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Beowulf Mining Plc

("Beowulf" or the "Company")

Update re Kallak Iron Ore Deposit

### **Assay results and Kallak South drilling contract**

#### **Highlights:**

- Assay results received for a diamond drilling programme completed at the Kallak North iron ore deposit
- Results confirm extended iron mineralisation, with several 100m sections having iron mineralisation of over 30% Fe
- 3,500 metres of diamond drilling planned over 35 holes at Kallak South
- Drilling to commence in mid October 2010 with the first assay results anticipated by the end of Q4 2010
- JORC classification to be sought for the Kallak South iron ore deposit following completion of the drilling programme
- Recent ground magnetic 3D models indicate substantially larger presence of mineral iron ore resource at Kallak South than at Kallak North

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 the first complete assay results for 15 holes drilled as part of the drilling programme on its wholly-owned Kallak Iron Ore deposit, located within the municipality of Jokkmokk in northern Sweden, have now been received. The drilling programme comprised a

grid pattern of 32 holes, totalling 3,757.8m covering most of the deposit, which, from ground magnetic surveys, had been defined as being up to 300m wide and extending more than 1,000m on strike. Analytical testing on the remaining holes is expected to be completed shortly, with results anticipated to be received, at the earliest, towards the end of this month.

In addition, the Company has entered into a new drilling contract of 3,500m for the Kallak South deposit, which is planned to commence by mid October 2010.

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

*"We are encouraged by the assay results at Kallak North and look forward to receiving similar quality results from the recently acquired Kallak South zone. The Kallak North results and those anticipated from Kallak South, along with the 140m tonnes so far recorded at Ruotevare, allow the Company a high level of confidence in our expectations of Beowulf becoming a major player in the European iron ore sector."*

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**Kallak North drilling assay results**

In order to complete the total drill program within budget, many drill holes were stopped in high grade iron mineralisation at depths of 150m or more. However, the results do prove the presence of a significant high grade iron mineralisation over extended lengths and to great depths at the Kallak North deposit. Preliminary interpretation of these results suggests that more than 150Mt of iron ore are present on the Kallak North deposit, at an estimated average grade of 30% Fe.

The assay results show significant iron grades down hole in each of the holes within each drill section. This is verified by the average magnetic susceptibility registrations completed on each drill core at the time of drilling.

Although detailed interpretation of internal variations within the deposit is currently ongoing, sections of 25% Fe or more are present across the entire width of the deposit, of up to 300m. Higher grade mineralisation of up to 40% Fe is noted in many holes at significant widths and great depths.

As a result of the angled holes cutting an almost vertical dipping iron mineralised zone, the true thickness of the mineralised intercepts is estimated to be 70% of the downhole thickness.

Results of the first 15 drill holes completed on the Kallak North deposit are set out in the below table. For each drill hole, the longest mineralised intercept is noted with grades higher than 25% Fe with length in metres and average grade of iron in per cent. Notably, high grade sections of more than 35% Fe of significant lengths are also included.

Hole No.	From (m)	To (m)	Length (m)	Fe (%)
KAL 10 001	86.25	179.35	93.1	33
Including	86.25	163.25	77	36.4
Including	136.8	149.8	13	39.1
KAL 10 002	67.5	110.6	43.1	28
Including	67.5	75.7	9.2	39.4
KAL 10 003	3.6	49.2	45.6	32.1
Including	13.8	31.4	17.6	37.4
KAL 10 004	1.3	216	214.7	30.2
Including	115.2	179.4	64.2	38.5
Including	186.25	201	14.75	37.6
KAL 10 005	13.45	110.6	97.15	32.7
Including	13.45	19.3	5.85	37.4
Including	26.6	54.5	27.9	34.3
Including	60.8	82	21.2	38.1
Including	85.2	110.6	25.4	37.5
KAL 10 006	4	70.1	66.1	33.7
Including	4	12.3	8.3	40.1
Including	17.65	40.9	23.25	40
KAL 10 007	7	148.2	141.2	31.6
Including	58.7	148.2	89.5	36.3
KAL 10 008	11.7	101.55	89.85	26
Including	11.7	23	11.3	38.2
KAL 10 009	45.8	122.8	77	27.6
Including	45.8	75.7	29.9	32
Including	57	75.7	18.7	35
Including	45.8	53.2	7.7	39.1
KAL 10 010	88.2	238.95	150.75	25.5
Including	88.2	125.82	37.62	33.4
Including	88.2	97.7	9.5	36.1
Including	101.4	125.82	24.42	36.7
KAL 10 011	Not assayed			
KAL 10 012	18	97	81	25.8
Including	26.4	35	8.6	36.8

KAL 10 013	42.4	132.1	89.7	29.8
Including	61.6	132.1	70.5	31.2
Including	70	108.9	38.9	37.6
Including	121	132.1	11.1	39.9
	Assays			
KAL 10 014	pending			
KAL 10 015	1.35	65.3	63.95	31.3
Including	13.25	59.5	46.25	34.6
KAL 10 016	8.9	127.95	119.05	33.3
Including	38.5	127.95	89.45	36.6
Including	46	118	72	37.9
KAL 10 017	25.5	133.6	108.1	25.8
KAL 10 018	Assays pending			
KAL 10 019	Assays pending			
KAL 10 020	Assays pending			
KAL 10 021	Assays pending			
KAL 10 022	Assays pending			
KAL 10 023	Assays pending			
KAL 10 024	Assays pending			
KAL 10 025	Assays pending			
KAL 10 026	Assays pending			
KAL 10 027	Assays pending			
KAL 10 028	Assays pending			
KAL 10 029	Assays pending			
KAL 10 030	Assays pending			
KAL 10 031	Assays pending			
KAL 10 032	Assays pending			

Some encouraging results are noted, with hole KAL 10 004 being mineralised across its entire length from the surface to a depth of 214.7m at 30.2% Fe, including a high grade section of 64.2m at 38.5% Fe between depths of 115.2m and 179.4m. Within in the same drill section, hole KAL 10 001 intercepts a section of high grade iron mineralisation of 93.1m at

33.1% Fe between depths of 86.25m and 179.35m. Similar significant grades and widths are noted for DDH KAL 10 016, with a 119.5m section at 33.3% Fe from a depth of 8.9m.

The sections selected for analysis (totalling 2,883m and representing approximately 78.2% of all the drill cores drilled at Kallak North) have been prepared at ALS Global Sweden's ([www.alsglobal.com](http://www.alsglobal.com)) certified laboratory in Öjebyn, northern Sweden, with final analysis performed by XRF techniques at ALS, Australia.

Individual drill core samples vary between one and four metres in length. Beowulf has taken a number of measures, including duplicates of samples at every 20 sample analysed, to verify the samples for further evaluation and give support to a planned forthcoming resource estimate of the Kallak North deposit, which ultimately will be based on these samples.

The present assay results are based on samples totalling 1,479m of drill core sections. A weighted average of all these samples of mineralised intercepts from current holes yields 30.0% Fe, which may be a guide towards forthcoming average grade of the Kallak North deposit.

The mineralisation is of typical fine grained, quartz banded magnetite type, with only minor hematite noted. Only low background contents are noted of titanium, phosphorous, sulphur and manganese. Tungsten and vanadium contents are at less than analytical detection limits. All assays confirm results of earlier reported metallurgical study by Minpro of Kallak North Iron Ore material.

### **Kallak South deposit**

The Company has signed a new drilling contract with Ludvika Borrteknik AB ("Ludvika"), one of Sweden's leading drilling companies, which recently successfully completed the drilling programme for Beowulf's Kallak North deposit. The planned 3,500m drilling programme on the Kallak South iron ore project is to commence in mid October 2010 and will further expand the known data on the project.

The drilling programme will further define the quantity and quality of iron ore already known to be present at Kallak South and to allow a JORC classification to be sought.

Recent advanced interpretations of 3D models of detailed ground magnetic data of the Kallak South deposit indicate the presence of an iron ore deposit significantly larger than that of the Kallak North deposit, which, from results of a recently completed drill programme by Beowulf, is estimated at 150 Mt. The board of Beowulf (the "Board") anticipates that, once the drill programme at the Kallak South deposit is completed, the two deposits at Kallak may form a combined potential resource of several hundreds of million tonnes.

From available data, the Kallak South deposit is interpreted to be of similar high quality, quartz banded magnetic iron ore type as that of the Kallak North deposit. Both deposits are located in close proximity, only separated by some few hundred metres, on extensions within the same highly altered, Proterozoic volcanic bedrock structure. The deposits may be geologically connected at depth.

As announced on 16 September 2010, the exploration licences covering the complete Kallak South deposit were acquired and transferred to Beowulf from Iron of Sweden Limited. The licences are located directly on extensions of the Kallak North deposit and are referred to by the Company as Kallak South, with the potential of adding significant iron ore resources to the presently defined Kallak North deposit.

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 the Editors:**

#### **The Kallak Iron Ore Deposit**

As announced on 16 September 2010, a 3,758 m drill programme was completed for the Kallak North deposit where the drill cores from the 32 hole programme were all scanned in the field at the drill site using a highly sensitive hand held magnetic susceptibility meter with automatic average registrations over selected core lengths. Accordingly, sections of magnetite ore were quickly identified even at moderate iron grade and the drill cores subsequently geologically logged. A total of 2,883m, approximately 78,2% of the drill cores, were prepared at ALS Global Sweden's ([www.alsglobal.com](http://www.alsglobal.com)) laboratory in Örebro, northern Sweden, with final analysis being performed by XRF techniques at ALS, Australia.

The drilling programme comprised a grid pattern of 32 holes, totalling 3,757.8m covering most of the deposit, which, from ground magnetic surveys, had been defined as being up to 300m wide and extending more than 1,000m.

In July 2010, the Company announced preliminary results for section 7414 200 N (RAK coordinate system) totaling 400m in length and comprising five inclined drillholes. Drillholes KAL 10 001, 002, 004 and 005 were drilled towards the west to perpendicularly intersect the generally steeply east-west dipping and north-south striking iron ore zone. The assay and susceptibility results for this section currently appear to be a good example for a number of the other drillhole sections under assessment. Drillhole 10 003, located close to hole 10 002, is the only drillhole in the programme, which was drilled towards the east. Starting from the eastern ore zone limit of the deposit, these holes initially intersected a mineralized zone of approximately 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

the 100m level (KAL 10 001) below surface (see figures 1 and 2 on the Company's website: [www.beowulfmining.net](http://www.beowulfmining.net), which show these drill holes with plotted susceptibility readings and available analytical Fe grade).

The holes further west in this drill section have all intersected iron ore of substantial widths as noted by susceptibility readings of the drill cores. Analytical results from hole KAL 10 001 over a section of 93.1m (86.25 - 179.35m) show a grade of 33.0% Fe. Within this section, a length of 77.0m has a grade of 36.4% Fe. Drill hole KAL 10 002, shows an average grade of 30.5% Fe over a 47.6m section along the drill core (66.6-114.2m). The ore zone is intersected by relatively narrow sections of pegmatite's and granites. Maximum analytical grades are noted at 41.8% Fe. This ore intersection is interpreted to be the eastern limit of a much wider ore zone defined as the "*Main Ore Zone*", which is further intersected by holes KAL 10 004 and 10 005. High susceptibility readings were noted over extended widths, especially at depth, in these holes. Although high susceptibility levels are noted, the assay results for these holes are remarkably stable at 38-40% Fe. The results confirm the presence a "Major Ore Zone" with a true width of over 200m extending to depths of more than 150m. Together with the "Eastern Ore Zone" this total section at 7414 200 N forms a 300m wide ore section across the complete width of the Kallak North deposit.

All further drillhole sections completed at 7414 100N, 7414 000N, 7414 260N, 7414 360N, 7414 360N, 7414 460N, 7414 530N, 7414 660N and 7414 760N are cross cutting the iron ore deposit in a similar manner to that described at 7414 200N. Accordingly, the extension of the Kallak North deposit has been confirmed over a length of 800m in these sections. On-site magnetic susceptibility readings of drill cores support the findings in section 7414 200N. Of particular interest are results from deeper drilled holes, which indicate high grade sections at depths of more than 150m below the surface, and the remarkably stable grades of iron between 35-41% over significant widths over more than 100m. Preliminary indications suggest that more than 150Mt of iron ore are present on the Kallak North deposit, at an estimated average grade of 30% Fe.

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