

**31 May 2011**

**Beowulf Mining Plc**  
(“Beowulf” or the “Company”)

**First Quarter Update**

Beowulf (AIM: BEM; Aktietorget: BEO), the AIM and Aktietorget traded mineral exploration company, which owns several exploration projects in Sweden, announces an unaudited operational and financial update for the three months ended 31 March 2011.

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

“The Anglo-Saxons graphically described the harshness of winter by saying “the cold bit like Grendel”, thereby combining images from the Beowulf saga with the cold reality of our northern climates.

During the winter of 2010/2011 Grendel bit hard and long in northern Sweden. It was the coldest regional winter for more than 100 years with average temperatures of approximately -30 degrees centigrade during the period from November 2010 to January 2011, only returning to a more typical average of -17 degrees centigrade in February 2011.

The harsh winter weather conditions served to delay the Company’s ongoing 3,500 metre drilling campaign on its Kallak South project area. In order to make up the time lost, a second drill rig, capable of drilling to a depth of more than 250 metres, has recently been commissioned and is now in operation. We remain on course to complete the programme by the end of Q2 2011 with 2,450 metres of drilling completed to date. The next set of assay results are expected to be available for release next month.

An additional 1,500 metres drill programme will shortly commence at the Kallak North site. Initial results for the two Kallak licence areas combined suggest the presence of a substantial iron ore asset estimated to be in excess of 600 million tonnes, making the Kallak project alone of potential major commercial interest.

To ascertain the potential of its flagship iron ore projects, Beowulf has commissioned Sweden’s Raw Materials Group (“RMG”) to update its 2010 conceptual study on Kallak North and Ruotevare and expand it to incorporate the Kallak South licence area which was acquired subsequent to their previous work. The Company believes that this report, which is expected to be received in Q3 2011, will be positive as iron ore prices have increased since 2010 and the Company has conducted additional drilling on the Kallak deposit in line with RMG’s recommendations.

A maiden independent JORC compliant resource estimate for the Kallak North deposit, based on the Company’s 2010 drilling results and historic data, is on course to be completed towards the end of Q2 2011 when initial results of ongoing bench scale metallurgical tests by MINPRO AB, including Davis Tube Recovery tests, on ore grade material from Kallak South are also expected to be available.

The Board is seeking to accelerate the Kallak project towards potential future production and has set up a wholly owned subsidiary in Sweden, Beowulf Mining AB, with offices in Stockholm to facilitate the process of securing an exploitation (mining) licence and completing the other formalities required under Swedish law. An independent Swedish consultancy company, Hifab AB, has also been appointed to conduct an Environmental Impact Study (“EIS”) on the Kallak licences and oversee the completion of the requisite reports in connection with the mining licence application.

To assist Beowulf on its road towards potential future production, Fred Boman has recently been appointed to the Board as Production Director. Fred has considerable technical skills and vast experience of progressing mining projects from desktop theory into physical production. In connection with the work on the EIS, Fred Boman, together with the Company’s Technical Director, Jan-Ola Larsson, have been holding meetings with local officials and communities in the Kallak area to outline

the Company's future plans for the project. A recent public information meeting held in the village of Randijaur, approximately 5km south east of Kallak, was well attended by local villagers and landowners, as well as the Mayor of Jokkmokk and the head of the Jokkmokk municipality administration board, and initial feedback has been very positive.

While the emphasis remains on the Company's iron ore assets, during the period under review Beowulf assumed operational control of its JORC classified copper/gold JV project at Ballek from its Australian JV partner, Energy Ventures Limited ("EVE"). EVE remains positive on the potential of Ballek but is concentrating its efforts and resources on its uranium projects in North America. In light of bullish analyst sentiment and predictions on the market for the supply of, and demand for, copper, Beowulf also sees the potential in Ballek and has recently submitted workplans to the Mines Inspector of Sweden for new drilling programmes at both Ballek and the Company's Grundträsk gold project in the Skellefte Mining District in the Västerbotten county.

In early May 2011, the Company successfully placed 2,422,221 new ordinary shares at a price of 45 pence per share via its Broker, with both new and existing investors, to raise £1.09 million (gross), to enable the Company to further progress the exploration and development of its very promising iron ore projects. The Board is delighted with the continued interest and support of investors in Beowulf demonstrated by this recent fundraising which was secured at only a small discount to the Company's prevailing market share price and at a significant premium to the price of previous fund raising rounds of last year.

Investor relations activities have included presentations at the Proactive Investors forum held in February 2011 and the Minesite investor forum in April 2011 with both events being well attended and the presentations well received. The corporate website has also been improved to facilitate access to information on the Company and its project portfolio by our various stakeholders.

Beowulf, the saga, is a work of fiction.

Beowulf, the company, with increasing data obtained via the drill bit and expert analysis from independent specialist consultants is fast becoming a work of fact. The Board looks forward to delivering further progress during the remainder of 2011."

#### **Enquiries:**

##### **Beowulf Mining Plc**

Clive Sinclair-Poulton, Chairman

Tel: +353 (0)85 739 2674

##### **Strand Hanson Limited**

Matthew Chandler / Simon Raggett

Tel: +44 (0) 207 409 3494

##### **Alexander David Securities Limited**

David Scott

Tel: +44 (0) 207 448 9820

##### **Lothbury Financial Services Limited**

Gary Middleton / Michael Padley

Tel: +44 (0) 207 686 2010

or visit <http://www.beowulfmining.net>

#### **Beowulf Mining Plc**

#### **Unaudited Consolidated Income Statement For the Three Months Ended 31 March 2011**

<b>Unaudited</b>	<b>Unaudited</b>
<i>3 months ended</i>	<i>3 months ended</i>
<i>31 March 2011</i>	<i>31 March 2010</i>

	£000's	£000's
<b>Revenue</b>		
Interest received	-	-
<b>Expenses</b>		
General & administrative	(125)	(94)
Interest paid	-	(2)
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	(125)	(96)
<b>Loss before and after taxation</b>	(125)	(96)
Basic loss per share	(0.078)p	(0.086)p
Diluted loss per share	(0.076)p	(0.084)p

**Unaudited Consolidated Statement of Financial Position**  
**As at 31 March 2011**

	<b>Unaudited</b> 31 March 2011 £000's	<b>Unaudited</b> 31 March 2010 £000's
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	1,395	737
Property, plant and equipment	1	1
Investments	175	108
Loans and other financial instruments	20	-
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	1,591	846
<b>Current assets</b>		
Trade and other receivables	278	32
Cash and cash equivalents	94	1,061
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	372	1,093
<b>TOTAL ASSETS</b>	<hr/> <hr/>	<hr/> <hr/>
	1,963	1,939
<b>EQUITY</b>		
<b>Shareholders' equity</b>		
Called up share capital	1,598	1,459
Share premium account	3,904	3,388
Revaluation reserve	50	(37)
Warrants & capital contribution reserve	75	52
Retained earnings	(3,737)	(3,234)
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<b>TOTAL EQUITY</b>	1,890	1,628
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities - borrowings		
Interest bearing loans and borrowings	-	250
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<b>Current liabilities</b>		
Trade and other payables	73	59
Taxation	-	2
	<u>73</u>	<u>61</u>
<b>TOTAL LIABILITIES</b>	<u>73</u>	<u>311</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,963</u>	<u>1,939</u>

\*\* Ends \*\*