

***PRESS RELEASE 25th November 2009***

**Exploration licence granted in respect of the largest molybdenum deposit in Sweden**

**Highlights:**

- New exploration licence area hosts Sweden's largest molybdenum deposit
- Substantial potential indicated by historic drilling results
- Munka licence strengthens the Company's focus on the steel industry

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 it has recently been granted a new exploration licence by the Swedish Mining Registrar, in Bergsstaten, in respect of the Munka area. The licence area, which covers 800 hectares, and hosts Sweden's largest, drill confirmed deposit of molybdenum, is located in the Rappen geological district of the Arjeplog County in northern Sweden. The Arctic Circle passes through the area.

The Munka licence has been granted for an initial period of three years to 3 November 2012 and thereafter can be renewed and extended for two further three year intervals (i.e. a total extension of six years), after which an application for a mining licence would need to be made. A nominal fee was paid by the Company on application to cover the initial three year licence period.

The licence covers the Munka molybdenum deposit and surrounding ground. The deposit, confirmed by historic drilling, extends over 800m in length with parallel mineralised lenses, of varying width in excess of 20m. Based on these historic drilling results, the Geological Survey of Sweden (SGU) estimated resources for the Munka deposit up to 100m depth to be 1.7 million tonnes at 0.156% molybdenum (Mo). This historic estimate does not comply with current JORC or 43-101 international standards. At the estimated tonnage, the Munka deposit is the largest molybdenum deposit in Sweden, with the available data indicating that the deposit may be significantly larger.

Discoveries of several large size, high grade boulders containing more than 2% molybdenum immediately east of the drill tested mineralisation indicate the presence of, as yet, further undiscovered high grade molybdenum mineralisation located close to the present known extension. The highest grade boulders (> 5% Mo) display a type of mineralisation, which has not yet been identified in drill cores.

Mineralisation at Munka comprises disseminated molybdenite (molybdenum sulphide, MoS<sub>2</sub>) hosted mainly in aplitic dykes formed in contact zones between younger granite intrusives and gneissic supracrustal rocks of possibly sedimentary origin. Fluorite (CaF<sub>2</sub>) is sometimes associated with the mineralised sections.

The deposit was discovered in the course of large scale exploration surveys for steel alloy metals in Arjeplog County carried out by the SGU. Geochemical surveys followed by detailed boulder tracing and ground magnetic surveys, guided the initial discovery through drilling in 1973. Between 1973 & 1977 a total of 67 holes were drilled for approximately

10,000 metres. More than 75% of the drill holes penetrated mineralised sections of three metres in length or more with grades higher than 0.10% of molybdenum. Grades of up to 2% of molybdenum over one metre- sections have been encountered in drill cores.

Beowulf has reviewed all of the available data on the Munka deposit registered at the SGU's offices at Malå. Parts of this material have not previously been reviewed. All drill cores presently stored at the SGU's offices are being rechecked with the analysis subject to Beowulf's control. With additional control studies in the field and some further limited drilling, Beowulf anticipates being able to rapidly achieve a JORC compliant resource estimate.

Traditionally, molybdenum has mainly been used in the steel industry to produce high quality steel alloys. Molybdenum has been shown to be a metal which can significantly enhance the quality of steel in a variety of applications and, in particular, for the automotive and oil & gas industries.

The addition of the Munka molybdenum deposit to the Company's existing iron ore exploration assets at Ruotevare and Kallak, positions Beowulf well to potentially become a future supplier of raw materials to the European steel industry.

Beowulf's ongoing metallurgical studies on iron ore concentrates from its Ruotevare deposit are progressing well, and testing has recently been extended to assess the possibility of producing a high grade pellet feed from the ore.

The updated conceptual study on the Ruotevare iron ore deposit commissioned from the international consultancy, Raw Materials Group (RMG) of Stockholm, Sweden is also progressing well and is considering both conventional transport of ore concentrates as well as other options, including the potential long distance pipe line transportation of slurry concentrate.

Clive Sinclair-Poulton, Chairman of Beowulf, commented:

*"We are always looking for additional complementary assets to add to our existing quality portfolio. With our excellent iron ore projects at Ruotevare and Ballek, it is logical that we should be interested in Munka, as it has excellent molybdenum potential. Iron and molybdenum are both part of the steel making process, a key target market for Beowulf."*

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 also a listed "qualified person" according Swedish Mining Association rules. Dr Larsson is Technical Director of the Company and has over 30 years relevant experience within the natural resources sector. He is also a Competent Person according to the Swedish Mining Society.

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