Beowulf Mining Plc

("Beowulf" or the "Company")

Third Quarter Update

Beowulf (AIM: BEM; Aktietorget: BEO), the mineral exploration company which owns several exploration projects in Sweden, announces an unaudited operational and financial update for the nine months ended 30 September 2011.

Highlights:

Operational*:*

- Raw Materials Group's ("RMG") market study assessing the future pricing and demand trends in the global iron ore market and their impact on their conceptual economic models for the Company's projects, shows a pay back period on total investment of as low as 2 years for Ruoutevare and 2.4 years for Kallak, compared to the previous 2010 estimates of 3.1 years and 3.6 years respectively.
- Independent maiden JORC compliant Inferred Resource estimate completed by GeoVista AB ("GeoVista") for the Company's Kallak north iron ore deposit of 131.6Mt grading at 28% iron (Fe). Exploration target identified for Kallak south of 200Mt to 230Mt grading at 30-32% iron (Fe).
- Additional extensive two phase infill drilling programme of up to approximately 57,000m to commence on Kallak following the Company's recent significant fundraising.

Corporate*:*

- Nil revenue (2010: Nil), loss before and after taxation of £443,000 (2010: £320,000) and basic loss per share of 0.27p (2010: 0.24p).
- Placing and subscription to raise approximately £6.7 million (gross) successfully completed in November 2011 to, *inter alia*, facilitate the ongoing exploration and development of the Company's promising iron ore and copper/gold projects and provide additional working capital.

Clive Sinclair-Poulton, Executive Chairman of Beowulf, commented:

"Beowulf currently has ten exploration projects in Northern Sweden primarily prospecting for iron, copper, gold and uranium. Reflecting our ongoing exploration activities, the unaudited results show that the group incurred a loss before and after taxation for the nine month period ended 30 September 2011 of £443,000 (2010: £320,000).

Against a backdrop of extremely challenging global macroeconomic conditions, the Company has continued to work hard to convey its strategy and demonstrate the quality and breadth of its asset portfolio. To put it mildly, there has been, and continues to be, considerable turmoil and volatility in global economies and capital markets, as we all await concerted action from governments to restore a sense of order and renewed grounds for optimism and growth. This sense of uncertainty has clearly had a detrimental impact on global share prices, exchange rates and the general price of commodities such as iron ore, which has slipped as the year has progressed.

The long term price forecast for iron ore concentrate was an important component of RMG's market study released in October 2011, which included an update of their conceptual economic model for the Company's Ruoutevare and Kallak projects. Updating of the price and cost data assumptions and simplified cash flow analysis contained in their previous 2010 conceptual studies, showed that open-pit mining operations at both project locations could potentially generate significant revenues and attractive pay back periods. Estimated gross revenues for Ruoutevare, over a 15 year mine life at an extraction rate of 10 million tonnes ("Mt") per annum, were approximately US$9.07bn at a high product price forecast of US$126 FOB/tonne for concentrate, and US$6.34bn at a lower forecast of US$88 FOB/tonne, with pay back periods on total investment of 2.0 years and 3.6 years respectively under each pricing scenario. Equivalent estimated gross revenues for Kallak were approximately US$8.44bn at a high price forecast of US$133 FOB/tonne for concentrate and US$5.82bn at a low price of US$91 FOB/tonne, with pay back periods of 2.4 years and 4.7 years respectively. The higher long term price forecast has clearly served to enhance the commercial viability of both projects, with the best case pay back periods of 2 years for Ruoutevare and 2.4 years for Kallak comparing favourably to the previous 2010 estimates of 3.1 years and 3.6 years respectively.

The Company remains confident of the potential tonnage present at its Kallak project and, in late October, outlined plans for an extensive two phase infill drilling programme of up to, in aggregate, 57,000 metres in order to further define the size of the deposits and seek to move the project towards JORC Measured status as quickly as possible.

In early November 2011, the Company announced a maiden independent JORC compliant Inferred Resource estimate of 131.6Mt grading at 28% iron (Fe) completed by GeoVista on the northern part of Kallak, together with an exploration target, from geomagnetic data modeling, for the southern area of approximately 200Mt to 230Mt grading at 31% iron (Fe). As a consequence, the Company approximately doubled its pre-existing JORC compliant Inferred Resource of iron ore of 140Mt grading at 39.1% iron (Fe) in respect of its Ruoutevare deposit completed by Runge Limited in August 2008.

Regrettably, due to insufficient data being available, GeoVista was unable to prepare a JORC compliant resource estimate for the southern part of Kallak at this stage, as had been intended when the report was commissioned. Accordingly, such an estimate is now expected to be completed following the next comprehensive two phase drilling programme of up to 57,000m, referred to above, which will include denser spacing between individual drill sections and drill holes and which will cover the entire extension and width of the Kallak deposits.

Most recently, on 16 November 2011, the Company announced the successful completion of its largest fundraising to date, with approximately £6.7 million (gross) being raised via a placing and subscription with new UK institutions and Swedish investors. The net proceeds of the fundraising will, *inter alia*, enable the Company to progress its planed additional drilling at Kallak and, later in 2012, at its Ballek copper/gold joint venture project.

The Company believes that capital markets will continue to prove difficult in 2012 and that it is therefore prudent to secure funding when possible and is delighted with the continued interest shown in the Company and its future potential. An encouraging feature of the fundraising was the assistance of Stockholm Corporate Finance AB, in line with the Company's intention to seek greater involvement from its Swedish investor base, Sweden being the focus of its operations and location of Beowulf's asset portfolio.

The Company has continued to maintain its investor relations programme, with four corporate presentations being made to the UK and Swedish investment communities between August and November 2011. We plan to continue such activities and look forward, in particular, to newsflow from our planned drilling at our wholly owned Kallak project during 2012.

The last quarter has undoubtedly been a difficult period for the Company, as it has been for many exploration companies in the natural resources sector, with a number of factors and general investor sentiment being outside of our control. There has been much criticism of late and disappointment in the Company's volatile share price performance, but the Board continues to believe in the Company's fundamental strengths and future economic potential of its high quality and diverse project portfolio, and will continue to endeavour to create long term shareholder value and unlock the full potential of the Company's assets.

The fact that the EU only produces 16 per cent. of the iron ore it requires clearly demonstrates the potential market demand for our iron ore resource and we now have the necessary funding in place to further prove up our promising and most advanced Kallak project. The way forward is clear, with our extensive planned drilling campaign on Kallak aimed at achieving a substantially enhanced JORC resource estimate on the entire project site.

By increasing the size of the JORC compliant resource estimate, we should also see an increase in the value attributed to Kallak by third parties and thereby an improvement in the Company's intrinsic share price.

We shall let the drilling results speak for themselves and, as always, the Company would like to thank the contractors and consultants who have worked with us during the reporting period and our shareholders for their continued support and patience in difficult economic times."

30 November 2011

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Beowulf Mining Plc

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UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2011

	(Unaudited) 9 months to 30 Sept 2011 £000's	(Unaudited) 9 months to 30 Sept 2010 £000's
CONTINUING OPERATIONS		
Revenue	-	-
Administrative expenses	(448)	(313)
OPERATING LOSS	(448)	(313)
Finance costs	-	(7)
Finance income	5	-
LOSS BEFORE TAX	(443)	(320)
Tax	-	-
LOSS FOR THE PERIOD	(443)	(320)
Loss attributable to:		
Owners of the parent	(443)	(320)
Non-controlling interests	-	-
	(443)	(320)
Earnings per share:		
Basic loss per share	(0.27p)	(0.24p)
Diluted loss per share	(0.27p)	(0.23p)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011

	(Unaudited) As at 30 Sept 2011 £000's	(Unaudited) As at 30 Sept 2010 £000's
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	2,066	1,140
Property, plant and equipment	1	1
Investments	139	207
Loans and other financial instruments	270	-
	2,476	1,348
CURRENT ASSETS		
Trade and other receivables	212	126
Cash and cash equivalents	37	274
	249	400
TOTAL ASSETS	2,725	1,748
EQUITY		
SHAREHOLDERS' EQUITY		
Called up share capital	1,625	1,528
Share premium	4,902	3,594
Revaluation reserve	14	(8)
Capital contribution reserve	47	47
Share scheme reserve	29	5
Retained earnings	(4,054)	(3,457)
	2,563	1,709
Non-controlling interest	-	-
TOTAL EQUITY	2,563	1,709
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	162	36
Taxation	-	3
TOTAL LIABILITIES	162	39
TOTAL EQUITY AND LIABILITIES	2,725	1,748