the Company, to effect:

i) The Company's operations in future financial periods; or
ii) The results of those operations in future periods; or
iii) The Company's state of affairs in future financial periods.

Notes

To the Consolidated Financial Statements - continued

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	2013	2012
	£	£
Loss for the financial year	(2,186,514)	(1,295,692)
Proceeds of share issue	4,525,000	-
Cost of share issue	(581,439)	-
Revaluation of listed investments	(5,785)	(84,509)
Exchange translation difference	(134,986)	(32,305)
Net addition/(reduction) to shareholders' funds	1,616,276	(1,412,506)
Opening shareholders' funds	7,220,742	8,633,248
Closing shareholders' funds	8,837,018	7,220,742

Company	2013	2012
	£	£
Loss for the financial year	(2,080,295)	(1,088,353)
Proceeds of share issue	4,525,000	-
Cost of share issue	(581,439)	-
Revaluation of listed investments	(5,785)	(84,509)
Net addition/(reduction) to shareholders' funds	1,857,481	(1,172,862)
Opening shareholders' funds	7,481,015	8,653,877
Closing shareholders' funds	9,338,496	7,481,015

Notes

To the Consolidated Financial Statements - continued

22. SHARE-BASED PAYMENT TRANSACTIONS

The Group has a share option programme that entitles the holders to purchase shares in the Company with the options exercisable at the price determined at the date of granting the option. The terms and conditions of the grants are as follows; there are no vesting conditions to be met and all options are to be settled by the issue of shares:

Grant date	Number of instruments	Contractual life of options
24 September 2010	500,000	5 years
11 October 2011	24,222	4 years
7 December 2011	3,530,000	5 years
Options outstanding at 31 December	4,054,222	

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

	Weighted average exercise price 2013	Number of options 2013	Weighted average exercise price 2012	Number of options 2012
Outstanding at 1 January	27.2531p	4,054,222	24.6804p	4,554,222
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	6.0000p	(500,000)
Granted during the year	-	-	-	-
Outstanding and exercisable at 31 December	27.2531p	4,054,222	27.2531p	4,054,222

There were no share-based payment transactions during the year (2012: 500,000 options lapsed with an exercise price of 6p). The options outstanding at 31 December 2013 have an exercise price in the range of 7p to 45p (2012: 7p to 45p) and a weighted average remaining contractual life of 2.781 years (2012: 3.613 years).

The fair value of services received and commission payable in return for share options granted is based on the fair value of share options granted, measured using a binomial lattice model, with the following inputs:

	Services 7.12.11	Services 11.10.11	Services 24.09.10
Fair value at grant date	7.638p	14.861p	2.913p
Share price	16.1p	35.5p	6.5p
Exercise price	30.0p	45.0p	7.0p
Expected volatility	70.21%	58.31%	48.31%
Option life	5 years	4 years	5 years
Risk-free interest rate	4%	4%	4%

The expected volatility was determined by reviewing the actual volatility of the Company's share price since its listing on AIM to the date of granting the option. In calculating the fair value, consideration was given to the market trends at the grant date of the option.

There is no expense (2012: nil) for the year in respect of equity-settled share-based payment transactions.

Notice

Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "Meeting") of Beowulf Mining plc (the "Company") will be held at 8th Floor Tentor House, 45 Moorfields, London EC2 9AE on 11 July 2014 at 10.30 a.m. to transact the following business:

As Ordinary Business

1 To receive and consider the Company's audited financial statements for the year ended 31 December 2013 and the directors' and auditors' reports thereon.

2 To approve and consider the Remuneration Report as detailed on page 18 of the Company's annual report and financial statements.

3 To re-elect Edward Taylor, who is retiring by rotation, as a director of the Company.

4 To re-appoint Price Bailey LLP as auditor and authorise the directors to fix the auditor's remuneration.

As Special Business

To consider and if thought fit to pass the following Resolution which will be proposed as an Ordinary Resolution:

Ordinary Resolution

5 That the Directors be generally and unconditionally authorised to allot equity securities (as defined in section 560 of the Companies Act 2006):

5.1 in the case of ordinary shares in the Company, having a nominal amount; and

5.2 in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares in the Company having a nominal amount,

not exceeding, in aggregate, £424,241 provided that the power granted by this resolution shall expire on the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot equity securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

To consider and if thought fit to pass the following Resolution which will be proposed as a Special Resolution:

Special Resolution

6 That, subject to the passing of resolution 5, the Directors be given the general power to allot equity securities (as defined by section 560 of the Companies Act 2006) for cash, either pursuant to the authority conferred by resolution 5 or by way of a sale of treasury shares, as if section 561(1) of the Companies Act 2006 did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities having:

6.1 in the case of ordinary shares in the Company, a nominal amount; and

6.2 in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares in the Company, a nominal amount,

not exceeding, in aggregate, £424,241 provided that the power granted by this resolution shall expire on the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

By order of the Board

Edward Taylor
Company Secretary
Beowulf Mining plc

Richmond House
Broad Street
Ely
Cambridgeshire
CB7 4AH

17 June 2014

Notes to the Notice of Annual General Meeting

Entitlement to attend, speak and vote

1 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members on the Company's register of members at:

- 6.00 p.m. on 9 July 2014; or,
- If this Meeting is adjourned at 6.00 p.m. on the day two days prior to the adjourned meeting, shall be entitled to attend, speak and vote at the Annual General Meeting.

Changes to the register of members after 6.00 p.m. on 9 July 2014 shall be disregarded in determining the rights of any person to attend, speak and vote at the Annual General Meeting.

Appointment of proxies

2 As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Annual General Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please use the procedures set out in the notes to the proxy form. .

4 To be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed (or a copy of it notorially certified in some other way approved by the directors) must be sent or delivered to Neville Registrars Limited at Neville House,18 Laurel Lane, Halesowen, West Midlands B63 3DA so as to arrive not less than 48 hours before the time of the meeting. Completion and return of the proxy form does not preclude a member from subsequently attending and voting at the meeting in person should they subsequently wish to do so.

Communication

5 Except as provided above, members who have general queries about the Annual General Meeting should telephone Edward Taylor on 01366 500 722 (no other methods of communication will be accepted):

6 You may not use any electronic address provided either:

- in this notice of annual general meeting; or
- in any related documents (including the proxy form),

to communicate with the Company for any purposes other than those expressly stated.

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BEOWULF MINING PLC

Registered Office:
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CB7 4AH

www.beowulfmining.net