



BEOWULF MINING plc

Jokkmokk - 2021.06.14

Näringsminister Ibrahim Baylan
Näringsdepartementet
Stockholm

Näringsministern,

On 8 June 2021, Beowulf Mining was notified by the Finansinspektionen, Sweden's financial supervisory authority, whose role is to promote stability and efficiency in Sweden's financial system as well as to ensure sustainability and an effective consumer protection, of UNESCO's letter regarding our Kallak Iron Ore Project ("Kallak") dated 2 June 2021.

Finansinspektionen wrote that UNESCO's letter had been in the hands of members of the Swedish public (including elected Sami officials) for several days, with associated posts on social media.

At the time, Beowulf had not received a copy of UNESCO's letter, but as the information was already in the public domain, with no explanation of its significance the market reacted strongly, left to draw its own conclusions. The Company's share price fell over 10 per cent last week.

During the last six years, there have been several occasions where 'market sensitive' information has been made public before Beowulf has been informed. Each time damage has been caused to the Company's share price, individual's investments, including Swedish shareholders who now own 72 per cent of the Company, and Sweden's reputation as a country in which to do business.

It is the Company's experience that often public agencies do not understand what constitutes 'market sensitive' information or recognise the obligations of a public company to its shareholders and the equity markets. Once again, the Company is left to deal with the aftermath.

Since our application was returned to the Government the middle of 2017, there has been no transparent or predictable process, and the UNESCO letter demonstrates an absence of control or duty of care to Beowulf and its shareholders.

In your letter to the Company dated 30 September 2019, you stated that a decision by the Government was 'forthcoming'.

In Norrbotten, we see downstream projects, HYBRIT and H2GreenSteel, getting permitted in a couple of years, whereas there is no similar consideration/treatment for unlocking secure and sustainable upstream supply that can ensure the integrity of a fossil-free supply chain. It makes no sense.

The Company has written to you many times about the positive contribution that Kallak would make to Jokkmokk Municipality. On 21 May 2019, we met with the State Secretary in Stockholm, who closed the meeting saying that the Government understood the importance of Kallak to Jokkmokk. Despite these words and The January Agreement nothing has been done to help Jokkmokk.

It is inaccurate to say that the Kallak case is complex because of competing interests, as an excuse for delaying a decision. National interests are a distraction. The evidence shows that mining and reindeer herding coexist across Sweden, in the very few places you actually find an operating mine, as there are only 12 in the Country.

Beowulf has satisfied the procedural and legal requirements to be granted the Concession and has the right to progress with its investment, project development and environmental permitting. This has been the case since Bergsstaten recommended to the Government that the Concession be awarded over 5.5 years ago.

We could have been in production now. With benchmark iron ore prices at over \$200/tonne, Jokkmokk should have already been on the road to realising its economic transformation. The opportunity cost to stakeholders in Jokkmokk and Beowulf shareholders is considerable.

During the last few months, you have said that a decision on Kallak will be made once UNESCO comments are received. This was also stated in a debate in parliament with Lars Hjälmared (Interpellationsdebatt 2020/21:198 Tillståndsprövningen gällande Laver och Kallak) where you said that "vi får deras synpunkter [UNESCO's] och därefter kan gå till beslut. Då är det färdigberett, och då är också min bedömning att det beslut som regeringen fattar håller rättsligt."

When is the decision on the Concession for Kallak North to be taken, as Beowulf has work to do?

Med vänliga hälsningar,



Kurt Budge
VD, Beowulf Mining plc