

10 August 2011

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

Update re Kallak Iron Ore Project

Kallak South drilling programme completed indicating the presence of more than 400Mt of iron ore

Drilling underway at Kallak North to include testing for a possible connection with the adjacent Kallak South deposit

Highlights:

- Completed drilling programme at Kallak South has confirmed that magnetite iron mineralisation extends for 2,200m in a N-S direction with mineralised E-W cross sections of more than 200m width and extending to depths of more than 275m.
- Assay results received to date have confirmed the presence of high grade iron mineralisation (>30% Fe) over significant widths.
- A further drill programme of 1,500m is underway at Kallak North to include testing for a possible connection with the adjacent Kallak South deposit.

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

“I am delighted to announce that drilling on the Kallak South iron ore deposit has been completed and the latest assay results have continued to show fantastic results.

We now intend to incorporate the results for both Kallak South and the ongoing additional 1,500m drill programme at Kallak North into the independent JORC assessment and I therefore look forward to announcing a maiden Inferred resource estimate for both of the Kallak deposits before the end of this year.

Subject to the results from our further drilling at Kallak North, I also hope to be in a position to announce that Kallak North and Kallak South are potentially one ore body, forming a single large iron ore deposit, which we believe could extend to approximately 4km in length”.

Beowulf (AIM: BEM; Aktietorget: BEO), the mineral exploration company which owns several exploration projects in Sweden, is pleased to announce a further update in respect of its wholly owned Kallak Iron Ore Project. The drilling campaign on the Kallak South deposit has now been completed and a further 1,500m drilling programme is currently progressing as planned on the Kallak North deposit.

The Kallak South campaign comprised a total of 32 holes, drilled in a grid pattern of twelve drill profiles in an E-W direction at 200 metres spacing covering the N-S extension of the deposit as noted from ground magnetic data.

The drilling has confirmed that magnetite iron mineralisation extends for 2,200m in a N-S direction with mineralised E-W cross sections of more than 200m width and extending to depths of more than 275m. In light of the successful campaign at Kallak South, the board has decided to include the results in the ongoing independent assessment of a maiden JORC compliant Inferred resource estimate which will now cover both of the Kallak deposits.

The latest assay results received for additional sections of hole KAL 10 045 and a further four drillholes (approximately 782m) confirm the presence of high grade iron mineralisation in excess of 30% Fe over significant widths in both the central and southern sections of the Kallak South deposit as set out in the table below:

Hole No.*	Total depth (m)	Section analysed (m)			Assay results Fe (%)
		From	To	Total Width	
KAL 10 045	331.20	12.25	303.49	291.24	22.9
<i>includes</i>		<i>110.90</i>	<i>174.10</i>	<i>63.20</i>	<i>36.0</i>
<i>includes</i>		<i>185.50</i>	<i>200.00</i>	<i>14.50</i>	<i>35.9</i>
KAL 10 051	100.10	**			
KAL 10 052	112.50	14.40	69.00	54.60	23.2
<i>includes</i>		<i>14.40</i>	<i>31.70</i>	<i>17.30</i>	<i>35.3</i>
KAL 10 053	85.50	14.40	30.00	15.60	19.4
KAL 10 055	153.00	9.00	21.90	12.90	22.8
		32.30	153.00	120.70	31.3
<i>includes</i>		<i>115.80</i>	<i>133.00</i>	<i>17.20</i>	<i>36.4</i>
TOTAL:	782.30			495.04	
KAL 10 054	287.20	76.30	287.20	210.90	<i>Assays awaited</i>
KAL 10 057	85.00	20.50	45.60	25.10	<i>Assays awaited</i>
KAL 10 058	125.90	27.55	83.40	55.85	<i>Assays awaited</i>
KAL 10 062	149.60	17.30	149.60	132.30	<i>Assays awaited</i>

Notes:

* - hole KAL 10 045 was drilled at a 70 degree inclination and an azimuth of 250 degrees. Holes KAL 10 052 and KAL 10 053 were drilled at a 65 degree inclination and an azimuth of 65 degrees. All the other holes were drilled at a 45 degree inclination and have an azimuth of 270 degrees.

** - no significant grades returned.

For each drillhole, the longest mineralised intercept with grades higher than 19% Fe is noted, with the length shown in metres and average grade of iron (%Fe). Notably, high grade sections of significant length with more than 30% Fe are also included.

A total of 495.04m (approximately 63%) of the drilled core was submitted for analysis. Of particular note is an extraordinarily long mineralised section of iron in the deep, drill extended, drillhole KAL 10 045 returning a grade of 22.9% Fe over a 291.24m interval. This represents the longest mineralised section noted to date within the Company's completed Kallak North and Kallak South drill programmes.

The above table also shows the latest batch of samples prepared in respect of drillholes KAL 10 054, 057, 058 and 062 which have recently been submitted to the laboratory with assay results expected to be received for these and the remaining holes in due course.

The aforementioned results continue to indicate the estimated presence of more than 400 million tonnes of high quality iron ore at Kallak South.

Two drill rigs were ultimately in operation at Kallak South in order to bring the programme back on schedule following the severe winter weather conditions experienced earlier this year. One of these rigs is now being utilised for the additional Kallak North programme whilst the other is undergoing maintenance before deployment at another of Beowulf's projects.

The additional 1,500m drilling programme on Kallak North will initially extend the depth of the holes drilled last year since results from the previous programme suggested that several high grade sections of the deposit could extend to a vertical depth of more than 250m. Once this

depth testing has been completed, the drill rig will then seek to confirm whether the Kallak North and Kallak South deposits are in fact connected at depth.

All the drill cores are being geologically logged and the sections selected for analysis are being prepared at the ALS/Chemex laboratory in the town of Piteå in northern Sweden. Half of each drillcore is retained in storage and the other half is prepared by crushing and grinding before assaying for iron and a further 20 metallic elements using XRF techniques at the ALS laboratory in Perth.

The additional Kallak North drilling is currently expected to be completed by the end of August 2011 and the results will be incorporated into the abovementioned maiden JORC classification for both of the deposits, which is now expected to be received in the fourth quarter of this year. Although timing for delivery of the independent JORC resource estimate has been delayed, this is essentially a reflection of the size of the ore body being much larger than initially expected.

The bench scale metallurgical tests, including DTR (Davis Tube Recovery) tests on ore grade material from Kallak South, being conducted by MINPRO AB's research laboratory at Stråssa, Central Sweden will now also be expanded to include additional material from the current Kallak North programme in order to further assess the quality of the iron ore. Accordingly, test results are now expected to be received in Q4 2011.

Fieldwork in respect of the Environmental Impact Study for the Kallak project is ongoing, including baseline environmental studies and the commissioning of an archeology review. These studies are currently planned to be completed in October 2011 for subsequent inclusion in the intended formal application to the Mines Inspector by the Company to transfer its existing exploration permit for the Kallak project area into an exploitation (mining) licence. Representatives from the Company expect to visit the region again in September for further public information meetings with the principal municipal authorities of Jokkmokk and locally affected community organisations such as Sami village boards.

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.

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