16 September 2010

Beowulf Mining Plc

("Beowulf" or the "Company")

Update re Kallak Iron Ore Deposit

Completion of Acquisition of Iron of Sweden Limited

and

Conversion of Convertible Loan Note

Highlights:

- Completion of 32 hole, 3,758m diamond drilling programme at the Kallak North iron ore deposit. Majority of drill cores (78%) selected for assaying with results anticipated, at the earliest, towards the end of October 2010
- High grade sections of iron ore identified extending from surface to depths of more than 200m and across section widths of 300m at surface. Original drill plan of 3,500m extended as larger deposit encountered at depth and width than expected
- Drill holes confirm an iron ore deposit extending for more than 800m, open in both its northern and southern extensions. Preliminary indications of more than 150Mt of iron ore at an estimated average grade of 35% Fe
- Metallurgical studies with Davis Tube Recovery show that the deposit is of an excellent quality suitable for the production of high grade pellet feed material with an iron grade of 70%
- Acquisition of Iron of Sweden Limited adds potentially significant iron ore resources to the southern extensions of the project in the Kallak South licence area
- Outstanding £250,000 indebtedness converted in its entirety into new ordinary shares

Beowulf (AIM: BEM; Aktietorget: BEO), the AIM and Aktietorget traded mineral exploration company which owns several exploration projects in Sweden, is pleased to announce the completion of the remainder of the drilling programme on its wholly-owned Kallak Iron Ore deposit, located within the municipality of Jokkmokk in northern Sweden. The drilling programme comprised a grid pattern of 32 holes, totalling 3,757.8m covering most of the deposit, which, from ground magnetic surveys, had been defined as being up to 300m wide and extending more than 1,000m. Analytical testing is expected to be completed during this month, with results anticipated to be received, at the earliest, towards the end of October 2010. The objective of the drilling programme has been to further define the quantity and quality of iron ore already known to be present in the licence area, in order to allow a maiden JORC compliant resource/reserve to then be sought.

In addition, the Company has today completed the acquisition of Iron of Sweden Limited ("Iron of Sweden" or "IOS"), issuing 691,921 new ordinary shares as consideration, and has issued a further 6,250,000 new ordinary shares to Starvest plc ("Starvest") in connection with the conversion of its outstanding £250,000 convertible loan.

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

"We remain convinced of the quality and quantity of our iron ore assets and firmly believe that Kallak will prove to be a major iron ore body. We look forward to announcing the assay results from the completed drilling programme in due course. The acquisition of Iron of Sweden provides excellent potential for additional resources within the Parkijaure permits just south of our existing project location. In addition, the conversion of all of the Company's outstanding indebtedness into equity serves to further strengthen our balance sheet and financial position."

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Kallak drilling programme

The 3,758m drill programme, larger than the originally planned 3,500m, was completed within budget of SEK3.8 million (approximately £350,000). The drill cores from the 32 hole programme were all scanned in the field at the drill site using a highly sensitive hand held magnetic susceptibility meter with automatic average registrations over selected core lengths. Accordingly, sections of magnetite ore were quickly identified even at moderate iron grade and the drill cores subsequently geologically logged. The sections selected for analysis (totalling 2,883m or approximately 78.2% of the drill cores) have been prepared at ALS Global Sweden's (www.alsglobal.com) laboratory in Öjebyn, northern Sweden, with final analysis to be performed by XRF techniques at ALS, Australia. The drill cores have been continuously assayed when received at the laboratory and individual samples vary between one and four metres in length.

In general, only thin glacial overburden, varying between 0.6 to 5.7 metres, has been encountered with an average soil cover for all of the drillholes of approximately 2.2 metres. Details of the drill holes and the sections selected for analysis are set out in the table below:

Hole No.	Y meter	X meter	Total depth (m)	Overburden (m)	Section selected (m)		
					From	To	Total Width
KAL 10 001*	7,414,200	1,646,200	114.3	1.3	84.45	161.55	77.1
KAL 10 002	7,414,200	1,646,120	119.35	1.2	66.1	116.35	50.25
KAL 10 003**	7,414,200	1,646,121	60.3	2.65	3.95	51.3	47.35
KAL 10 004	7,414,200	1,646,050	220.2	1.3	1.3	220.2	218.9
KAL 10 005	7,414,200	1,645,950	119.4	0.8	0.8	113.55	112.75
KAL 10 006	7,414,100	1,645,900	84.1	4	4.0	68.15	64.75
KAL 10 007	7,414,100	1,646,000	148.2	3.5	8.25	148.2	139.95
KAL 10 008	7,414,100	1,646,060	101.55	1.6	10.35	101.55	91.2

KAL 10 009	7,414,060	1,646,160	124.25	2.2	43.5	124.25	80.75
KAL 10 010	7,414,100	1,646,200	238.95	2	85.8	238.95	153.15
KAL 10 011	7,413,970	1,646,160	115.7	3	None		
KAL 10 012	7,414,050	1,646,080	98.25	1.4	1.4	98.25	96.85
KAL 10 013	7,414,000	1,645,960	142.8	3	39.65	131.85	92.2
KAL 10 014	7,414,000	1,645,900	66.4	3.5	4.3	139.0	134.7
KAL 10 015	7,414,263	1,645,925	85.25	1.35	1.35	67.05	65.7
KAL 10 016	7,414,260	1,645,990	127.95	2.9	6.10	127.95	123.85
KAL 10 017	7,414,260	1,646,081	136.15	1.45	25.15	136.15	111
KAL 10 018	7,414,260	1,646,181	137.65	5.7	46.8	134.65	87.85
KAL 10 019	7,414,360	1,646,190	67.2	5.48	25.60	47.40	21.8
KAL 10 020	7,414,378	1,646,099	120.6	2.1	35.50	120.6	85.1
KAL 10 021	7,414,365	1,645,986	84.4	1.95	1.95	84.4	82.45
KAL 10 022	7,414,360	1,645,950	88	3.8	3.8	69.65	65.85
KAL 10 023	7,414,460	1,645,980	94.15	1.9	1.9	78.95	77.05
KAL 10 024	7,414,460	1,646,030	117.05	0.6	0.6	117.05	116.45
KAL 10 025	7,414,460	1,646,130	120.7	1.7	9.7	120.7	111
KAL 10 026	7,414,460	1,646,190	75.15	1.55	51.25	60.20	8.95
KAL 10 027	7,414,551	1,646,181	124.85	2.15	30.03	124.85	94.82
KAL 10 028	7,414,530	1,646,023	131	2.6	2.8	113.05	110.25
KAL 10 029	7,414,674	1,646,186	75.5	0.9	55.50	66.50	11
KAL 10 030	7,414,660	1,646,150	100.8	1.8	7.8	100.8	93
KAL 10 031	7,414,660	1,646,090	145.1	0.6	0.6	142.05	141.45
KAL 10 032	7,414,760	1,646,170	172.55	0.9	57.3	172.55	115.25
TOTAL:			**3,757.8**	**70.88**			**2,882.72**

Notes:

* - drilled at angle of 60 degrees. All other holes drilled at 45 degrees.
** - azimuth of 90 degrees. All other holes have an azimuth of 270 degrees.

The drilling was conducted in a grid pattern with individual profiles 300-400m long across the deposit in an east-west direction at 100m spacing. Nine profiles have been completed and the distance between each drillhole along each profile varied from 50 to 100m. All but one drillhole were drilled towards the west with an azimuth of 270^0 and with an inclination of 45^0. Although the depth of each drillhole was generally planned to be 100m, seventeen of the drillholes were drilled to deeper levels in order to attempt the penetration of the full depth of the mineralization. Several holes, for example, KAL 10 004, KAL 10 010, KAL 10 020 and KAL 10 024, encountered high grade iron mineralization at depths greater than 120 metres. Drillhole KAL 10 004 is noteworthy as it is mineralized throughout its full length of 218.9m.

Substantially more iron ore sections were drilled than expected and, accordingly, analytical assaying of the drill cores will take longer to complete, with results currently anticipated to be available for interpretation no earlier than the end of October 2010. Preliminary indications suggest that more than 150Mt of iron ore are present on the Kallak North deposit, at an estimated average grade of 35% Fe.

Metallurgical bench scale tests using Davis Tube Recovery conducted by MINPRO AB ("MINPRO") of Strassa, Sweden (www.minpro.se) on ore material from the Kallak North deposit have been directed towards the production of a high grade magnetite pellet feed product for use by potential clients. Traditional treatment of the ore material by fine grinding and wet magnetic separation resulted in a clean magnetite pellet feed product containing 68.0% iron corresponding to a recovery of 85.1%. The head grade ore material contained 39.8% iron, 33.1% SiO_2, 0.57% MnO, 0.09% P_2O_5, 0.10% TiO_2 and 0.007% S. Further testing of the Kallak North deposit ore material by MINPRO, using flotation techniques combined with wet magnetic separation, have resulted in a final, high grade pellet feed product containing 70.4% iron with low levels of contaminants (other metals). By general industry standards, this product is considered by Beowulf to be of high commercial quality and of direct potential interest to the international steel market.

The intention is to use all of the data the Company holds and is gathering on Kallak North to seek a JORC inferred resource figure for the area in due course.

Completion of Iron of Sweden acquisition

Further to the proposed acquisition of IOS announced on 12 July 2010, the Company has been notified that the requisite Swedish regulatory approvals have now been received by Tasman Metals Limited ("Tasman") in respect of the transfer to IOS of certain permits located to the south of the Company's Kallak project. The Parkijaure 1 and 2 permits are located directly on extensions of the Kallak North deposit and will be referred to by the Company as Kallak South, with the potential to add significant iron ore resources to the presently defined northern deposit.

Accordingly, the Company has today completed the acquisition of the entire issued share capital of IOS and issued 691,921 new ordinary shares of 1p each ("Ordinary Shares") in Beowulf (the "Acquisition Shares") and a 1.5 per cent. Net Smelter Royalty on any future production in the three permit areas by way of consideration. The Acquisition Shares rank *pari passu* in all respects with the Company's existing Ordinary Shares and represent approximately 0.45 per cent. of the enlarged issued share capital of the Company. Tasman has agreed not to trade the Acquisition Shares for a period of twelve months following their date of issue.

Following the completion of this acquisition, Beowulf currently intends to commence a new drilling programme on the Parkijaure 2 permit area in October 2010, in order to define the iron ore resource and enable a maiden JORC compliant resource to then be sought. The planned drilling programme will be of a similar size (grid pattern of 35 holes totalling 3,500m) to that completed at the Kallak North deposit.

Conversion of convertible loan

Starvest has recently served notice to exercise its conversion right in full in respect of its outstanding £250,000 July 2012 4% convertible loan, at a conversion price of 4 pence per share. Accordingly, the Company has today issued 6,250,000 Ordinary Shares in Beowulf (the "Conversion Shares") to Starvest. The Conversion Shares rank *pari passu* in all respects with the Company's existing Ordinary Shares and represent approximately 4.09 per cent. of the enlarged issued share capital of the Company. Following the issue of the Conversion Shares, Starvest is now interested, in aggregate, in 6,250,000 Ordinary Shares representing approximately 4.09 per cent. of the Company's enlarged issued share capital and the Company no longer has any indebtedness.

Application will be made to the London Stock Exchange for the Acquisition Shares and Conversion Shares to be admitted to trading on AIM ("Admission"). It is expected that Admission will become effective and that dealings in the Acquisition Shares and Conversion Shares will commence at 8.00 a.m. on Wednesday 22 September 2010. The Company's issued ordinary share capital will consist of 152,840,168 Ordinary Shares with voting rights. Beowulf does not hold any Ordinary Shares in treasury and accordingly there are no voting rights in respect of any treasury shares.

The aforementioned figure of 152,840,168 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, Beowulf under the FSA's Disclosure and Transparency Rules.

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 Technical Director of the Company and has over 30 years relevant experience within the natural resources sector.

Notes to editors:

The Kallak Iron Ore Deposit

In July 2010, preliminary results were announced for section 7414 200 N (RAK coordinate system) totaling 400m in length and comprising five inclined drillholes. Drillholes KAL 10 001, 002, 004 and 005 were drilled towards the west to perpendicularly intersect the generally steeply east-west dipping and north-south striking iron ore zone. The assay and susceptibility results for this section currently appear to be a good example for a number of the other drillhole sections under assessment. Drillhole 10 003, located close to hole 10 002, is the only drillhole in the programme, which was drilled towards the east. Starting from the eastern ore zone limit of the deposit, these holes initially intersected a mineralized zone of approximately 35m true width with a relatively consistent grade of 37.5% iron. This ore zone, defined as the "Eastern Ore Zone", is intersected both at surface level (KAL 10 003) and at the 100m level (KAL 10 001) below surface (see figures 1 and 2 on the Company's website: www.beowulfmining.net, which show these drill holes with plotted susceptibility readings and available analytical Fe grade).

The holes further west in this drill section have all intersected iron ore of substantial widths as noted by susceptibility readings of the drill cores. Analytical results from hole KAL 10 001 over a section of 93.1m (86.25 - 179.35m) show a grade of Fe 33.0%. Within this section, a length of 77.0m has a grade of 36.4% Fe. Drill hole KAL 10 002, shows an average grade of 30.5% Fe over a 47.6m section along the drill core (66.6 - 114.2m). The ore zone is intersected by relatively narrow sections of pegmatite's and granites. Maximum analytical grades are noted at 41.8% Fe. This ore intersection is interpreted to be the eastern limit of a much wider ore zone defined as the "*Main Ore Zone*", which is further intersected by holes KAL 10 004 and 10 005. Extremely high susceptibility readings were noted over extended widths, especially at depth, in these holes. Although high susceptibility levels are noted, the assay results for these holes are remarkably stable at 38-40% Fe. The results confirm the presence a "Major Ore Zone" with a width of over 200m extending to depths of more than 150m. Together with the "Eastern Ore Zone" this total section at 7414 200 N forms a 300m wide ore section across the complete width of the Kallak North deposit.

All further drillhole sections completed at 7414 100N, 7414 000N, 7414 260N, 7414 360N, 7414 360N, 7414 460N, 7414 530N, 7414 660N and 7414 760N are cross cutting the deposit in a similar manner to that described at 7414 200N. Accordingly, the extension of the Kallak North deposit has been confirmed over a length of 800m in these sections. On-site magnetic susceptibility readings support the findings in section 7414 200N. Of particular interest are results from deeper drilled holes, which indicate high grade sections at depths of more than 150m below the surface, and the remarkably stable grades of iron between 35-41% over significant widths of almost 100 metres. The Geological Survey of Sweden's historic 1970's estimate of the resource tonnage to 100m depth for the Kallak North Iron Ore deposit is 92 million tonnes based on gravity and magnetic data. The present drill programme has indicated that substantial additional tonnages are present.

Iron of Sweden Limited

IOS is a recently incorporated UK private company which holds two permits just south of Kallak and one in the Kiruna region. Summary details of the permits are set out below:

PERMIT NAME	LICENCE ID	AREA (sq. Km.)	VALID FROM	VALID TO	COUNTY	MUNICIPALITY
Nakerivaara nr 1	2007:353	505.48	28/12/2007	28/12/2010	Norrbottens län	Kiruna
Parkijaure nr 1	2007:354	417.11	28/12/2007	28/12/2010	Norrbottens län	Jokkmokk
Parkijaure nr 2	2008:20:00	285.25	18/01/2008	18/01/2011	Norrbottens län	Jokkmokk

An independent report produced in May 2009 by ReedLeyton Consulting states that the two permits at Parkijaure have an anomaly with an estimated 34 million tonnes of 38-39% iron ore. This is based on limited historic drilling, but also ground magnetic and geophysical work and 3D magnetic modelling.

The same report also states that *"..the source of the anomaly is not only bigger in volume than that of the Kallak deposit but also significantly higher in magnetic susceptibility".*