

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised pursuant to the Financial Services and Markets Act 2000 (as amended) (or, if you are outside the United Kingdom, a person otherwise duly qualified in your jurisdiction) who specialises in advising on the acquisition of shares and other securities.

If you have sold or otherwise transferred all of your ordinary shares in the capital of Beowulf Mining Plc (the "Company"), please immediately forward this document, together with the accompanying form of proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of ordinary shares you should retain these documents.

The Directors, whose names appear on page 2 of this document, accept responsibility, both collectively and individually, for the information contained in this document. To the best of the knowledge and belief of each of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

BEOWULF MINING PLC

(Incorporated and registered in England and Wales with registered number 02330496)

Subscription of 28,694,000 new Ordinary Shares and Proposed Subscription of a further 37,306,000 new Ordinary Shares at 6.25 pence per share

Authority to allot shares, disapplication of pre-emption rights, Equity Swaps and Notice of General Meeting

This document should be read in its entirety. Your attention is drawn to the letter from the Executive Chairman of Beowulf Mining plc set out in this document, which unanimously recommends that you vote in favour of the resolutions set out in the notice of General Meeting referred to below (the "Resolutions").

Notice of a General Meeting of the Company, to be held at Juxon House, 100 St Paul's Churchyard, London EC4M 8BU at 2.30 p.m. on 12 August 2013 (the "General Meeting"), is set out at the end of this document. To be valid, the accompanying form of proxy for use in connection with the General Meeting should be completed, signed and returned in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company's Registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA by not later than 2.30 p.m. on 10 August 2013. Completion and return of a form of proxy will not preclude shareholders of the Company from attending and voting at the General Meeting in person should they subsequently wish to do so.

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with any contract therefor.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or the accompanying form of proxy comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. This document contains forward-looking statements with respect to the Company and the proposals set out in this document. These statements involve known and unknown risks and uncertainties as they relate to and depend on circumstances that occur in the future. Actual results may differ materially from those expressed in the forward-looking statements.

LETTER FROM THE EXECUTIVE CHAIRMAN OF BEOWULF MINING PLC



BEOWULF MINING PLC

(Incorporated and registered in England and Wales with registered number 02330496)

Directors:

Clive Sinclair-Poulton (*Executive Chairman*)
Dr Jan-Ola Larsson (*Technical Director*)
Fred Boman (*Production Director*)
Edward Taylor (*Non-Executive Director*)
Anthony Charles Raby Scutt (*Non-Executive Director*)

Registered office:

Richmond House
Broad Street
Ely
Cambridgeshire
CB7 4AH

12 July 2013

To Shareholders and, for information purposes only, the holders of options

Dear Shareholder

**Subscription of 28,694,000 new Ordinary Shares and Proposed Subscription of a further
37,306,000 new Ordinary Shares at 6.25 pence per share**

**Authority to allot shares, disapplication of pre-emption rights, Equity Swaps and
Notice of General Meeting**

1. Introduction

On 10 July 2013, your Company announced that it had raised, in aggregate, £4.125 million (before expenses) from new shareholders by way of a subscription for 28,694,000 new ordinary shares of 1p each in the capital of the Company ("Ordinary Shares") (the "Initial Subscription Shares") at a price of 6.25p per share (the "Subscription") and a conditional subscription for a further 37,306,000 new Ordinary Shares (the "Second Subscription Shares") at a price of 6.25p per share (the "Proposed Subscription").

The Initial Subscription Shares have been issued using the Directors' existing authority to allot shares for cash on a non pre-emptive basis. Further to this allotment, the Company has utilised all of the Directors' existing authority to allot shares for cash on a non pre-emptive basis.

Accordingly, your board is today convening a General Meeting to seek shareholders' approval to update the relevant Board authorities to allot shares in the Company. These renewed authorities will enable the Directors to, *inter alia*, complete the Proposed Subscription involving the allotment of the Second Subscription Shares for cash on a non pre-emptive basis. Completion of the Proposed Subscription is subject to Shareholders' approval as well as admission of the Second Subscription Shares to trading on AIM. The proposed authorities will also enable the Directors to potentially raise additional working capital to fund potential future work programmes without having to incur the time delay and cost of convening a further general meeting.

The net proceeds raised from the Subscription and Proposed Subscription will be used to augment the Company's existing cash resources and assist with, *inter alia*, funding the planned 3,000m additional drill programme later this year at its Ballek copper-gold joint venture project, to further

progress its Kallak iron ore project, for general working capital purposes, and potentially, for the acquisition of additional assets to complement its existing attractive exploration portfolio.

The Company is convening the requisite General Meeting for 2.30 p.m. on 12 August 2013 at Juxon House, 100 St Pauls Churchyard, London EC4M 8BU. The purpose of this document is to provide you with details of the Resolutions to be proposed at the forthcoming General Meeting. Your Board considers that the Resolutions to be proposed at the General Meeting are in the best interests of the Company and unanimously recommends that you vote in favour of these Resolutions. The formal Notice of the General Meeting is set out at the end of this document and a form of proxy is also enclosed for you to complete.

2. Details of the Subscription, Proposed Subscription and Equity Swaps

The Company has issued the Initial Subscription Shares under its existing share capital authorities granted at its annual general meeting held on 4 July 2013 and is proposing to issue the Second Subscription Shares under new authorities to be sought at the General Meeting. Issue of the Second Subscription Shares is conditional upon, *inter alia*, the passing of the Resolutions at the General Meeting and admission to trading on AIM occurring on or before 15 August 2013 but no later than 30 August 2013. Following their admission, the Second Subscription Shares will represent approximately 13.19 per cent. of the Company's then enlarged issued share capital.

Lanstead Capital L.P. ("Lanstead"), a new institutional investor in the Company, has subscribed for all of the Initial Subscription Shares and 35,306,000 of the Second Subscription Shares, together being 64,000,000 new Ordinary Shares (the "Lanstead Subscription Shares"), for an aggregate consideration of £4m. The balance of the Second Subscription Shares has been subscribed by Cantor Fitzgerald Europe, the Company's broker. In addition, the Company has entered into certain equity swap agreements (the "Equity Swap Agreements") with Lanstead which allow the Company to retain much of the economic interest in the Lanstead Subscription Shares. The Equity Swap Agreements enable the Company to secure much of the potential upside arising from anticipated near term news flow.

The Equity Swap Agreements provide that the Company's economic interest will be determined and payable in 24 monthly settlement tranches as measured against a benchmark price of 8.33p per share (the "Benchmark Price"). If the measured share price exceeds the Benchmark Price, for that month, the Company will receive more than 100 per cent. of the monthly settlement due on a pro rata basis. There is no upper limit placed on the additional proceeds receivable by the Company as part of the monthly settlements. Should the measured share price be below the Benchmark Price, the Company will receive less than 100 per cent. of the expected monthly settlement on a pro rata basis. Of the aggregate proceeds of £4m from the issue of the Lanstead Subscription Shares, the Company will use £0.8m (20 per cent.) for working capital and £3.2m (80 per cent.) for investment in the Equity Swap Agreements as described above. In no event would a decline in the Company's share price result in any increase in the number of Ordinary Shares received by Lanstead or any other advantage accruing to Lanstead.

The Company has agreed to make a value payment to Lanstead of 6,400,000 Ordinary Shares in consideration for the Equity Swap Agreements of which 2,869,400 Ordinary Shares (the "Initial Value Shares") have been issued in connection with the Subscription and 3,530,600 Ordinary Shares (the "Second Value Shares") will be issued in connection with the Proposed Subscription.

The Company provides certain warranties to Lanstead under the subscription agreements in respect of its investment in the Lanstead Subscription Shares, relating to, *inter alia*, the incorporation and legal status of the Company, the nature of the Lanstead Subscription Shares and the Company's ability to enter into the subscription agreements and, subject to Shareholder approval, allot and issue 35,306,000 of the Second Subscription Shares. Such warranties are in a form common for an agreement of this type.

In summary, the structure of the fundraising and associated swap arrangements is designed to provide additional financing to accelerate the Company's planned exploration work programmes and further progress the development of its promising iron ore and copper/gold projects in northern Sweden, whilst allowing the Company to secure much of the potential upside arising from anticipated near term news flow. As a result of these transactions, the Company will benefit from

£0.8m in additional working capital for immediate deployment with further amounts receivable over 24 months subject to the outcome of its investment in the Equity Swap Agreements.

The subscription price of 6.25 pence per share represents a discount of approximately 10.71 per cent. to the closing middle market price of 7 pence per Ordinary Share on 9 July 2013, being the last business day prior to the announcement of the Subscription and Proposed Subscription. Admission of the Initial Subscription Shares and the Initial Value Shares to trading on AIM became effective at 8.00 a.m. on 10 July 2013 and they are eligible to vote on the Resolutions.

Application will be made to the London Stock Exchange for the Second Subscription Shares and the Second Value Shares, to be issued under the new authorities if approved by Shareholders, to be admitted to trading on AIM. It is currently expected that admission will become effective and that dealings in the Second Subscription Shares and Second Value Shares will commence at 8.00 a.m. on 13 August 2013.

The new Ordinary Shares will be fully paid and will rank *pari passu* in all respects with the Company's existing Ordinary Shares. Lanstead is currently interested in 31,563,400 Ordinary Shares representing approximately 13.04 per cent. of the Company's existing issued share capital. Following completion of the Proposed Subscription, Lanstead will be interested, in aggregate, in 70,400,000 Ordinary Shares representing approximately 24.89 per cent. of the Company's enlarged issued share capital.

3. Disapplication of pre-emption rights and share capital authorities

The Directors do not currently have sufficient authority in place under section 570 of the Companies Act 2006 to undertake the Proposed Subscription of the Second Subscription Shares or to issue the Second Value Shares. Therefore, the Board is seeking the disapplication of statutory pre-emption rights under section 561 of the Companies Act up to an aggregate nominal amount of £832,607, to allow, *inter alia*, the Proposed Subscription to proceed.

This amount includes authority to allot and disapply pre-emption rights in respect of up to 42,424,100 new Ordinary Shares (representing approximately 15 per cent. of the enlarged issued share capital of the Company following completion of the Proposed Subscription).

These renewed authorities will enable the Directors to carry out the Company's objectives and will ensure that the Company is in a position to pursue and take advantage of potential growth opportunities as and when they arise. In particular, the proposed authorities are intended to provide the Directors with the flexibility to issue Ordinary Shares, and rights to subscribe for Ordinary Shares, as consideration to vendors of potentially attractive assets and/or to fund the cash consideration element of such potential acquisitions. The proposed authorities will also enable the Directors to raise additional working capital to fund potential future work programmes without having to incur the time delay and cost of convening a further general meeting. The authority to issue shares for cash on a non-pre-emptive basis will expire at the conclusion of the next annual general meeting of the Company.

4. Use of proceeds

The net proceeds raised from the Subscription and Proposed Subscription will be used to augment the Company's existing cash resources and assist with funding:

- the planned 3,000m additional drill programme later this year at its Ballek copper-gold joint venture project;
- to further progress its Kallak iron ore project;
- for general working capital purposes; and
- potentially, for the acquisition of additional assets to complement its existing attractive exploration portfolio.

5. General Meeting

Attached at the end of this document is a formal notice convening a General Meeting to be held at Juxon House, 100 St Pauls Churchyard, London EC4M 8BU at 2.30 p.m. on 12 August 2013 to consider, and if thought fit, pass the following Resolutions to authorise the Directors:

1. to allot shares or grant rights to subscribe for or to convert any security into shares pursuant to section 551 of the Companies Act up to an aggregate nominal value of £832,607; and
2. to allot shares or grant rights free of the statutory pre-emption rights contained in section 561(1) of the Companies Act up to an aggregate nominal value of £832,607.

Resolution 1 will be proposed as an ordinary resolution. For the ordinary resolution to be passed, more than half of the votes cast must be in favour of the resolution.

Resolution 2 will be proposed as a special resolution. For the special resolution to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

6. Action to be taken by Shareholders

Shareholders will find enclosed with this document a form of proxy for use in connection with the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete, sign and return the form of proxy in accordance with the instructions printed thereon. To be valid, completed forms of proxy must be received by the Company's registrars, Neville Registrars Limited at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible but in any event not later than 48 hours before the time appointed for holding the General Meeting or any adjournment thereof. If your shares are held in uncertificated form, you will also be able to appoint a proxy using CREST.

If you complete and return a form of proxy, you may still attend and vote at the General Meeting in person should you subsequently wish to do so.

Please read the notes to the notice of General Meeting and the accompanying form of proxy for detailed instructions. The attention of Shareholders is also drawn to the voting intentions of the Directors set out below.

7. Recommendation

Your Board considers the Resolutions to be proposed at the General Meeting to be in the best interests of the Company and its Shareholders as a whole and, accordingly, unanimously recommend that Shareholders vote in favour of all of the Resolutions set out in the notice of General Meeting, as they intend so to do or procure to be done in respect of their own beneficial and other connected interests, amounting in aggregate to 2,752,006 existing Ordinary Shares which represent approximately 1.14 per cent. of the Company's existing issued share capital.

Shareholders are reminded that the Proposed Subscription of the Second Subscription Shares is conditional, *inter alia*, on the passing of the Resolutions to be proposed at the General Meeting. Should the Resolutions not be passed, the Proposed Subscription of the Second Subscription Shares will not proceed.

Yours faithfully

Clive Sinclair-Poulton
Executive Chairman

BEOWULF MINING PLC

(Incorporated and registered in England and Wales with company number 02330496)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting (the “**Meeting**”) of Beowulf Mining plc (the “**Company**”) will be held at Juxon House, 100 St Pauls Churchyard, London EC4M 8BU on 12 August 2013 at 2.30 p.m. to transact the following business.

As Special Business

To consider and if thought fit to pass the following Resolution which will be proposed as an Ordinary Resolution:

Ordinary Resolution

1 THAT the directors of the Company (the “**Directors**”) be and are hereby generally and unconditionally authorised to allot equity securities (as defined in section 560 of the Companies Act 2006):

1.1 in the case of ordinary shares in the Company, having a nominal amount; and

1.2 in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares in the Company having a nominal amount,

not exceeding, in aggregate, £832,607 provided that the power granted by this resolution shall expire on the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such a date) save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot equity securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

To consider and if thought fit to pass the following Resolution which will be proposed as a Special Resolution:

Special Resolution

2 THAT, subject to the passing of resolution 1, the Directors be given the general power to allot equity securities (as defined by section 560 of the Companies Act 2006) for cash, either pursuant to the authority conferred by resolution 1 or by way of a sale of treasury shares, as if section 561(1) of the Companies Act 2006 did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities having:

2.1 in the case of ordinary shares in the Company, having a nominal amount; and

2.2 in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares in the Company having a nominal amount,

not exceeding, in aggregate, £832,607 provided that the power granted by this resolution shall expire on the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

By order of the Board

Edward Taylor
Company Secretary

Beowulf Mining plc
Richmond House
Broad Street
Ely
Cambridgeshire
CB7 4AH

12 July 2013

Notes to the Notice of General Meeting:

Entitlement to attend, speak and vote

- 1 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:

- 6.00 p.m. on 10 August 2013; or,
- If this Meeting is adjourned at 6.00 p.m. on the day two days prior to the adjourned meeting, shall be entitled to attend, speak and vote at the Meeting.

Changes to the register of members after 6.00 p.m. on 10 August 2013 shall be disregarded in determining the rights of any person to attend, speak and vote at the Meeting.

Appointment of proxies

- 2 As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
- 3 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please use the procedures set out in the notes to the proxy form.
- 4 To be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed (or a copy of it notorially certified in some other way approved by the directors) must be sent or delivered to Neville Registrars Limited at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA so as to arrive not less than 48 hours before the time of the meeting. Completion and return of the proxy form does not preclude a member from subsequently attending and voting at the meeting in person should they subsequently wish to do so.

Issued shares and total voting rights

- 5 As at 6.00 p.m. on 11 July 2013, the Company's issued share capital comprised 241,990,765 ordinary shares of one penny each fully paid. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 11 July 2013 is 241,990,765. The Company does not hold any shares in treasury.

Communication

- 6 Except as provided above, members who have general queries about the Meeting should telephone Edward Taylor on 01366 500 722 (no other methods of communication will be accepted).
- 7 You may not use any electronic address provided either:
- in this notice of general meeting; or
 - in any related documents (including the chairman's letter and proxy form),
- to communicate with the Company for any purposes other than those expressly stated.