

23 December 2010

**Beowulf Mining Plc**  
("Beowulf" or the "Company")

**Update re Kallak Iron Ore Project**

***Initial drilling results for the Kallak South deposit confirm presence of an estimated 400 million tonnes of iron ore***

***Preliminary results for the ongoing independent assessment of a JORC compliant resource estimate for the Kallak North deposit indicate presence of approximately 175 million tonnes of iron ore***

**Highlights:**

- The first ten drillholes of the Company's diamond drilling programme at its Kallak South iron ore deposit have been completed and initial results confirm the presence of high grade iron ore of a similar type and quality to that encountered on the Kallak North deposit.
- The completed drillholes have only tested approximately 600 metres of the extension of the most northerly part of the Kallak South deposit, which from detailed ground magnetic data is indicated to extend well over 2,400 metres in length with a maximum width of 400 metres in its central zone.
- Based on the initial drilling results and the measured size of the magnetic anomaly the Kallak South deposit is estimated to contain more than 400 million tonnes of iron ore.
- An international consultancy group has started work to complete an independent JORC compliant resource estimate for the Kallak North deposit based on the Company's 2010 drilling results and historic data. Their report is scheduled to be completed in late Q1 2011. Preliminary results indicate the presence of more than 175m tonnes of iron ore.
- Significant additional tonnages of iron ore at Kallak North are anticipated from planned future drilling on this deposit as its total extension is not currently defined.
- Together the two deposits at Kallak are estimated to contain more than 600 million tonnes of high quality quartz banded magnetite iron ore. Since both deposits are of similar type and located close together on a direct extension within the same geological structures, they may be connected at greater depths to form one deposit with a total extension of more than four kilometres.
- Drilling programme temporarily halted over the Christmas period with operations to resume in the first week of 2011. Severe winter conditions have been encountered with temperatures reaching -35 degrees over extended periods serving to slow down progress.

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

*"The latest drilling results again demonstrate Kallak's considerable potential. We continue to expand the amount of iron ore that we have and firmly believe that we have discovered a world class deposit."*

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 first ten drillholes, for a total of approximately 951 metres, of the planned 32 drillhole (3,500 metres) programme on the Company's wholly-owned Kallak South iron ore deposit in the municipality of Jokkmokk in northern Sweden. The Company completed a similar drilling programme on its Kallak North deposit in August 2010 and the two deposits together form the Kallak Iron Ore Project.

The present ongoing Kallak South drilling programme is comprised of a grid pattern of twelve drill profiles in an E-W direction at 200 metres spacing covering the extent of the deposit as noted from ground magnetic data.

The completed drillholes have only tested approximately 600 metres of the most northerly extension of the Kallak South deposit, which from detailed ground magnetic data is indicated to extend in a N-S direction well over 2,400 metres in length with a maximum width of 400 metres in its central zone. Based on the initial drilling results and the measured size of the detailed ground magnetic anomaly, the Kallak South deposit is estimated to contain more than 400 million tonnes of iron ore.

The initial results for the first ten drillholes, by on site logging and screening of drillcores of magnetic susceptibility for direct response of magnetite, show that the encountered mineralisation is of similar high quality, quartz banded magnetic iron ore as that of the Kallak North deposit. Both deposits are located in close proximity, only separated by some few hundred metres, within the same highly altered, Proterozoic volcanic bedrock structure. As such, the deposits are interpreted to possibly be geologically connected at greater depth to form one large iron ore resource of more than 600 million tonnes with a total extension of more than four kilometres.

An international consultancy group has started work to complete an independent JORC compliant resource estimate for the Kallak North deposit based on the Company's 2010 drilling results and historic data. Their report is scheduled to be completed in late Q1 2011. Preliminary results indicate the presence of more than 175m tonnes of iron ore.

Significant additional tonnages of iron ore at Kallak North are anticipated from additional planned future drilling on this deposit as its total extension is not currently defined. High grade drill core intercepts, both at the northern and southern ends of the Kallak North deposit, show that the iron mineralisation extends well beyond the present drill confirmed extension area. Accordingly, the Company has concluded that additional drilling at the Kallak North deposit will be required in due course in order to define the limits of the extension.

The current drilling programme on Kallak South is being conducted in a similar manner to the Company's Kallak North programme completed in August 2010. Drilling commenced in late October 2010, but is presently temporarily halted over the Christmas period with operations planned to resume in the first week of 2011. Severe winter conditions have been encountered with temperatures reaching -35 degrees centigrade over extended periods serving to slow down progress.

The drilling operator is the Swedish company Ludvika Borrteknik AB, which is using light moveable rigs to complete the programme. At each drill site, all drill cores are screened by a handheld magnetic susceptibility meter and all magnetic responding sections are identified and registered. All the drill cores are geologically logged and the sections selected for analysis are prepared and assayed at the ALS/Chemex laboratory in the town of Piteå in northern Sweden. The sampled drill core sections are assayed for iron and a further 20 metallic elements using XRF techniques at the laboratory. Details of the first ten drillholes and the sections selected for analysis are set out in the table below:

Hole No.*	Y meter	X meter	Total depth (m)	Section selected (m)		
				From	To	Section length
KAL 10 033**	7,412,763	1,645,560	59.1	***		
KAL 10 034**	7,412,760	1,645,480	78.1	***		
KAL 10 035**	7,412,760	1,645,400	79.2	10.50	68.50	58.00
KAL 10 036**	7,412,758	1,645,300	128.8	33.80	108.60	74.80
KAL 10 037	7,412,942	1,645,656	100.45	***		
KAL 10 038	7,412,960	1,645,575	118	80.00	112.80	32.80
KAL 10 039	7,413,060	1,645,650	89.9	52.75	79.60	26.85
KAL 10 040	7,413,060	1,645,575	98.05	44.50	85.35	40.85
KAL 10 041	7,414,795	1,645,600	100.5	65.30	92.40	27.10
KAL 10 042	7,414,798	1,645,505	98.5	18.20	90.20	72.00
<b>TOTAL:</b>			<b>950.6</b>			<b>332.40</b>

Notes:

\* - all holes were drilled at an angle of 45 degrees.

\*\* - azimuth of 90 degrees. All other holes have an azimuth of 270 degrees.

\*\*\* - no assays selected as outside eastern limit of the deposit.

In light of the severe winter conditions that have prevailed at the drill sites over an extended period, assay results for the initial drill holes are currently expected to be received in late January 2011 with the final assay results for all of the drill cores anticipated to be received during Q2 2011.

The objective of the drilling programme is to define the quantity and quality of the iron ore already known to be present at the Kallak South deposit and allow a maiden JORC compliant resource/reserve to then be sought.

To further test the quality of ore from the Kallak South deposit relative to that of the high quality Kallak North deposit, the Company will shortly be commencing bench scale metallurgical tests, including DTR (Davis Tube Recovery) tests on ore grade material from this deposit. The tests will be conducted by MINPRO AB's research laboratory at Stråssa, Central Sweden. The metallurgical tests are to be carried out on selected large samples of ore grade drill core sections of the deposit. The bench scale tests will be directed towards the production of a high grade magnetite pellet feed product for use by potential clients.

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.

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