

6 December 2010

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

Third Quarter Update

Beowulf (AIM: BEM; Aktietorget: BEO), the AIM and Aktietorget traded mineral exploration company, is pleased to announce an unaudited operational and financial update for the nine months ended 30 September 2010.

Highlights:

Operational:

- Completion of the acquisition of Iron of Sweden Limited and commencement of 3,500 metres diamond drilling campaign on the Kallak South deposit.
- Assay results for the 32 holes drilled on Kallak North confirmed that the deposit extends for more than 800 metres, with drill core cross sections containing between 22.2% and 43% Fe at significant widths to more than 200m depth below surface.
- Preliminary interpretation of the Kallak North results suggests that an increased estimate of more than 175m tonnes of iron ore is present at an estimated average grade of approximately 30% Fe. Independent JORC compliant resource estimate commissioned and additional drilling anticipated in Q1 2011.
- 4,000 metre drill programme for the Ruotevare project planned to commence in February 2011 aiming to enhance and upgrade the existing resource estimate.
- 1,601 metre 8 hole drill campaign on the Ballek joint venture project confirmed the presence of widespread anomalous copper-gold mineralisation. Potential additional exploration activities currently being evaluated with Beowulf 's 50% JV partner.

Corporate:

- Nil Revenue (2009: Nil), loss before and after taxation of £320,000 (2009: £319,000) and basic loss per share of 0.237p (2009: 0.364p).
- Placing to raise £1 million (gross) successfully completed in March 2010.
- Approximately £274,000 in cash held at the period end.
- Further £400,000 (gross) fund raising completed in October 2010 to provide additional working capital and facilitate the ongoing exploration and development of the Company's major iron ore assets.
- £250,000 convertible loan converted in its entirety in September 2010 leaving the Company debt free with a strengthened balance sheet.
- Company is seeking to increase the quantity and quality of its resource base through its ongoing and planned further drilling activities.

Clive Sinclair-Poulton, Chairman of Beowulf, commented:

“Beowulf currently has ten exploration projects in Northern Sweden primarily prospecting for iron, copper, gold and uranium. The unaudited results show that the group incurred a loss before and after taxation for the nine month period ended 30 September 2010 of £320,000 (2009: £319,000).

Iron ore projects

In September 2010, following the receipt of the requisite Swedish regulatory approvals, the Company completed its acquisition of Iron of Sweden Limited (“IOS”) from Tasman Metals Ltd (TSX-V: TSM). IOS holds the Parkijaure 1 and 2 permits located to the south of our existing Kallak project and a further permit in the Kiruna region. Accordingly, the Company now has three promising iron ore projects:

- Kallak North
- Kallak South
- Ruotevare

A 32 hole diamond drilling programme commenced on Kallak North in April 2010 and was successfully completed, within budget, in September 2010, with the majority of the drill cores (78.2%) selected for analysis.

It was originally planned to drill approximately 3,500 metres but the campaign was extended to a final total of 3,757.8 metres as the deposit was larger than anticipated. The drilling confirmed that the deposit extends for more than 800 metres in a north-south strike direction, with drill core cross sections containing between 22.2% and 43% Fe at significant widths, to more than 200m depth below the surface.

Preliminary interpretation of the recently completed and announced assay results suggests that an increased estimate of more than 175m tonnes of iron ore is present at an estimated average grade of approximately 30% Fe.

In light of the high grade mineralisation encountered at the southern and northern ends of the previously defined extension area, we believe that there is further potential for significant additional tonnage of iron ore and currently plan to conduct additional drilling in Q1 2011, following the completion of our ongoing Kallak South drilling programme.

The Company has recently commissioned an independent JORC compliant resource estimate for its wholly owned Kallak North deposit which is anticipated to be completed in Q1 2011.

In October 2010, the Company embarked on a similar 32 hole 3,500 metres diamond drilling campaign on its newly acquired, and larger, Kallak South deposit and, once completed, it is currently intended that an independent maiden JORC compliant resource estimate will also be sought for this deposit. A similar type and quality of iron ore has been encountered in the initial stages of this drill programme.

Due to the encouraging results at Kallak, in November 2010 we registered an application with the Mining Inspectorate of Sweden for an additional new 2,218 hectare exploration permit area which potentially significantly increases the Company’s landholdings surrounding its existing Kallak licences.

Plans are being formulated to conduct a new drilling programme at our existing JORC compliant Ruotevare project as soon as drilling at the Kallak North and South deposits has been completed. In late October 2010, we signed a letter of intent with Ludvika Borrteknik AB for a 4,000 metre programme to commence in February 2011 with the intention of enhancing and upgrading the existing resource estimate.

The Board's thanks go to Jan-Ola Larsson, the Company's Swedish technical director, for his work in overseeing the current and planned drill campaigns and all other aspects of our Swedish operations.

Copper-gold joint venture project

The Company's Ballek licences have now been transferred to the joint venture holding company, Wayland Copper Limited ("Wayland"). Wayland is owned as to 50% by Beowulf and 50% by Energy Ventures Limited ("EVE"). EVE are the operators of this project and earned-in their 50% interest by completing a 1,601 metre 8 hole drill programme. This drill programme confirmed the presence of widespread anomalous copper-gold mineralisation in the area and we are currently evaluating potential additional exploration activities with EVE for this project.

Corporate

In March 2010 we successfully raised £1 million (gross) from investors and as at 30 September 2010 the Company had cash resources of approximately £274,000. In October 2010, the Company successfully completed a further placing of 6,956,521 new ordinary shares at a price of 5.75p per share to raise £400,000 (gross) to provide additional working capital and afford the Company greater flexibility in respect of the ongoing exploration and development of our abovementioned major iron ore assets whilst retaining 100% ownership.

There has continued to be strong interest in the Company from Swedish investors with approximately 16 million ordinary shares lodged and traded on the Aktietorget market in Stockholm in the form of Swedish Depositary Receipts as at 30 September 2010.

In September 2010, the outstanding £250,000 2012 4% convertible loan was converted in its entirety by Starvest plc into 6,250,000 new ordinary shares, which was a highly encouraging development and leaves the Company totally free of debt with a strengthened balance sheet.

Investor relations activities have included a broker presentation in July and a presentation at the Raw Materials Group conference in Sweden in November. We are currently planning a further set of presentations in Sweden in Q1 2011 and are scheduled to present in London in April 2011 at the Minesite investor forum.

Outlook

With iron, copper and gold prices at or near to peak levels and uranium recovering strongly, the Company is very fortunate to possess a diverse portfolio of promising exploration assets, a 'Rainbow of Resources'.

Economies in the West continue to gradually recover and Eastern economies, while cooling slightly, remain robust. India's economy is expected to grow by 8.6% in 2011 and China's by 8.9% (source: The Economist, 25 November 2010).

There are clearly concerns in the Euro zone, but Beowulf is fortunately not directly impacted as it operates principally in US Dollars, Sterling and Swedish Krone. The Board believes that despite the current turmoil, the Euro zone will survive and, assisted by German growth, will slowly recover.

Our assets are in demand and will continue to be attractive as we endeavour to increase the quantity and quality of our resource base through the ongoing and planned further drilling activities. We approach 2011 with confidence and look forward to making further progress."

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Beowulf Mining Plc

**Unaudited Consolidated Income Statement
For the 9 Months Ended 30 September 2010**

	Unaudited <i>9 months ended</i> <i>30 September 2010</i>	Unaudited <i>9 months ended</i> <i>30 September 2009</i> <i>(as restated)</i>
	<i>£000's</i>	<i>£000's</i>
Revenue		
Interest received	-	-
Expenses		
General & administrative	(308)	(316)
Interest paid	(7)	(3)
Impairment	(5)	-
	<hr/>	<hr/>
	(320)	(319)

Loss before taxation	(320)	(319)
Tax	-	-
Loss after taxation	(320)	(319)
Basic loss per share	(0.237)p	(0.364)p
Diluted loss per share	(0.231)p	(0.350)p

**Unaudited Consolidated Statement of
Financial Position
As at 30 September 2010**

	Unaudited <i>30 September 2010</i> £000's	Unaudited <i>30 September 2009</i> <i>(as restated)</i> £000's
ASSETS		
Non-current assets		
Intangible assets	1,140	650
Property, plant and equipment	1	1
Investments	207	59
	<u>1,348</u>	<u>710</u>
Current assets		
Trade and other receivables	126	31
Cash and cash equivalents	274	322
	<u>400</u>	<u>353</u>
Liabilities		
Current liabilities		
Trade and other payables	(36)	(55)
Taxation	(3)	(2)
	<u>(39)</u>	<u>(57)</u>
Total assets less current liabilities	1,709	1,006
Financial liabilities - borrowings		
Interest bearing loans and borrowings	-	(150)
	<u>1,709</u>	<u>856</u>
Shareholders equity		
Called up share capital	1,528	1,059
Share premium account	3,594	2,847
Revaluation reserve	(8)	(56)
Warrants & capital contribution reserve	52	52
Retained earnings	(3,457)	(3,160)
- Prior year adjustments	-	114

Total liabilities and shareholders funds

1,709

856

Notes:

1. Change in accounting policy

When originally adopting IFRS the Company took the option under IFRS 6 (Exploration for and Evaluation of Mineral Resources) to continue to use the accounting policy applied immediately before adopting the IFRS, resulting in exploration costs continuing to be amortised over the licence periods. The Company has now changed its accounting policy to fully adopt the provisions of IFRS 6, which it feels makes the financial statements more relevant to the economic decision-making needs of users.

2. Prior year adjustments

As a result of the above mentioned change of accounting policy, amortisation costs previously charged to the consolidated income statement have been removed and the value of intangible assets in the consolidated statement of financial position re-stated. The amortisation charged for the nine months ended 30 September 2009 was £114,000. After applying the cumulative prior year adjustments up to 30 September 2009 and removing these charges from the consolidated income statement, the amount of intangible assets shown in the consolidated statement of financial position increased by £392,000 as at 30 September 2009 and has been re-stated accordingly.