

20 October 2011



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

Operational Update

***Maiden JORC resource estimate on Kallak deposit expected by end of October
and additional two phase drilling programme planned***

***New exploration licence granted over 2,219 hectares adjoining the
presently known limits of the Kallak deposit***

Letter of intent signed for a planned 3,000m drill programme at Ballek in 2012

Highlights:

- Maiden JORC resource estimate for the Kallak deposit is expected to be received by the end of October 2011.
- Additional two phase drilling programme planned for Kallak: Phase One comprising approximately 7,000m intended to commence in late 2011; and Phase Two comprising approximately 50,000m intended to commence in Q2 2012, together representing a large infill drilling programme of up to approximately 57,000m.
- Per-Ola Larsson appointed as Operational Manager of the Company’s Swedish subsidiary, Beowulf Mining AB, which will supervise all of the group’s future drilling programmes.
- New exploration licence granted over 2,219 hectares adjoining the presently known limits of the Kallak deposit.
- Letter of intent signed with Dala Prospektering AB to undertake approximately 3,000m of drilling at the Company’s joint-venture Ballek copper-gold project, preliminarily scheduled for late 2012.

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

“I am delighted to announce that, subject to securing the requisite financing, we currently plan to embark on an extensive drilling programme at our Kallak deposits. We remain convinced that Kallak North and South are one large ore body and look forward to confirming this via the drill bit.”

“It is our intention to further define and prove up the Kallak iron ore project as quickly and efficiently as possible and to this end we plan to conduct a two phased drilling campaign.

The appointment of Per-Ola as Operational Manager will greatly assist us in achieving our goal. With such additional drilling planned on our most promising licence areas and an expansion of our areas held under licence, the value of our asset base continues to increase."

Beowulf (AIM: BEM; Aktietorget: BEO), the mineral exploration company which owns several exploration projects in Sweden, is pleased to announce an update in respect of its wholly owned Kallak iron ore project and its Ballek copper-gold joint venture project.

Kallak iron ore project

The Company is pleased to announce that the maiden independent JORC resource estimate in respect of its Kallak iron ore deposit is close to being finalised and is currently anticipated to be completed by the end of October.

In order to further define the size of the deposit, Beowulf has recently signed a letter of intent with Ludvika BorrTeknik AB, a Swedish drilling company, for the completion of the next stages of its Kallak drilling programme. Ludvika BorrTeknik AB has been directly involved with all previous drilling of the Company's deposits and are technically well equipped and experienced to complete the next drilling phases at a competitive cost. The initial phase ("Phase One") will consist of approximately 7,000m of drilling to define the limits of the northern extension of the Kallak deposit and any possible connection of the northern zone with the southern zone, both in breadth and depth. Subject to sufficient financing being procured, the drilling programme for Phase One is scheduled to commence in late 2011.

The planned second phase of the programme ("Phase Two") will consist of large infill drilling, whereby a denser spacing between individual drill sections and drill-holes will be utilised. The Phase Two drilling programme of up to an estimated 50,000m will cover the entire extension and width of the Kallak deposit. The results of the Phase One and Phase Two drilling programme will then be utilised to move the impending anticipated JORC Inferred status of the deposit towards JORC Measured status as quickly as possible. The Phase Two programme is currently expected to commence in Q2 2012.

Further to the abovementioned planned drilling programme, the Company has signed a letter of intent with the chemical laboratory, ALS Scandinavia AB, to complete all sample preparation and analysis required. ALS Scandinavia AB has been involved in all sample preparation and analysis of Beowulf's earlier completed drilling programmes on the deposit in 2010 and 2011.

Fieldwork in respect of the Environmental Impact Study ("EIS") for the Kallak project has now been completed, including baseline environmental studies and the commissioning of an archeology review. The results of the EIS will be included in the Company's formal application to the Mines Inspector to transfer its existing exploration permit for the Kallak project area into an exploitation (mining) licence. Representatives from the Company are regularly participating in local public information meetings with the principal municipal authorities of Jokkmokk and locally affected community organisations such as Sami village boards.

Licences

Beowulf has submitted a request to the Mines Inspector that all iron ore licences currently held by the Company or its wholly-owned English subsidiary, Iron of Sweden Limited, should be transferred to Beowulf's wholly-owned Swedish subsidiary, Beowulf Mining AB which it is intended will undertake all of the group's future iron ore drilling programmes. Such a transfer will, *inter alia*, facilitate future applications for mining licences or exploitation concessions

where appropriate. In addition, a new wholly-owned Swedish subsidiary, Beowulf Developments AB, is currently being established to hold the Company's other portfolio assets.

Accordingly, Per-Ola Larsson, the son and an experienced colleague of Dr Jan-Ola Larsson, has been appointed as Operational Manager of Beowulf Mining AB in order to coordinate and supervise all future drilling programmes. Mr Larsson has worked for the Company since 2005 and has participated in all of Beowulf's exploration programmes in northern Sweden, having direct responsibility for all field operations and drilling phases completed on the Kallak deposit. Accordingly, Mr Larsson has played a significant role in the Company's discovery and development of the Kallak deposit to date and will continue to do so.

In addition, the Company is pleased to announce that the Mines Inspector has officially granted the Company a new exploration licence, Kallak nr 2, which covers 2,219 hectares of potentially promising land adjacent to the Company's current licence areas of Kallak nr 1 and Parkijäure nr 3, both of which host the presently known limits of the Kallak deposit.

Beowulf has also registered two large licence areas in a direct extension to both the north and south of the existing Kallak deposit area, with the proposed northern licence area covering 11,250 hectares and the southern area covering 1,680 hectares. These newly registered areas, together with Beowulf's currently granted licences, will form a large and potentially new mining province covering approximately 163.5km², which will preliminarily be defined as the "Jokkmokk Mining District".

As a consequence of the Company's drilling activities on the Kallak deposit and completed regional exploration surveys, the Company has obtained an improved geological and structural understanding of the region surrounding the Kallak deposit. Accordingly, the Company anticipates that these new licence areas being claimed by it may potentially host further deposits of iron, as well as deposits of copper and gold of IOCG type.

Ballek copper-gold joint venture project

The Company also announces that it has signed a letter of intent with Dala Prospektering AB to carry out additional drilling, subject to the requisite funding being available, at its Ballek copper-gold joint venture project in the municipality of Arjeplog in northern Sweden. A total of approximately 3,000m of drilling is planned to test deep lying sourced IOCG targets of Olympic Dam type, as previously defined by deep sensing geophysical surveys carried out by the Swedish company GeoVista AB. This programme is preliminarily scheduled to commence in late 2012.

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