

12 October 2011

Beowulf Mining Plc

("Beowulf" or the "Company")

RMG Iron Ore Market Study

Highlights:

- Raw Materials Group ("RMG") has produced a report for Beowulf assessing the future pricing and demand trends in the global iron ore market and the preliminary economic impact these could have on the Company's Ruotevare and Kallak projects.
- Updated economic estimates included in the report suggest that, over the first 15 years of mining, at a rate of 10 million tonnes per annum, Ruotevare could generate gross revenues of US\$9.1 billion and Kallak could generate gross revenues of US\$8.4 billion, based on an RMG long term "high" product price forecast of US\$126 FOB a tonne for iron ore concentrate from Ruotevare and US\$132 FOB a tonne for iron ore concentrate from Kallak.
- Based on management's current unclassified resource estimate of 600 million tonnes for Kallak, the mine life could be up to 60 years and the forthcoming maiden independent JORC resource estimate will be utilised to complete the full updated conceptual study on Kallak in due course.
- RMG's updated conceptual economic model shows a pay back period on total investment of as low as 2 years for Ruotevare and 2.4 years for Kallak compared to the previous 2010 estimates of 3.1 years and 3.6 years respectively.

- Total operating costs for concentrate are estimated to be US\$41.4 per tonne at Ruotevare and US\$47.4 per tonne at Kallak.

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 Raw Materials Group ("RMG"), an independent Swedish natural resource consultancy firm, has provided the Company with a research report on the future pricing and demand trends in the global iron ore market. The market report forms part of RMG's ongoing work to update their previous 2010 conceptual studies on both Kallak and Ruotevare.

RMG has applied their updated pricing and cost data to the economic model in their previous conceptual studies and management's existing resource estimates and results of metallurgical studies. The main preliminary economic forecasts by RMG, based on a simplified cash flow analysis and various updated price and cost assumptions for a potential open-pit mining operation at both Ruotevare and Kallak, include:

Ruotevare

- Gross revenues generated over a 15 year mine life at an extraction rate of 10 million tonnes ("Mt") per annum, representing 150Mt in aggregate, of approximately US\$9.07 billion at a "high" product price forecast of US\$126 FOB/tonne for iron ore concentrate and approximately US\$6.34 billion at a "low" product price forecast of US\$88 FOB/tonne for iron ore concentrate.

- Total operating costs for 15 years of mining are estimated at US\$2.98 billion with total capital costs of approximately US\$0.8 billion.

- RMG's economic model shows a pay back period on total investment of 2.0 years at a "high" forecast market price and 3.6 years at a "low" forecast market price.

Kallak

- Gross revenues generated over a 15 year mine life at an extraction rate of 10Mt, representing 150Mt in aggregate, of approximately US\$8.44 billion at a "high" product price forecast of

US\$133 FOB/tonne for iron ore concentrate and approximately US\$5.82 billion at a "low" product price forecast of US\$91 FOB/tonne for iron ore concentrate.

- Total operating costs for 15 years of mining are estimated at approximately US\$3.0 billion with total capital costs of approximately US\$0.88 billion.
- RMG's economic model shows a pay back period on total investment of 2.4 years at a "high" forecast market price and 4.7 years at a "low" forecast market price.

As in all aspects of mining evaluation, there are uncertainties inherent in the interpretation of geological and technical data and economic factors. All estimates by RMG represent only their preliminary informed professional judgments. RMG's full updated conceptual studies are currently expected to be completed and published later this year following receipt, *inter alia*, of the forthcoming maiden independent JORC resource estimate on Kallak.

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

"Since RMG's 2010 conceptual studies were published, iron ore prices have increased significantly and this market report from RMG serves to demonstrate the commercial potential of our flagship iron ore projects. We look forward to receiving and publishing the full updated conceptual studies on Ruotevare and Kallak from RMG in due course."

Dr Jan Ola Larsson, Technical Director of Beowulf, commented:

"RMG's preliminary economic indications on our Kallak and Ruotevare projects are most positive and with strong and stable iron ore prices and demand forecast over the longer term we will continue to focus our efforts on the development and advancement of these major projects."

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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Notes to Editors:

About RMG

RMG (Raw Materials Group), founded in 1990, is one of Europe's leading, independent groups of mineral economists and mineral strategy/policy analysts. Since 2002, it has prepared the annual iron ore analysis published by the UNCTAD Trust Fund Project on Iron Ore Information. In recent years, RMG has conducted market studies for iron ore mines in Sweden, Finland and Russia and also identified potential acquisition targets amongst iron ore deposits in Latin America and Africa for various steel companies.

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