

# Beowulf Mining PLC

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## Beowulf Mining ironing out the wrinkles

Well-funded iron ore explorer Beowulf Mining (LON:BEM) is set to accelerate its exploration work in Sweden.

"With the Lanstead [Capital] facility in place, we are a rarity among exploration companies: good projects, and access to funds," Sinclair-Poulton told Proactive Investors after the company issued interim results on Wednesday morning.

Broker Cantor Fitzgerald reiterated its 'buy' recommendation and target price of 18p, and said the results confirmed the recent progress made at the Kallak iron ore project in Sweden which should result in regular news flow over the next 6-12 months.

"The interim financials show a loss of £0.48m (0.23p/share) with c.£2.2m of cash at the end of the period, but this has since been augmented by the £4.1m fundraise with Lanstead. This leaves the company well capitalised through its current work programme and beyond at both Kallak and Ballek (copper), where a small drill programme is planned later this year.

"Future news should include ongoing results from the company field and lab work, a decision by the authorities on the company's exploitation concession application for Kallak early next year and a maiden JORC estimate on Kallak South," the broker said.

The July fund raising and the recent assay results indicate the company is gaining momentum, as reflected by the 18% increase in the share price over the last month.

The only fly in the ointment appears to be opposition to development plans from vocal minorities. As Sinclair-Poulton explained to Proactive, these essentially come from two constituencies: eco-protestors, who are anxious to prevent what they see as despoilment of the Kallak countryside; and Saami tribes-people, who want to protect their reindeer herding grounds.

Sinclair-Poulton said some of the actions of the eco-protestors had "crossed the line", with incidents of criminal damage and occasions when the safety of the workforce was endangered.

Sinclair-Poulton has consistently acknowledged the right of people to protest but also makes the point that Beowulf has fully complied with Swedish laws and regulations.

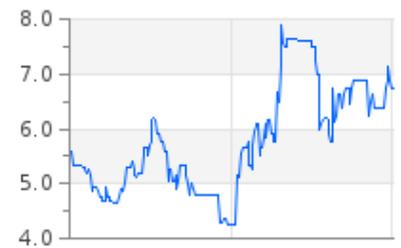
"People go on about the responsibilities of miners, but they never talk about the rights of miners. We have the right to go ahead and do the test mining; you can appeal, but if it goes against you then, in a democracy, you just shrug and carry on," he asserted.

"The mayor of Jokkmokk has come out and said the vast majority of people in the town are pro test mining, because

**Price:** 6.875p

**Market Cap:** £40.47M

### 1 Year Share Price Graph



June 2018 December 2018 June 2019

### Share Information

**Code:** BEM

**Listing:** AIM

<b>52 week</b>	<b>High</b>	<b>Low</b>
	8.45p	4.08p

**Sector:** Mining

**Website:**

### Company Synopsis:

*Beowulf Mining is an exploration and development company principally focused on the Kallak magnetite iron ore project in northern Sweden and its Swedish exploration portfolio (copper and gold). Beowulf's ambition is to build a sustainable Scandinavian mining company, focused on creating shareholder value by accelerating projects through development into production.*

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they want [to attract] the jobs," Sinclair-Poulton said, adding that Beowulf will bring jobs into the area, employing 200 to 300 people.

As for the Saami people, Sinclair-Poulton statement makes it clear that Beowulf believes that both mining and traditional reindeer herding activities can coexist.

"It is not an 'either/or' situation," said Sinclair-Poulton, who is keen to carry on negotiations with the Saami to reach a settlement.

"If there are issues that the Saami have when it comes to reindeer herding, let's go ahead and discuss it and see if we can come up with a compromise," is Sinclair-Poulton's view.

The Beowulf chairman also drew attention to what he termed a significant ruling by the Swedish government that might have a bearing on progress at Kallak.

On 22 August, the government gave its approval for three mining concession applied for by Nickel Mountain AB in respect of its planned Rönnebäck nickel mine in the municipality of Storuman. Like Kallak, the planned mine is situated in an area which has been designated an area of national interest for both mineral extraction and reindeer herding.

"This favourable outcome for mining concession applications in Västerbotten County, adjacent to Norrbotten County, in our opinion augurs well for our own application for an exploitation (mining) concession for the Kallak North deposit," the Beowulf statement said.

Beowulf said it expects a decision on the application to the mining inspectorate in early 2014.

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