

12 July 2010

Beowulf Mining Plc
("Beowulf" or the "Company")

**Update re Kallak Iron Ore Deposit
and**

Acquisition of certain Swedish Permits from Tasman Metals Limited

Highlights:

- Completion of 1,600m of the Company's ongoing 3,500m diamond drilling programme at the Kallak North iron ore deposit
- Initial assay results received reveal commercial grades of iron across the 300m width of the deposit
- Significant high grade sections of iron ore identified at depth in the western section
- Acquisition of additional permits will add significant iron ore resources to the southern extensions of the project

Beowulf (AIM: BEM; Aktietorget: BEO), the AIM and Aktietorget traded mineral exploration company which owns several exploration projects in Sweden, is pleased to announce that approximately half of the drilling programme on its wholly-owned Kallak Iron Ore deposit, located within the municipality of Jokkmokk in northern Sweden, has now been completed. The drill programme comprises a grid pattern of 35 holes, totalling 3,500 metres of drilling covering the entire deposit which, from ground magnetic surveys, has been defined as being up to 300m wide and extending more than 1,000m. The drilling programme is expected to be completed by the end of July 2010 with all analytical testing completed during September 2010.

In addition, the Company has today entered into an agreement with Tasman Metals Limited ("Tasman", TSX.V: TSM; Frankfurt: T61; Pink Sheets: TASXF, www.tasmanmetals.com) to acquire its wholly owned UK subsidiary, Iron of Sweden Limited ("IOS"), which will shortly own, subject to Swedish regulatory approval, certain permits to the south of the Company's Kallak project.

Clive Sinclair-Poulton, Executive Chairman of Beowulf commented:

"We are convinced of the quality and quantity of our iron ore assets and these initial results are highly encouraging as they reveal the existence of ore at much deeper levels than we expected. We believe that Kallak will prove to be a major iron ore body and the acquisition of Iron of Sweden will enable us to enhance the project by the addition of the iron ore potentially within the Parkijaure permits just south of our existing Kallak project."

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Initial Kallak Drilling Results

All of the drill cores are scanned in the field at the drillsite by a highly sensitive hand held magnetic susceptibility meter with automatic average registrations over selected core lengths. Accordingly, sections of magnetite ore are quickly identified even at moderate iron grade and the drill cores are subsequently geologically logged. The sections selected for analysis are prepared at the ALS/Chemex laboratory in the town of Piteå in northern Sweden and final analysis is performed by XRF techniques at ALS, Australia. The drill cores are continuously assayed when received at the laboratory. Individual drill core samples vary between one and two metres in length. Assay results for the initial drill holes have now been received.

The objective of the drilling programme is to further define the quantity and quality of iron ore already known to be present in the licence area and to allow a maiden JORC compliant resource/reserve to then be sought.

Although the drilling programme initially met with some technical problems, mainly relating to difficult fast melting snow conditions which delayed drilling, the programme is now proceeding according to plan. In order to increase the rate of drilling and complete the programme on schedule, a second high capacity drill rig owned by the Swedish drill contractor Ludvika Borrteknik AB, is now in operation on site.

Assay results of the first three holes (KAL 10 001, KAL 10 002 and KAL 10 003) of a 400m long east-west drill section comprised of five holes and defined as 7414 200 N (RAK coordinate system) have now been received. The angled drillholes KAL 10 001, 002, 004 and 005 were drilled towards the west to intersect at 90 degrees the generally steeply east-west dipping and north-south striking iron ore zone. Drillhole 10 003, located close to hole 10 002, was drilled towards the east. Starting from the eastern ore zone limit of the deposit, these holes have initially intersected a mineralized zone of about 35m true width with a relatively consistent grade of 37.5% iron. This ore zone, defined as the "Eastern Ore Zone" is intersected both at surface level (KAL 10 003) and at 100m level (KAL 10 001) below surface (see figures 1 and 2 on the Beowulf website: www.beowulfmining.net, which show the drillholes with plotted susceptibility readings and available analytical Fe grade. In the figures, iron grade results received from the laboratory are plotted towards the left along the drillhole and susceptibility results obtained in the field towards the right along the drillhole axis).

The holes further west in this drillsection have all intersected iron ore of substantial widths as noted by susceptibility readings of the drillcores. To date, analytical results from the ALS laboratory so far have only been received from hole number 10 002 and show an average grade of 30.5% Fe (maximum grade at 41.8% Fe) over a 47.6m section along the drill core between 66.6-114.2m. This ore zone is intersected by relatively narrow sections of pegmatites and granites. The ore intersection in hole number 10 002 is interpreted to be the eastern limit of a much wider ore zone extending to the west along the drill section and is being defined as the "Main Ore Zone". This zone is further intersected by holes 10 004 and 10 005.

Within the "Main Ore Zone", especially at depth, extremely high susceptibility readings indicating iron grades of >45% Fe have been noted in holes (KAL 10 004, KAL 10 007 and KAL 10 010) over extended widths e.g. between 114.6-179.4m of drillhole KAL 10 004 (see figure 2 on Beowulf's website). Analytical results, from ALS laboratories, for these holes are expected to be received shortly. The early results from the drilling of this ore zone indicate the presence of a "Major Ore Zone" with a width of over 200m. Together with the "Eastern Ore Zone", this forms a 300m wide ore section across the complete width of the Kallak North Deposit.

Two further drillhole profiles 7414 100N and 7414 000N, cross cutting the deposit in a similar manner to those above, have also been completed. Geological logging and preparations for analysis is ongoing. However, on site magnetic susceptibility readings support the present findings in section 7414 200N. Of interest are results from ongoing deeper drilled holes,

which indicate high grade sections at a depth of more than 150m below surface. Deeper drilled holes (>200m) such as KAL 10 007 and KAL 10 010, are located on profile 7414 100 N, a parallel section 100m south of section 7414 200N. The historic estimate by the SGU (Geological Survey of Sweden) in the 1970s of the resource tonnage to 100m depth for the Kallak North Iron Ore deposit is 92 million tonnes based on gravity and magnetic data. The present ongoing drill programme has indicated that substantial additional tonnages are present.

Acquisition of Additional Swedish Permits

In order to increase its iron ore assets in the Kallak area, Beowulf has today agreed with Tasman to acquire two permits just south of Kallak and one in the Kiruna region which are to be transferred by Tasman to IOS, its recently incorporated and wholly owned private UK subsidiary company established to facilitate the acquisition. Summary details of the permits are set out below:

PERMIT NAME	LICENCE ID	AREA (sq. Km.)	VALID FROM	VALID TO	COUNTY	MUNICIPALITY
Nakerivaara nr 1	2007:353	505.48	28/12/2007	28/12/2010	Norrbottens län	Kiruna
Parkijaure nr 1	2007:354	417.11	28/12/2007	28/12/2010	Norrbottens län	Jokkmokk
Parkijaure nr 2	2008:20:00	285.25	18/01/2008	18/01/2011	Norrbottens län	Jokkmokk

An independent report produced in May 2009 by ReedLeyton Consulting states that the two permits at Parkijaure have an anomaly with an estimated 34 million tonnes of 38-39% iron ore. This is based on limited historic drilling but also ground magnetic and geophysical work and 3D magnetic modelling. The same report also states that “*..the source of the anomaly is not only bigger in volume than that of the Kallak deposit but also significantly higher in magnetic susceptibility*”.

Beowulf has agreed to acquire the entire issued share capital of IOS for a consideration of C\$40,000 to be satisfied by the allotment of 691,921 new ordinary shares of 1p each in Beowulf at a deemed price of 3.7p per share. Tasman has agreed not to trade the consideration shares for a period of twelve months following their date of issue. In addition, Tasman will retain a 1.5% Net Smelter Royalty on any future production in the three permit areas.

Completion of the acquisition is conditional on the receipt of approval for the transfer of the permits from Tasman to IOS from the Swedish authorities and a further announcement will be made in due course.

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 30 years relevant experience within the natural resources sector.

Notes to editors:

The Kallak Iron Ore Deposit is located north of the Arctic Circle within the municipality of Jokkmokk in the Norrbotten county in northern Sweden. The deposit benefits from excellent infrastructure with a network of local forestry roads within the project area located very close to the main paved road between Kvikkjokk (Ruotevare) and Jokkmokk. A major hydroelectric plant with associated electric power lines is located only a few kilometres away.

The Kallak deposit was originally discovered in 1947 and was assessed by the Geological Survey of Sweden (“SGU”) in the early 1970s during which time detailed ground geophysics, diamond drilling and trenching were completed. The deposit is made up of two mineralised bodies both of which are outcropping and up to 300 metres wide with the confirmed extension for the Kallak North deposit being more than one kilometre.

The Kallak North deposit is by far the largest known magnetite deposit of the so called "quartz banded iron ore type" that is still awaiting commercial exploitation in northern Sweden. SGU has historically generated an estimated tonnage for the Kallak North deposit of 92Mt and 29Mt for the Kallak South deposit. The deposits are located very close to each other and may be geologically connected at depth with grades varying between 35-42% of iron. Low background values have been noted for titanium (<0.1%), phosphorous (0.04%) and sulphur (<0.6%).

Metallurgical bench scale tests conducted by MINPRO of Kallak iron ore material have been directed towards the production of a high grade magnetite pellet feed product for use by potential clients. Traditional treatment of the ore material by fine grinding and wet magnetic separation resulted in a clean magnetite pellet feed product containing 68.0% iron corresponding to a recovery of 85.1%.

The head grade ore material from Kallak contained 39.8% iron, 33.1% SiO₂, 0.57% MnO, 0.09% P₂O₅, 0.10% TiO₂ and 0.007% S. Further testing of the Kallak ore by MINPRO, using flotation techniques combined with wet magnetic separation, have resulted in a final, high grade pellet feed product containing 70.4% iron with low levels of contaminants (other metals). By general industry standards this product is considered by Beowulf to be of high commercial quality and of direct potential interest to the international steel market.

For the purposes of their recent conceptual study on the Kallak deposit, the Raw Materials Group ("RMG") assumed that further drilling will increase and upgrade the outlined historic total mineral resource of 121Mt, such that 150Mt was estimated to be mineable by way of conventional open-pit mining methods. In its conceptual study on the Kallak deposit, RMG stated that the deposit over a planned 15 year mine life has the potential to produce net cash flows of, in aggregate, approximately US\$2.9bn.

There appears to be good potential to substantially increase the Kallak resource by drilling extensions to the existing resource and by testing other magnetite bearing zones in the vicinity of the deposit.