



Operational Update August 2014

Beowulf (AIM: BEM; Aktietorget: BEO), the mineral exploration and development company principally focused on the Kallak North and Kallak South iron ore projects in northern Sweden, announces an operational update.

Background

The Kallak iron ore project is wholly owned by Beowulf's operating subsidiary, Jokkmokk Iron Mines AB ("JIMAB"), and is located within the municipality of Jokkmokk in the Norrbotten County of Sweden. The Ballek copper project is located in the Arjeplog municipality also in the Norrbotten County and is owned and operated by Beowulf's majority owned subsidiary, Wayland Sweden AB.

Highlights

Kallak

- Kallak North: Very promising assay results received for the first four holes totalling 1,191m phase II of drilling. Significant long intercepts are noted in all holes which include one inclined hole with a significant intercept from surface to 249.99m along drill core averaged 30.68 per cent. iron. A 17m section of the same hole returned 41.16 per cent. average iron content;
- The existing work plan for Kallak North deposit remains valid until 31 October 2015 for up to a total of 11,000m of drilling;
- Kallak South: A total of 5,051m of drilling has been completed in the 2014 winter campaign, covering 16 holes all inclined at 45 or 60 degrees and directed towards west. Iron mineralisation has been encountered in most holes;
- Encouraging initial assay results have been received for seven holes located at the most northerly end of the Kallak South deposit. A long and significant intercept is noted in drill hole KS 14 001 with 149,84 m at 26.43 per cent. average iron content; and
- A new work plan is in place for Kallak South which envisages up to a total of 18,000m of drilling until to 31 December 2015.

Ballek

- 2,039m of drilling have been completed for a total of 8 drill holes located within the Ballek greentone belt area on three separated, previously indicated copper targets of iron oxide copper gold ("IOCG") type as defined by geological indications and earlier completed deep sensing geophysical ground surveys;
- 5 drillholes all located within one of the selected targets (the "Number 3 Target") show abundant mostly fracture type copper mineralization present in quartz veins at relatively shallow levels with assays ranging up to 3.70 per cent. of copper over a one metre section and 0.5 per cent. of copper over a 13.2 m section.
- The encountered copper mineralization at the Number 3 Target is located on the Lulepotten trend less than three kilometres to the north east directly along strike and with similar geological structures as those of the Lulepotten deposit, which is a JORC classified copper resource with 5.4 million tonnes at 0.8% of copper and 0.3g/t of gold.



Clive Sinclair-Poulton, Executive Chairman of Beowulf, commented: *"The initial assay results from our 2014 drill programme at Kallak North are most promising, with two of the long sections analysed to date recording sections with an average iron content in excess of 40 per cent. We are also pleased that the metallurgical studies are progressing well in respect of the first stage of pilot scale test work on material from the test mining sampling programme completed last year at Kallak North."*

"The assay results so far received from our springtime drill programme at Kallak South are also encouraging, with significant average grades of iron mineralisation recorded for a number of analysed drill core sections. A new work plan for Kallak South has now been devised, covering the period to 31 December 2015, and we look forward to progressing our 2014 drill campaign at the earliest opportunity"

"The Ballek drilling programme has identified targets with the presence of some notable copper grades in all the drilled holes at this target. A new work plan is in force until May 2015 which can allow further drilling to occur for this project. "

The Kallak North Iron Ore Project

Kallak North Drill Programme

A new infill drilling programme of up to approximately 11,000m following the existing work plan commenced on the Kallak North deposit in late May 2013. The drilling campaign is seeking to further define the extent of this deposit, particularly at depth and towards the south, and to further upgrade the existing JORC compliant mineral resource estimate.

The initial phase of drilling completed on Kallak North in August 2013 comprised a total of 1,546m over nine holes. The second phase commenced in May 2014, following completion of certain preparatory work, and to date an additional 3,156.3m of drilling covering 10 holes has been completed.

Assay results have been received for four drill holes completed during the initial phase with promising average iron grades encountered over significantly long intercepts. Sample selection and analysis, and in some cases logging, is pending for a further four holes as well as of two drill extensions of previously drilled holes.

Details of the assay results recently received for 4 holes at Kallak North are laid out in the table below. Assays are pending for the remaining 6 holes drilled at Kallak North.

Hole No.	Total hole Sections analysed with significant grades (m)				Assay results Fe (%)
	length (m)	from	to	Total	
KAL 13 125	240.80	2.75	213.70	210.95	25.46
KAL 14 001	379.80	3.50	253.49	249.99	30.68
includes		3.50	49.90	46.40	38.44
includes		31.00	48.00	17.00	41.16
includes		56.75	120.27	63.52	38.00
includes		100.00	107.00	7.00	41.49
includes		178.42	185.75	7.33	35.64
Includes		143.20	151.30	8.10	33.21
KAL 14 002	304.90	32.00	260.56	228.56	31.90
includes		62.34	105.00	42.56	35.18
Includes		56.92	59.00	9.33	43.30



Includes		134.17	138.15	3.98	52.56
Includes		171.55	181.20	9.65	56.82
KAL 14 003	265.10	70.90	230.83	159.43	29.70
Includes		70.90	169.20	98.30	35.74
Includes		221.65	230.33	8.68	37.86
KAL 14 004	422.40		Analysis pending		
KAL 14 005	250.50		Analysis pending		
KAL 14 006	298.60		Analysis pending		
KAL 14 007	358.85	Analysis pending			
KAL 14 008	400.00	Analysis pending			
KAL 13 124	235.38	Analysis pending			

Drilling to date has principally been focused on the southern part of Kallak North at depth, where little drilling has been performed previously. It is intended that the infill programme will subsequently continue on the central and northern parts of the deposit as well as further define the mineralisation at depth.

Kallak South Iron Deposit

Kallak South drilling programme

As announced previously, JIMAB has been undertaking a significant drilling campaign on the Kallak South deposit with the objective of delineating a maiden JORC compliant resource estimate as well as seeking to confirm whether the Kallak South and Kallak North deposits are geologically connected.

The initial phase of drilling completed on the Kallak South deposit during 2013 comprised a total of 4,124m over 16 holes and focused on the northernmost and central parts of the deposit. Assay results for these were announced in January 2014 with encouraging average iron grades encountered over long intercepts.

The 2014 drilling campaign of the Kallak South deposit started in March 2014 utilizing two drill rigs. By the end of May 2014 a total of 12 holes for 3,873 m in KS Phase I program and 4 holes for 1,178m in KS phase II program. Thus in 2014 a total of 5,051m over 16 holes has been completed.

Details of the assay results recently received for 7 holes at Kallak South are laid out in the table below. Results are still pending the remaining 9 holes drilled at Kallak South.

Hole No.	Total hole length (m)	Sections analysed with significant grades (m) from	to	Total	Assay results Fe (%)
KS 14 001	410.00	232.11	381.95	149.84	26.43
includes		282.54	303.45	20.91	36.39
includes		354.70	383.45	8.75	33.89
KS 14 002	144.45	12.55	85.63	73.06	18.67
Includes		34.17	50.98	16.81	24.87
Includes		68.50	85.63	17.13	23.40
KS 14 003	376.85	213.37	266.50	53.13	25.96



Includes		235.24	257.28	22.04	37.04
Further section		292.27	339.95	47.68	26.13
Includes		304.14	309.38	5.24	34.46
KS 14 004	339.90	133.73	167.74	34.01	21.09
Includes		141.61	146.50	4.89	35.96
Includes		156.13	159.97	3.94	37.08
Further section		22.90	80.08	57.18	15.51
KS 14 005	219.30	60.50	75.56	15.06	21.48
		116.50	124.89	8.34	31.77
KS 14 006	264.80	128.14	134.43	6.29	21.20
		165.62	182.10	16.48	20.00
Includes		177.10	182.10	5.00	34.65
KS 14 007	154.95	61.80	88.63	26.83	20.00
		100.51	102.80	2.29	33.94
KS 14 008	262.50		Assays pending		
KS 14 009	352.65		Assays pending		
KS 14 010	92.50		Assays pending		
KS 14 011	433.20		Assays pending		
KS 14 012	408.90		Assays pending		
KS 14 013	407.25		Assays pending		
KS 14 014	358.50		Assays pending		
KS 14 015	332.00		Assays pending		
KS 14 016	438.10		Assays pending		

Notes:

- All holes have an azimuth of 270 degrees.

- KS 14 003, KS 14006, KS 14 009, KS 14 014, KS 14 016 are inclined 60 degrees. KS 14 012, KS 14015 at 55 degrees.All

Remaining holes at 45 degrees

General

During 2014 winter season the drilling at the Kallak South iron ore deposit has been focused on wet areas or where access to drilling sites had to pass a wet area. This approach was selected as the wet areas are frozen during the winter period which facilitates drill activity with the minimum of terrain damage by drilling rigs and



field vehicles. Two drill rigs were originally operating in the area using Rockma Exploration Drilling AB of Skellefteå as operator. The main focus has been the northern end of Kallak South deposit where 12 holes have been completed. In the southern part of Kallak South deposit 4 holes have been drilled. If frozen winter conditions had prevailed for a longer time further holes could have been drilled but these originally planned holes had to be postponed until the forthcoming winter season. The area to the north of these holes and the focus of the forthcoming drilling, permits drilling can be carried out in summer time on dry forestry ground. In May 2014, one of the rigs was moved back to start the Kallak North drill campaign. At the time the second rig was demobilized at Kallak South after finishing drilling of KS 14016. No more drilling have been completed since then at Kallak South.

Northern part of the Kallak South Deposit

The pronounced intercept in Kallak South hole KS14001 having a true width of 74,92 m and 149,84m length along drill core with 28% Fe average can also be found 100m north in KAL14003 and 100 m north of that in earlier announced results of drill holes KAL13057 and KAL13058. This iron mineralization is also intersected in KAL13055, where it appears to outcrop (just west of KAL13055). In drill holes KS14002, KS14006, KS14005 and KS14007 at the most northerly drill-tested end of Kallak South the width of the mineralization decreases somewhat and is not as homogenous as found further south. Drill hole KS14004 has intersected a separate iron mineralization at the upper section of the hole but to date this mineralisation remains only intersected in this hole (41m along core axis from top of hole). This is interpreted to be a separate magnetite iron mineralization probably parallel to the one which is intersected in KS14001 at depth and with an easterly dip coming up to surface just west of KAL13055. South from KS14001 further iron mineralization is encountered in KS14016 at depth. Here also a hematite mineralization of significant width is encountered. Logging results of drill holes KS14009, KS14013 and KS14011 indicate that these holes have been drilled somewhat east of the main ore zone. It may also be possible that this mineralization may not be continuing at depth and therefore further sections of mineralization were not encountered.

In summary several iron mineralizations mainly of similar quartz banded magnetite types have been intersected and the major one strikes from drill hole KS14016 at N7412525 to drill holes KAL13055/KAL13056 at N7412875 giving a 350 meter extension in north to south strike length and dipping towards south and southeast. North from this zone there is still iron mineralization encountered but decreasing in width. The iron mineralization is open to the south and partly to the north (new mineralization in KS14004) and partly at depth.

Southern part of Kallak South Deposit

In the southern part of Kallak South the focus has been to extend the iron mineralization to the north from KAL10054 where it was confirmed over significant width at the 2010 drilling campaign. Although assays have not yet been received for these drill holes, geological logging of the drill cores has shown that the iron mineralization is intersected 200m north in KS14012 and further 100m north in KS14008 and KS14014. The Directors believe that the Company have confirmed the presence of iron mineralization from KAL10054 at profile N7411275 extending to KS14014 at profile N7411575, extending in N-S direction for more than 300 m and remaining open both to north and south and especially at depth. Assays are pending for all of these holes.

The present results of drilling confirm that there is a close correlation of the extension of the iron mineralization at Kallak South as obtained by drilling relative to results of detailed ground geophysical data of ground magnetic and gravity data. These pronounced geophysical anomalies are extending for a total of more than 2000 metres and at the intersected drill section in general are more than 200 m wide.



Future drilling plans at Kallak South Deposit

The original work plan earlier notified for the Kallak South deposit, for up to a total of 18,000m of drilling until to 31 December 2015 including KS Phase III and IV drilling campaigns, is now valid. The work plan contains similar conditions to the previous work plan which expired at the end of October 2013 such that between 1 November and 30 April the local Sami community is entitled to request the temporary suspension of works for a period of up to eight weeks because of reindeer herding work.

The work plan envisages a drilling density of approximately 100m (north-south) between profiles and there is approximately a 100m (east-west) interval between the holes along each of the profiles. Approximately three to four holes are planned in each profile, with some holes located in wet areas thereby requiring drilling in the winter season, whilst other holes situated in drier terrain can be drilled all year round.

The number of holes and meters in forthcoming KS Phase III and IV drill campaigns is a rough estimation in trying to confirm the connection the encountered iron mineralization in southern end of Kallak South and Northern end of Kallak South. Further drilling of estimated 40 drill holes is required to officially confirm this.

A new terrain vehicle work permit for drilling has also been issued to the operator Jokkmokk Iron Mines AB by the County Administrative Board for the 2014 drill campaign.

The Ballek Copper Deposit

Background

At Ballek, 2,039 meters had been completed of the original (and previously announced) 3000m drill programme. Work was halted due to adverse weather conditions. In total eight drill holes have been completed on three of the originally four selected targets.

The original drill program is primarily seeking to test four previously indicated and defined copper targets of IOCG type within the Ballek area as defined by geological indications and earlier completed deep sensing geophysical ground surveys.

Results

The results of the 2,039 m of drilling at Ballek comprised of eight drill holes (BAL 13 001, BAL 13 002, BAL 13 005, BAL 13 006 and BAL 13 007 originally selected and further holes BAL 14 003, BAL 14 004 and BAL 14 005 at the Ballek West target area). The results from the assay testing are set out below.

DDH Id	From (m)	To (m)	Length(m)	Grade Copper (%)	Gold (g/t)	Sulphides identified	Target ID number
BAL 13005	65.90	66.80	0.90	0.32	<0,1	Chalcopyrite+ pyrite	3
	76.00	78.80	2.80	1.35	<0,1	Chalcopyrite+ pyrite	
	76.00	77.00	1.00	3.70	0.1	Chalcopyrite+ bornite	



	38.00	48.00	10.00	0.55	<0,1 Chalcopryrite+ pyrite	Target 3
BAL 13						
006	38.00	38.50	0.50	2.24	0.1 Chalcopryrite+ bornite+pyrite	
	40.90	41.90	1.00	2.00	0.1 Chalcopryrite+ pyrite	
BAL 13						
006	87.60	100.80	13.20	0.50	<0,1 Chalcopryrite+ bornite+pyrite	
BAL 14						
003	52.60	59.05	6.45	0.17	Chalcopryrite+ <0.1 pyrite+bornite	Target 3
	79.30	83.70	4.40	0.18	Chalcopryrite+ <0.1 pyrite+bornite	
	113.79	118.50	4.71	0.18	Chalcopryrite+ <0.1 pyrite+bornite	
BAL 14						
004	56.40	57.35	0.95	0.27	Chalcopryrite+ <0.1 pyrite+bornite	Target 3
BAL 14						
005	35.51	36.43	0.98	2.7	<0.1 Chalcopryrite+bornite	Target 3
	39.07	39.98	0.91	0.22	<0.1 Chalcopryrite+bornite	Target 3
BAL 13						
001			no significant assay (cut off grade 0,1%)			Target 1
BAL 13						
002			no significant assay (cut off grade 0,1%)			Target 1
BAL 13007						
			no significant assay (cut off grade 0,1%)			Target 4
BAL 13008						
	cancelled					Target 4

Of the assay results received Target Number 3 has displayed the best grades and intersections of copper. Drill hole BAL 13 005 (inclined at 60 degrees) collared on the eastern flank of the Target Number 3, also defined as the "Ballek West Target", returned copper sulphide sections at various shorter intersections between 20 to 85 m along drill core.



Chalcopyrite (dominant copper mineral identified) is visible as minor grains and up to an inch size blobs within predominantly quartz veins irregularly cutting granitic host rock. Minor bornite is occasionally also noted. Together with the sulphides are noted abundant violet fluorspar and some magnetite. Assay results of BAL 13 005 show one significant section over 2.80 metres (76-78,80 m) with 1.35% copper, which includes a one meter section of 3.7% copper. At 65.9 meters a grade of 0.32% of copper is noted over 0.9m. Further shorter sections are noted with grades close to 0.1% of copper. Although higher grades of copper are encountered over shorter sections in this drill hole longer sections of > 10 m tend to be below cutoff grade at 0.1% in copper.

The host rock for this drill hole as well as that of BAL 13 006 (below) is a reddish, coarse grained granitic to granodioritic rock type geologically well known to form the western boundary zone of the Ballek volcanic rocks. Some dark vein like remnants of volcanic rocks are also noted in these drill holes.

Drill hole BAL 13 006, inclined at 60 degrees towards NE, is collared about 100 m west of BAL 13005 on a line extending NW/SE and crosscutting the wide ground magnetic, NE/SW extending target zone. This drill hole displays similar copper sulphides present in irregular quartz veins as of that in 13005. Assay results show notable copper grades over longer intersections at relatively shallow depths. A better intersection is noted between 38 - 48 m (10 m) containing an average of 0.55 % copper, which includes 2.24 % of copper between 38-38.5. Down depth in the same drill hole a further intersection of 13.2 m between 87.6-100.8 m is recorded with 0.5% of copper. All sections have also been analyzed for gold but only low values have been encountered.

Drill holes BAL 14 003, BAL 14 004 and BAL 14 005 are all collared on the same NE/SW extending magnetic structure as that of drill holes 13 005 and 13006. Geological logging of these drill holes show granitic host rocks with copper sulphides associated with irregular quartz veins similar to those of BAL 13005 and 13006. Assays for these drill holes (BAL 14 003-14 005) of mineralized sections also show in general similar results with levels varying of 0.17 to 2.7 % of copper over various sections selected. No significant gold indications were encountered.

The drill tested Target 3 has originally been defined by SGU as the Ballek West Target. Of significance to note is that this target is located directly on strike direction towards NE within the so called "Lulepotten trend area" about 3 km northeast of the Lulepotten deposit, which is a JORC classified resource of 5.4 Mt at 0.8% Cu and 0.3 g/t Au at a 0.3% copper cut off.

There has been some minor historic drill testing in this general area of Ballek West earlier by SGU (4 holes in 1970s) as well as EVE (1 hole in 2010) However all these historic drill holes have failed to return any significant sections with copper grades. There are however, abundant high grade copper boulders of local origin registered in the local area indicating that still unknown outcrops of significant copper grades are to be found in this general area of Ballek West.

With present results of drill holes BAL 13 005, 13 006 and BAL 14003-14005 it is confirmed that significant zones of fracture hosted copper mineralization similar to that of the Lulepotten copper gold deposit are occurring up to 3 km along strike from the known deposit.

This is highlighted by the combined results of present drill holes which show that a significant wide section (more than 100m) of the granite and its volcanic contact zone is copper mineralized at Ballek West. Similar geological features are noted directly at the western flank of the Lulepotten deposit. Of further importance is the presence of high grade boulders of local origin within this new defined local area indicating presence of still unknown outcrops with significant copper grades.



An assessment of the recent drilling results and consideration of further exploration along this Lulepotten-Ballek West geological structure is in progress as the large extension (3 km) and widths (100m) of the encountered copper bearing geological structures at surface levels indicate a new area of potentially economic size.

The initially three drilled holes completed at Ballek Project were defined as BAL 13001, BAL 13002 both collared on target "1" and BAL 13 007 on target "4" all have returned heavily altered basic andesitic volcanic rocks. Abundant scapolite with epidote are noted among alteration minerals in these three drill holes. Detailed geological logging identified only some scattered and minor copper sulphides and pyrite present over relatively short sections. From each of these drill holes about 20 m of drill core were submitted for analysis by ICP (multimetals including Cu) and Fire Assay (Au) analysis. Assay results received show however only low grades of less than 0.1% of copper in all these sections selected. The tested geophysical IP anomalous features at both targets "1" and "4" are interpreted to be caused by, most likely, fine grained and disseminated magnetite and hematite mineral grains rather than sulphide minerals as interpreted by our geophysical consultant. It is to be noted that these drill tested targets number "1" and "4", with insignificant copper response, are located well outside the "Lulepotten trend area".

Future work

A new work plan for the Ballek project has been devised, covering the period until 31 May 2015. This will enable the remaining 1,000m of the originally envisaged drill programme to be completed.

Wayland Sweden AB is the operator and majority owner of the project is in discussions with its joint venture partner, Energy Ventures Ltd, (<http://www.energyventures.com.au>) on future work plans.

The Company is committed to maintaining good relations with the local Sami population, local landowners and all interested stakeholders to ensure that the development of its projects benefits all parties economically, environmentally and socially. This work will continue.

Competent Person Review

Dr Jan Ola Larsson (Fil. Kand, PhD, DIC), has reviewed and approved the technical information contained within this announcement in his capacity as a qualified person, as required under the AIM rules. Dr Larsson is Technical Director of the Company and has over 40 years relevant experience within the natural resources sector.

London, 2014-08-21

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or visit <http://www.beowulfmining.net>**Notes to Editors**

All drill cores are being scanned in the field at the drill sites by a highly sensitive hand held magnetic susceptibility meter with automatic average registrations over the separate core lengths, before being transported to the ALS laboratory based in Piteå, Sweden, for geological logging and analytical preparation. One half of the core is left in the core box and the other half is prepared for analysis and analyzed with methods XRF21n and Fe-VOL05. The samples are 1 - 2.5m long (along core) and every eighth sample is a Quality Assurance - Quality Control sample, either standard, duplicate or blank.

The group has established a core logging facility in Jokkmokk, with the objective of logging of cores being completed directly following drilling. This will include geotechnical logging, magnetic susceptibility measurements, geological logging and sectioning for analyses. Accordingly, drilling conducted during 2014 will involve oriented drill core that will be logged in this facility to obtain a better and timelier understanding of the structural control in the Kallak North and Kallak South deposits.