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Beowulf Mining PLC
20 July 2023

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Beowulf Mining Plc

("Beowulf" or the "Company")

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014, as incorporated intoUK law by the European Union (Withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Preliminary economic results support the development of the Graphite Anode Materials Plant in the GigaVaasa area

Beowulf (AIM: BEM; Spotlight: BEO), is pleased to announce that its wholly owned Finnish subsidiary Grafintec Oy ("Grafintec") has completed the first stage of the process design, including a preliminary review of the economics, as part of the Pre Feasibility Study ("PFS") for a Graphite Anode Materials Plant ("GAMP") located in the GigaVaasa area, in the municipality of Korsholm on the west coast of Finland. The study, prepared by the engineering consultancy RB Plant Construction Ltd ("RB Plant"), is based on an industrial plant with a total production capacity of 20,000 tonnes per annum ("tpa") of Coated Spherical Graphite ("CSPG").

Highlights

- The initial results of the study confirm the technical and financial feasibility of the GAMP, including robust preliminary economics as follows:
  - Post-tax NPV_8 of US$242 million (Pre-tax NPV_8 of US$313 million)
  - Post-tax IRR of 39% (Pre-tax IRR of 45%)
  - Payback period of 2.4 years from commencement of operation
  - Plant capacity of 20,000tpa
  - Initial operating period of 10 years with the potential to be longer
  - Realised price for CSPG of US$9,000 per tonne
  - Initial capital expenditure of US$117 million
  - Annual EBITDA of US$79m

The study confirms that the GAMP is technically and financially feasible and supports the progress of the project to the next stage of development, including coating testwork at laboratory and pilot plant scale in combination with optimisation of the process design. Further studies also include, but are not limited to, equipment selection, continued discussions and cooperation with technology partners, raw-material sourcing, engagement and pre-qualification testing with battery cell manufacturers.

Rasmus Blomqvist, Managing Director of Grafintec, commented:
"I am very pleased with the positive financial and technical outcomes of the study which highlights the good progress made by the team over the past year. We now progress to the next steps of the project, having secured the extension to the advance reservation for Plot 1, Block 3017 in the GigaVaasa area, appointed AFRY Finland Oy to undertake the Environmental Impact Assessment, and completed this first important phase of the PFS for the GAMP."

Beowulf's Chairman, Johan Röstin, commented:
"An important milestone has been achieved by our Finnish subsidiary, Grafintec, in its journey to establish itself as one of Europe's first producers of graphite anode materials for the fast-developing European battery market.

"I look forward to updating the market on further progress over the coming months."

PFS First Stage Process Design

PFS First Stage Process Design

The aim of the PFS is to investigate the technical feasibility of the GAMP in the GigaVaasa area, initially designed to import spherical graphite ("SPG") from third parties and coat the material to produce CSPG (see Figure 1 for Process Flow Diagram). Grafintec has identified the coating stage as the most value adding step of the graphite anode materials value-chain and has therefore formed a strategy in the short-term to focus on this part of the value-chain which brings most value to the business. The longer-term strategy is to incorporate a fully integrated value-chain from mine to CSPG production, securing a long-term sustainable supply of raw-materials from domestic sources including Grafintec's existing graphite resources.

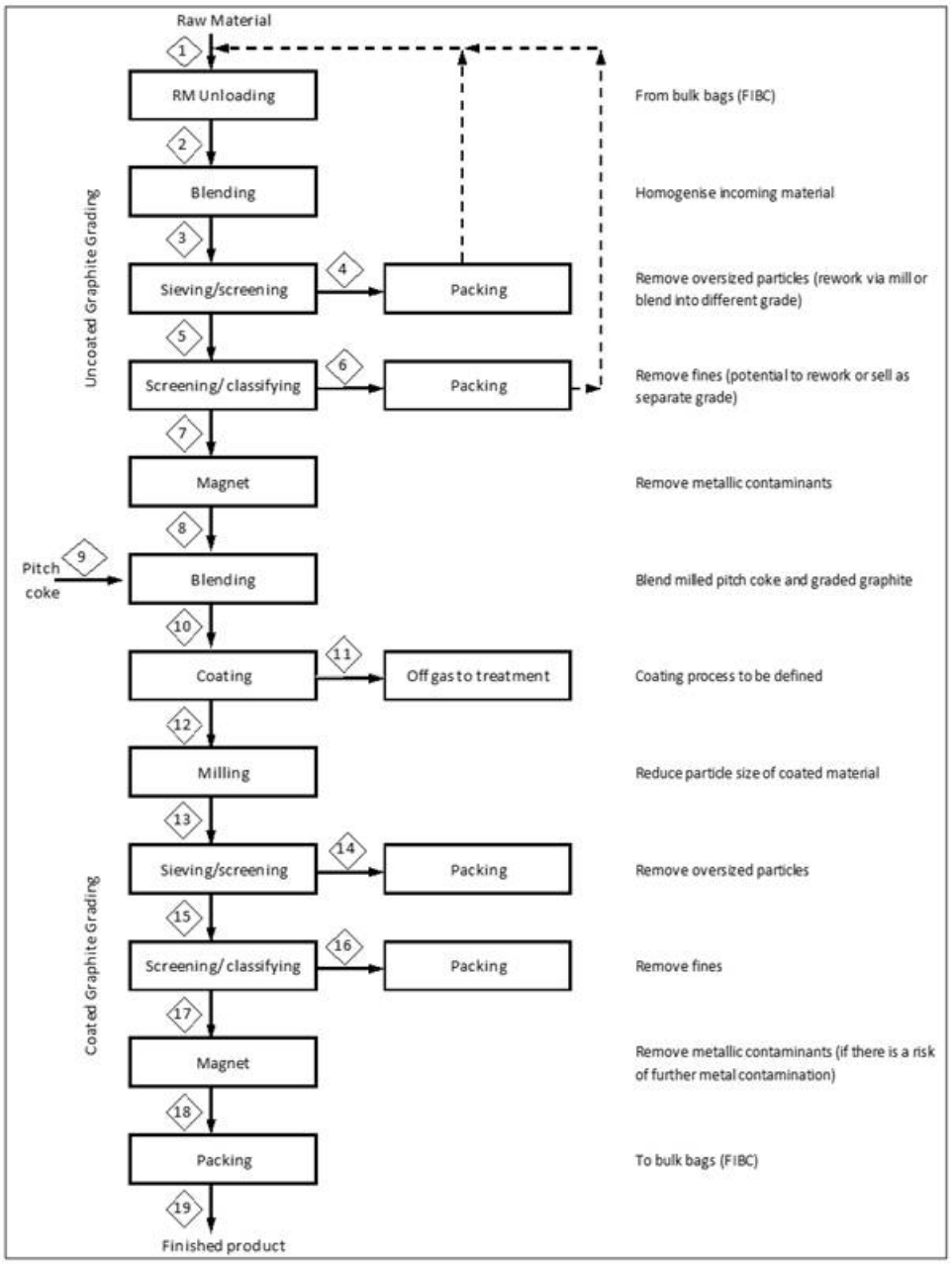


Figure 1: Process Flow Diagram

Review of Preliminary Economics

In addition to the first stage process design, RB Plant undertook a review of preliminary economics of the GAMP to assess the economic viability of the plant. Based on a conservative economic approach, the review shows extremely positive economics for the GAMP. The review also identified areas of sensitivity, especially the price of the CSPG that has the potential to significantly improve the economics.

Further coating testwork at laboratory and pilot plant scale, in combination with optimisation of the process design, is now under planning.

The key-project metrics shown in Table 1 has been estimated from benchmark information from similar projects and analysts.

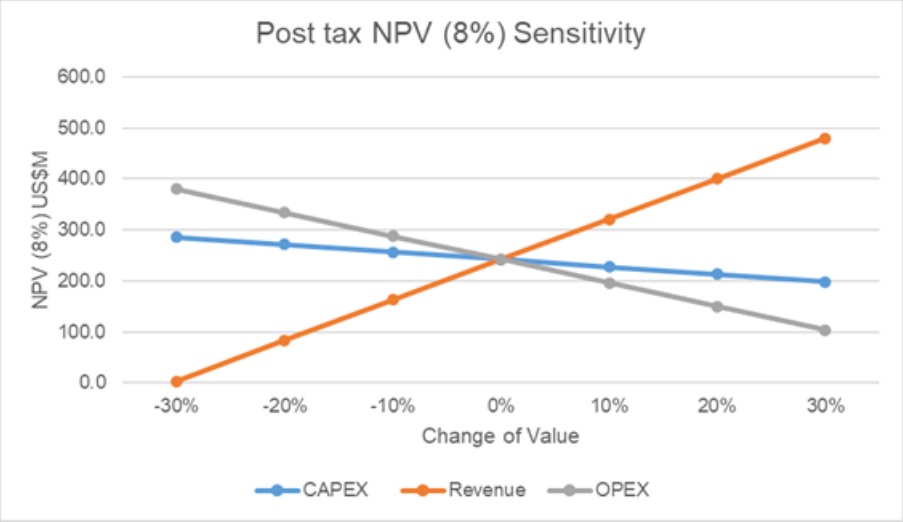
Table 1: Key Financial Metrics

Parameters	Units	Outcomes
Annual Average Production of CSPG	tonnes	20,000
Pre-tax NPV_8	US$M	313
Post-tax NPV_8	US$M	242
Pre-tax IRR	%	45.2
Post-tax IRR	%	38.9
CAPEX	US$M	117
Life of Operation	years	10
Project Payback	years	2.4
CSPG Sales Price	US$/tonnes	9,000
CSPG Production Costs*	US$/tonnes	5,064
Revenue	US$M/year	185
EBITDA	US$M/year	79

* Production costs estimates are currently to +/- 50% accuracy but will be refined during the Front End Engineering Design ("FEED") studies.

Economic Sensitivity

The economic sensitivity to NPV and IRR has been tested, and reflects how changes in sales prices ("revenue"), Operational Costs ("OPEX") and Capital Costs ("CAPEX") affects these economic parameters. The sensitivity analysis shows that the project is most sensitive to the sales prices of the CSPG (Figure 2).



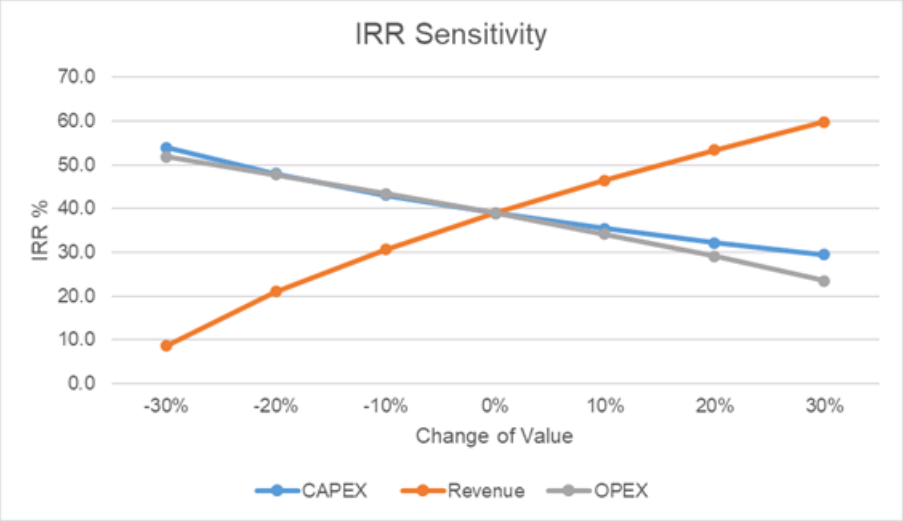


Figure 2: NPV and IRR Sensitivity Analysis

In addition, it is anticipated that the plant will continue to operate well beyond the currently modelled 10 years. If the operation continues for 15 years, the projected cash flows will generate a Post-tax NPV_8 of US$341.9 million and Post-tax IRR of 40.1%.

Cautionary Statement Regarding Forward-Looking Statements

This RNS contains forward-looking statements. Forward-looking statements are subject to risks, uncertainties and assumptions. Forward looking statements include, among other things, statements concerning the construction and operation of the GAMP production facility and the costs and sales associated with them. The Company cautions that there are certain factors that could cause actual results to differ materially from the forward-looking information that has been provided. The reader is cautioned not to put undue reliance on this forward-looking information, which is not a guarantee of future performance and is subject to a number of uncertainties and other factors, many of which are outside the control of the Company; accordingly, there can be no assurance that such suggested results will be realized.

The Company's ability to successfully construct and operate a commercial-scale plant capable of producing CSPG in quantities consistent with the GAMP`s business plan is subject to (a) the Company's ability to raise additional capital in the future including the ability to utilize existing financing facilities; (b) spot price and long-term contract price of CSPG; (c) risks associated with our operations and the operations of our partners; (d) government regulation of the graphite and energy storage battery industry; (e) world-wide graphite and anode materials supply and demand, including the supply and demand for energy storage batteries; (f) regulatory and legal or other problems the Company may encounter in the jurisdictions where the Company operates or intends to operate, including but not limited to Finland; (g) the ability of the Company to enter into and successfully close acquisitions or other material transactions.

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About Beowulf Mining plc

Beowulf Mining is a mining company with main activities in exploration and development in Sweden, Finland and Kosovo. Beowulf's portfolio is diversified by commodity, geography and stage of development of the projects. Development consists primarily of iron ore, graphite, gold and other base metals. Beowulf Mining was founded in 1988 and is headquartered in London, England.

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