

30 November 2012

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

Third Quarter Update

Beowulf (AIM: BEM; Aktietorget: BEO), the AIM and Aktietorget traded mineral exploration company focussed on developing its Kallak North and Kallak South iron ore deposits in northern Sweden, announces an unaudited operational and financial update for the nine months ended 30 September 2012.

Highlights:

Operational:

- 5,549m drilling campaign completed on the Kallak North deposit. Strong iron mineralisation encountered extending over significant lengths and substantial vertical depth from the ground surface.
- Test mining application in respect of Kallak North approved by the County Administrative Board of Norrbotten.
- 19,000m drill programme to commence shortly on principally the southern part of the wholly owned Kallak iron ore project targeting a maiden JORC compliant resource estimate for the Kallak South deposit.

Corporate:

- Nil revenue (2011: Nil), loss before and after taxation of £674,000 (2011: £443,000) and basic loss per share of 0.32p (2011: 0.27p).
- Approximately £4.2m in cash held at the period end.
- Seymour Pierce Limited appointed as sole corporate Broker.

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

“Beowulf currently has ten exploration projects in northern Sweden primarily prospecting for iron, copper, gold and uranium. Reflecting our ongoing exploration activities and higher cost base, the unaudited consolidated results for the nine month period ended 30 September 2012 show nil revenue (2011: nil), loss before and after taxation of £674,000 (2011: £443,000) and basic loss per share of 0.32p (2011: 0.27p).

“With natural resource projects it is not just finding an attractive asset that is important, but also proving up its economic viability and commercial potential.

“It is clear from last year’s maiden JORC compliant resource estimate for Kallak North that there is iron present at our flagship Kallak project and the promising assay results announced in the third quarter of 2012 in respect of our latest completed drill campaign on Kallak North have continued to confirm that there is a sizeable ore body in existence. Approximately 5,550m were drilled in 2012 covering 23 holes on the Kallak North

deposit. With significant high grades of iron mineralisation, of up to 54.6% iron, encountered at depth and a total length for the deposit now found to exceed one kilometre, we remain confident that the project will ultimately prove to be commercially attractive.

“Political stability and government support is of fundamental importance to the development of any natural resource project and Sweden rates highly in this regard. Sweden is one of the world’s most supportive jurisdictions for mining and Europe’s largest producer of iron ore. It has a well developed mining industry and is frequently ranked in The Fraser Institute’s Annual Survey of Mining Companies as being amongst the top five domiciles across a wide range of criteria such as political stability, regulatory certainty, lack of corruption, supply of skilled labour and security. We have recently experienced this supportive environment from the equitable manner in which the requisite authorities have responded to the requests made by our wholly owned Swedish subsidiary, Jokkmokk Iron Mines AB (“JIMAB”), in connection with its exploration activities on the Kallak project.

“In October 2012, the Company announced that the County Administrative Board for Norrbotten had officially approved JIMAB’s application for test mining thereby enabling it to sample up to a planned 2,000m³ of mineralised material from a defined area on the Kallak North deposit in summer 2013. This will enable JIMAB to conduct metallurgical test work off site in order to better define the design parameters for mineral processing. It will also allow final product samples to be generated for testing by potential future customers.

“Most recently, the Mining Inspectorate at Bergsstaten approved our work plan in respect of an approximate 19,000m drilling campaign on principally the southern part of the Kallak project. This planned campaign is fully funded and will be the largest undertaken by the Company to date, with fieldwork currently anticipated to commence before the end of 2012. The extensive drilling will seek to further define the extent of the Kallak South deposit, determine whether it is the same ore body as the Kallak North deposit and target a maiden JORC compliant resource estimate for the Kallak South deposit.

“Logistics are another crucial component for a successful project where millions of tonnes of product are ultimately required to be transported to the end user. Sweden has an excellent transport infrastructure which has recently been enhanced by the Swedish authorities’ refurbishing and reopening of the ‘Inlandsbanan’ (Inland railway) freight train service which runs within 40km of the Kallak site in the north of Sweden. This line had previously not been operational for approximately 30 years. During its re-inauguration ceremony in October 2012 the train stopped at a location where a future possible extension to connect with the Kallak project could potentially be sited. The Swedish government is fully cognisant of the requirement to support the country’s transport infrastructure in order to facilitate the continued development of its natural resources industry.

“The government’s commitment to the industry was recently epitomised in a quote by Fredrick Reinfeldt, Sweden’s Prime Minister: *“The mining industry is for Sweden what oil is for Norway”* (source: LKAB press conference, September 2012).

“Working with the locally affected communities is also important and JIMAB continues to endeavour to communicate its plans and address any concerns which may arise. Its local office in Jokkmokk facilitates this process together with its extensive network of contacts in the Jokkmokk and Norrbotten regions. JIMAB is committed to seeking ways to meet and discuss its Kallak project with all interested parties.

“In its latest work plan decision, the Mining Inspectorate at Bergsstaten set out a clear notice procedure for JIMAB to follow in respect of informing the Saami community’s representatives of its operational activities. We have always been supportive of this approach and seek to more fully engage in regular dialogue with the Saami’s representatives.

“JIMAB has continued to work closely with its appointed consultants to refine and focus its drilling campaigns, analyse and interpret the results, initiate preliminary open pit and processing designs and establish the Kallak project’s logistics requirements.

“When assessing global iron ore projects it is important to consider not just the size of the estimated iron ore resource, but also where the project is situated and its proximity to the market place. Much of the iron ore imported into the EU currently comes from Canada and Brazil so Sweden potentially has a considerable logistical advantage if its production of iron ore can be economically increased. This augurs well for the future, since although the EU steel industry is currently relatively subdued there is still a considerable requirement to import quality iron ore which is set to grow in the years ahead.

“Iron ore prices have stabilised and underlying trends appear positive going forwards as China continues to require steel and India dramatically reduces its iron ore exports.

“In September 2012, we were delighted to announce the appointment of Seymour Pierce Limited as sole Corporate Broker to the Company and, as always, the Company would like to thank the staff, contractors, advisers and consultants who have worked with the group during this reporting period and our shareholders for their continued support.”

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**UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

	Unaudited 9 months ended 30 Sept 2012 £000's	Unaudited 9 months ended 30 Sept 2011 £000's
Continuing operations		
Revenue	-	-
Administrative expenses	(726)	(448)
Operating loss	(726)	(448)
Finance costs	-	-
Finance income	52	5
	(674)	(443)
Loss before and after taxation	(674)	(443)
Loss attributable to:		
Owners of the parent	(674)	(443)
Non-controlling interests	-	-
	(674)	(443)
Loss per share:		
Basic loss per share	(0.32p)	(0.27p)
Diluted loss per share:	(0.31p)	(0.27p)

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012**

	Unaudited As at 30 Sept 2012 £000's	Unaudited As at 30 Sept 2011 £000's
ASSETS		
Non-current assets		
Intangible assets	3,279	2,066
Property, plant and equipment	1	1
Investments	109	139
Loans and other financial instruments	270	270
Financial fixed assets	60	-
	3,719	2,476
Current assets		
Trade and other receivables	262	212
Cash and cash equivalents	4,237	37
	4,499	249

TOTAL ASSETS	8,218	2,725
EQUITY		
Shareholders' equity		
Called up share capital	2,104	1,625
Share premium account	10,859	4,902
Revaluation reserve	(16)	14
Capital contribution reserve	47	47
Share scheme reserve	68	29
Translation reserve	(13)	-
Retained earnings	(5,103)	(4,054)
	7,946	2,563
Non-controlling interest	-	-
TOTAL EQUITY	7,946	2,563
LIABILITIES		
Current liabilities		
Trade and other payables	272	162
Taxation	-	-
TOTAL LIABILITIES	272	162
TOTAL EQUITY AND LIABILITIES	8,218	2,725

** Ends **