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Beowulf Mining PLC
20 May 2024

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Beowulf Mining plc

("Beowulf" or the "Company")

Audited Financial Results for the year ended 31 December 2023

Beowulf (AIM: BEM; Spotlight: BEO), the mineral exploration and development company, announces its audited financial results for the year ended 31 December 2023 (the "Period").

The Annual Report and Accounts will be tabled to shareholders at the Annual General Meeting ("AGM") of the Company, the details of which will be announced in a separate news release.

The 2023 Annual Report and the Notice of AGM and Form of Proxy will shortly be posted to those shareholders who have requested a copy and will be available on the Company's website today (https://beowulfmining.com/).

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Cautionary Statement

Statements and assumptions made in this document with respect to the Company's current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of Beowulf. Forward-looking statements include, but are not limited to, those using words such as "may", "might", "seeks", "expects", "anticipates", "estimates", "believes", "projects", "plans", strategy", "forecast" and similar expressions. These statements reflect management's expectations and assumptions in light of currently available information. They are subject to a number of risks and uncertainties, including, but not limited to , (i) changes in the economic, regulatory and political environments in the countries where Beowulf operates; (ii) changes relating to the geological information available in respect of the various projects undertaken; (iii) Beowulf's continued ability to secure enough financing to carry on its operations as a going concern; (iv) the success of its potential joint ventures and alliances, if any; (v) metal prices, particularly as regards iron ore. In the light of the many risks and uncertainties surrounding any mineral project at an early stage of its development, the actual results could differ materially from those presented and forecast in this document. Beowulf assumes no unconditional obligation to immediately update any such statements and/or forecast.

CHAIRMAN'S STATEMENT

Dear Shareholders

I am pleased to introduce the Annual Report for 2023, the first full year of my tenure as Chairman of Beowulf.

The year has been a transformational one for the Company, and not without its challenges. In particular, we have seen a number of management changes, however, I am confident that we are now in a stronger position than we were at the beginning of 2023, and I remain excited about the future prospects for the Company.

After nine years as Chief Executive Officer of Beowulf, Kurt Budge announced on 3 May 2023 that he was stepping down from the Company. Kurt played a pivotal role in the Company's development, in particular achieving the successful delivery of the Exploitation Concession for Kallak North. Following this we were fortunate to attract Ed Bowie to join Beowulf, taking over as CEO on 7 August 2023. Ed has extensive technical, corporate and financial experience and his involvement and new perspectives brought an immediate positive impact to the Company's portfolio of assets.

We further strengthened the Board with the appointment of Mikael Schauman as Non-Executive Director, on 10 July 2023. Mikael has over 40 years of experience in base metals with senior management roles with major mining companies including as Senior Vice President Commercial of Lundin Mining Corporation. Mikael's insights and experience are proving invaluable to the Company.

The Kallak project is now on a much firmer footing. We have initiated a properly scoped PFS and put together an industry leading group of consultants to manage the range of technical and environmental disciplines. The environmental studies are continuing in preparation for the EIA and future application for the environmental permit. Additionally, we have attracted an excellent Project Director, Dmytro Siergieiev, to take over the leadership of the project and Jokkmokk Iron following the resignation of Ulla Sandborgh as the subsidiary's CEO.

In Finland, under the leadership of Rasmus Blomqvist, we delivered an excellent PFS on the Coating plant but, in the fast-moving market and against the backdrop of export controls introduced by China, have modified our plans and initiated the PFS on the full anode material plant. Test-work and the EIA studies are ongoing and remain on track for completion in 2024.

Vardar has continued to develop and refine exploration targets in Kosovo, although we significantly reduced the expenditure from previous years, focusing on low-cost mapping, sampling and drone-magnetics to better refine targets prior to drilling. Further, following the end of 2023, we reached an agreement to consolidate 100 per cent through in an all-share transaction. This not only gives Beowulf full control of Vardar, but also tidies up the subsidiary holdings and provides greater optionality to drive the business forward.

Beowulf remains deeply committed to developing sustainable operations that benefit our local communities. We strive to engage with our stakeholders and have made significant efforts to improve our transparency, accountability, and accessibility. In Jokkmokk we have opened an office in the town centre, where Ed and I have made numerous trips and had regular meetings with local politicians and business leaders. The appointment of Dmytro, who will be spending significant time in Jokkmokk, further reinforces our determination to become a trusted partner.

In March 2023, we completed a rights issue of Swedish Depository Receipts and PrimaryBid retail offer and placing to certain UK investors. The total gross amount raised was £6.4 million (SEK 80.8 million). The net funds raised after repayment of the loan (£2.04 million) and transaction costs (£0.64 million) were £3.72 million.

On 3 April 2024 we announced the completion of the capital raise with a total of £4.3 million (SEK 56.3 million) gross raised to fund the development of the Company's assets through their next key valuation milestones. We have a clear strategy for each asset and have built a team capable of delivering.

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

J Röstin
Non-Executive Chairman

CONSOLIDATED INCOME STATEMENT

	Note	2023 £	2022 £
Continuing operations			
Administrative expenses		(2,501,263)	(1,806,582)
Impairment of exploration assets	8	(350,158)	(36,988)
Operating loss		(2,851,421)	(1,843,570)
Gain on disposal of investment		-	21,951
Finance costs	3	(197,724)	(304,806)
Finance income	3	7,923	176
Grant income	6	96,750	84,797
Recovery of impairment on listed investment		6,563	-
Loss before tax		(2,937,909)	(2,041,452)
Tax expense	5	-	-
Loss for the year		(2,937,909)	(2,041,452)
Loss attributable to:			
Owners of the parent		(2,863,959)	(1,948,459)
Non-controlling interests	15	(73,950)	(92,993)
		(2,937,909)	(2,041,452)
Loss per share attributable to the ordinary equity holder of the parent:			
Basic and diluted (pence)	7	(0.26)	(0.23)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2023 £	2022 £
Loss for the year		(2,937,909)	(2,041,452)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange losses arising on translation of foreign operations		(196,950)	(32,945)
		(196,950)	(32,945)
Total comprehensive loss		(3,134,859)	(2,074,397)
Total comprehensive loss attributable to:			
Owners of the parent		(3,032,416)	(2,020,889)
Non-controlling interests	15	(102,443)	(53,508)
		(3,134,859)	(2,074,397)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Company Number 02330496	Note	2023	2022
		£	£
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	8	14,873,326	13,002,465
Property, plant and equipment	9	87,755	129,715
Investments	10	6,563	-
Loans and other financial assets	11	5,209	5,181
Right-of-use asset	12	63,158	19,279
		15,036,011	13,156,640
CURRENT ASSETS			
Trade and other receivables	13	152,004	220,427
Cash and cash equivalents	14	905,555	1,776,556
		1,057,559	1,996,983
TOTAL ASSETS		16,093,570	15,153,623
EQUITY			
SHAREHOLDERS' EQUITY			
Share capital	16	11,571,875	8,317,106
Share premium	18	27,141,444	24,689,311
Capital contribution reserve	18	46,451	46,451
Share based payment reserve	18	903,766	516,098
Merger reserve	18	137,700	137,700
Translation reserve	18	(1,457,872)	(1,289,415)
Accumulated losses	18	(23,235,514)	(20,323,414)
		15,107,850	12,093,837
Non-controlling interests	15	514,430	568,732
TOTAL EQUITY		15,622,280	12,662,569
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	433,662	625,730
Lease liability	20	22,575	10,840
Borrowings	21	-	1,845,947
		456,237	2,482,517
NON-CURRENT LIABILITIES			
Lease liability	20	15,053	8,537
		15,053	8,537
TOTAL LIABILITIES		471,290	2,491,054
TOTAL EQUITY AND LIABILITIES		16,093,570	15,153,623

The financial statements were approved and authorised for issue by the Board of Directors on 17 May 2024 and were signed on its behalf by:

Mr Ed Bowie - Director

COMPANY STATEMENT OF FINANCIAL POSITION

Company Number 02330496	Note	2023	2022
		£	£
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	964	834
Investments	10	3,967,878	3,645,181
Loans and other financial assets	11	12,839,865	11,084,289
		16,808,707	14,730,304
CURRENT ASSETS			
Trade and other receivables	13	49,155	53,284
Cash and cash equivalents	14	794,909	1,667,840
		844,064	1,721,124

TOTAL ASSETS		17,652,771	16,451,428
EQUITY			
SHAREHOLDERS' EQUITY			
Share capital	16	11,571,875	8,317,106
Share premium	18	27,141,444	24,689,311
Capital contribution reserve	18	46,451	46,451
Share based payment reserve	18	903,766	516,098
Merger reserve	18	137,700	137,700
Accumulated losses	18	(22,276,683)	(19,317,455)
TOTAL EQUITY		17,524,553	14,389,211
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	128,218	216,270
Borrowings	21	-	1,845,947
TOTAL LIABILITIES		128,218	2,062,217
TOTAL EQUITY AND LIABILITIES		17,652,771	16,451,428

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 £2,959,228 (2022: loss of £1,372,662).

These financial statements were approved and authorised for issue by the Board of Directors on 17 May 2024 and were signed on its behalf by:

Mr Ed Bowie - Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital £	Share premium £	Merger reserve £	Capital contribution reserve £	Share based payment reserve £	Translation reserve £	Accumulated losses £
At 1 January 2022		8,317,106	24,689,311	137,700	46,451	668,482	(1,216,985)	(18,470,675)
Loss for the year		-	-	-	-	-	-	(1,948,459)
Foreign exchange translation		-	-	-	-	-	(72,430)	-
Total comprehensive income		-	-	-	-	-	(72,430)	(1,948,459)
Transactions with owners								
Equity-settled share-based payment transactions	17	-	-	-	-	240,537	-	-
Step up interest in subsidiary	10	-	-	-	-	-	-	(297,201)
Transfer of reserve on option exercised		-	-	-	-	(392,921)	-	392,921
At 31 December 2022		8,317,106	24,689,311	137,700	46,451	516,098	(1,289,415)	(20,323,414)
Loss for the year		-	-	-	-	-	-	(2,863,959)
Foreign exchange translation		-	-	-	-	-	(168,457)	-
Total comprehensive income		-	-	-	-	-	(168,457)	(2,863,959)
Transactions with owners								
Issue of share capital		3,254,769	3,654,829	-	-	-	-	-

	Note							
Cost of issue		-	(1,202,696)	-	-	-	-	-
Equity-settled share-based payment transactions	17	-	-	-	-	387,668	-	-
Step up interest in subsidiary	10	-	-	-	-	-	-	(48,141)
At 31 December 2023		11,571,875	27,141,444	137,700	46,451	903,766	(1,457,872)	(23,235,514)

COMPANY STATEMENT OF CHANGES IN EQUITY

	Note	Share capital £	Share premium £	Merger reserve £	Capital contribution reserve £	Share based payment reserve £
At 1 January 2022		8,317,106	24,689,311	137,700	46,451	668,482
Loss for the year		-	-	-	-	-
Total comprehensive income		-	-	-	-	-
Transactions with owners						
Equity-settled share-based payment transactions	17	-	-	-	-	240,537
Transfer of reserve on option lapsed		-	-	-	-	(392,921)
At 31 December 2022		8,317,106	24,689,311	137,700	46,451	516,098
Loss for the year		-	-	-	-	-
Total comprehensive income		-	-	-	-	-
Transactions with owners						
Issue of share capital		3,254,769	3,654,829	-	-	-
Cost of issue		-	(1,202,696)			
Equity-settled share-based payment transactions	17	-	-	-	-	387,668
At 31 December 2023		11,571,875	27,141,444	137,700	46,451	903,766

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2023 £	2022 £
Cash flows from operating activities			
Loss before income tax		(2,937,909)	(2,041,452)
Depreciation of property, plant and equipment	4	43,276	45,133
Equity-settled share-based transactions		387,668	240,537
Impairment of exploration costs	4	350,158	36,988
Loss on disposal of property, plant and equipment	9	643	-
Gain on disposal of right of use assets		(58)	-
Finance income	3	(7,923)	(176)
Finance cost	3	197,724	304,806
Grant income	6	(96,750)	(84,797)
Gain on sale of investment		-	(21,951)
Amortisation of right-of-use assets	12	29,478	6,384
Unrealised foreign exchange losses		86,637	55,337
Recovery of impairment on listed investment		(6,563)	-
		(1,953,619)	(1,459,191)

Decrease/(increase) in trade and other receivables		61,395	(36,535)
Decrease in trade and other payables		(277,400)	(43,827)
Net cash used in operating activities		(2,169,624)	(1,539,553)
Cash flows from investing activities			
Purchase of intangible assets	8	(2,308,473)	(1,536,674)
Purchase of property, plant and equipment	9	(7,052)	(34,397)
Payments for improvements of right of use assets		(33,121)	-
Disposal of investments	4	-	21,951
Grant receipt	6	96,750	84,797
Grant repaid		-	(39,849)
Interest received	3	7,923	176
Net cash used in investing activities		(2,243,973)	(1,503,996)
Cash flows from financing activities			
Proceeds from issue of shares		4,373,056	-
Payment of share issue costs	16	(704,587)	-
Lease principal	20	(21,228)	(6,347)
Lease interest paid	20	(2,420)	(264)
Proceeds from borrowings, net of issue costs	21	-	1,554,381
Interest paid		-	(10)
Net cash from financing activities		3,644,821	1,547,760
Decrease in cash and cash equivalents		(768,776)	(1,495,789)
Cash and cash equivalents at beginning of year		1,776,556	3,336,134
Effect of foreign exchange rate changes		(102,225)	(63,789)
Cash and cash equivalents at end of year		905,555	1,776,556

COMPANY STATEMENT OF CASH FLOWS

		2023	2022
	Note	£	£
Cash flows from operating activities			
Loss before income tax		(2,959,228)	(1,372,662)
Expected credit losses	11	1,001,537	5,336
Equity-settled share-based transactions		321,534	173,344
Depreciation of property, plant and equipment		233	278
Loss on disposal of property, plant and equipment		643	-
Finance income	3	(7,655)	(170)
Finance cost		195,304	304,529
Gain on disposal of investment		-	(21,951)
Unrealised foreign exchange losses		86,637	55,337
Recovery of impairment on listed investment		(6,563)	-
		(1,367,558)	(855,959)
Decrease/(increase) in trade and other receivables		4,129	(12,099)
(Decrease)/increase in trade and other payables		(88,052)	101,779
Net cash used in operating activities		(1,451,481)	(766,279)
Cash flows from investing activities			
Loans to subsidiaries	11	(2,757,113)	(909,975)
Interest received	3	7,655	170
Financing of subsidiary	10	(250,000)	(1,200,000)
Grant repaid	20	-	(39,849)
Purchase of property, plant and equipment		(1,006)	-
Disposal of investments	4	-	21,951
Net cash used in investing activities		(3,000,464)	(2,127,703)
Cash flows from financing activities			
Proceeds from issue of shares		4,373,056	-
Payment of share issue costs	16	(704,587)	-
Proceeds from borrowings	21	-	1,554,381
Net cash from financing activities		3,668,469	1,554,381

Decrease in cash and cash equivalents	(783,476)	(1,339,601)
Cash and cash equivalents at beginning of year	1,667,840	3,075,741
Effect of foreign exchange rate changes	(89,455)	(68,300)
Cash and cash equivalents at end of year	794,909	1,667,840

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Material accounting policy information

Nature of operations

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

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

Going concern

As at 31 December 2023, the Group had a cash balance of £0.91 million (2022: £1.78 million) and the Company had a cash balance of £0.79 million (2022: 1.67 million).

As disclosed in Note 28, on 16 February 2024, in conjunction with the Company's right issue, the Company entered into a short-term bridging loan of SEK 10 million (approx. £724k) with the underwriters of the rights issue to ensure that the Company has sufficient financial resources to continue advancing its projects ahead of the right issue being finalised. The bridging loan accrues interest of 1.5% per 30-day period and is repayable on 31 May 2024. The bridging loan was repaid early in April 2024 using part of the proceeds from the capital raise on the right issue, noted below.

On 3 April 2024 the Company announced the completion of the capital raise with a total of £4.3 million (SEK 56.3 million) gross raised to fund the development of the Company's assets through their next key valuation milestones. The net funds raised after the loan repayment and share issue transaction costs are £3.0 million (see note 28).

Therefore, at the date of this report, based on management prepared cashflow forecasts, the Directors are confident that the Group and Company has raised sufficient capital to fund the Group's key projects and investments for the period to June 2025 but note that further funds will be required within a few months post this date to allow the Group and Company to realise its assets and discharge its liabilities in the normal course of business. There are currently no agreements in place and there is no certainty that the funds will be raised within the appropriate timeframe. These conditions indicate the existence of a material uncertainty which may cast significant doubt over the Group's and the Company's ability to continue as going concerns and therefore, the Group and the Parent Company may be unable to realise their assets and discharge their liabilities in the normal course of business. The Directors will continue to explore funding opportunities at both asset and corporate levels. The Directors have a reasonable expectation that funding will be forthcoming based on their past experience and therefore believe that the going concern basis of preparation is deemed appropriate and as such the financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments that would result if the Group and the Company were unable to continue as going concerns.

Basis of preparation

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

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

The conditions to qualify for merger relief are:

- the consideration for shares in another company includes issued shares;

- on completion of the transaction, the company issuing the shares will have secured at least a 90% equity holding in the other company.

Merger relief was required to be applied in acquisition of Grafintec, in which the Company obtained 100% of the share capital of Grafintec for shares issued by the Company. Further details of this acquisition are outlined in note 10.

New standards, amendments and interpretations

Standards and interpretations adopted during the year

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

- IFRS 17 Insurance Contracts
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - amendments to IAS 12
- Disclosure of Accounting Policies - amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates - amendments to IAS 8

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

Standards, amendments and interpretations that are not yet effective

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

The following amendments are effective for the period beginning 1 January 2024:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- IFRS 16 Leases (Amendment - Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment - Non-current Liabilities with Covenants)

Significant accounting judgements, estimates and assumptions

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

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

Control of Vardar Group

Judgement is exercised in assessing the control of the Vardar Group and, in respect of the Parent Company, the recoverability of the loans made to subsidiary undertakings.

The Company is assessed to have control by virtue of its shareholding in Vardar Minerals Limited, which was 61.1% at 31 December 2023 (2022: 59.5%).

Exploration costs capitalisation

The Group has to apply judgement in determining whether exploration and evaluation expenditure should be capitalised within intangible assets as exploration costs or expensed. The Group has a policy of capitalising all costs which relate directly to exploration costs (as set out above). Management apply judgement in determining if Directors' remuneration costs are directly attributable to a specific exploration area (project) and should be capitalised or expensed as incurred. The total value of exploration costs capitalised as at each of the reporting dates is set out in Note 8.

Exploration assets

The Pitkäjärvi licence was renewed in 2021 and expires on 26 April 2024, a further extension was applied for on 15 March 2024 and remains subject to approval.

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

Management considers that in each case licence conditions have been met and are confident applications or renewals will be accepted by receiving authorities.

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

The licence for Åtvidaberg is not expected to be renewed when it expires in 2024 and therefore has been fully impaired in the year (see note 8).

Sources of estimation and uncertainty

Valuation of share-based payments

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

Expected credit losses

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

Estimations were made regarding the credit risk of the counterparty and the underlying probability of default in each of the credit loss scenarios. The scenarios identified by management included Production, Divestment, Fire-sale and Failure. These scenarios considered technical data, necessary licences to be awarded, the Company's ability to raise finance, and ability to sell the project. A reasonable change in the probability weightings of both the downside scenarios of failure and fire-sale of 3% would result in further impairment of £789,297 (2022: £626,927).

Basis of consolidation

(i) Subsidiaries and acquisitions

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

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

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

(ii) Transactions eliminated on consolidation

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

Intangible assets - deferred exploration costs

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

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

Exploration and evaluation activities include:

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

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

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

Intangible assets - capitalised development costs

Development costs that are directly attributable to the GAMP project are recognised as intangible assets where the following criteria are met:

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

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

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

Impairment

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

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

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

Property, plant and equipment

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

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

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

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

Leased assets

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

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

Investments in subsidiaries

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

Cash and cash equivalents

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

Financial assets

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

Amortised cost

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

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

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

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

Fair value through profit or loss

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

Subsequent to initial recognition, changes in fair value are recognised in the statement of comprehensive income.

Financial liabilities

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

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

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

Share capital

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

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

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

Taxation

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

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

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

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

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

Foreign currencies

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

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

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

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

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

Share-based payment transactions

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

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

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

Government grants

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

2. Employees and directors

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Wages and salaries	1,156,604	794,969	637,755	308,543
Social security costs	182,611	138,192	56,454	45,632
Other benefits	20,832	10,691	15,401	6,554
	1,360,047	943,852	709,610	360,729

Directors' remuneration is as follows:

	2023	2022
	£	£

Directors' emoluments, including salary and fees	443,157	315,097
Payments for loss of office	210,000	-
Shared-based payments	321,534	173,345
	974,691	488,442

Further details pertaining to Directors' remuneration can be found in the Directors' remuneration report on page 33.

The remuneration of the highest paid Director who served during the year was Kurt Budge which consisted of base salary of £210,000 (2022: £210,000).

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

	Group		Company	
	2023 Number	2022 Number	2023 Number	2022 Number
Directors	3	3	3	3
Employees	12	10	-	-

3. Finance income and costs

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Finance income:				
Deposit account interest	7,923	176	7,655	170
	7,923	176	7,655	170
Finance costs:				
Interest on lease liabilities	2,420	267	-	-
Interest on loans and borrowings	195,304	304,529	195,304	304,529
Other interest paid	-	10	-	-
	197,724	304,806	195,304	304,529

4. Loss before tax and auditor's remuneration

a. The loss before tax is stated after charging:

	2023 £	2022 £
Depreciation of property, plant and equipment (note 9)	43,276	45,133
Amortisation of right-of-use asset (note 12)	29,478	6,353
Share-based payment expense	387,668	240,537
Foreign exchange differences	58,035	68,302
Loss on disposal of property, plant and equipment (note 9)	643	-
Gain on disposal of right of use assets (note 12)	(58)	-
Gain on disposal of investment[1]	-	21,951
Recovery of impairment on listed investments[2]	6,653	-
Impairment of exploration costs (note 8)	350,158	36,988

[1]Gain on disposal of investment relates to shares held in Sunvest Corporation Limited, which were previously impaired in full.

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

b. Auditor's remuneration

	2023 £	2022 £
Fees payable to the Group's auditor for the audit of the consolidated financial statements	103,290	57,005
Fees payable to the Group auditor for other services:		
- audit of subsidiaries pursuant to legislation	-	6,000
- review of quarterly financial statements	3,240	3,208
- tax compliance services	-	11,826
	106,530	78,039

5. Income tax

Analysis of tax expense

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2023 or for the year ended 31 December 2022.

Factors affecting the tax expense

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

	2023 £	2022 £
Loss on ordinary activities before income tax	(2,937,909)	(2,041,452)
Tax thereon at a UK corporation tax rate of 23.5% (2022: 19%)	(690,409)	(387,876)
Effects of:		
Non-deductible expenditure	75,615	32,936
Tax losses not recognised	390,715	241,390
Losses of overseas subsidiaries to be carried forward	224,079	113,550
	-	-

The main rate of UK corporation tax for the year ended 31 December 2023 and up to 1 April 2023 was 19 per cent. From 1 April 2023, the main rate of UK corporation tax increased to 25 per cent, resulting in an effective tax rate of 23.5% for the year ended 31 December 2023. The Group has estimated UK losses of £16,656,271 (2022: £14,993,653) and foreign losses of £5,780,656 (2022: £4,659,376) available to carry forward against future trading profits. The value of unrecognised deferred tax assets in respect of the UK losses amounts to £4,164,068 (2022: £3,748,413) and foreign losses of £1,041,936 (2022: £804,730). The Directors believe that due to the uncertainty over when the tax losses will be utilised it is appropriate not to recognise a deferred tax asset at this time.

6. Grant income

	2023 £	2022 £
Business Finland	96,750	84,797
	96,750	84,797

Grafintec is participating in project titled "BATCircle - the development of a Finland-based Circular Ecosystem of Battery Metals". BATCircle is part of the European Union ("EU") Strategic Energy Technology Programme. The project is being administered by Business Finland and a 50 per cent contribution to a budget of €791,000 (approximately £700,000) for Phase 2 and €224,900 (approximately £200,000) Phase 1. The funds will be used for graphite purification and spheroidization test work, and the further assessment of Grafintec's graphite for battery applications. The funding is released by the administrator as incurred with Phase 1 running from 1 January 2019 to 31 January 2020 and Phase 2 running from 1 January 2021 to 31 December 2023. In the year to 31 December 2023, £96,750 has been recognised as grant income (2022: £84,797).

7. Basic and diluted loss per share

The calculation of basic and diluted loss per share at 31 December 2023 was based on the loss attributable to ordinary shareholders of £2,863,959 (2022: £1,948,459) and a weighted average number of Ordinary Shares outstanding during the year ended 31 December 2023 of 1,084,958,359 (2022: 831,710,636) calculated as follows:

	2023 £	2022 £
Loss attributable to ordinary shareholders	(2,863,959)	(1,948,459)

Weighted average number of ordinary shares

	2023 Number	2022 Number
Number of shares in issue at the beginning of the year	831,710,636	831,710,636
Effect of shares issued during year	253,247,723	-
Weighted average number of ordinary shares in issue for the year	1,084,958,359	831,710,636

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

Following the year end, the Company issued 52,326,758 new Ordinary shares as consideration for the consolidation of ownership of Vardar Minerals Limited. The calculation of loss per share has not been adjusted as the issue of shares does not affect the amount of capital used to produce profit or loss for the year.

8. Intangible assets - Group

	Exploration costs £	Other intangible assets £	Total £
COST			
At 1 January 2022	11,235,656	-	11,235,656
Additions for the year - cash	1,536,674	-	1,536,674
Additions for the year - non-cash	314,272	-	314,272
Foreign exchange movements	(47,149)	-	(47,149)
Impairment	(36,988)	-	(36,988)
At 31 December 2022	13,002,465	-	13,002,465
At 1 January 2023	13,002,465	-	13,002,465
Additions for the year - cash	2,232,694	75,779	2,308,473
Additions for the year - non-cash	98,208	-	98,208
Foreign exchange movements	(185,376)	(286)	(185,662)
Impairment	(350,158)	-	(350,158)
At 31 December 2023	14,797,833	75,493	14,873,326
NET BOOK VALUE			
At 31 December 2023	14,797,833	75,493	14,873,326
At 31 December 2022	13,002,465	-	13,002,465

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

	2023 £	2022 £
Kallak	9,481,130	7,666,563
Åtvidaberg	-	358,694
Ågåsjiegge	-	7,718
Pitkäjärvi	1,667,854	1,641,836
Karhunmaki	55,935	56,089
Rääpysjärvi	174,060	148,430
Mitrovica	2,527,239	2,430,150
Viti	680,331	687,065
Emas	41,693	1,663
Luopioinen	4,812	4,257
Shala	164,779	-
	14,797,833	13,002,465

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

Directors during the year (2022: £262,684).

In Sweden, on 24 January 2023, the Company announced the positive economic results of the Kallak North Scoping Study. Management have considered that there is no current risk associated with Kallak and thus have not impaired the project.

In Finland, the development of downstream capabilities is a key part of Grafintec's strategy. During the year, the Company announced the results of a PFS, envisaging importing Spherical Purified Graphite ("SPG") and producing an initial 20,000 tonne per annum of Coated Spherical Graphite ("CSPG"), for sale to anode manufacturers. The economics of the study were extremely positive with an after-tax NPV8 of US$242 million, an Internal Rate of Return of 39 per cent, and a Payback Period of 2.4 years.

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

The Company's most advanced natural flake graphite project, Aitolampi, has an Indicated and Inferred Mineral Resource of 26.7 Mt at 4.8 per cent TGC for 1,275,000 tonnes of contained graphite. In addition to Aitolampi, the Company has other graphite exploration prospects, including Rääpysjärvi for which positive exploration results were announced during the prior year.

In Kosovo, Vardar has three exploration licence areas, Mitrovica, Viti and Shala. Significant progress continues to be made in Kosovo. The Company has also made further investments to fund drilling and taking the Company's ownership of Vardar to approximately 61.1 per cent.

The focus of activity in 2023 was on low-cost exploration including mapping, sampling and drone magnetic surveys to identify and refine exploration targets.

In the year, an impairment provision of £350,158 was recognised for project costs capitalised for projects at Ågåsjiegge and Åtvidaberg (2022: £36,988 in project Merivaara) on the basis that licence at Ågåsjiegge was relinquished early and the licence at Åtvidaberg will not be renewed. In respect of the other licence areas, no impairment indicators have been identified. The impairment is charged as an expense and included within the consolidated income statement.

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

9. Property, plant and equipment

Group

	Office equipment	Motor vehicles	Machinery & equipment	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2022	2,975	146,545	98,830	1,499	249,849
Additions	-	2,730	31,667	-	34,397
Foreign exchange movements	(21)	(579)	3,349	-	2,749
At 31 December 2022	2,954	148,696	133,846	1,499	286,995
Depreciation					
At 1 January 2022	1,787	65,811	48,436	387	116,421
Charge for year	1,006	19,796	24,053	278	45,133
Foreign exchange movements	36	(6,018)	1,708	-	(4,274)
At 31 December 2022	2,829	79,589	74,197	665	157,280

Group

	Office equipment	Motor vehicles	Machinery & equipment	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2023	2,953	148,696	133,846	1,499	286,994
Additions	-	-	6,046	1,006	7,052
Disposals	-	-	-	(1,499)	(1,499)
Reclassification	1,806	(7,330)	5,524	-	-
Foreign exchange movements	(126)	(6,151)	(5,255)	-	(11,532)
At 31 December 2023	4,633	135,215	140,161	1,006	281,015
Depreciation					
At 1 January 2023	2,829	79,589	74,197	665	157,280
Charge for year	741	19,416	22,886	233	43,276
Disposals	-	-	-	(856)	(856)
Foreign exchange movements	(102)	(3,586)	(2,752)	-	(6,440)
At 31 December 2023	3,468	95,419	94,331	42	193,260
Net book value					
At 31 December 2023	1,165	39,796	45,830	964	87,755
At 31 December 2022	125	69,107	59,649	834	129,715

9. Property, plant and equipment (continued)

Company

	Computer equipment	Total
	£	£
Cost		
At 1 January 2022	1,499	1,499
At 31 December 2022	1,499	1,499
Depreciation		
At 1 January 2022	387	387
Charge for year	278	278
At 31 December 2022	665	665

Company

	Computer equipment	Total
	£	£
Cost		
At 1 January 2023	1,499	1,499
Additions	1,006	1,006
Disposals	(1,499)	(1,499)
At 31 December 2023	1,006	1,006
Depreciation		
At 1 January 2023	665	665
Charge for year	233	233
Disposals	(856)	(856)
At 31 December 2023	42	42
Net book value		
At 31 December 2023	964	964
At 31 December 2022	834	834

10. Investments

Group and Company listed	Company Shares in

	listed investments £	Shares in subsidiaries £
Cost		
At 1 January 2022	-	2,377,988
Acquisitions	-	1,267,193
At 31 December 2022	-	3,645,181
At 1 January 2023	-	3,645,181
Acquisitions	-	322,697
Recovery of impairment	6,563	-
At 31 December 2023	6,563	3,967,878

Listed investments

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

Shares in subsidiaries

Further investments in the share capital of subsidiaries of Vardar constitute additions during the year of £250,000 (2022: £1,200,000) to increase the Company's shareholding in Vardar from 59.5% to 61.1%. The share capital of Vardar was reclassified to share capital of subsidiaries following control being obtained on 1 April 2019. The basis for control was assessed on the on the Group's ability to exercise power over Vardar through combination of the increased investment in Vardar and the appointment of the CEO as Investor Director, which conveyed substantive rights to direct the actions of Vardar that would ultimately affect the returns of the investee.

The additional investment during the year includes a share-based payment expense of £66,134 in relation to share options granted to employees of the Company's subsidiaries Grafintec and JIMAB.

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

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

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

There was nil consideration recognised in the financial statements for the year ended 31 December 2023, (2022: £Nil). No further share-based payment expense for the consideration shares was capitalised to intangibles in the year ended 31 December 2023 (2022: £Nil).

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

Step up interest in Vardar Minerals

The investment in Vardar gives the Company exposure to a portfolio of exploration licences situated in the European Tertiary calc-alkaline Tethys Arc most notable for its lead-zinc-silver mining districts, as well as recent porphyry related copper and gold discoveries. On 12 March 2023, a further investment of £250,000 was made to increase the Company's shareholding in Vardar from 59.5% to 61.1%.

Further investment in Vardar was recognised as an increase to accumulated losses of £48,141 (2022:

Further investment in Vardar was recognised as an increase to accumulated losses of £48,141 (2022: £297,201).

The Group consists of the following subsidiary undertakings:

Name	Incorporated	Activity	2023 % holding	2022 % holding
Grafintec Oy	Finland	Mineral exploration	100%	100%
Jokkmokk Iron Mines AB	Sweden	Mineral exploration	100%	100%
Beowulf Mining Sweden AB	Sweden	Mineral exploration	100%	100%
Wayland Copper Limited	UK	Holding company	65.25%	65.25%
Wayland Sweden AB	Sweden	Mineral exploration	(1)(2) 65.25%	(1)(2) 65.25%
Vardar Minerals Ltd	UK	Mineral exploration	61.1%	59.5%
UAV Geophysics (UK) Ltd	UK	Dormant	(1)(2) 61.1%	(1)(2) 59.5%
Vardar Geoscience BVI Ltd	British Virgin Islands	Holding company	(1)(2) 61.1%	(1)(2) 59.5%
Vardar Geoscience Kosovo L.L.C	Kosovo	Mineral exploration	(1)(2) 61.1%	(1)(2) 59.5%
Vardar Exploration Kosovo L.L.C	Kosovo	Mineral exploration	(1)(2) 61.1%	(1)(2) 59.5%

(1) Indirectly held

(2) Effective interest

The registered offices of the subsidiary undertakings as are follows:

Name	Registered office
Grafintec Oy	Plåtslagarevägen 35 A 1, 20320 Turku, Finland
Jokkmokk Iron Mines AB	Storgatan 36, 921 31, Lycksele, Sweden
Beowulf Mining Sweden AB	Storgatan 36, 921 31, Lycksele, Sweden
Wayland Copper Limited	201 Temple Chambers, 3-7 Temple Avenue, London
Wayland Sweden AB	Storgatan 36, 921 31, Lycksele, Sweden
Vardar Minerals Limited	35-39 Maddox Street, London, England
UAV Geophysics (UK) Ltd	Stapeley House, London Road, Nantwich, United Kingdom
Vardar Geoscience BVI Ltd	Trident Chambers, P.O. Box 146, Wickhams Cay 1 Road Town, British Virgin Islands
Vardar Geoscience Kosovo L.L.C	Rifat Berisha 23/10, Pristina, Republic of Kosovo
Vardar Exploration Kosovo L.L.C	Rifat Berisha 23/10, Pristina, Republic of Kosovo

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

11. Loans and other financial assets

Group

	Financial fixed assets £
At 1 January 2022	5,247
Foreign exchange movements	(66)
At 31 December 2022	5,181
At 1 January 2023	5,181
Foreign exchange movements	28
At 31 December 2023	5,209

Company

	Loans to group undertakings £	Financial assets £	Total £
At 1 January 2022	10,176,866	2,784	10,179,650
Advances made in the year	909,975	-	909,975
ECLs in year	(5,336)	-	(5,336)

ECLs in year	[illegible]		[illegible]
At 31 December 2022	11,081,505	2,784	11,084,289
At 1 January 2023	11,081,505	2,784	11,084,289
Advances made in the year	2,757,113	-	2,757,113
ECLs in year	(1,001,537)	-	(1,001,537)
At 31 December 2023	12,837,081	2,784	12,839,865

Reconciliation of provisions against receivables arising from lifetime ECLs

	31 December 2022 £	Current year movement £	31 December 2023 £
ECLs	2,106,249	1,001,537	3,107,786
Total provision arising from ECLs	2,106,249	1,001,537	3,107,786

The Directors have also assessed the cash flow scenarios of the above considerations. Estimations were made regarding the credit risk of the counterparty and the underlying probability of default in each of the credit loss scenarios. The scenarios identified by management included Production, Divestment, Fire-sale and Failure. These scenarios considered technical data, necessary licences to be awarded, the Company's ability to raise finance, and ability to sell the project. The expected credit loss is calculated based on the Fire-Sale and Failure outcomes, being the outcomes with an expected value of less than the carrying value of loans. The expected credit loss increased due to the impairment of Ågåsjiegge and Åtvidaberg in the year and a reassessment of expected recoverability of the loans to the subsidiaries. A reasonable change in the probability weightings of 3% to failure and fire-sale would result in further impairment of £789,297 (2022: £626,927)

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

12. Right of use assets

Group	Buildings 2023 £	Buildings 2022 £
Cost		
At 1 January	29,774	11,100
Additions	77,924	17,506
Disposals	(11,493)	-
Foreign exchange movements	(2,305)	1,169
At 31 December	93,900	29,775
Amortisation		
At 1 January	10,496	3,701
Charge	29,478	6,353
Disposals	(9,577)	-
Foreign exchange movements	345	442
At 31 December	30,742	10,496
Net book value		
At 31 December	63,158	19,279

13. Trade and other receivables

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Other receivables	88,180	78,148	-	-
VAT	51,315	121,284	37,515	32,289
Prepayments and accrued income	12,509	20,995	11,640	20,995
	152,004	220,427	49,155	53,284

Included in other receivables is a deposit of £17,724 held by Finnish regulatory authorities (2022: £17,724).

14. Cash and cash equivalents

14. Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank accounts	905,555	1,776,556	794,909	1,667,840
	905,555	1,776,556	794,909	1,667,840

15. Non-controlling interests

The Group has material non-controlling interests arising from its subsidiaries Wayland Copper Limited and Vardar Minerals Limited. These non-controlling interests can be summarised as follows;

	2023	2022
	£	£
Balance at 1 January	568,732	325,039
Total comprehensive loss allocated to NCI	(102,443)	(53,508)
Effect of step acquisitions	48,141	297,201
Total	514,430	568,732

	2023	2022
	£	£
Wayland Copper Limited	(164,573)	(163,666)
Vardar Minerals Limited	679,003	732,398
Total	514,430	568,732

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

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

	2023	2022
	£	£
Administrative expenses	(2,315)	(2,931)
Loss after tax	(2,315)	(2,931)
Loss allocated to NCI	(805)	(1,019)
Other comprehensive loss allocated to NCI	(102)	(155)
Total comprehensive loss allocated to NCI	(907)	(1,174)
Current assets	12,973	15,298
Current liabilities	(486,563)	(486,280)
Net liabilities	(473,590)	(470,982)
Net cash outflow	-	(725)
Non-controlling interest	(164,573)	(163,666)

Vardar Minerals Limited, a 61.1% per cent owned subsidiary of the Company that has material non-controlling interests ("NCI").

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

	2023 £	2022 £
Administrative expenses	(112,400)	(199,197)
Loss after tax	(112,400)	(199,197)
Loss allocated to NCI	(73,145)	(91,974)
Other comprehensive income allocated to NCI	(28,391)	39,640
Total comprehensive loss allocated to NCI	(101,536)	(52,334)
Current assets	20,195	109,099
Non-current assets	2,388,133	2,186,253
Current liabilities	(142,686)	(214,294)
Net assets	2,265,642	2,081,058
Net cash (outflow)/inflow	(51,783)	34,043
Non-controlling interest	679,003	732,398

16. Share capital

	Number	Share capital £	Share premium £	Total £
At 1 January 2023	831,710,636	8,317,106	24,689,311	33,006,417
Issue of new shares	325,476,827	3,254,769	2,452,133[1]	5,706,902
At 31 December 2023	1,157,187,463	11,571,875	27,141,444	38,713,319

	Number	Share capital £	Share premium £	Total £
At 1 January 2022	831,710,636	8,317, 106	24,689,311	33,006,417
At 31 December 2022	831,710,636	8,317, 106	24,689,311	33,006,417

All issues are for cash unless otherwise stated.

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

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

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

There were 325,476,827 shares issued in 2023. There were no shares issued in 2022.

17. Share-based payments

During the year ended 31 December 2023, 12,250,000 options were granted (2022: 23,250,000). The options outstanding as at 31 December 2023 have an exercise price in the range of 1.00 pence to 7.35 pence (2022: 1.00 pence to 7.35 pence) and a weighted average remaining contractual life of 5 years, 294 days (2022: 7 years, 98 days).

The share-based payments expense for the options for the year ended 31 December 2023 was £387,668 (2022: £240,537).

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

	2023	2022	2022	2019
Fair value at grant date	0.52p	3.59p	3.59p	1.15p
Share price	1.68p	4.00p	4.00p	5.65p
Exercise price	2.06p	1.00p	1.00p	7.35p
Expected volatility	55.2%	100.0%	100.0%	51.89%
Expected option life	2.5 years	6 years	6 years	2 years
Contractual option life	5 years	10 years	10 years	10 years
Risk free interest rate	4.800%	4.520%	4.520%	0.718%

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

Reconciliation of options in issue	Number 2023	Weighted average exercise price(£'s) 2023	Number 2022	Weighted average exercise price(£'s) 2022
Outstanding at 1 January	32,500,000	0.055	13,750,000	0.089
Granted during the year	12,250,000	0.021	23,250,000	0.048
Lapsed during the year	-	-	(4,500,000)	0.120
Outstanding at 31 December	44,750,000	0.046	32,500,000	0.055
Exercisable at 31 December	37,250,000	0.042	11,750,000	0.060

No warrants were granted during the year (2022: Nil).

18. Reserves

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

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

19. Trade and other payables

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Current:				
Trade payables	307,909	448,045	43,511	148,567
Social security and other taxes	14,631	34,493	13,224	22,771
Other payables	29,900	24,834	851	2,142
Accruals	81,222	118,358	70,632	42,790
	433,662	625,730	128,218	216,270

20. Lease liability

Nature of leasing activities

Vardar Geoscience leases buildings located in Str. Highway Prishtina Mitrovice Village Shupkove No.2, Kosovo.

Jokkmokk Mining leases office premises located in 962 31 Jokkmokk, Sweden.

	2023	2022
	No.	No.
Number of active leases	2	1

Lease liability at year end

Group	2023	2022
	£	£
Current		
Lease liability	22,575	10,840
Non-current		
Lease liability	15,053	8,537
Total lease liability	37,628	19,377

Analysis of lease liability

Group	Buildings
	£
At 1 January 2022	7,491
Additions	17,506
Interest expense	264
Lease payments	(6,611)
Foreign exchange movements	727
At 31 December 2022	19,377
Additions	43,126
Interest expense	2,420
Lease payments	(23,648)
Lease disposals	(1,974)
Foreign exchange movements	(1,673)
At 31 December 2023	37,628

Analysis of gross value of lease liabilities

Maturity of the lease liabilities is analysed as follows:

	2023
	£
Within 1 year	22,575
Later than 1 year and less than 5 years	15,053
After 5 years	-
At 31 December 2023	37,628

The total cash outflow for leases in 2023 was £25,637 (2022: £6,611).

21. Borrowings

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Opening balance	1,845,947	-	1,845,947	-
Funds advanced, net of commission and transaction costs	-	1,554,381	-	1,554,381
Finance costs	195,304	304,529	195,304	304,529
Effect of FX	(2,818)	(12,963)	(2,818)	(12,963)
Funds repaid	(2,038,433)	-	(2,038,433)	-
	-	1,845,947	-	1,845,947

On 3 July 2022, the Company secured a bridging loan from Nordic investors of SEK 22 million, gross of commission and transaction costs (approximately: £1.76 million). The loan had a fixed interest rate of 1.5 percent per stated 30-day period during the duration. Accrued interest was compounding. The loan had a commitment fee of 5 per cent and a maturity date of 28 February 2023.

The loan and accrued interest were repayable at any time prior to the maturity date. If the loan and accrued interest was not repaid by maturity date, at the latest, the creditors had the right to offset a minimum of SEK 1 million at a time of the loan and accrued interest into SDRs at a price per SDR calculated with a 15 per cent discount on the volume weighted average price of the SDR during the preceding 5 trading days to the conversion decision.

The loan was accounted for using an amortised cost using an effective rate of interest. The conversion feature contained within the loan is considered an embedded derivative and was not assessed to be significant given the available inputs.

During the year, it became apparent that due to the timing of the receipt of the funds from the rights issue the Company would not be in a position to pay back the bridging loan facility at its maturity. The outcome of this is that the holder of the loan enforced the penalty interest for entering another 30-day period, which was circa 1 million SEK. The loan principal and interest totalling £2.04m was repaid via a deduction to the gross proceeds from the Rights Issue.

22. Changes in liabilities from financing activities

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

Group	Leases £	Borrowings £	Total £
Opening balance 1 January 2022	7,491	-	7,491
Cash movements			
Borrowings advances	-	1,554,381	1,554,381
Lease payments	(6,611)	-	(6,611)
Total	880	1,554,381	1,555,261
Non-cash movements			
Lease additions	17,506	-	17,506
Finance cost	264	304,529	304,793
Effect of FX	727	(12,963)	(12,236)
Closing balance 31 December 2022	19,377	1,845,947	1,865,324

Company	Borrowings £	Total £
Opening balance 1 January 2023	1,845,947	1,845,947
Non-cash movements		
Funds repaid	(2,038,433)	(2,038,433)
Finance cost	195,304	195,304

Company	Borrowings	Total
Effect of FX	(2,818)	(2,818)
Closing balance 31 December 2023	-	-

Company	Borrowings	Total
	£	£
Opening balance 1 January 2022	-	-
Cash movements		
Borrowings advances	1,554,381	1,554,381
Total	1,554,381	1,554,381
Non-cash movements		
Finance cost	304,529	304,529
Effect of FX	(12,963)	(12,963)
Closing balance 31 December 2022	1,845,947	1,845,947

23. Financial instruments

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

The Group and Company hold the following financial instruments:

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

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

	Group		Company	
At 31 December 2022	Held at amortised cost	Total	Held at amortised cost	Total
	£	£	£	£
Financial assets				
Cash and cash equivalents	1,776,556	1,776,556	1,667,840	1,667,840

Trade and other receivables	78,148	78,148	-	-
Loans to group undertakings	-	-	11,081,505	11,081,505
Other financial assets	5,181	5,181	2,784	2,784
	1,859,885	1,859,885	12,752,129	12,752,129
Financial liabilities				
Trade and other payables	591,237	591,237	195,328	195,328
Borrowings	1,845,947	1,845,947	1,845,947	1,845,947
Lease liability	19,377	19,377	-	-
	2,456,561	2,456,561	2,041,275	2,041,275

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

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

a) Market risk

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

i) Foreign exchange risk

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

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Net foreign currency financial assets:				
Swedish Krona	427,207	1,560,383	484,839	1,655,334
Euro	(25,804)	(32,396)	(2,960)	(2,906)
Total net exposure	401,403	1,527,987	481,879	1,652,428

Sensitivity analysis

A 10 per cent strengthening of sterling against the Group's primary currencies at 31 December 2023 would have decreased equity and profit or loss by the amounts shown below:

Group

	Profit or loss		Equity	
	2023	2022	2023	2022
	£	£	£	£
Swedish Krona	(42,721)	(156,038)	(42,721)	(156,038)
Euro	2,580	3,240	2,580	3,240
Total	(40,141)	(152,798)	(40,141)	(152,798)

Company

	Profit or loss		Equity	
	2023	2022	2023	2022
	£	£	£	£
Swedish Krona	(48,484)	(165,533)	(48,484)	(165,533)
Euro	296	291	296	291
Total	(48,188)	(165,242)	(48,188)	(165,242)

A 10 per cent weakening of sterling against the Group's primary currencies at 31 December 2023 would have an equal but opposite effect on the amounts shown above.

have an equal but opposite effect on the amounts shown above.

ii) Interest rate risk

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

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

b) Credit risk

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

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

The amounts used by the subsidiaries are as follows:

	2023	2022
	£	£
Jokkmokk Iron Mines AB	10,105,806	8,407,039
Beowulf Mining Sweden AB	-	368,306
Grafintec Oy	2,656,618	2,304,786
Total	12,762,424	11,080,131

Reconciliation of provisions against receivables arising from lifetime ECLs

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

	1 January 2022	Movement in the year	31 December 2022
	£	£	£
ECLs	2,100,913	5,336	2,106,249
Total provision arising from ECLs	2,100,913	5,336	2,106,249

The Directors have also assessed the cash flow scenarios of the above considerations. Estimations were made regarding the credit risk of the counterparty and the underlying probability of default in each of the credit loss scenarios. The scenarios identified by management included Fire-sale and Failure. These scenarios considered technical data, necessary licences to be awarded, the Company's ability to raise finance, and ability to sell the project. A reasonable change in the probability weightings of 3% would result in further impairment of £789,297 (2022: £626,927).

i) Commodity price risk

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

c) Liquidity risk

To date the Group and Company have relied on shareholder funding and loan funding to finance operations. As the Group and Company have finite cash resources and no material income, the liquidity risk is significant and is managed by controls over expenditure and cash resources. The Group and Company have minimal exposure to liquidity risk as trade and other payables all have a maturity of less than one year, the only exception being the lease liability per note 21. The rationale for the preparation of the accounts on a going concern basis is detailed in the Report of the Directors.

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

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

31 December 2022	Less than 3 months	Between 3 and 12 months	Between 1 and 2 years
	£	£	£
Trade and other payables	625,730	-	-
Borrowings	1,845,947	-	-
Lease liabilities	3,912	7,685	8,773
	2,475,589	7,685	8,773

d) Capital management

The Groups capital structure consists of issued capital and reserves, accumulated losses and non-controlling interest.

The Board's policy is to preserve a strong capital base in order to maintain investor, creditor and market confidence and to safeguard the future development of the business, whilst balancing these objectives with the efficient use of capital. The Group and Company's net debt ratio for the year ended 31 December 2023 was below what the Board would consider to be sustainable, furthermore, this ratio should be considered an outlier as it arose due to the timing of the fundraising completed. This is further discussed in Note 21.

The Group does not have any externally imposed capital requirements.

Group

Net working capital	2023	2022
	£	£
Cash and cash equivalents	905,555	1,776,556
Trade and other payables	(433,662)	(625,730)
Lease liabilities	(37,628)	-
Borrowings		(1,845,947)

Borrowings	-	(1,845,947)
Net cash/(debt)	434,265	(695,121)
Total equity	15,622,280	12,662,569
Net cash/(debt) to equity ratio	2.78%	(5.49%)

Company

Net working capital	2023 £	2022 £
Cash and cash equivalents	794,909	1,667,840
Trade and other payables	(128,218)	(216,270)
Borrowings	-	(1,845,947)
Net cash/(debt)	666,691	(394,377)
Total equity	17,524,553	14,389,211
Net cash/(debt) to equity ratio	3.80%	(2.74%)

24. Segment reporting

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

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

2022	Sweden £	Finland £	Kosovo £	UK £	Total £
Intangible assets	8,032,977	1,852,274	3,117,214	-	13,002,465
Other non-current assets	2,674	-	146,752	4,749	154,175
Current assets	83,341	88,542	72,381	1,752,719	1,996,983
Liabilities	(178,095)	(29,339)	(166,475)	(2,117,145)	(2,491,054)
Finance income	(6)	-	-	(170)	(176)
Finance costs	10	-	267	304,529	304,806
Grant income	-	(84,797)	-	-	(84,797)
Gain on disposal of investment	-	-	-	(21,951)	(21,951)
Intangible asset additions	684,396	175,269	991,281	-	1,850,946
Impairment	-	36,988	-	-	36,988
	160,268	379,748	157,829	1,450,531	2,148,376
Loss for the year	160,262	294,951	157,829	1,428,410	2,041,452
Total comprehensive loss	386,566	196,831	62,591	1,428,409	2,074,397

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

Expenses include administrative expenses, impairment and finance costs.

25. Related party disclosures

Transactions with subsidiaries

During the year, cash advances of £2,153,998 (2022: £524,614) were made to Jokkmokk Iron Mines AB and net settled costs of £33,643 with the Company (2022: net settled costs £194,754). The advances are held on an interest free inter-group loan which has no terms for repayment. At the year end the inter-Group loan amounted to £12,179,315 (2022: £9,991,673).

Beowulf Mining Sweden AB received cash advances of £31,879 (2022: £7,320) and expenses paid on behalf of £22,318 (2022: net settled costs of £118). The advances are held on an interest free inter-Group loan which has no terms for repayment. At the year end the inter-Group loan amounted to £790,632 (2022: £781,071).

Grafintec Oy received cash advances of £430,213 (2022: £180,287) and net settled costs of £30,918 (2022: net settled costs of £1,507) with the Company. The advances are held on an interest free inter-Group loan which has no terms for repayment. At the year end the inter-Group loan amounted to £3,202,436 (2022: £2,741,305).

Vardar received cash advances of £68,572 (2022: £nil) and net settled costs of £1,374 (2022: net settled costs of £nil) with the Company. The advances are held on an interest free inter-Group loan which has no terms for repayment. At the year end the inter-Group loan amounted to £100,155 (2022: £nil).

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

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

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

Transactions with other related parties

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

	2023	2022
	£	£
Short-term employee benefits (including employers' national insurance contributions)	847,791	711,962
Loss of office	210,000	-
Post-retirement benefits	67,288	44,764
Share-based payments	321,534	173,345
Insurance	526	887
	1,447,139	930,958

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

26. Capital commitments

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

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

27. Contingent liabilities

At 31 December 2023, the Company has a possible obligation to pay up to two years annual salary (£420,000) to Ed Bowie in the event of a change in control.

28. Events after the reporting date

On 16 February 2024, the Company announced its intention to conduct a preferential rights issue of SDRs in Sweden and a UK retail offer of ordinary shares and partially secured capital raise up to approximately SEK 100 million (approximately £7.5million). The rights issue is underwritten to maximum value of SEK 50 million, subject to customary adjustments.

On 16 February 2024, in conjunction with the rights issue, the Company has entered into a short-term loan agreement with the Underwriters to provide SEK 10 million to ensure the Company has sufficient financial resources to continue advancing its projects over the coming weeks. The loan carries an interest charge of 1.5 per cent per month and has a commitment fee of 5 per cent. If the loan and accrued interest is not repaid by maturity date, at the latest, the creditors have the right to offset a minimum of SEK 1 million at a time of the loan and accrued interest into SDRs at a price per SDR calculated with a 15 per cent discount on the volume weighted average price of the SDR during the preceding 5 trading days to the conversion decision. In case of default, the loan will accrue additional default interest of 2.5 per cent per month.

On 3 April 2024 the Company announced the completion of the capital raise with a total of £4.3 million (SEK 56.3 million) gross raised to fund the development of the Company's assets through their next key valuation milestones. The net funds raised after the loan repayment and share issue transaction costs are £3.0 million.

On 9 April 2024, the Company announced the completion of consolidation of 100 per cent ownership of Vardar Minerals Ltd from the currently held 61.1 per cent interest through the issue of 52,326,761 Ordinary share in the Company. The new shares are subject to a 12-month lock-in agreement from the 8 April 2024 and will be issued at the same time as shares issued in connection with the proposed capital raise.

On 14 May 2024 there were 1,574,658,777 Swedish Depository Receipts representing 81.07% per cent of the issued share capital of the Company. The remaining issued share capital of the Company is held in the UK.

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