

22 March 2011

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

Update re Kallak Iron Ore Project

Initial assay results received for the first 10 drillholes on Kallak South

Highlights:

- Assay results received for the first ten drillholes of the Company’s diamond drilling programme at its Kallak South iron ore deposit confirm the presence of high grade iron ore of a similar type and quality to that encountered at Kallak North.
- Initial drill results from the ongoing drilling programme confirm the presence of high grade iron mineralisation over significant widths of up to 400 metres. Drilling is expected to be completed by the end of Q2 2011. Following completion of this programme drilling will recommence at Kallak North.
- The results of the initial drilling and the measured size of the magnetic anomaly confirm earlier estimates of the presence of more than 400 million tonnes of iron ore at Kallak South.
- Bench scale metallurgical tests, including DTR (Davis Tube Recovery) tests on ore grade material from Kallak South are currently being conducted by MINPRO AB in order to further assess the quality of the iron ore.
- Preparation of an independent JORC compliant resource estimate for the Kallak North deposit, based on the Company’s 2010 drilling results and historic data is currently ongoing and scheduled to be completed in Q2 2011.
- Work has recently commenced with respect to a planned formal application to transfer the existing exploration permits for the Kallak project area into an exploitation (mining) licence which will, *inter alia*, involve the commissioning of an Environmental Impact Study (EIS).
- Subject to the receipt of all necessary regulatory approvals, pilot scale test mining and further metallurgical testing, including further DTR studies, are currently intended to commence in Q1 2012 with deliveries of large quantities of high quality pellet feed material (containing approximately 70% Fe) to potential customers expected to potentially start later in 2012.

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

“These initial assay results for Kallak South again demonstrate the Kallak project’s considerable potential. The quality of our iron ore remains high while the quantity continues to increase. This combination fully justifies our seeking to accelerate the process of getting Kallak into potential production as soon as possible.”

Beowulf (AIM: BEM; Aktietorget: BEO), the AIM and Aktietorget traded mineral exploration company, which owns several exploration projects in Sweden, is pleased to announce assay results for the first ten drillholes (approximately 951 metres) of the Company’s planned 3,500 metres drilling programme on the Kallak South deposit. The Company successfully completed a similar 32 hole drilling programme to outline its Kallak North deposit in August 2010 and, together, the two deposits form the Kallak Iron Ore Project.

The Kallak South drilling programme comprises a total of 32 holes to be drilled in a grid pattern of twelve drill profiles in an E-W direction at 200 metres spacing covering the N-S extension of the deposit as noted from ground magnetic data. Drilling commenced in late 2010, but was temporarily disrupted, following the completion of the first ten holes, by unexpected severe winter weather conditions. Drilling is currently progressing at an accelerated rate in order to make up for lost time with the programme scheduled to be completed in Q2 2011.

The drillholes assayed to date have tested approximately 530 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 over 2,400 metres in length with a maximum width of 400 metres in its central zone. Based on the initial drilling results and 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 Swedish drilling operator Ludvika Borrteknik AB is utilising 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 being geologically logged and the sections selected for analysis are being prepared at the ALS/Chemex laboratory in the town of Piteå in northern Sweden. Half of each drillcore is retained in storage and the other half is prepared by crushing and grinding before assaying for iron and a further 20 metallic elements using XRF techniques at the ALS laboratory in Perth. Details of the first ten drillholes and results for the assayed sections are set out in the table below:

| Hole No.* | Total depth (m) | Section analysed (m) | | | Assay results Fe (%) |
|-------------------------------|-----------------|----------------------|--------|----------------|----------------------|
| | | From | To | Total Width | |
| KAL 10 033** | 59.10 | 11.80 | 59.10 | 47.30 | 26.1 |
| KAL 10 034** | 74.60 | 13.50 | 64.60 | 51.10 | 29.2 |
| KAL 10 035** | 82.70 | 18.50 | 57.30 | 38.80 | 25.1 |
| KAL 10 036** | 128.80 | *** | | | |
| KAL 10 037 | 100.45 | 1.65 | 100.45 | 98.80 | 30.1 |
| KAL 10 038 <i>includes</i> | 118.00 | 21.50 | 118.0 | 96.50 22.80 | 26.3 33.8 |
| KAL 10 039 <i>includes</i> | 89.90 | 9.50 | 89.90 | 80.40 37.15 | 29.1 34.3 |
| KAL 10 040 <i>includes</i> | 98.05 | 22.40 | 98.05 | 75.65 50.20 | 28.4 32.1 |
| KAL 10 041 | 100.50 | 40.10 | 83.70 | 43.60 | 21.0 |
| KAL 10 042 | 98.50 | *** | | | |
| TOTAL: | 950.60 | | | 532.15 | |

Notes:

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

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

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

For each drill hole, the longest mineralised intercept with grades higher than 20% Fe is noted, with the length shown in metres and average grade of iron (%Fe). Notably, high grade sections of significant length with more than 30% Fe are also included.

Figures showing cross-sections of the drill holes with iron assay results and a map of the drill hole locations are currently being prepared and, once finalised, will be made available on the Company's website at www.beowulfmining.net.

As a result of the angled holes cutting an almost vertical dipping iron mineralised zone, the true thickness of the intercepted mineralised material is estimated to be 70% of the downhole length of the mineralized core in the individual borehole.

The above assay results confirm that the encountered mineralisation is of a generally similar high quality, quartz banded magnetic iron ore to that encountered on the Kallak North

deposit. However, some minor hematite has been observed occurring on the eastern flank of the Kallak South deposit.

The initial drilling results have also shown that the northerly extension of the deposit is occurring beneath a glacial overburden cover of more than 15 metres thickness, which is substantially more relative to that of the Kallak North deposit where the overburden thickness noted in drillholes seldom exceeded two metres. Occasionally abundant fracture zones have been encountered in the upper surficial part of the host bedrock surrounding the mineralisation.

The ongoing drilling programme is currently being carried out on planned E-W extending drillsections, which cross cut the central zone of the deposit about 1,000 metres south of the formerly drilled sections of the deposit. Initial drill results for these sections confirm the presence of high grade iron mineralisation over significant widths of up to 400 metres. Similar widths of iron mineralisation are anticipated along forthcoming parallel drillsections as identified by ground magnetic data.

Both the Kallak North and the Kallak South iron ore deposits are located in close proximity to each other, being separated by only some few hundred metres in extension, 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 very large iron ore resource of much more than 600 million tonnes with a total extension of more than four kilometres.

An independent JORC compliant resource estimate for the Kallak North deposit, based on the Company's 2010 drilling results and historic data, has been commissioned from the Swedish consultancy company GeoVista AB at Luleå, Northern Sweden and prepared in conjunction with an international consultancy group. The report is scheduled to be completed in Q2 2011. Preliminary results indicate the presence of more than 175 million tonnes of an inferred iron ore resource.

Significant additional tonnages of iron ore resources are anticipated from scheduled future drilling at Kallak North as its total N-S extension is not currently defined. High grade drill core intercepts, both at the northern and southern ends of the Kallak North deposit, have shown that the iron mineralisation extends well beyond the present drill confirmed extension area. Accordingly, additional drilling at the Kallak North deposit will be required in due course in order to define the limits of the deposit extension.

Bench scale metallurgical tests, including DTR (Davis Tube Recovery) tests on ore grade material from Kallak South are currently being conducted by MINPRO AB's research laboratory at Stråssa, Central Sweden in order to further assess the quality of the iron ore. The metallurgical tests are being carried out on selected large samples of ore grade drill core sections of the deposit and will be directed towards the production of a high grade magnetite pellet feed product similar to that obtained from the Kallak North deposit.

The Company has recently started work with respect to a planned formal application for the transfer of the existing exploration permits for the Kallak project area into an exploitation or mining licence. As outlined in Sweden's Minerals Act, a significant part of this proposed application will involve the commissioning of an Environmental Impact Study (EIS), which is intended to be carried out by an independent consultancy group with experience of similar successful assignments for other mining companies in Northern Sweden. As announced previously, in order to facilitate this process Beowulf is establishing a newly incorporated Swedish subsidiary in Stockholm.

Successful completion in due course of an EIS, together with a technical report, and the subsequent granting of an exploitation licence by the Mines Inspector will enable the Company to start pilot mining surveys and collect large scale samples from the Kallak deposits for mining and metallurgical tests. A large quantity of high quality pellet feed material can then be produced for delivery to potentially interested steel customers.

Subject to receiving all the necessary regulatory approvals by the end of 2011, pilot scale test mining and further metallurgical testing, including further DTR studies, are currently intended to commence in Q1 2012 with possible deliveries of large quantities of high quality pellet feed material to potential customers expected to potentially start later in 2012. It is anticipated that a pellet feed product can be produced relatively easily from the Kallak iron ores containing approximately 70% Fe with low levels of contaminants such as sulphur, phosphorous and titanium. Such a high quality pellet feed product is currently in high demand by potential customers.

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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