

16 May 2012

Beowulf Mining Plc

("Beowulf" or the "Company")

Operational Update re Kallak Project

Drilling campaign to recommence on the northern part of

Kallak in late May 2012

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 further to the release of 4 May 2012, the Company's wholly owned subsidiary, Jokkmokk Iron Mines AB ("JIMAB"), has now received approval from the Mining Inspectorate at Bergsstaten for the work plan filed and notified in respect of the 2012 drilling campaign on its Kallak nr1 permit area. JIMAB intends to file a new work plan shortly in respect of the Parkijaure nr2 permit area as the timetable set out in the original notified work plan has now expired.

The Company has, for some considerable time, sought and been in consultations with the Mining Inspectorate and the local Saami community seeking to resolve the Saami's objections to JIMAB's work plans on the grounds that such planned operations could potentially affect the community's seasonal reindeer herding.

Further to a request by JIMAB, the Mining Inspector has now duly considered this matter and decided to confirm the work plan for Kallak nr1 subject, inter alia, to the company being required to provide the local Saami community with at least ten days' notice prior to drilling operations commencing setting out the location of the drill rigs, intended equipment utilisation, staffing numbers, envisaged routes and estimated duration.

To the extent that actions are required to be taken by the Saami community to avoid or mitigate any adverse affects on reindeer herding from the drilling operations, and JIMAB has been informed in advance before such actions are taken, the company has agreed to compensate for the costs incurred or otherwise rearrange the works as appropriate. Compensation for any damage or encroachment resulting from JIMAB's exploration activities are governed by the provisions of the Swedish Minerals Act.

In addition, exploration works can only be carried out during November and December 2012 subject to the local Saami community's prior consent. JIMAB plans to seek such consent but notes its right to appeal against this particular condition if necessary.

The Mining Inspector's decision is effective immediately, even if an appeal is lodged within the requisite three week period. Accordingly, JIMAB will, as soon as practicable, issue a formal notice to the local Saami community that it intends to recommence drilling operations on the Kallak nr1

licence area towards the end of this month. The work plan for Kallak nr1 will remain valid for the remainder of 2012 and, in accordance with the Swedish Minerals Act, JIMAB will deposit an increased sum of SEK600,000 (approximately £54,000) as a bond with the Mining Inspectorate in respect of any damage resulting from its exploration activities prior to works commencing. JIMAB's management is scheduled to meet with representatives of the local Saami community later this month and intends to maintain regular contact, particularly during the reindeer herding season.

A further update on the 2012 drilling campaign on the northern part of Kallak will be provided in due course.

Clive Sinclair-Poulton, Executive Chairman of Beowulf commented:

"We welcome the Mining Inspector's approval of our Kallak nr1 work plan and look forward to recommencing drilling operations on the northern part of Kallak towards the end of this month, where we initially intend deploying two drill rigs.

We are committed to working closely with the local communities as we seek to minimise the impact of our exploration activities whilst progressing the development of our promising Kallak iron ore project."

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